

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

November 2009

**Muscatine Power and Water
Electric Utility**

Table of Contents

	Page
Classification of Electric Energy Distribution.....	1 - 2
Statements of Revenues, Expenses, and Changes in Net Assets.....	3 - 4
Balance Sheets.....	5 - 6
Statements of Cash Flows.....	7 - 8
Funds Appropriated for Specific Purposes.....	9
Summary of Expenses.....	10 - 15
Statistical Data.....	16
Wholesale Sales Analysis.....	17

Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Current Month - November 2009

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Electric Energy Distribution - KWH</u>					
Residential	6,889,528	(1.6)	6,776,807	(2.4)	6,946,569
Commercial I	2,928,246	(5.9)	2,754,465	(7.3)	2,971,865
Commercial II	9,962,339	(22.3)	7,745,492	(11.8)	8,780,837
Industrial I	11,218,050	(25.5)	8,359,001	(10.7)	9,358,260
Industrial II	36,914,044	3.2	38,078,172	(1.2)	38,545,444
City Enterprise Funds	449,742	11.4	501,093	21.7	411,695
Water & Communications Utilities	<u>1,504,638</u>	(6.7)	<u>1,403,674</u>	(9.1)	<u>1,543,954</u>
Native System Sales	69,866,587	(6.1)	65,618,704	(4.3)	68,558,624
Wholesale Sales*	<u>44,048,487</u>	37.6	<u>60,617,384</u>	17.7	<u>51,500,000</u>
Total Sales Delivered to Paying Consumers	113,915,074	10.8	126,236,088	5.1	120,058,624
City Lighting	161,553	29.2	208,721	19.9	174,024
City Buildings	505,359	(13.4)	437,884	(8.5)	478,796
Offline Power Plant Usage	---	---	89,866	---	---
MAPP Trans Loss-Payment	---	---	---	---	---
Losses & Cycle Billing	<u>2,301,892</u>	(73.7)	<u>605,295</u>	(67.7)	<u>1,875,868</u>
Total KWH Distributed	<u>116,883,878</u>	9.1	<u>127,577,854</u>	4.1	<u>122,587,312</u>
<u>KWH Generated and Received</u>					
Gross Generation*	128,217,427	(46.0)	69,173,730	(48.5)	134,362,712
Less: Plant Use	<u>11,333,549</u>	(24.5)	<u>8,556,346</u>	(30.1)	<u>12,248,400</u>
Net Generation	116,883,878	(48.1)	60,617,384	(50.4)	122,114,312
Purchased Power*	---	---	66,960,470	---	295,000
MAPP Trans Loss-Repayment	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>178,000</u>
Total Net Generated and Received	<u>116,883,878</u>	9.1	<u>127,577,854</u>	4.1	<u>122,587,312</u>
<u>Steam Sales - 1000 lbs</u>	<u>207,000</u>	<u>(16.5)</u>	<u>172,872</u>	<u>8.0</u>	<u>160,025</u>
<u>Purchased Power</u>	<u>KWH</u>		<u>Amount</u>		<u>Avg. Price</u>
MISO	66,960,470		\$1,446,209		\$0.0216
<u>Wholesale Sales</u>					
MISO	60,617,384		\$1,546,939		\$0.0255

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

Muscatine Power and Water - Electric Utility
Classification of Electric Energy Distribution
Calendar Year-to-Date - November 2009

