

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>
Electric Energy Distribution - KWH					
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	1,504,638	(6.7)	1,403,674	(9.1)	1,543,954
Native System Sales	69,866,587	(6.1)	65,618,704	(4.3)	68,558,624
Wholesale Sales*	44,048,487	37.6	60,617,384	17.7	51,500,000
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	2,301,892	(73.7)	605,295	(67.7)	1,875,868
Total KWH Distributed	116,883,878	9.1	127,577,854	4.1	122,587,312
KWH Generated and Received					
Gross Generation*	128,217,427	(46.0)	69,173,730	(48.5)	134,362,712
Less: Plant Use	11,333,549	(24.5)	8,556,346	(30.1)	12,248,400
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	---	---	---	---	178,000
Total Net Generated and Received	116,883,878	9.1	127,577,854	4.1	122,587,312
Steam Sales - 1000 lbs	207,000	(16.5)	172,872	8.0	160,025
Purchased Power					
MISO	<u>KWH</u> 66,960,470		<u>Amount</u> \$1,446,209		<u>Avg. Price</u> \$0.0216
Wholesale Sales					
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>
Electric Energy					
<u>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	17,012,458	(8.3)	15,593,616	(12.5)	17,819,522
Native System Sales	817,681,199	(8.2)	750,347,347	(5.9)	797,162,648
Wholesale Sales*	497,104,010	(15.9)	418,157,112	(11.9)	474,447,000
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	25,296,362	(28.4)	18,114,362	(16.9)	21,805,321
Total KWH Distributed	1,347,984,210	(11.3)	1,195,462,230	(8.3)	1,303,502,000
<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	134,412,261	(16.7)	112,026,452	(13.0)	128,753,800
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	---	---	1,736,000	(6.9)	1,864,000
Total Net Generated and Received	1,347,984,210	(11.3)	1,195,462,230	(8.3)	1,303,502,000
<u>Steam Sales - 1000 lbs</u>	2,173,680	6.4	2,313,584	4.9	2,204,579
<u>Purchased Power</u>					
	<u>KWH</u>		<u>Amount</u>		<u>Avg. Price</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	350,000		25,251		0.0721
	264,904,820		\$6,791,268		\$0.0256
<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	1,552,000		55,430		0.0357
	418,157,112		\$12,814,432		\$0.0296 **

* 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
	<u>3,391,513</u>	0.0485	<u>3,265,101</u>	0.0498	<u>3,380,391</u>	0.0493
Native System Sales						
	<u>1,935,518</u>	0.0439	<u>1,546,939</u>	0.0255	<u>2,017,122</u>	0.0392
Wholesale Sales*						
	<u>5,327,031</u>		<u>4,812,040</u>		<u>5,397,513</u>	
Energy Sales						
	<u>792,727</u>	3.83	<u>685,228</u>	3.96	<u>599,773</u>	3.75
<u>Steam Sales</u>						
<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	
	<u>50,593</u>		<u>68,013</u>		<u>84,757</u>	
Total Other Revenue						
	<u>6,170,351</u>		<u>5,565,281</u>		<u>6,082,043</u>	
Operating Revenue						
<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	
	<u>6,267,962</u>		<u>6,362,601</u>		<u>6,165,302</u>	
Total Operating Expense						
	<u>(97,611)</u>		<u>(797,320)</u>		<u>(83,259)</u>	
Operating Loss						
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	198,981		172,382		482,457	
Interest Expense	(178,165)		(179,608)		(230,789)	
	<u>20,816</u>		<u>(7,226)</u>		<u>251,668</u>	
Total Nonoperating Revenue (Expense)						
	<u>(76,795)</u>		<u>(804,546)</u>		<u>168,409</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions						
Capital Contributions	---		---		---	
Revenue Adjustment-Extraordinary O & M	---		---		---	
	<u>(76,795)</u>		<u>(804,546)</u>		<u>168,409</u>	
Change in Net Assets						
Beginning Net Assets	<u>160,695,648</u>		<u>153,824,832</u>		<u>157,967,634</u>	
Ending Net Assets	<u>\$160,618,853</u>		<u>\$153,020,286</u>		<u>\$158,136,043</u>	
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

