

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
August 2010

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - August 2010

	<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>KWH Generated and Sold</u>					
Gross Generation	132,797,270	1.2	134,367,229	27.5	105,398,388
Less: Plant Use	<u>12,548,472</u>	<u>(0.5)</u>	<u>12,481,247</u>	<u>9.7</u>	<u>11,374,385</u>
Net Generation	<u>120,248,798</u>	<u>1.4</u>	<u>121,885,982</u>	<u>29.6</u>	<u>94,024,003</u>
Wholesale Sales	<u>120,248,798</u>	<u>1.4</u>	<u>121,885,982</u>	<u>---</u>	<u>22,062,000</u> ^{fn1}
<u>Capacity Factors</u>					
Unit 9	84.85	(18.5)	69.18	10.0	62.89
Unit 8	---	---	35.42	---	8.52
Unit 8A	91.02	(8.1)	83.67	(2.6)	85.87
Unit 7	54.79	5.1	57.57	44.1	39.94
Total Plant	71.76	1.2	72.61	25.5	57.86
<u>KWH Distribution</u>					
Residential	12,031,778	9.0	13,114,240	36.0	9,640,326
Commercial I	4,155,475	(4.0)	3,990,217	12.2	3,557,255
Commercial II	9,809,067	1.8	9,987,236	8.1	9,235,069
Industrial I	11,772,024	9.2	12,856,220	7.4	11,971,620
Industrial II	35,012,971	5.6	36,977,507	4.2	35,490,742
City Enterprise Funds	449,363	37.0	615,814	28.6	479,008
Water & Communications Utilities	<u>1,410,474</u>	<u>8.5</u>	<u>1,530,189</u>	<u>(0.3)</u>	<u>1,534,833</u>
Native System Sales	74,641,152	5.9	79,071,423	10.0	71,908,853
City Lighting	167,314	(7.9)	154,158	(14.2)	179,597
City Buildings	560,767	(0.8)	556,439	4.5	532,405
Offline Power Plant Usage	---	---	---	---	---
MAPP Trans Loss-Net	---	---	---	---	(71,000)
Losses & Cycle Billing	<u>2,168,623</u>	<u>(25.8)</u>	<u>1,608,962</u>	<u>(15.1)</u>	<u>1,895,148</u>
Total Native System KWH Distributed	<u>77,537,856</u>	<u>5.0</u>	<u>81,390,982</u>	<u>9.3</u>	<u>74,445,003</u>
Purchased Power	<u>77,537,856</u>	<u>5.0</u>	<u>81,390,982</u>	<u>---</u>	<u>2,483,000</u> ^{fn1}
<u>STEAM SALES - 1000 lbs</u>					
	<u>197,160</u>	<u>14.2</u>	<u>225,067</u>	<u>6.0</u>	<u>212,252</u>

fn1 Wholesale sales and purchased power are not comparable due to joining MISO September 1, 2009

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - August 2010

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	<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>KWH Generated and Sold</u>					
Gross Generation	1,031,228,694	(12.5)	902,470,651	11.3	811,169,751
Less: Plant Use	<u>97,702,186</u>	<u>(9.0)</u>	<u>88,915,762</u>	<u>6.4</u>	<u>83,553,123</u>
Net Generation	<u>933,526,508</u>	<u>(12.9)</u>	<u>813,554,889</u>	<u>11.8</u>	<u>727,616,628</u>
Wholesale Sales	<u>933,526,508</u>	<u>(12.9)</u>	<u>813,554,889</u>	<u>---</u>	<u>217,100,000 ^{fn1}</u>
<u>Capacity Factors</u>					
Unit 9	83.99	(22.6)	64.97	13.7	57.13
Unit 8	---	---	17.00	98.4	8.57
Unit 8A	80.19	2.1	81.84	3.2	79.27
Unit 7	54.79	(23.7)	41.83	23.9	33.76
Total Plant	69.66	(12.5)	60.96	9.5	55.66
<u>KWH Distribution</u>					
Residential	70,881,129	6.4	75,406,482	11.8	67,460,452
Commercial I	26,709,613	(0.6)	26,548,102	2.4	25,932,562
Commercial II	68,697,740	(0.5)	68,322,891	2.2	66,874,371
Industrial I	81,950,760	(0.4)	81,598,702	---	81,579,341
Industrial II	276,601,155	7.6	297,586,727	1.9	292,077,030
City Enterprise Funds	3,856,981	15.3	4,445,906	9.0	4,078,417
Water & Communications Utilities	<u>10,633,092</u>	<u>5.8</u>	<u>11,247,671</u>	<u>(1.3)</u>	<u>11,391,891</u>
Native System Sales	539,330,470	4.8	565,156,481	2.9	549,394,064
City Lighting	1,372,746	(3.0)	1,331,442	(9.4)	1,470,019
City Buildings	4,261,816	2.1	4,353,350	3.6	4,203,773
Offline Power Plant Usage	---	---	358,189	---	---
MAPP Trans Loss-Net	---	---	---	---	(713,000)
Losses & Cycle Billing	<u>18,351,142</u>	<u>(8.2)</u>	<u>16,843,658</u>	<u>18.7</u>	<u>14,186,772</u>
Total Native System KWH Distributed	<u>563,316,174</u>	<u>4.4</u>	<u>588,043,120</u>	<u>3.4</u>	<u>568,541,628</u>
Purchased Power	<u>563,316,174</u>	<u>4.4</u>	<u>588,043,120</u>	<u>---</u>	<u>58,025,000 ^{fn1}</u>

fn1 Wholesale sales and purchased power are not comparable due to joining MISO September 1, 2009

<u>STEAM SALES - 1000 lbs</u>	<u>1,578,720</u>	12.1	<u>1,769,490</u>	6.4	<u>1,663,825</u>
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Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - August 2010

	<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	\$865,903	0.0720	\$936,475	0.0714	\$688,360	0.0714
Commercial I	313,323	0.0754	306,092	0.0767	265,432	0.0746
Commercial II	549,857	0.0561	561,102	0.0562	508,740	0.0551
Industrial I	575,400	0.0489	602,330	0.0469	565,516	0.0472
Industrial II	1,514,671	0.0433	1,611,749	0.0436	1,470,269	0.0414
City Enterprise Funds	23,069	0.0513	33,068	0.0537	24,473	0.0511
Water & Communication Utilities	68,007	0.0482	70,252	0.0459	70,029	0.0456
Native System Sales	3,910,230	0.0524	4,121,068	0.0521	3,592,819	0.0500
Wholesale Sales	3,006,220	0.0250	5,142,740	0.0422	760,395 ^{fn1}	0.0311
Energy Sales	6,916,450		9,263,808		4,353,214	
<u>Steam Sales</u>	857,957	4.35	855,972	3.80	811,351	3.82
<u>Other Revenue</u>						
Rail Car Lease	27,900		21,658		35,532	
By-Product Revenue	51,501		56,697		28,097	
Miscellaneous Revenue	32,715		75,996		33,452	
Total Other Revenue	112,116		154,351		97,081	
Operating Revenue	7,886,523		10,274,131		5,261,646	
<u>Operating Expense</u>						
Purchased Power	1,938,446		3,080,401		27,254 ^{fn1}	
Production Fuel	2,308,578		2,589,543		1,617,962	
Emissions Allowance	107,299		104,639		94,339	
Operation	1,765,196		1,650,415		1,647,634	
Maintenance	773,829		598,765		693,364	
Depreciation	1,191,485		1,186,227		1,175,880	
Total Operating Expense	8,084,833		9,209,990		5,256,433	
Operating Income (Loss)	(198,310)		1,064,141		5,213	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	129,201		116,184		180,237	
Interest Expense	(123,199)		(123,655)		(179,821)	
Total Nonoperating Revenue (Expense)	6,002		(7,471)		416	
Net Income (Loss) Before Capital Contributions	(192,308)		1,056,670		5,629	
Capital Contributions	---		26,902		---	
Change in Net Assets	(192,308)		1,083,572		5,629	
Beginning Net Assets	158,368,200		168,317,055		154,460,558	
Ending Net Assets	\$158,175,892		\$169,400,627		\$154,466,187	
Net Income (Loss) to Total Income	(2.4)		10.2		0.1	
Debt Service Coverage	0.96		2.08		1.16	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - August 2010