Page 2

	<u>Budget Estimate</u>	<u>% Increase (Decrease) From Budget</u>	<u>This Year</u>	<u>% Increase (Decrease) Fr. Last Yr.</u>	<u>Last Year</u>
<u>Electric Energy Distribution - KWH</u>					
Residential	94,439,854	(5.3)	89,405,999	(2.8)	91,962,637
Commercial I	37,875,325	(8.1)	34,797,406	(5.2)	36,719,282
Commercial II	114,878,572	(21.1)	90,682,990	(13.5)	104,879,940
Industrial I	133,147,545	(18.0)	109,178,302	(11.3)	123,105,080
Industrial II	415,144,164	(2.4)	405,131,124	(3.0)	417,604,321
City Enterprise Funds	5,183,281	7.2	5,557,910	9.6	5,071,866
Water & Communication Utilities	<u>17,012,458</u>	<u>(8.3)</u>	<u>15,593,616</u>	<u>(12.5)</u>	<u>17,819,522</u>
Native System Sales	817,681,199	(8.2)	750,347,347	(5.9)	797,162,648
Wholesale Sales*	<u>497,104,010</u>	<u>(15.9)</u>	<u>418,157,112</u>	<u>(11.9)</u>	<u>474,447,000</u>
Total Sales Delivered to Paying Consumers	1,314,785,209	(11.1)	1,168,504,459	(8.1)	1,271,609,648
City Lighting	1,865,512	1.7	1,896,940	1.4	1,870,840
City Buildings	6,037,127	(7.6)	5,578,883	(3.1)	5,760,191
Offline Power Plant Usage	---	---	344,586	---	---
MAPP Trans Loss-Payment	---	---	1,023,000	(58.3)	2,456,000
Losses & Cycle Billing	<u>25,296,362</u>	<u>(28.4)</u>	<u>18,114,362</u>	<u>(16.9)</u>	<u>21,805,321</u>
Total KWH Distributed	<u>1,347,984,210</u>	<u>(11.3)</u>	<u>1,195,462,230</u>	<u>(8.3)</u>	<u>1,303,502,000</u>
<u>KWH Generated and Received</u>					
Gross Generation*	1,441,032,471	(27.8)	1,040,847,862	(24.7)	1,381,594,800
Less: Plant Use	<u>134,412,261</u>	<u>(16.7)</u>	<u>112,026,452</u>	<u>(13.0)</u>	<u>128,753,800</u>
Net Generation	1,306,620,210	(28.9)	928,821,410	(25.9)	1,252,841,000
Purchased Power*	41,364,000	---	264,904,820	---	48,797,000
MAPP Trans Loss-Repayment	---	---	<u>1,736,000</u>	<u>(6.9)</u>	<u>1,864,000</u>
Total Net Generated and Received	<u>1,347,984,210</u>	<u>(11.3)</u>	<u>1,195,462,230</u>	<u>(8.3)</u>	<u>1,303,502,000</u>
<u>Steam Sales - 1000 lbs</u>	<u>2,173,680</u>	<u>6.4</u>	<u>2,313,584</u>	<u>4.9</u>	<u>2,204,579</u>
<u>Purchased Power</u>					
MISO	206,879,820		\$4,438,080		\$0.0215
OPPM	44,760,000		2,007,471		0.0448
REM	12,915,000		320,466		0.0248
Other	<u>350,000</u>		<u>25,251</u>		<u>0.0721</u>
	<u>264,904,820</u>		<u>\$6,791,268</u>		<u>\$0.0256</u>
<u>Wholesale Sales</u>					
MISO	201,057,112		\$5,023,198		\$0.0250
OPPM	87,725,000		2,687,649		0.0306
REM	108,937,000		3,585,672		0.0329
PELLA	18,886,000		1,462,483		0.0544 **
Other	<u>1,552,000</u>		<u>55,430</u>		<u>0.0357</u>
	<u>418,157,112</u>		<u>\$12,814,432</u>		<u>\$0.0296 **</u>

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

**Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - November 2009

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$475,377	0.0690	\$508,424	0.0750	\$518,954	0.0747
Commercial I	220,292	0.0752	210,308	0.0764	224,870	0.0757
Commercial II	551,117	0.0553	440,957	0.0569	490,835	0.0559
Industrial I	523,146	0.0466	432,557	0.0517	458,284	0.0490
Industrial II	1,530,525	0.0415	1,579,856	0.0415	1,597,013	0.0414
City Enterprise Funds	22,129	0.0492	25,463	0.0508	19,977	0.0485
Water & Communication Utilities	68,927	0.0458	67,536	0.0481	70,458	0.0456
Native System Sales	3,391,513	0.0485	3,265,101	0.0498	3,380,391	0.0493
Wholesale Sales*	1,935,518	0.0439	1,546,939	0.0255	2,017,122	0.0392
Energy Sales	5,327,031		4,812,040		5,397,513	
<u>Steam Sales</u>	792,727	3.83	685,228	3.96	599,773	3.75
<u>Other Revenue</u>						
Rail Car Lease	---		---		26,875	
By-Product Revenue	11,887		24,025		36,389	
Miscellaneous Revenue	38,706		43,988		21,493	
Total Other Revenue	50,593		68,013		84,757	
Operating Revenue	6,170,351		5,565,281		6,082,043	
<u>Operating Expense</u>						
Production Fuel	2,243,974		1,112,430		2,245,104	
Purchased Power*	---		1,446,209		3,414	
Emissions Allowance	5,490		34,774		8,030	
Operation	1,877,549		1,671,087		1,629,628	
Maintenance	960,575		922,221		1,136,629	
Depreciation	1,180,374		1,175,880		1,142,497	
Total Operating Expense	6,267,962		6,362,601		6,165,302	
Operating Loss	(97,611)		(797,320)		(83,259)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	198,981		172,382		482,457	
Interest Expense	(178,165)		(179,608)		(230,789)	
Total Nonoperating Revenue (Expense)	20,816		(7,226)		251,668	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(76,795)		(804,546)		168,409	
Capital Contributions	---		---		---	
Revenue Adjustment-Extraordinary O & M	---		---		---	
Change in Net Assets	(76,795)		(804,546)		168,409	
Beginning Net Assets	160,695,648		153,824,832		157,967,634	
Ending Net Assets	\$160,618,853		\$153,020,286		\$158,136,043	
Percent to Total Income Before Revenue Adj	(1.2)		(14.0)		2.6	
Percent to Total Income After Revenue Adj	(1.2)		(14.0)		2.6	
Debt Service Coverage Before Transfers	1.10		0.47		1.10	
Debt Service Coverage After Transfers	1.10		0.47		1.10	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - November 2009