	<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	\$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	<u>\$160,618,852</u>		<u>\$153,020,286</u>		<u>\$158,136,043</u>	
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	29,262,221	29,299,625
	<hr/>	<hr/>
Total Restricted Current Assets	35,696,356	35,685,015
	<hr/>	<hr/>
<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	529,725	444,550
	<hr/>	<hr/>
Total Unrestricted Current Assets	31,415,019	35,619,627
	<hr/>	<hr/>
Total Current Assets	67,111,375	71,304,642
	<hr/>	<hr/>
Property and Equipment:		
At Cost	404,752,964	401,793,052
Less Accumulated Depreciation	277,637,534	264,107,451
	<hr/>	<hr/>
Net Property and Equipment	127,115,430	137,685,601
	<hr/>	<hr/>
Other Assets:		
Unamortized Cost of Issuing Bonds	31,713	86,913
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	203,688	195,819
	<hr/>	<hr/>
Total Other Assets	35,562,401	35,609,732
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$229,789,206</u>	<u>\$244,599,975</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	865,906	1,124,975
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	86,050	120,000
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	25,873,970	37,844,137
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	28,792,496	36,490,503
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 Month</u>	<u>Year- 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	(1,540,154)	(17,786,677)
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	289	(234,437)
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><u>\$39,320,452</u></u>	<u><u>\$39,320,452</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>
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	(33,200)	(33,950)
Net cash flows from operating activities	<u>(\$217,505)</u>	<u>\$1,404,036</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><u>\$35,696,356</u></u>	 <u><u>\$35,685,015</u></u>

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

<u>Generation</u>	<u>Budget</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	4,775,608	85.8	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	\$148,848	2.7	\$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>Generation</u>	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</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	9,665,226		9,653,204		9,451,574	
Total Generation Expense	57,105,691	75.5	51,980,764	85.1	55,304,237	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	65,329		62,487		65,133	
Total Transmission Expense	\$1,452,051	1.9	\$1,123,625	1.8	\$1,280,028	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</u> <u>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	1,774		1,765		1,765	
Total Distribution Expense	<u>420,531</u>	6.8	<u>418,424</u>	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	1,525		1,413		778	
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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<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	<u>4,559,664</u>	6.0	<u>4,342,863</u>	7.1	<u>4,267,115</u>	5.9
<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	<u>\$429,277</u>	0.6	<u>\$267,646</u>	0.4	<u>\$269,225</u>	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	
	<u>47,052</u>		<u>47,430</u>		<u>37,078</u>	
Total Consumer Accounts Expense		0.8		0.9		0.6
<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	
	<u>954,322</u>		<u>949,420</u>		<u>809,964</u>	
Total Administrative and General		15.5		17.1		13.3
Total Operating Expense	<u><u>\$6,267,962</u></u>		<u><u>\$6,362,601</u></u>		<u><u>\$6,165,302</u></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	42,831		42,618		42,976	
Total Consumer Accounts Expense	<u>499,743</u>	0.7	<u>490,039</u>	0.8	<u>462,209</u>	0.6
<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>	14.2	<u>10,674,403</u>	17.5	<u>9,826,137</u>	13.6
Total Operating Expense	<u>\$74,756,331</u>		<u>\$68,879,340</u>		<u>\$71,408,951</u>	
Percent to Operating Revenue		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	
	<u>Month</u>	<u>Year-to-Date</u>	<u>Month</u>	<u>Year-to-Date</u>
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	
	<u>Month</u>	<u>Year-to-Date</u>	<u>Month</u>	<u>Year-to-Date</u>
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)

	<u>Current Month</u>		<u>Calendar Year-to-Date</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
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
<u>Services</u>	<u>2009</u>	<u>2008</u>		
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</u>		<u>This</u>		<u>Last</u>	
	<u>Estimate</u>	<u>\$/kWh</u>	<u>Year</u>	<u>\$/kWh</u>	<u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>44,048,487</u>		<u>60,617,384</u>		<u>51,500,000</u>	
<u>Wholesale Sales</u>	<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>
<u>Variable Costs</u>						
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</u>		<u>This</u>		<u>Last</u>	
	<u>Estimate</u>	<u>\$/kWh</u>	<u>Year</u>	<u>\$/kWh</u>	<u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>497,104,010</u>		<u>418,157,112</u>		<u>474,447,000</u>	
<u>Wholesale Sales</u>	<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>
<u>Variable Costs</u>						
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.