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	<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	\$5,166,253	0.0729	\$5,440,022	0.0721	\$4,878,801	0.0723	
Commercial I	2,005,033	0.0751	2,012,183	0.0758	1,945,545	0.0750	
Commercial II	3,937,703	0.0573	3,864,248	0.0566	3,779,606	0.0565	
Industrial I	4,028,963	0.0492	3,956,040	0.0485	4,012,883	0.0492	
Industrial II	11,860,241	0.0429	12,561,874	0.0422	12,173,503	0.0417	
City Enterprise Funds	187,024	0.0485	229,826	0.0517	202,794	0.0497	
Water & Communications Utilities	507,305	0.0477	537,030	0.0477	533,042	0.0468	
Native System Sales	27,692,522	0.0513	28,601,223	0.0506	27,526,174	0.0501	
Wholesale Sales	23,338,155	0.0250	30,983,134	0.0381	7,791,234	0.0349	fn1 fn2
Energy Sales	51,030,677		59,584,357		35,317,408		
<u>Steam Sales</u>	6,555,056	4.15	6,744,911	3.81	7,385,869	4.44	
<u>Other Revenue</u>							
Rail Car Lease	320,700		186,606		148,815		
By-Product Revenue	258,860		194,336		154,520		
Miscellaneous Revenue	275,470		364,823		345,149		
Total Other Revenue	855,030		745,765		648,484		
Operating Revenue	58,440,763		67,075,033		43,351,761		
<u>Operating Expense</u>							
Purchased Power	14,082,905		19,977,250		2,353,188	fn1	
Production Fuel	16,250,239		15,882,291		13,742,858		
Emissions Allowance	767,712		571,443		1,590,719		
Operation	14,849,220		13,660,463		13,923,750		
Maintenance	7,660,306		6,044,198		8,699,558		
Depreciation	9,531,880		9,489,816		9,407,040		
Total Operating Expense	63,142,262		65,625,461		49,717,113		
Operating Income (Loss)	(4,701,499)		1,449,572		(6,365,352)		
<u>Nonoperating Revenue (Expense)</u>							
Interest Income	1,064,324		995,330		1,360,012		
Interest Expense	(985,591)		(997,155)		(1,437,398)		
Total Nonoperating Revenue (Expense)	78,733		(1,825)		(77,386)		
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(4,622,766)		1,447,747		(6,442,738)		
Capital Contributions	—		54,222		—		
Revenue Adjustment-Extraordinary O & M	—		5,100,000		1,500,000		
Change in Net Assets	(4,622,766)		6,601,969		(4,942,738)		
Beginning Net Assets	162,798,658		162,798,658		159,408,925		
Ending Net Assets	\$158,175,892		\$169,400,627		\$154,466,187		
Net Income (Loss) before Rev Adj to Total Income	(7.8)		2.1		(14.4)		
Debt Service Coverage Before Transfers	0.63		1.31		0.49		
Debt Service Coverage After Transfers	0.63		1.86		1.29	fn3	

fn1 MPW Joined MISO September 1, 2009.

fn2 Average price excludes Pella 85% load factor adjustment of \$356,533 for the period 6/01/08 - 5/31/09 recorded in May 2009

fn3 Transfers include \$5,976,634 from the Rate Stabilization Fund and \$1,500,00 from the Extraordinary O&M Account

Muscatine Power and Water - Electric Utility
Statements of Net Assets
August 2010

ASSETS

	<u>2010</u>	<u>2009</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$5,652,395	\$7,408,275
Investments	14,759,644	28,307,940
	<u>20,412,039</u>	<u>35,716,215</u>
Total Restricted Current Assets		
<u>Unrestricted</u>		
Cash - interest bearing	10,553,431	3,092,965
Investments	4,925,963	---
Receivables:		
Consumer Accounts	5,340,724	4,450,542
Wholesale	2,137,859	933,657
Steam Sales	1,197,103	1,081,876
Interest	323,173	524,867
Intercompanies	16,226	9,755
Inventories	6,654,362	7,862,910
Fuel	9,633,057	9,390,704
Prepaid Pension	538,408	---
Prepaid Expenses	722,109	690,820
	<u>42,042,415</u>	<u>28,038,096</u>
Total Unrestricted Current Assets		
Total Current Assets	<u>62,454,454</u>	<u>63,754,311</u>
Property and Equipment:		
At Cost	404,810,303	404,236,731
Less Accumulated Depreciation	287,064,808	274,053,608
	<u>117,745,495</u>	<u>130,183,123</u>
Net Property and Equipment		
Other Assets:		
Unamortized Cost of Issuing Bonds	9,094	45,002
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	183,917	198,567
	<u>35,520,011</u>	<u>35,570,569</u>
Total Other Assets		
TOTAL ASSETS	<u><u>\$215,719,960</u></u>	<u><u>\$229,508,003</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Assets
August 2010

LIABILITIES AND NET ASSETS

	<u>2010</u>	<u>2009</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$25,403 in 2010 and \$25,698 in 2009; and Less Deferred Amount on Refunding of \$22,877 in 2010 and \$21,687 in 2009	\$12,587,526	\$11,934,011
Accrued Interest	<u>237,004</u>	<u>346,363</u>
Total Restricted Current Liabilities	<u>12,824,530</u>	<u>12,280,374</u>
<u>Unrestricted</u>		
Accounts Payable	1,944,402	1,791,117
Pension Provision	---	936,135
Health & Dental Insurance Provision	216,660	192,660
Accrued Payroll	393,436	354,384
Accrued Vacation	1,007,647	1,001,256
Accrued Emission Allowance Expense	571,443	1,590,719
Consumers' Deposits	598,603	624,436
Retained Percentage on Contracts	---	21,989
Accrued Property Taxes	116,240	112,452
Miscellaneous Accrued Expenses	505,497	488,557
Miscellaneous Deferred Credits	<u>86,050</u>	<u>119,250</u>
Total Unrestricted Current Liabilities	<u>5,439,978</u>	<u>7,232,955</u>
Total Current Liabilities	<u>18,264,508</u>	<u>19,513,329</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,977,705	1,844,862
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$100,453 in 2010 and \$285,844 in 2009; and less Deferred Amount on Refunding of \$96,496 in 2010 and \$260,381 in 2009	<u>13,273,958</u>	<u>25,880,463</u>
Total Non-Current Liabilities	<u>15,251,663</u>	<u>27,725,325</u>
Deferred Revenue - Extraordinary O & M	<u>12,803,162</u>	<u>27,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	91,929,013	92,474,985
Restricted	20,175,035	35,369,852
Unrestricted	<u>57,296,579</u>	<u>26,621,350</u>
Total Net Assets	<u>169,400,627</u>	<u>154,466,187</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$215,719,960</u></u>	<u><u>\$229,508,003</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
August 2010

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,963,039	\$27,761,673
MISO, net sales/purchases	1,770,776	9,813,858
Steam sales	868,589	6,464,710
Coal & transportation allowances	29,135	367,279
Railcar leasing	74,143	164,948
By-product sales	51,780	116,986
Miscellaneous sources	23,751	356,669
Cash paid to/for:		
Suppliers	(761,709)	(6,321,962)
Coal	(2,596,678)	(13,047,538)
Employees payroll, taxes and benefits	(3,074,501)	(14,949,185)
Net cash flows from operating activities	<u>348,325</u>	<u>10,727,438</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	24,685	(935,432)
Bond principal payments	---	(11,930,000)
Bond interest payments	---	(1,750,101)
Net cash flows from capital and related financing activities	<u>24,685</u>	<u>(14,615,533)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(16,865)
Interest received on investments and note receivable	97,791	1,307,322
Accrued Interest Purchased	---	(39,090)
Amortization/accretion of investments	15,966	34,101
Mark to market	(62,485)	(294,682)
Net cash flows from investing activities	<u>51,272</u>	<u>990,786</u>
Net increase (decrease) in cash and investments	<u>424,282</u>	<u>(2,897,309)</u>
Cash and investments at beginning of period	<u>35,467,151</u>	<u>38,788,742</u>
Cash and investments at end of period	<u><u>\$35,891,433</u></u>	<u><u>\$35,891,433</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
August 2010

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income to net cash flows from operating activities		
Operating income	\$1,064,141	\$1,449,572
Noncash items in operating income:		
Depreciation of electric utility plant	1,186,227	9,489,816
Amortization of joint venture rights	7,556	30,459
Changes in assets and liabilities:		
Consumer accounts receivable	(255,939)	(1,012,921)
Wholesale receivable	(295,516)	(1,011,845)
Steam sales receivable	65,346	(293,455)
Intercompany receivable	(4,144)	(3,612)
Inventories	(95,249)	1,376,471
Fuel	644,361	2,231,822
Prepaid expenses	20,230	(217,253)
Accounts payable	(705,085)	439,906
Pension provision	(1,480,623)	(538,408)
Health & dental insurance provision	9,266	(15,579)
Accrued payroll	109,045	163,665
Accrued vacation	(39,377)	(6,473)
Accrued emission allowance expense	104,639	(1,127,686)
Consumers' deposits	(4,990)	(21,860)
Retained percentage	---	---
Accrued property taxes	7,447	19,957
Miscellaneous accrued expenses	10,990	(225,138)
Miscellaneous deferred credits	---	---
Net cash flows from operating activities	<u>\$348,325</u>	<u>\$10,727,438</u>

Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
August 2010

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,430,514	\$7,488,077
Extraordinary Operation & Maintenance Account	<u>12,981,525</u>	<u>28,228,138</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$20,412,039</u></u>	<u><u>\$35,716,215</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,938,446</u>	24.6	<u>\$3,080,401</u>	30.0	<u>\$27,254</u>	0.5
Average price per kWh	\$0.0250		\$0.0378		\$0.0110	
<u>Generation</u>						
Operation Supervision	87,081		78,850		85,409	
Fuel:						
Coal	2,194,147		2,511,142		1,549,170	
Fuel Oil	12,500		368		199	
Gas	32,000		6,923		9,116	
Coal Handling Expense	60,771		65,033		53,668	
Landfill Operation Expense	9,160		6,077		5,809	
Emissions Allowance Expense	107,299		104,639		94,339	
Steam Expense:						
Boiler	90,499		96,892		146,046	
Pollution Control	58,244		94,249		39,246	
Electric Expense	103,533		96,164		97,453	
Miscellaneous Steam Power Expense	144,133		129,622		148,862	
Maintenance:						
Supervision	81,023		80,408		72,342	
Structures	118,305		65,908		71,208	
Boiler Plant:						
Boiler	171,232		97,395		100,889	
Pollution Control	17,744		20,224		52,824	
Electric Plant	36,921		26,073		25,414	
System Control	16,346		19,531		17,061	
Miscellaneous Steam Plant	55,315		43,953		51,643	
Coal Handling Equipment	105,666		104,722		101,881	
Wholesale Sales Commission	---		---		23,666	
System Control and Load Dispatch	70,540		68,382		56,460	
Vacation, Holiday, Sick Leave	75,924		67,095		62,810	
Depreciation	<u>885,000</u>		<u>885,239</u>		<u>877,564</u>	
Total Generation Expense	<u>4,533,383</u>	57.5	<u>4,668,889</u>	45.4	<u>3,743,079</u>	71.1

fn1 MPW Joined MISO September 1, 2009.

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2010

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	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$14,082,905</u>	24.1	<u>\$19,977,250</u>	29.8	<u>\$2,353,188</u>	5.4
Average price per kWh	\$0.0250		\$0.0340		\$0.0406	
<u>Generation</u>						
Operation Supervision	698,141		645,367		639,263	
Fuel:						
Coal	15,404,030		15,213,072		12,779,031	
Fuel Oil	83,610		39,152		104,621	
Gas	239,320		70,552		336,040	
Coal Handling Expense	459,511		527,332		472,900	
Landfill Operation Expense	63,768		32,183		50,266	
Emissions Allowance Expense	767,712		571,443		1,590,719	
Steam Expense:						
Boiler	797,486		868,925		894,147	
Pollution Control	479,329		363,886		256,795	
Electric Expense	786,068		746,962		748,843	
Miscellaneous Steam Power Expense	1,378,295		1,138,482		1,330,376	
Maintenance:						
Supervision	647,934		667,223		599,937	
Structures	669,697		462,629		707,313	
Boiler Plant:						
Boiler	2,717,638		1,685,109		2,143,833	
Pollution Control	197,730		306,651		597,530	
Electric Plant	469,009		329,858		1,942,988	
System Control	145,694		121,432		133,464	
Miscellaneous Steam Plant	506,003		397,182		478,343	
Coal Handling Equipment	886,912		758,004		822,848	
Wholesale Sales Commission	---		---		318,024	
System Control and Load Dispatch	579,718		452,544		444,277	
Vacation, Holiday, Sick Leave	741,131		714,586		695,272	
Depreciation	<u>7,079,998</u>		<u>7,081,912</u>		<u>7,020,512</u>	
Total Generation Expense	<u>35,798,734</u>	61.3	<u>33,194,486</u>	49.5	<u>35,107,342</u>	81.0

fn1 MPW Joined MISO September 1, 2009.

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	3,908		4,094		3,674	
Load Dispatching	7,553		8,145		7,057	
Station Expense	10,398		8,865		9,243	
Overhead Line Expense	111		---		133	
Transmission of Electricity by Others	---		---		8,014	
Miscellaneous Transmission Expense	6,725		6,380		4,977	
Maintenance:						
Supervision	2,001		2,021		1,727	
Structures	998		3,424		---	
Station Equipment	6,075		961		3,834	
Overhead Lines	4,825		772		2,446	
Vacation, Holiday, Sick Leave	4,154		4,218		3,710	
Depreciation	30,628		30,568		30,535	
Tax on Rural Property	5,942		5,942		3,133	
Total Transmission Expense	\$83,318	1.1	\$75,390	0.7	\$78,483	1.5
<u>Distribution</u>						
Operation Supervision	\$11,213		\$12,094		\$12,319	
Load Dispatching	7,668		24,508		6,986	
Station Expense	10,268		10,705		13,535	
Overhead Line Expense	2,646		463		949	
Vehicle Expense	14,318		12,741		12,665	
Underground Line Expense	3,258		2,955		2,529	
Street Lighting	2,071		2,550		2,044	
Signal Expense	1,028		297		921	
Meter Expense	9,692		6,428		7,556	
Consumer Installation Expense	1,411		1,327		1,483	
Miscellaneous Distribution Expense	69,314		53,381		52,505	
Maintenance:						
Supervision	10,495		10,733		11,328	
Structures	1,161		---		---	
Station Equipment	10,067		5,600		30,630	
Overhead Lines	52,082		38,994		45,691	
Underground Lines	8,451		4,705		6,418	
Line Transformers	4,251		6,880		16,166	
Street Lighting	3,247		5,233		5,573	
Signal System	2,280		5,892		7,653	
Meters	400		(3,137)		---	
Miscellaneous Distribution Plant	2,584		2,025		5,560	
Vacation, Holiday, Sick Leave	22,265		18,911		19,696	
Depreciation	147,816		146,484		143,739	
Tax on Rural Property	1,775		1,775		936	
Total Distribution Expense	399,761	5.1	371,544	3.6	406,882	7.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	31,130		31,078		31,112	
Load Dispatching	60,475		76,589		62,845	
Station Expense	74,077		67,313		73,595	
Overhead Line Expense	573		1,452		551	
Transmission of Electricity by Others	---		---		138,917	
Miscellaneous Transmission Expense	184,537		68,661		49,177	
Maintenance:						
Supervision	15,823		14,777		14,542	
Structures	9,185		5,133		3	
Station Equipment	62,206		45,101		44,866	
Overhead Lines	53,596		66,039		24,880	
Vacation, Holiday, Sick Leave	40,507		41,724		39,591	
Depreciation	245,024		244,544		244,280	
Tax on Rural Property	47,533		47,676		44,737	
Total Transmission Expense	<u>\$824,666</u>	1.4	<u>\$710,087</u>	1.1	<u>\$769,096</u>	1.8
<u>Distribution</u>						
Operation Supervision	\$86,614		\$96,571		\$98,963	
Load Dispatching	61,285		240,033		62,443	
Station Expense	73,830		72,225		70,272	
Overhead Line Expense	23,470		6,703		26,573	
Vehicle Expense	114,619		110,090		98,636	
Underground Line Expense	26,244		24,564		23,919	
Street Lighting	16,269		21,126		13,708	
Signal Expense	7,389		7,936		3,746	
Meter Expense	75,002		67,540		70,221	
Consumer Installation Expense	10,776		11,540		10,898	
Miscellaneous Distribution Expense	550,098		473,392		502,851	
Maintenance:						
Supervision	80,470		84,929		88,785	
Structures	10,073		---		---	
Station Equipment	87,667		81,008		112,648	
Overhead Lines	433,835		413,996		344,798	
Underground Lines	67,883		56,136		92,034	
Line Transformers	32,892		71,498		45,219	
Street Lighting	25,974		35,433		36,781	
Signal System	24,213		27,912		24,598	
Meters	5,600		(513)		---	
Miscellaneous Distribution Plant	21,470		17,814		21,075	
Vacation, Holiday, Sick Leave	218,822		227,036		207,007	
Depreciation	1,182,529		1,171,872		1,149,912	
Tax on Rural Property	14,200		14,229		13,383	
Total Distribution Expense	<u>3,251,224</u>	5.6	<u>3,333,070</u>	5.0	<u>3,118,470</u>	7.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - August 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	50,989		25,148		19,089	
Electric Ranges/Dryers-Maint/Promotion	1,244		1,507		1,160	
Electric Water Heaters-Maint/Promotion	1,783		2,510		501	
	<u> </u>		<u> </u>		<u> </u>	
Total Customer Service Expense	<u>\$54,016</u>	0.7	<u>\$29,165</u>	0.3	<u>\$20,750</u>	0.4
 <u>Consumer Accounts</u>						
Supervision	\$1,903		\$2,097		\$2,071	
Meter Reading Expense	7,411		7,861		7,460	
Consumer Records and Collection	30,560		28,853		31,888	
Uncollectible Accounts Expense	1,834		1,834		1,392	
Vacation, Holiday, Sick Leave	2,949		3,056		2,901	
	<u> </u>		<u> </u>		<u> </u>	
Total Consumer Accounts Expense	<u>44,657</u>	0.6	<u>43,701</u>	0.4	<u>45,712</u>	0.9
 <u>Administrative and General</u>						
Administrative and General Salaries	166,263		170,303		158,513	
Office Supplies and Expenses	22,079		11,553		29,395	
Outside Services Employed	72,073		35,591		34,696	
Property Insurance	43,440		41,012		41,006	
Casualty Ins, Injuries & Damages	37,906		25,339		35,151	
Employee Pensions and Benefits	464,651		443,721		417,519	
Fringe Benefits Charged to Constr.	(20,898)		(17,089)		(12,723)	
Regulatory Commission	4,400		3,651		2,361	
Miscellaneous General Expense	27,048		27,204		22,997	
Maintenance of General Plant	28,196		18,271		26,947	
Maintenance of A/O Center	34,164		38,177		36,129	
Vacation, Holiday, Sick Leave	23,889		19,231		18,240	
Depreciation	128,041		123,936		124,042	
	<u> </u>		<u> </u>		<u> </u>	
Total Administrative and General	<u>1,031,252</u>	13.1	<u>940,900</u>	9.2	<u>934,273</u>	17.8
 Total Operating Expense	<u><u>\$8,084,833</u></u>		<u><u>9,209,990</u></u>		<u><u>\$5,256,433</u></u>	
 Percent to Operating Revenue		102.5		89.6		99.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - August 2010