Page 4

	Budget Estimate	Avg. Price	This Year	Avg. Price	Last Year	Avg. Price
<u>Sales of Electricity</u>						
Residential	\$6,739,303	0.0714	\$6,507,431	0.0728	\$6,667,123	0.0725
Commercial I	2,819,277	0.0744	2,618,162	0.0752	2,749,558	0.0749
Commercial II	6,209,263	0.0541	5,131,574	0.0566	5,786,930	0.0552
Industrial I	6,058,652	0.0455	5,395,224	0.0494	5,709,875	0.0464
Industrial II	17,067,107	0.0411	16,883,428	0.0417	17,281,952	0.0414
City Enterprise Funds	250,324	0.0483	277,150	0.0499	246,931	0.0487
Water & Communications Utilities	770,707	0.0453	734,696	0.0471	801,063	0.0450
Native System Sales	39,914,633	0.0488	37,547,665	0.0500	39,243,432	0.0492
Wholesale Sales*	26,219,329	0.0527	12,814,432	0.0296 **	24,044,253	0.0507
Energy Sales	66,133,962		50,362,097		63,287,685	
<u>Steam Sales</u>	8,281,824	3.81	9,865,094	4.26	7,906,902	3.59
<u>Other Revenue</u>						
Rail Car Lease	250,000		182,849		250,640	
By-Product Revenue	539,581		223,014		484,235	
Miscellaneous Revenue	411,510		472,714		401,645	
Total Other Revenue	1,201,091		878,577		1,136,520	
Operating Revenue	75,616,877		61,105,768		72,331,107	
<u>Operating Expense</u>						
Production Fuel	24,735,991		17,487,922		23,169,249	
Purchased Power*	2,895,480		6,791,268		2,953,288	
Emissions Allowance	60,392		1,713,554		88,331	
Operation	21,043,200		18,930,673		19,459,612	
Maintenance	13,037,165		11,021,243		13,171,004	
Depreciation	12,984,103		12,934,680		12,567,467	
Total Operating Expense	74,756,331		68,879,340		71,408,951	
Operating Income (Loss)	860,546		(7,773,572)		922,156	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	2,309,201		1,861,203		3,031,565	
Interest Expense	(1,959,820)		(1,976,270)		(2,538,981)	
Total Nonoperating Revenue (Expense)	349,381		(115,067)		492,584	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	1,209,927		(7,888,639)		1,414,740	
Capital Contributions	---		---		171,280	
Revenue Adjustment-Extraordinary O & M	---		1,500,000		---	
Change in Net Assets	1,209,927		(6,388,639)		1,586,020	
Beginning Net Assets	159,408,925		159,408,925		156,550,023	
Ending Net Assets	\$160,618,852		\$153,020,286		\$158,136,043	
Percent to Total Income Before Revenue Adj	1.6		(12.5)		1.9	
Percent to Total Income After Revenue Adj	1.6		(10.2)		1.9	
Debt Service Coverage Before Transfers	1.26		0.56		1.27	
***Debt Service Coverage After Transfers	1.26		1.14		1.27	

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

**Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 and \$78,616 for the period 6/1/09 - 8/31/09.

Muscatine Power and Water - Electric Utility
Balance Sheets
November 2009

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,434,135	\$6,385,390
Investments	<u>29,262,221</u>	<u>29,299,625</u>
Total Restricted Current Assets	<u>35,696,356</u>	<u>35,685,015</u>
<u>Unrestricted</u>		
Cash - interest bearing	3,624,096	4,453,439
Investments	---	9,927,000
Receivables:		
Consumer Accounts	4,295,818	3,979,835
Wholesale	259,750	2,121,289
Steam Sales	1,451,537	599,983
Interest	948,644	1,110,511
Intercompanies	5,230	1,685
Inventories	8,261,086	6,750,438
Fuel	12,039,133	6,156,110
Prepaid Pension	---	74,787
Prepaid Expenses	<u>529,725</u>	<u>444,550</u>
Total Unrestricted Current Assets	<u>31,415,019</u>	<u>35,619,627</u>
Total Current Assets	<u>67,111,375</u>	<u>71,304,642</u>
Property and Equipment:		
At Cost	404,752,964	401,793,052
Less Accumulated Depreciation	<u>277,637,534</u>	<u>264,107,451</u>
Net Property and Equipment	<u>127,115,430</u>	<u>137,685,601</u>
Other Assets:		
Unamortized Cost of Issuing Bonds	31,713	86,913
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	<u>203,688</u>	<u>195,819</u>
Total Other Assets	<u>35,562,401</u>	<u>35,609,732</u>
TOTAL ASSETS	<u><u>\$229,789,206</u></u>	<u><u>\$244,599,975</u></u>

Muscatine Power and Water - Electric Utility
Balance Sheets
November 2009

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$6,456 in 2009 and \$6,456 in 2008; and less Deferred Amount on Refunding of \$5,421 in 2009 and \$5,138 in 2008	\$11,931,035	11,306,318
Accrued Interest	<u>865,906</u>	<u>1,124,975</u>
Total Restricted Current Liabilities	<u>12,796,941</u>	<u>12,431,293</u>
<u>Unrestricted</u>		
Accounts Payable	2,108,790	2,039,036
Pension Provision	1,287,186	---
Health & Dental Insurance Provision	192,660	186,420
Accrued Payroll	685,991	632,460
Accrued Vacation	1,002,759	961,936
Accrued Emission Allowance Expense	1,721,304	---
Consumers' Deposits	620,210	640,082
Retained Percentage on Contracts	---	20,043
Accrued Property Taxes	87,575	95,486
Miscellaneous Accrued Expenses	552,649	573,693
Miscellaneous Deferred Credits	<u>86,050</u>	<u>120,000</u>
Total Unrestricted Current Liabilities	<u>8,345,174</u>	<u>5,269,156</u>
Total Current Liabilities	<u>21,142,115</u>	<u>17,700,449</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,949,673	1,616,182
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$244,099 in 2009 and \$495,753 in 2008; and less Deferred Amount on Refunding of \$225,129 in 2009 and \$448,650 in 2008	<u>25,873,970</u>	<u>37,844,137</u>
Total Non-Current Liabilities	<u>27,823,643</u>	<u>39,460,319</u>
Deferred Revenue - Extraordinary O & M	<u>27,803,162</u>	<u>29,303,164</u>
Net Assets:		
Invested in capital assets, net of related debt	89,397,340	87,085,500
Restricted	34,830,450	34,560,040
Unrestricted	<u>28,792,496</u>	<u>36,490,503</u>
Total Net Assets	<u>153,020,286</u>	<u>158,136,043</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$229,789,206</u></u>	<u><u>\$244,599,975</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
November 2009

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,240,220	\$37,566,021
Wholesale electric sales	1,771,095	13,048,024
Steam sales	---	7,814,244
Coal & transportation allowances	81,740	805,889
Railcar leasing	---	246,349
By-product sales	1,664	234,556
Miscellaneous sources	123,495	634,174
FEMA	---	340,611
Cash paid to/for:		
Suppliers	(608,266)	(11,323,783)
Purchased power & fees	(1,477,986)	(6,005,074)
Coal	(1,809,313)	(24,170,298)
Employees payroll, taxes and benefits	<u>(1,540,154)</u>	<u>(17,786,677)</u>
Net cash flows from operating activities	<u>(217,505)</u>	<u>1,404,036</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(19,831)	(3,546,081)
Bond principal payments	---	(11,305,000)
Bond interest payments	---	(2,389,063)
Net cash flows from capital and related financing activities	<u>(19,831)</u>	<u>(17,240,144)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(94,170)
Interest received on investments and note receivable	9,515	2,222,759
Accrued Interest Purchased	---	(98)
Amortization/accretion of investments	(524)	(2,667)
Mark to market	<u>289</u>	<u>(234,437)</u>
Net cash flows from investing activities	<u>9,280</u>	<u>1,891,387</u>
Net decrease in cash and investments	<u>(228,056)</u>	<u>(13,944,721)</u>
Cash and investments at beginning of period	<u>39,548,508</u>	<u>53,265,173</u>
Cash and investments at end of period	<u>\$39,320,452</u>	<u>\$39,320,452</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
November 2009

	<u>Current</u> <u>Month</u>	<u>Year-</u> <u>To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$797,320)	(\$7,773,572)
Noncash items in operating income:		
Depreciation of electric utility plant	1,175,880	12,934,680
Amortization of joint venture rights	8,076	81,852
Changes in assets and liabilities:		
Consumer accounts receivable	(87,068)	438,714
Wholesale receivable	225,931	1,703,612
Steam sales receivable	(621,071)	(526,040)
Intercompany receivable	11,786	(1,129)
Inventories	150,910	(1,510,158)
Fuel	(1,510,089)	(6,992,310)
Prepaid expenses	77,677	(39,313)
Accounts payable	826,277	(448,709)
Pension provision	117,017	1,287,186
Health & dental insurance provision	34,588	275,065
Accrued payroll	96,694	521,239
Accrued vacation	28,497	93,300
Accrued emission allowance expense	34,774	1,721,304
Consumers' deposits	(5,621)	(14,901)
Retained percentage	---	(10,973)
Accrued property taxes	8,708	(10,895)
Miscellaneous accrued expenses	40,049	(290,966)
Miscellaneous deferred credits	<u>(33,200)</u>	<u>(33,950)</u>
Net cash flows from operating activities	<u><u>(\$217,505)</u></u>	<u><u>\$1,404,036</u></u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
November 2009**