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	358,299		163,550		168,030	
Electric Ranges/Dryers-Maint/Promotion	10,417		9,870		8,813	
Electric Water Heaters-Maint/Promotion	14,339		11,932		9,364	
Total Customer Service Expense	<u>\$383,055</u>	0.7	<u>\$185,352</u>	0.3	<u>\$186,207</u>	0.4
<u>Consumer Accounts</u>						
Supervision	\$15,267		\$16,517		\$15,392	
Meter Reading Expense	60,160		66,285		62,387	
Consumer Records and Collection	244,299		236,260		234,117	
Uncollectible Accounts Expense	14,672		14,672		11,133	
Vacation, Holiday, Sick Leave	29,647		29,084		28,923	
Total Consumer Accounts Expense	<u>364,045</u>	0.6	<u>362,818</u>	0.5	<u>351,952</u>	0.8
<u>Administrative and General</u>						
Administrative and General Salaries	1,330,462		1,296,947		1,255,555	
Office Supplies and Expenses	173,071		110,194		153,183	
Outside Services Employed	534,159		461,198		530,063	
Property Insurance	340,218		328,080		305,364	
Casualty Ins, Injuries & Damages	302,800		246,162		290,960	
Employee Pensions and Benefits	3,771,879		3,671,644		3,508,286	
Fringe Benefits Charged to Constr.	(132,416)		(116,444)		(120,683)	
Regulatory Commission	35,200		47,700		31,071	
Miscellaneous General Expense	335,653		219,755		258,333	
Maintenance of General Plant	213,899		176,182		175,400	
Maintenance of A/O Center	274,903		220,665		247,673	
Vacation, Holiday, Sick Leave	233,476		208,827		203,317	
Depreciation	1,024,329		991,488		992,336	
Total Administrative and General	<u>8,437,633</u>	14.4	<u>7,862,398</u>	11.7	<u>7,830,858</u>	18.1
Total Operating Expense	<u>\$63,142,262</u>		<u>\$65,625,461</u>		<u>\$49,717,113</u>	
Percent to Operating Revenue		108.0		97.8		114.7

Muscatine Power and Water - Electric Utility
Statistical Data
August 2010

Per KWH Delivered to Wholesale Customers

	Current Month <u>Budget</u>	Current Month <u>Actual</u>	Year-To-Date <u>Budget</u>	Year-To-Date <u>Actual</u>
Wholesale Sales KWHs	120,248,798	121,885,982	933,526,508	813,554,889
Wholesale Sales	\$0.02500	\$0.04219	\$0.02500	\$0.03808
Less:				
Generation	0.03304	0.03350	0.03388	0.03547
Transmission	0.00069	0.00062	0.00088	0.00087
Subtotal	0.03373	0.03412	0.03476	0.03634
Wholesale Margin	<u>(\$0.00873)</u>	<u>\$0.00807</u>	<u>(\$0.00976)</u>	<u>\$0.00174</u>

Per KWH Delivered to Paying Native System Customers

	Current Month <u>Budget</u>	Current Month <u>Actual</u>	Year-To-Date <u>Budget</u>	Year-To-Date <u>Actual</u>
Native System Sales KWHs	74,641,152	79,071,423	539,330,470	565,156,481
Native System Sales	\$0.05239	\$0.05212	\$0.05135	\$0.05061
Less:				
Purchased Power	0.02597	0.03896	0.02611	0.03535
Distribution	0.00536	0.00470	0.00603	0.00590
Customer Service	0.00072	0.00037	0.00071	0.00033
Consumers Accounts	0.00060	0.00055	0.00067	0.00064
Administrative & General	0.01382	0.01190	0.01564	0.01391
Subtotal	0.04646	0.05648	0.04917	0.05613
Native System Margin	0.00592	(0.00436)	0.00218	(0.00552)
Wholesale Margin	<u>(0.01406)</u>	<u>0.01244</u>	<u>(0.01689)</u>	<u>0.00250</u>
Net Electric Margin before Steam Sales	<u>(\$0.00814)</u>	<u>\$0.00809</u>	<u>(\$0.01472)</u>	<u>(\$0.00302)</u>
Net Electric Margin after Steam Sales	<u>(\$0.00416)</u>	<u>\$0.01151</u>	<u>(\$0.01030)</u>	<u>\$0.00125</u>

Total Fuel Cost
(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Per Million Btu.	\$1.551	\$1.237	\$1.418	\$1.376
Per Net MW Generated	\$17.82	\$14.03	\$15.93	\$15.58
Net Peak Monthly Demand - KW	135,300	127,000	137,900	139,000
Date of Peak	8/12	8/10	7/27	6/23
Average Temperature	76°	70°		
<u>Services</u>	<u>2010</u>	<u>2009</u>		
Residential	9,668	9,635		
Commercial I	1,389	1,378		
Commercial II	119	118		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	39	39		
Total	<u>11,250</u>	<u>11,205</u>		

**Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - August 2010**

	<u>Budget</u>		<u>This</u>		<u>Last</u>	
	<u>Estimate</u>	<u>\$/kWh</u>	<u>Year</u>	<u>\$/kWh</u>	<u>Year⁵</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>120,248,798</u>		<u>121,885,982</u>		<u>22,062,000</u>	
Wholesale Sales	<u>\$3,006,220</u>	<u>\$0.0250</u>	<u>\$5,142,740</u>	<u>\$0.0422</u>	<u>\$681,779</u>	<u>\$0.0309</u>
Variable Costs						
Marketers' Commissions	---	0.0000	---	0.0000	23,666	0.0011
Transmission Path	---	0.0000	---	0.0000	8,014	0.0004
Fuel (Coal, Gas & Fuel Oil)	1,881,165	0.0156	2,083,844	0.0171	291,943	0.0132
SO ² Allowances ¹	2,960	0.0000	6,510	0.0001	1,852	0.0001
NO _x Allowances ²	120,400	0.0010	112,898	0.0009	21,200	0.0010
Other ⁴	<u>293,341</u>	<u>0.0024</u>	<u>284,544</u>	<u>0.0023</u>	<u>75,240</u>	<u>0.0034</u>
Total Variable Costs	<u>2,297,866</u>	<u>0.0191</u>	<u>2,487,796</u>	<u>0.0204</u>	<u>421,915</u>	<u>0.0191</u>
Gross Margin	<u>\$708,354</u>	<u>\$0.0059</u>	<u>\$2,654,944</u>	<u>\$0.0218</u>	<u>\$259,864</u>	<u>\$0.0118</u>
Percent Gross Margin	23.6%		51.6%		38.1%	