	<u>This Year</u>	<u>Last Year</u>
Rate Stabilization Fund	---	\$5,942,434
Bond Reserve Fund	7,499,210	---
Extraordinary Operation & Maintenance Account	<u>28,197,146</u>	<u>29,742,581</u>
 Total Cash and Investments Appropriated for Specific Purposes	 <u>\$35,696,356</u>	 <u>\$35,685,015</u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2009

<u>Generation</u>	Budget		
	<u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
Operation Supervision	\$91,607	\$79,216	\$80,517
Fuel:			
Coal	2,115,560	1,058,566	2,162,462
Fuel Oil	6,482	99	2,063
Gas	36,000	6,342	10,906
Coal Handling Expense	79,563	42,178	64,153
Landfill Operation Expense	6,369	5,245	5,520
Emissions Allowance Expense	5,490	34,774	8,030
Steam Expense:			
Boiler	138,348	89,514	103,949
Pollution Control	112,065	31,489	63,052
Electric Expense	100,668	88,201	97,250
Miscellaneous Steam Power Expense	131,799	91,118	82,725
Maintenance:			
Supervision	84,869	76,631	64,527
Structures	76,569	47,873	71,890
Boiler Plant:			
Boiler	153,078	195,893	219,624
Pollution Control	25,961	24,174	30,162
Electric Plant	181,821	46,161	344,538
System Control	14,661	16,507	13,436
Miscellaneous Steam Plant	55,078	58,074	52,964
Coal Handling Equipment	201,373	227,748	87,240
Purchased Power*	---	1,446,209	3,414
Wholesale Sales Commission	---	---	97,568
System Control and Load Dispatch	82,772	81,853	51,633
Vacation, Holiday, Sick Leave	144,367	150,179	140,871
Depreciation	878,657	877,564	859,234
 Total Generation Expense	 4,723,157	 76.5	 4,717,728
			77.6
 <u>Transmission</u>	 	 	
Operation Supervision	4,301	2,608	3,000
Load Dispatching	8,945	7,354	7,478
Station Expense	5,865	13,594	8,606
Overhead Line Expense	---	96	155
Transmission of Electricity by Others	---	2,171	36,304
Miscellaneous Transmission Expense	6,477	10,216	4,901
Maintenance:			
Supervision	1,964	1,637	1,598
Structures	345	---	---
Station Equipment	12,144	3,532	1,907
Overhead Lines	3,750	62,807	12,808
Vacation, Holiday, Sick Leave	8,029	8,388	7,214
Depreciation	30,898	30,535	30,282
Tax on Rural Property	5,939	5,910	5,910
Total Transmission Expense	\$88,657	1.4	\$120,163
			2.0

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2009

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>	
<u>Generation</u>				
Operation Supervision	\$970,109	\$885,835	\$918,746	
Fuel:				
Coal	23,260,331	16,340,975	21,755,700	
Fuel Oil	122,919	112,228	149,655	
Gas	371,400	348,943	377,234	
Coal Handling Expense	887,733	608,405	792,401	
Landfill Operation Expense	93,608	77,371	94,259	
Emissions Allowance Expense	60,392	1,713,554	88,331	
Steam Expense:				
Boiler	1,188,158	1,162,921	1,216,755	
Pollution Control	807,854	404,436	687,005	
Electric Expense	1,066,367	1,012,131	1,048,790	
Miscellaneous Steam Power Expense	1,769,564	1,644,325	1,625,119	
Maintenance:				
Supervision	916,702	826,255	810,845	
Structures	1,112,307	793,429	831,521	
Boiler Plant:				
Boiler	3,535,424	2,674,788	3,743,377	
Pollution Control	951,382	676,846	1,437,072	
Electric Plant	2,132,945	2,058,710	2,591,031	
System Control	261,635	183,409	190,487	
Miscellaneous Steam Plant	716,118	635,055	650,608	
Coal Handling Equipment	1,455,550	1,320,293	1,080,051	
Purchased Power*	2,895,480	6,791,268	2,953,288	
Wholesale Sales Commission	1,066,853	318,024	1,147,285	
System Control and Load Dispatch	724,731	713,807	630,892	
Vacation, Holiday, Sick Leave	1,072,903	1,024,552	1,032,211	
Depreciation	<u>9,665,226</u>	<u>9,653,204</u>	<u>9,451,574</u>	
Total Generation Expense	<u>57,105,691</u>	75.5	<u>55,304,237</u>	76.5
<u>Transmission</u>				
Operation Supervision	43,808	38,631	39,605	
Load Dispatching	95,410	87,654	87,363	
Station Expense	96,014	108,367	97,924	
Overhead Line Expense	711	763	530	
Transmission of Electricity by Others	426,047	141,403	396,536	
Miscellaneous Transmission Expense	124,823	109,684	60,108	
Maintenance:				
Supervision	21,863	19,437	17,594	
Structures	12,090	3	641	
Station Equipment	106,617	57,215	82,164	
Overhead Lines	59,472	105,238	41,576	
Vacation, Holiday, Sick Leave	59,993	56,858	57,752	
Depreciation	339,874	335,885	333,102	
Tax on Rural Property	<u>65,329</u>	<u>62,487</u>	<u>65,133</u>	
Total Transmission Expense	<u>\$1,452,051</u>	1.9	<u>\$1,123,625</u>	1.8
			<u>\$1,280,028</u>	1.8

* MPW Joined MISO September 1, 2009; impact NOT reflected in 2009 Budget or 2008 actual data.

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2009

	<u>Budget Estimate</u>	<u>This Year</u>	<u>Last Year</u>			
<u>Distribution</u>						
Operation Supervision	\$10,295	\$9,506	\$9,971			
Load Dispatching	8,912	7,274	7,425			
Station Expense	6,782	6,591	5,635			
Overhead Line Expense	4,100	2,047	14,174			
Vehicle Expense	15,162	11,207	12,955			
Underground Line Expense	3,181	3,942	2,364			
Street Lighting	2,023	3,803	1,865			
Signal Expense	742	387	147			
Meter Expense	9,850	6,878	7,050			
Consumer Installation Expense	2,062	1,571	1,066			
Miscellaneous Distribution Expense	62,493	57,668	57,070			
Maintenance:						
Supervision	9,553	8,812	9,103			
Structures	536	---	---			
Station Equipment	18,272	8,885	12,482			
Overhead Lines	50,670	66,783	87,053			
Underground Lines	9,173	7,729	10,715			
Line Transformers	4,148	9,236	33,566			
Street Lighting	3,348	8,527	5,530			
Signal System	3,816	2,229	1,874			
Meters	800	352	8			
Miscellaneous Distribution Plant	2,594	2,484	999			
Vacation, Holiday, Sick Leave	45,185	47,009	39,988			
Depreciation	145,060	143,739	138,797			
Tax on Rural Property	<u>1,774</u>	<u>1,765</u>	<u>1,765</u>			
Total Distribution Expense	<u>420,531</u>	6.8	418,424	7.5	<u>461,602</u>	7.6
<u>Customer Service Expense</u>						
Customer Information Expense	31,483	19,636	16,852			
Electric Ranges/Dryers-Maint/Promotion	1,235	1,822	1,137			
Electric Water Heaters-Maint/Promotion	<u>1,525</u>	<u>1,413</u>	<u>778</u>			
Total Customer Service Expense	<u>\$34,243</u>	0.6	<u>\$22,871</u>	0.4	<u>\$18,767</u>	0.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2009

	Budget		This Year		Last Year
	Estimate		 		
<u>Distribution</u>					
Operation Supervision	\$121,210		\$130,322		\$111,414
Load Dispatching	95,594		86,960		86,880
Station Expense	100,706		93,916		97,363
Overhead Line Expense	59,819		32,696		50,638
Vehicle Expense	179,121		136,565		155,774
Underground Line Expense	34,924		35,354		42,475
Street Lighting	22,800		22,072		27,103
Signal Expense	11,359		5,354		4,173
Meter Expense	115,610		96,317		110,239
Consumer Installation Expense	22,537		15,187		17,249
Miscellaneous Distribution Expense	769,410		700,670		688,991
Maintenance:					
Supervision	112,679		118,123		98,919
Structures	15,056		---		209
Station Equipment	165,357		145,612		97,911
Overhead Lines	521,756		520,214		564,079
Underground Lines	101,137		111,438		68,592
Line Transformers	46,072		71,695		70,893
Street Lighting	36,741		54,963		37,905
Signal System	39,330		34,301		51,675
Meters	8,700		352		4,571
Miscellaneous Distribution Plant	33,334		26,762		23,285
Vacation, Holiday, Sick Leave	331,242		304,183		310,566
Depreciation	1,595,656		1,581,129		1,526,767
Tax on Rural Property	19,514		18,678		19,444
 Total Distribution Expense	 4,559,664	 6.0	 4,342,863	 7.1	 4,267,115
 <u>Customer Service Expense</u>	 	 	 	 	
Customer Information Expense	396,253		242,488		243,668
Electric Ranges/Dryers-Maint/Promotion	14,145		12,275		12,734
Electric Water Heaters-Maint/Promotion	18,879		12,883		12,823
 Total Customer Service Expense	 \$429,277	 0.6	 \$267,646	 0.4	 \$269,225
					0.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - November 2009