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>Year⁵</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>933,526,508</u>		<u>813,554,889</u>		<u>217,100,000</u>	
Wholesale Sales	<u>\$23,338,155</u>	<u>\$0.0250</u>	<u>\$30,983,134</u>	<u>\$0.0381</u>	<u>\$7,356,085</u>	<u>\$0.0339</u>
Variable Costs						
Marketers' Commissions	---	0.0000	---	0.0000	318,024	0.0015
Transmission Path	---	0.0000	---	0.0000	138,917	0.0006
Fuel (Coal, Gas & Fuel Oil)	13,180,880	0.0141	12,261,896	0.0151	3,169,748	0.0146
SO ² Allowances ¹	23,058	0.0000	29,796	0.0000	31,406	0.0001
NO _x Allowances ³	856,774	0.0009	580,662	0.0007	376,855	0.0017
Other ⁴	<u>2,346,728</u>	<u>0.0025</u>	<u>2,334,777</u>	<u>0.0029</u>	<u>756,273</u>	<u>0.0035</u>
Total Variable Costs	<u>16,407,440</u>	<u>0.0176</u>	<u>15,207,131</u>	<u>0.0187</u>	<u>4,791,223</u>	<u>0.0221</u>
Gross Margin	<u>\$6,930,715</u>	<u>\$0.0074</u>	<u>\$15,776,003</u>	<u>\$0.0194</u>	<u>\$2,564,862</u>	<u>\$0.0118</u>
Percent Gross Margin	29.7%		50.9%		34.9%	

Allowance costs are based on budgeted/actual market price for allowances:

	<u>Budget</u>	<u>2010</u>	<u>2009</u>
fn1 SO ²	\$80.00	\$56.00	\$157.00
fn2 NO _x annual	1,000.00	515.00	677.00
NO _x seasonal	200.00	55.00	152.00
fn3 YTD NO _x annual	1,000.00	464.00	1,513.38
YTD NO _x seasonal	200.00	42.13	194.29

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees.

fn5 MPW Joined MISO September 1, 2009

Electric Utility
Review of Operating Results
August 2010

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - AUGUST 31, 2010
(Analysis of Financial Statements - Page 4)

Page 1

		Increase (Decrease) to Budgeted Net Assets
	Favorable/ (Unfavorable)	
Sales of Electricity		
Native System Sales	\$ 908,701	4.8% higher sales, offset by a lower average sale price (\$.0506/kWh versus \$.0513/kWh budgeted) that includes the 4% price increase effective July 1
Wholesale Sales	7,644,979	49.6% higher average sale price (\$.0381/kWh versus \$.0250/kWh budgeted), offset by 12.9% lower kWh's sold
	<u>8,553,680</u>	
Steam Sales	189,855	12.1% more pounds of steam sold; offset by a 8.4% lower average sale price, primarily due to lower allowance costs and incremental summer season sales at a \$2.75/1000 lbs rate
Other Revenue		
Rail Car Lease	(134,094)	Budget assumed 120 rail cars would be leased every day, plus a 2nd train for 4-5 weeks; approximately 124 rail cars were leased for 50 days; 114 cars for 21 days; and 6 for 28 days
By-Product Revenue	9,268	Higher gypsum sales
	(60,339)	Lower fly ash sales
	(13,453)	Lower slag sales
Miscellaneous Revenue	31,394	Higher job sales
	(3,050)	Lower EPA allowance proceeds
	52,368	Transmission revenue, not budgeted
	8,641	Other miscellaneous variances - net
	<u>(109,265)</u>	
Operating Expense		
Purchased Power	(5,894,345)	Average purchase price is 36.0% higher (\$.0340/kwh vs \$.0250/kwh budgeted); 4.4% higher kWh's purchased
Production Fuel	190,958	3.3% lower number of tons burned, offset by a 2.1% higher average coal cost (\$22.19/ton vs. \$21.74/ton budgeted);
	45,974	48.4% lower Unit 9 diesel fuel usage, plus 14.4% lower average price
	167,339	Unit 8's lower natural gas usage (8,133.7 mmbtu's compared to 29,467 budgeted) offset by a higher average price (\$8.56/mmbtu compared to \$8.04 budgeted)
	(36,323)	Other miscellaneous variances - net
	<u>367,948</u>	
Emissions Allowance	196,269	
Operation	(26,654)	Higher Unit 9 bottom ash system material expenses
	30,363	Lower auxiliary boiler natural gas usage
	21,540	Lower Unit 9 boiler chemicals
	12,451	Lower Unit 9 scrubber waste handling expense
	9,766	Lower limestone cost
	13,400	Lower plant electricity expense due to lower water usage
	105,569	Lower cost for Title V air operating permit fee
	12,738	Fewer safety materials
	18,256	Lower material expense for Plant ground maintenance
	7,500	Predictive maintenance tech equipment should be in capital budget
	16,000	PMAX software upgrade not completed yet
	(38,551)	Rail car storage, not budgeted
	(150,358)	Higher cost of MISO operating & administrative fees
	23,000	NERC operator training, not needed
	113,227	Transmission planning study - Phase II, not completed yet
	16,346	Linemen's overhead line tools not expended
	20,942	Fewer customer rebates
	26,148	Lower postage expense
	41,629	Fewer memberships/subscriptions
	13,022	Lower gasoline/diesel fuel costs
	43,108	Less travel
	16,640	Lower phone expenses
	25,258	Less temporary labor services needed
	16,664	Free Book DSM projects, not expended yet
	12,518	IAMU Eco@ Home Quarterly publication, not expended yet
	10,000	No educational programs initiated yet
	10,000	Customized energy efficiencies, not expended yet
	8,406	Fewer promotional materials
	27,056	Lower cost of media advertising
	12,900	Customer survey to be completed later this year
	(13,019)	IAMWind Project-phase II assessment, budgeted July - September
	(23,747)	Environmental consulting and legal fees, higher than anticipated
	(33,900)	Higher cost of reliability standards audit consultant
	15,345	Coal and transportation consulting, lower than anticipated
	14,898	Lower labor attorney fees
	40,000	Electric cost of service study, not completed yet
	6,666	Financial advisor, not expended yet
	13,280	Workforce development training did not take place
	9,130	LEAN consultant not utilized yet
	7,320	IS application consulting not needed
	11,069	Employee search services, not needed
	6,000	Tenaska's energy marketing services review/audit, not completed yet
	39,987	Lower cost for workers compensation claims
	16,651	Lower casualty insurance cost
	59,463	Lower pension cost
	67,747	Lower healthcare cost
	40,461	Lower cost of educational reimbursements

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
REVIEW OF YEAR-TO-DATE OPERATING RESULTS - AUGUST 31, 2010
(Analysis of Financial Statements - Page 4)