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Consumer Accounts</u>			
Supervision	\$1,905	\$1,992	\$1,222
Meter Reading Expense	7,912	7,444	6,315
Consumer Records and Collection	29,766	30,507	22,419
Uncollectible Accounts Expense	1,392	1,392	1,267
Vacation, Holiday, Sick Leave	6,077	6,095	5,855
 Total Consumer Accounts Expense	 47,052	 0.8	 47,430
	<u>47,052</u>	<u>0.8</u>	<u>47,430</u>
	<u>0.9</u>	<u>0.9</u>	<u>0.6</u>
<u>Administrative and General</u>			
Administrative and General Salaries	169,260	145,789	126,224
Office Supplies and Expenses	18,755	15,531	19,015
Outside Services Employed	26,342	34,636	14,495
Property Insurance	40,000	41,006	33,445
Casualty Ins, Injuries & Damages	33,608	66,402	(4,809)
Employee Pensions and Benefits	426,955	413,760	367,511
Fringe Benefits Charged to Constr.	(19,891)	(12,867)	(16,656)
Regulatory Commission	4,400	2,361	4,500
Miscellaneous General Expense	37,320	30,172	41,297
Maintenance of General Plant	23,355	21,461	22,161
Maintenance of A/O Center	22,697	24,686	52,444
Vacation, Holiday, Sick Leave	45,762	42,441	36,153
Depreciation	125,759	124,042	114,184
 Total Administrative and General	 954,322	 15.5	 949,420
	<u>954,322</u>	<u>15.5</u>	<u>949,420</u>
	<u>17.1</u>	<u>17.1</u>	<u>13.3</u>
 Total Operating Expense	 \$6,267,962	 \$6,362,601	 \$6,165,302
	<u>\$6,267,962</u>	<u>\$6,362,601</u>	<u>\$6,165,302</u>
 Percent to Operating Revenue	 101.6	 114.3	 101.4

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - November 2009

	<u>Budget</u> <u>Estimate</u>	<u>This Year</u>	<u>Last Year</u>
<u>Consumer Accounts</u>			
Supervision	\$20,650	\$21,842	\$21,240
Meter Reading Expense	95,198	84,868	86,344
Consumer Records and Collection	325,756	325,403	297,715
Uncollectible Accounts Expense	15,308	15,308	13,934
Vacation, Holiday, Sick Leave	<u>42,831</u>	<u>42,618</u>	<u>42,976</u>
Total Consumer Accounts Expense	<u>499,743</u>	<u>0.7</u>	<u>462,209</u>
	<u>499,743</u>	<u>0.7</u>	<u>462,209</u>
<u>Administrative and General</u>			
Administrative and General Salaries	1,853,963	1,726,720	1,593,688
Office Supplies and Expenses	214,285	190,036	194,167
Outside Services Employed	482,362	653,591	394,491
Property Insurance	420,335	428,382	365,817
Casualty Ins, Injuries & Damages	369,234	444,391	483,161
Employee Pensions and Benefits	4,728,517	4,768,086	4,297,050
Fringe Benefits Charged to Constr.	(263,796)	(169,898)	(249,300)
Regulatory Commission	48,400	38,153	47,544
Miscellaneous General Expense	462,602	344,571	485,813
Maintenance of General Plant	280,609	254,607	246,755
Maintenance of A/O Center	394,289	332,498	429,243
Vacation, Holiday, Sick Leave	335,758	298,804	281,684
Depreciation	<u>1,383,347</u>	<u>1,364,462</u>	<u>1,256,024</u>
Total Administrative and General	<u>10,709,905</u>	<u>14.2</u>	<u>10,674,403</u>
	<u>10,709,905</u>	<u>14.2</u>	<u>10,674,403</u>
Total Operating Expense	<u>\$74,756,331</u>		<u>\$68,879,340</u>
	<u>\$74,756,331</u>		<u>\$68,879,340</u>
Percent to Operating Revenue		98.9	112.7
		98.9	112.7
		98.7	

Muscatine Power and Water - Electric Utility
Statistical Data
November 2009

Per KWH Delivered to Wholesale Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Generation	0.04880	0.09664	0.08436	0.09965
Transmission	0.00246	0.00269	0.00233	0.00270
Subtotal	0.05126	0.09933	0.08669	0.10235
Less Wholesale Revenue	(0.02552)	(0.03065)	(0.03917)	(0.05068)
 Total	 0.02574	 0.06868	 0.04752	 0.05167