Page 2

Increase (Decrease) to Budgeted Net Assets

	(16,565)	Higher cost of recognition dinner
	(75,940)	Severance packages not budgeted
	(15,972)	Fringe benefits charged to construction lower than anticipated
	18,726	Lower employment expenses
	7,189	Lower cost for annual report
	(13,516)	2009 IUB regulatory expense, not billed or known until March 2010
	151,130	Lower labor cost
	39,843	Lower vacation accrual cost
	347,627	Other miscellaneous variances - net
	<u>1,188,757</u>	
Maintenance	127,103	Power plant lighting upgrade, has not begun
	16,000	Fire protection panel inspections not begun
	12,094	Elevator maintenance, inspection, and permits, not expended yet
	26,656	Contracted insulation replacement at the plant, not completed
	12,900	Landfill's fence repair, not completed
	31,804	Lower cost for plant roof repairs
	37,628	Lower cost of Unit 8 main steam piping inspection
	410,813	Lower cost of Unit 8 restud & refractory cyclones
	56,027	Unit 8 boiler penthouse roof repair & refractory to be completed during the fall outage
	30,377	Lower cost to deslag & water blast Unit 8 boiler
	(21,066)	Higher cost of Unit 8 boiler feed pump motor repair
	37,500	Unit 8 miscellaneous cyclone repairs, not needed
	12,000	Unit 8 fly ash vacuum blower replacement, not expended
	97,469	Lower cost for pulverizer journal rebuild
	95,000	Pulverizer exhaustor wheel refurbishment, expended as needed, not anticipated this year
	60,903	Lower cost of Unit 7 & 8 bottom ash system materials
	38,215	Lower cost of Unit 9 bottom ash system materials
	(40,000)	Unit 9 boiler feed pump check valves, not replaced yet
	(45,327)	Higher cost of Unit 9 fly ash system materials
	(28,175)	Unit 9 precipitator transformer rectifier repair, not budgeted
	(23,580)	Grit blast clean Unit 9 precipitator, not budgeted
	(14,832)	FGD bypass damper limitorque, not budgeted
	(9,916)	Absorber spray pump flush valve repairs, not budgeted
	15,000	FGD hydroclone replacements, not completed
	(10,008)	Absorber spray pump 902 motor repair, not budgeted
	(17,273)	Unit 7 circulating water pump rebuild, not budgeted
	(19,170)	Unit 8B circulating water pump motor repair, not budgeted
	12,000	Unit 8 condenser cleaning, not needed
	17,500	8A turbine/generator gear reducer maintenance, not needed
	16,950	Lower cost of 8A generator & lube oil coolers non-destructive examination
	(8,823)	Unit 9 screen wash pump repair, not budgeted
	5,472	Lower cost of GE, EX-2000, and Mark V service agreements; due to not budgeting evenly throughout year
	25,725	Prior year adjustment for the SCADA system warranty entered twice
	15,000	Power plant hoist and chainfall inspection/repair, not completed yet
	68,885	Lower rail car maintenance
	12,171	Lower cost of rail unloader maintenance
	(106,222)	Unit 8 crusher cage assembly, budgeted later this year
	(15,655)	Replacement of 8A & 8B coal hammers, budgeted in October
	(6,009)	Dust collector hopper bottom replacement, budgeted cost distributed evenly over the year
	9,852	T&D structures maintenance not needed
	(9,925)	Higher cost of maintaining transmission overhead lines
	15,000	Maintenance of jointly owned line, performed by MidAmerican, has not been expended yet
	(9,111)	Higher cost of maintaining transformers
	(7,380)	Maintenance of bridge lighting, not budgeted
	6,817	Lower cost for telephone system maintenance
	5,772	Lower cost for copier/scanner maintenance
	6,126	GIS maintenance, not expended yet
	38,000	Replacement windows and door weather seals at A/O Center to be expended later this year
	6,500	A/O Center HVAC ductwork cleaning, may not take place this year
	5,100	Drive-up window modifications are cancelled
	6,510	Concrete work at the A/O Center will be completed later this year
	(36,873)	More temporary labor services needed
	228,283	Lower labor cost
	426,301	Other miscellaneous variances - net
	<u>1,616,108</u>	
Depreciation	42,064	Fewer capital purchases in 2009 than estimated
Nonoperating Revenue (Expense)		
Interest Income	(294,681)	Negative mark-to-market
	44,234	Amortization/accretion of investments
	181,453	Increase due to higher cash and investment balances
Interest Expense	(11,564)	Interest on customer deposits greater than anticipated
	<u>(80,558)</u>	
Net Loss Before Revenue Adjustment	6,070,513	Increase in Budgeted Net Assets
Capital Contributions	54,222	City of Muscatine contribution of two transformers
Revenue Adjustment-Extraordinary O&M	5,100,000	Transfer from deferred revenue originally anticipated in 2009
Change in Net Assets	<u>\$ 11,224,735</u>	Total Increase in Budgeted Net Assets

Statements of Revenues, Expenses and Changes in Net Assets

Sales of Electricity

Native System Sales

4.8% higher kWh sales, offset by a lower average sales-price (\$.0506/kWh versus \$.0513/kWh budgeted) that includes the 4% price increase effective July 1, resulted in \$908,701 higher revenue.

Wholesale Sales

A higher average sales-price (\$.0381/kWh versus \$.0250) offset by 12.9% lower kWh sales, resulted in \$7,644,979 more revenue than projected.

Steam Sales

12.1% more pounds of steam sold, offset by a lower average sales price (\$3.80/1000 lbs versus \$4.15 budgeted), resulted in \$189,855 more revenue than projected, primarily due to lower allowance costs and incremental summer season sales at a \$2.75 rate per 1000 pounds.

Other Revenue

Rail Car Lease

The budget assumes 120 cars would be leased daily at a rate of \$7.50/car/day, plus an additional train set leased for 4-5 weeks at \$23.50. To date approximately 124 cars were leased for 50 days and 6 cars for 14 days at \$23.50/car/day; 114 cars were leased for 7 days at \$22.00/car/day; and 119 cars were leased for 14 days at \$13.00/car/day. Total revenue is \$134,094 lower than budget. No other leases are projected for the remainder of 2010.

By-Product Revenue

Gypsum sales are \$9,268 higher than budget; fly ash sales are \$60,339 lower than budget; and slag sales are also \$13,453 lower than budget through July.

Miscellaneous Revenue

The budget did not include transmission revenue, which totaled \$52,368. At the time the budget was compiled, MPW had just joined MISO and it was assumed transmission expense and revenue would net to zero. Job sales revenue is \$31,394 higher than budget for the year. EPA allowance proceeds totaled \$1,950; the budget included \$5,000.

Nonoperating Revenue (Expense)

Interest Income

Interest income is \$68,995 lower than budgeted due to a negative mark-to-market adjustment of \$294,682, offset by earnings on higher cash and investment balances.

Capital Contributions

The capital contributions are a result of billing for five transformers.

Revenue Adjustment – Extraordinary O & M

A transfer of \$5,100,000 was made from the Extraordinary O & M account to help maintain a minimum level of operating funds.

Balance Sheets

Assets

Consumer Accounts Receivable

Receivables include estimated unbilled revenues of \$381,941 as of August 31, 2010 and \$383,422 as of August 31, 2009 for services rendered from the date of the last meter reading to month-end.

Liabilities

Health and Dental Insurance Provision

Health care claims have been less than premiums accrued. The current portion is based on the third party administrator's estimate of incurred but unpaid health claims at year end. This estimate is adjusted annually.

Year-To-Date Summary of Expenses

Purchased Power

KWh's purchased were 4.4% higher than budgeted, plus the average purchase price was 36.0% higher (\$.0340/kWh versus \$.0250/kWh budgeted) resulting in \$5,894,345 higher expense.

Generation

Fuel – Coal

Tons of coal burn was 3.3% or 23,077 tons lower than budget, offset by a slightly higher average cost (\$22.19/ton actual versus \$21.74/ton budgeted), resulting in \$190,958 lower coal expense.

Fuel – Fuel Oil

Unit 9's fuel oil usage is 48.4% lower than budgeted plus price per gallon is \$2.14 compared to \$2.50 budgeted, resulting in \$45,974 lower expense.

Fuel - Gas

Unit 8's natural gas expense is \$167,339 lower than budget due to lower usage (8,133.7 actual mmbtu's compared to the budgeted 29,467 mmbtu's); offset by a 6.5% higher average price (\$8.56/mmbtu vs. \$8.04/mmbtu budgeted).

Generation (cont'd)Coal Handling Expense

Labor and gasoline/diesel fuel expenses are \$17,354 and \$37,318 higher than budget, respectively. Units 9 fly ash handling, which was not budgeted, amounted to \$21,237 through August; Unit 9 bottom ash handling material expense is \$11,290 higher than budgeted. A correction for the prior year's sales tax on diesel fuel resulted in a \$4,016 credit to this account. Other coal handling material expenses are \$15,362 lower than budgeted.

Landfill Operation Expense

The budget includes \$16,680 for dust control, \$7,000 for propane for the irrigation system, and \$4,000 for irrigation system repairs that were not expended.

Emissions Allowance Expense

NOx emissions expense is \$196,269 lower than the budget through August due to a lower average price of allowances (\$459 vs \$1,000). Annual NOx allowance information follows:

January 1	EPA	GPC to	Allowances	MPW	GPC	Allowances
<u>Beg. Balance</u>	<u>+</u> <u>Provided</u>	<u>+</u> <u>Provide</u>	<u>=</u> <u>Available</u>	<u>Electricity</u> <u>+</u>	<u>Steam</u>	<u>=</u> <u>Consumed</u>
240.0	949.9	903.0	2092.9	1287.1	903.0	2190.1
Ending Balance						<u>-97.2</u>

Seasonal NOx allowance information follows:

January 1	EPA	GPC to	Allowances	MPW	GPC	Allowances
<u>Beg. Balance</u>	<u>+</u> <u>Provided</u>	<u>+</u> <u>Provide</u>	<u>=</u> <u>Available</u>	<u>Electricity</u> <u>+</u>	<u>Steam</u>	<u>=</u> <u>Consumed</u>
94.0	513.6	334.0	941.6	640.0	334.0	974.0
Ending Balance						<u>-32.4</u>

Steam Expense – Boiler

Labor expense is \$93,646 greater than budget. The plant operations department charged more time to this account and less time to Steam Expense-Pollution Control. Unit 9 bottom ash system expense is \$26,654 higher than budget; \$25,000 is budgeted for this later this year. The auxiliary boiler's natural gas expense is \$30,363 lower than budgeted. Unit 9 boiler chemicals, budgeted at \$28,000, amounted to \$6,460 through August.

Steam Expense – Pollution Control

Unit 9 scrubber waste handling, limestone, and labor expenses are below budget by \$12,451, \$9,766, and \$88,511, respectively.

Electric Expense

Lower water usage for all generating units, resulted in \$13,400 lower expense. Other material expenses, including bulk hydrogen and carbon dioxide, are lower than budgeted by \$12,040. Total labor expense is \$13,666 lower than budgeted for the year.

Generation (cont'd)Miscellaneous Steam Power Expense

The Title V air operating permit fee, costing \$286,931, was budgeted at \$392,500. Safety material expense, training materials, ground maintenance, labor, and security are \$60,548, \$9,661, \$18,256, \$15,447, and \$8,873 lower than budget, respectively. Predictive maintenance tech equipment, budgeted at \$7,500, and the PMAX software upgrade, budgeted at \$16,000, have not been expended yet. Rail car storage costs, amounting to \$38,551, were not budgeted.

Maintenance of Structures

The budget includes \$127,103 for the power plant lighting upgrade, and \$16,000 for fire protection panel inspections, which have not begun. The budget includes \$33,700 for elevator maintenance, inspection and permits; only \$21,606 has been expended. Contracted insulation replacement budgeted at \$26,656, and the landfill's fence repair budgeted at \$12,900, have not been expended yet. Temporary labor services are \$14,440 lower than the budget through August. Roof repair is budgeted at \$40,000 in August; actual expense includes access hatches on Unit 9 precipitator roof, costing \$8,196; Labor expense is \$42,405 higher than budgeted.

Maintenance of Boiler Plant – Boiler

	2010 <u>Budget</u>	2010 <u>Actual</u>
Labor	614,361	521,230
Unit 8 main steam piping inspection	120,000	82,372
Unit 8 restud & refractory cyclones	800,000	389,187
Unit 8 boiler penthouse roof repair & refractory	140,000	83,973
Deslag & water blast Unit 8 boiler	40,000	9,623
Unit 8 BFP motor repair	6,000	27,066
Unit 8 FD fan inspection	6,000	9,426
Unit 8 cyclone repairs	37,500	-
Unit 8 boiler vacuum services	17,500	11,618
Unit 8 boiler tap stack stud kit	25,000	22,396
Unit 8 fly ash vacuum blower replacement	12,000	-
Unit 7 & 8 bottom ash system materials	103,600	42,697
Pulverizer exhaustor wheel refurbishment	95,000	-
Pulverizer journal rebuild	75,000	(22,469)*
Unit 9 bottom ash system materials	75,671	37,456
Grit blast clean Unit 9 ID fan	-	10,106
Unit 9 stack climbing system	32,000	30,667
Unit 9 boiler feed pump check valves	40,000	-
Unit 9 fly ash system materials	26,004	71,331
Unit 9 ignitor control board upgrade	20,000	18,580
Other expenses	<u>432,002</u>	<u>339,850</u>
	<u>\$2,717,638</u>	<u>\$1,685,109</u>

*Includes a credit of \$69,371 for returning a journal assembly to stores for repair; the corresponding stores issue took place in 2009.

Generation (cont'd)Maintenance of Boiler Plant – Pollution Control

	2010 <u>Budget</u>	2010 <u>Actual</u>
Labor	101,998	138,885
Unit 9 precipitator transformer rectifier repair	-	28,175
Grit blast clean Unit 9 precipitator	-	23,580
Grit blast clean Unit 8 precipitator	18,000	13,942
Quencher sump mixer repair	-	6,124
FGD bypass damper limitorque replacement	-	14,832
FGD hydroclone replacements	15,000	-
FGD scrubber equipment maintenance	5,667	188
Absorber spray pump flush valve repairs	-	9,916
Gear reducer repair	-	5,067
Rebuild coal pile runoff pumps	4,000	-
Absorber spray pump 902 motor repair	-	10,008
Other expenses	<u>53,065</u>	<u>55,934</u>
	<u>\$197,730</u>	<u>\$306,651</u>

Maintenance of Electric Plant

	2010 <u>Budget</u>	2010 <u>Actual</u>
Labor	249,196	167,225
Unit 7 circulating water pump rebuild	-	17,273
Unit 7 traveling screen repairs	6,664	-
Unit 8 circulating water pump motor repair	-	19,170
Unit 8 generator testing	5,000	-
8A generator outboard bearing seal	19,000	18,244
Clean Unit 8 condenser	12,000	-
8A turbine/generator gear reducer maintenance	17,500	-
8A generator & lube oil coolers NDE	25,000	8,050
Unit 8 closed cooling heat exchanger NDE	10,000	7,107
Paint Unit 8 isophase and medium voltage ducts	5,000	-
Unit 8 relay repair	-	1,468
Unit 8 recondition switchgear breakers	6,000	-
Unit 9 ball valves for hydraulic fluid pump	-	3,839
FGD 9A Unit sub transformer repair	-	4,965
Unit 9 screen wash pump repair	-	8,823
GE, EX-2000, and Mark V service agreement	16,680	11,208
Other expenses	<u>96,969</u>	<u>62,486</u>
	<u>\$469,009</u>	<u>\$329,858</u>

Generation (cont'd)Maintenance of System Control

A prior year adjustment for double booking an expense resulted in a credit of \$25,725.

Maintenance of Miscellaneous Steam Plant

The plant maintenance labor and laundry service expenses are \$75,459 and \$9,807 lower than budgeted, respectively. The budget includes \$15,000 for a hoist and chainfall inspection/repair that has not been expended.

Maintenance of Coal Handling Equipment

	2010	2010	2009
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Labor	287,211	220,539	206,519
Rail car maintenance	240,750	171,865	206,341
Rail facilities maintenance	38,000	38,450	11,307
Rail unloader maintenance	32,304	20,133	19,064
Dozer maintenance	53,708	42,157	61,375
Replace Unit 8 crusher cage	-	106,222	-
Repair 8B coal crusher motor	-	7,747	108,990
Replace fire protection valves	5,000	-	-
Replace dust collector hopper bottom	2,000	8,009	-
Replace 8A & 8B hammers	-	15,655	30,058
Replace PLC cable	8,000	=	=
Replace Units 8 & 9 CH computers	6,500	=	=
Limiter torque operator	-	-	13,832
Other expenses	<u>213,439</u>	<u>127,227</u>	<u>165,362</u>
	<u>\$886,912</u>	<u>\$758,004</u>	<u>\$822,848</u>

Generation (cont'd)System Control and Load Dispatch

	2010	2010	2009
	<u>Budget</u>	<u>Actual*</u>	<u>Actual</u>
Labor	245,836	128,867	241,159
SCADA Dark Fiber service	86,400	21,419	85,311
MISO operating & administrative fees	120,000	270,358	15,415
MISO membership application	-	-	15,000
MAPPCOR patronage distribution	-	-	(33,782)
NERC assessment	20,000	-	19,108
NERC operator training	23,000	-	5,656
MAPPCOR trans assessment	11,068	-	59,642
OATI ETS tagging service	17,200	14,157	17,422
Travel	13,333	4,241	11,480
Other expenses	<u>42,881</u>	<u>13,502</u>	<u>7,866</u>
	<u>\$579,718</u>	<u>\$452,544</u>	<u>\$444,277</u>

*Some costs are being reallocated as transmission and distribution expenses due to operational changes associated with joining MISO.

TransmissionLoad Dispatching

Costs previously budgeted and expended as generation expenses are being reallocated due to operational changes subsequent to joining MISO. Costs reallocated to transmission include: \$8,521 for the dark fiber loop, \$9,900 for MAPPCOR assessments, and \$19,040 for NERC assessments. Labor expense is being reallocated, resulting in \$26,101 lower expense than budgeted.

Station Expense

Lawn care expense is \$4,875 lower than budgeted for the year. The budget includes \$1,750 for oil testing that has not been completed.

Miscellaneous Transmission Expense

The budget includes \$126,100 for the transmission planning study – phase II; \$12,873, of the anticipated \$78,520, has been expended to date.

Maintenance of Structures

The budget includes \$2,502 for rock, fence, paint, door and roof maintenance, which have not been expensed. Labor expense is lower than budgeted by \$1,624.