Per KWH Delivered to Paying Native System Customers

	This Year		Last Year	
	Month	Year-to-Date	Month	Year-to-Date
Purchased Power	0.02204	0.00905	0.00005	0.00370
Distribution	0.00638	0.00579	0.00673	0.00535
Customer Service	0.00035	0.00036	0.00027	0.00034
Consumers Accounts	0.00072	0.00065	0.00054	0.00058
Administrative & General	0.01447	0.01423	0.01181	0.01233
Subtotal	0.04396	0.03007	0.01941	0.02230
Generation + Transmission less Wholesale Revenue	0.02377	0.05535	0.03570	0.03075
 Total	 0.06773	 0.08543	 0.05511	 0.05305

Total Fuel Cost
 (To & Including Ash Handling)

	Current Month		Calendar Year-to-Date	
	2009	2008	2009	2008
Per Million Btu.	1.265	1.457	1.348	1.395
Per Net MW Generated	14.20	16.62	15.24	15.98
Net Peak Monthly Demand - KW	110,800	118,000	139,000	146,000
Date of Peak	11/12	11/20	6/23	8/4
 Services	 2009	 2008		
Residential	9,650	9,655		
Commercial I	1,380	1,384		
Commercial II	117	117		
Industrial I	11	10		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	39	38		
 Total	 11,221	 11,228		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - November 2009

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>44,048,487</u>		<u>60,617,384</u>		<u>51,500,000</u>	
Wholesale Sales	<u>\$1,935,518</u>	<u>\$0.0439</u>	<u>\$1,546,939</u>	<u>\$0.0255</u>	<u>\$2,017,122</u>	<u>\$0.0392</u>
Variable Costs						
Marketers' Commissions	---	0.0000	---	0.0000	97,568	0.0019
Transmission Path	---	0.0000	2,171	0.0000	36,304	0.0007
Fuel (Coal, Gas & Fuel Oil)	670,645	0.0152	801,157	0.0132	810,650	0.0157
SO2 Allowances**	6,996	0.0002	2,684	0.0000	14,601	0.0003
NOX Allowances	---	---	45,539 ***	0.0008	---	---
Other****	<u>119,334</u>	<u>0.0027</u>	<u>320,660</u>	<u>0.0053</u>	<u>132,245</u>	<u>0.0026</u>
Total Variable Costs	<u>796,975</u>	<u>0.0181</u>	<u>1,172,211</u>	<u>0.0193</u>	<u>1,091,368</u>	<u>0.0212</u>
Gross Margin	<u>\$1,138,543</u>	<u>\$0.0258</u>	<u>\$374,728</u>	<u>\$0.0062</u>	<u>\$925,754</u>	<u>\$0.0180</u>
Percent Gross Margin	58.8%	,	24.2%		45.9%	

Calendar Year To Date

	<u>Budget Estimate</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>497,104,010</u>		<u>418,157,112</u>		<u>474,447,000</u>	
Wholesale Sales	<u>\$26,219,329</u>	<u>\$0.0527</u>	<u>\$12,379,283</u> *	<u>\$0.0296</u>	<u>\$24,044,253</u>	<u>\$0.0507</u>
Variable Costs						
Marketers' Commissions	1,066,853	0.0021	318,024	0.0008	1,147,285	0.0024
Transmission Path	426,047	0.0009	141,403	0.0003	396,536	0.0008
Fuel (Coal, Gas & Fuel Oil)	7,597,399	0.0153	5,787,947	0.0138	7,031,995	0.0148
SO2 Allowances**	78,954	0.0002	42,424	0.0001	134,510	0.0003
NOX Allowances	---	---	731,320 ***	0.0017	---	---
Other****	<u>1,317,784</u>	<u>0.0027</u>	<u>1,718,253</u>	<u>0.0041</u>	<u>1,301,098</u>	<u>0.0027</u>
Total Variable Costs	<u>10,487,037</u>	<u>0.0211</u>	<u>8,739,371</u>	<u>0.0209</u>	<u>10,011,424</u>	<u>0.0211</u>
Gross Margin	<u>\$15,732,292</u>	<u>\$0.0316</u>	<u>\$3,639,912</u>	<u>\$0.0087</u>	<u>\$14,032,829</u>	<u>\$0.0296</u>
Percent Gross Margin	60.0%		29.4%		58.4%	

* Excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 and \$78,616 for the period 6/01/09 - 8/31/09.

** SO2 Allowance cost is based on the market price for allowances as of 12/31/08 (\$157/allowance).

*** NOX Allowance cost is based on the market price for annual allowances (\$625/allowance) and seasonal allowances (\$130/allowance) as of 11/30/09.

**** Other includes variable generation O&M, rail car cost, and Title V permit fees.