Transmission (cont'd)

Maintenance of Station Equipment

The substation electricians' labor expense is \$12,442 lower than budget through August.

Maintenance of Overhead Lines

Engineering technicians' and the electric line workers' labor expenses are \$5,555 and \$11,796 higher than budgeted, respectively. The electric line workers' material expenses for 161 kV work amounted to \$12,962; total material expense is \$9,925 higher than budget, excluding \$15,000 budgeted for maintenance of a jointly owned line, performed by MidAmerican that has not been expended.

Distribution

Operation Supervision

Project engineering's labor expense is \$5,543 higher than budget due to time spent working on items related to the Stimulus Act of 2009. Total labor expense is \$9,958 higher than the budget for the year.

Load Dispatching

Costs previously budgeted and expended as generation expenses are being reallocated due to operational changes subsequent to joining MISO. Costs reallocated to distribution include: \$55,392 for the dark fiber loop, and \$3,894 for the backup control center connectivity and internet charges. Labor expense is being reallocated, resulting in an \$119,461 higher expense than budgeted.

Overhead Line Expense

Electric line tool expenses are below budget by \$16,346.

Street Lighting

The electric line workers' labor expense is higher than budgeted by \$3,990.

Meter Expense

Material expense is \$7,795 less than budgeted through August.

Miscellaneous Distribution Expense

Labor, maintenance agreements, travel, subscriptions/memberships, and MPW's portion of MAGIC's operating costs are below budget by \$55,608, \$1,506, \$10,294, \$2,418, and \$4,907.

Maintenance of Structures

The budget includes \$2,000 to repair HVAC units; \$1,350 to repair a portable air conditioning unit; \$4,000 for rock, fencing, paint, and door and roof maintenance; plus \$2,723 for labor expenses that have not been needed yet.

Maintenance of Overhead Lines

Labor expense is \$40,545 lower and material expenses are \$20,706 higher than budgeted.

Distribution (cont'd)Maintenance of Underground Lines

The electric line workers' and engineering technicians' labor expenses are \$14,628 and \$3,174 lower than budget through August. A correcting entry for a prior year stores issue, amounting to \$4,622, was recorded in July.

Maintenance of Line Transformers

Labor and material expenses are greater than the budget by \$29,495 and \$9,111. Actual expenses include \$3,454 for the infrared inspection program, and \$4,980 to replace a transformer at GPC.

Maintenance of Street Lighting

Bridge lighting maintenance, costing \$7,380, was not budgeted.

Maintenance of Meters

The timing of a stores return and issue resulted in a \$3,137 credit to this account in the current month. Repair costs have been less than anticipated this year.

Maintenance of Miscellaneous Distribution Expense

Vehicle maintenance labor expense is \$2,736 lower than budget for the year.

Customer Service Expense

<u>Customer Information Expense</u>	2010 <u>Budget</u>	2010 <u>Actual</u>	2009 <u>Actual</u>
Free Book DSM projects	16,664	-	-
Compact fluorescent exchange program	10,000	1,308	2,228
Educational programs	10,000	-	-
IAMU Eco@Home Quarterly	22,666	10,148	7,837
Home Energy Suite	8,000	6,148	6,809
Residential Customer Focus Groups	8,720	-	-
Customer survey	12,900	-	-
Neighborhood Link	2,864	5,536	5,552
Customer Newsletter	4,980	3,432	4,757
Customized energy efficiencies	10,000	-	-
Postage	16,696	115	4,339
Promotional materials	12,453	4,047	10,280
Media advertising	47,466	20,410	27,007
Commercial lighting rebate	10,000	7,138	7,957
Trees Forever	10,000	10,000	15,000
City building audits	3,360	-	6,029
Appliance rebates	43,188	57,450	41,375
Motor rebates	18,000	9,950	-
Geothermal rebates	24,040	-	5,300
Other expenses	<u>66,302</u>	<u>27,868</u>	<u>23,560</u>
	<u>\$358,299</u>	<u>\$163,550</u>	<u>\$168,030</u>

Consumer AccountsMeter Reading Expense

Labor expense is greater than budgeted by \$11,198. More time was spent on meter reading and less time for locates. The budget does not include cable modem service to accommodate the automated meter readings, which amounted to \$5,657 through August. Temporary labor services and postage, budgeted at \$8,758 and \$1,041, respectively, have not been needed.

Customer Records and Collection

Labor expense is \$3,592 lower than budgeted. Customer service forms are budgeted at \$6,973 through July; \$4,306 has been expended.

Administrative and GeneralAdministrative and General Salaries

Actual labor is less than budget primarily due to positions in accounting/finance, energy services, and employee services not being filled by the start of the year.

Office Supplies

	2010	2010	2009
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Phone expense	41,918	27,561	38,797
Memberships/subscriptions	20,476	6,043	15,900
Postage	19,920	10,664	18,173
Computer hardware/software	11,344	7,646	11,489
Vehicle allowance	11,146	11,199	8,215
Gasoline/diesel fuel	3,333	2,278	2,088
Other	<u>64,934</u>	<u>44,803</u>	<u>58,521</u>
	<u>\$173,071</u>	<u>\$110,194</u>	<u>\$153,183</u>

Outside Services Employed

The IAMWind project phase II assessment is \$13,019 greater than budget due to budgeting it July through September. Environmental consulting/legal fees and the reliability standards audit consultant are \$23,747 and \$33,900 higher than budget, respectively. Coal and transpiration consulting and labor attorney fees have a favorable budget variance of \$15,345 and \$14,898, respectively. Additionally, the budget includes the following that have not been expended yet: \$40,000 for electric cost of service rate study; \$6,666 for a financial advisor; \$13,280 for workforce development training; \$7,320 for IS application consulting; \$9,130 for a LEAN consultant; \$11,069 for employee search services; and \$6,000 for an audit of Tenaska, who provides energy marketing services.

Casualty Insurance, Injuries & Damages

Workers compensation expense and casualty insurance are lower than budget by \$39,987 and \$16,651, respectively.

Administrative and General (cont'd)

<u>Employee Pensions and Benefits</u>	2010	2010
	<u>Budget</u>	<u>Actual</u>
Pension	1,136,280	1,076,817
Healthcare costs	1,371,923	1,304,176
Dental	66,443	63,768
Life insurance	33,696	33,083
LTD insurance	66,825	67,476
FICA	817,500	797,573
Educational reimbursements	55,610	15,149
Unemployment expenses	12,450	16,751
Deferred comp utility match	180,630	180,554
Employee recognition dinner	2,781	19,346
Severance	-	75,940
Other expenses	<u>27,741</u>	<u>21,011</u>
	<u>\$3,771,879</u>	<u>\$3,671,644</u>

Fringe Benefits Charged to Construction

Less time has been charged to capital projects than projected.

Regulatory Commission

2010 expense includes \$13,516 for the Iowa Utility Board's 2009 final billing, which was received in March.

Miscellaneous General Expense

	2010	2010	2009
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Employment expenses	34,694	15,968	15,815
Subscriptions/memberships	111,638	83,467	78,742
Temporary services	17,662	57	17,454
Wellness Committee expenses	13,903	12,295	10,144
Travel	42,347	21,145	27,581
Safety-related expenses	13,190	9,749	13,865
Annual report	24,900	17,711	21,894
Labor	26,124	21,904	24,097
Other expenses	<u>51,195</u>	<u>37,459</u>	<u>48,741</u>
	<u>\$335,653</u>	<u>\$219,755</u>	<u>\$258,333</u>

Maintenance of General Plant

Telephone system, copier/scanner, GIS maintenance, and two-way radio equipment maintenance is \$6,817, \$5,772, \$6,126, and \$2,985, lower than the budget through August, respectively.

Administrative and General (cont'd)Maintenance of A/O Center

The budget includes \$38,000 to replace windows and door weather seals that will be expended later this year, \$3,500 for landscaping, \$6,510 for concrete work, \$6,500 to clean HVAC ductwork that probably won't be completed this year, and \$5,100 to replace the drive-up window drawer, heater, and audio, which has been cancelled. Repairs to the security system, costing \$3,483, and the mobile office rental, costing \$1,174, were not budgeted

OUTSIDE SERVICES

Account 923

8/31/10

		<u>Electric</u>		<u>Water</u>		<u>Communications</u>	
<u>Description</u>	<u>Resp Code</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Board Legal Counsel/Legal services	120/331	5,532.00	2,629.44	400.00	190.08	737.33	348.48
Reliability Standards Audit Consultant	140	50,000.00	83,900.00	0.00	0.00	0.00	0.00
Environmental/regulatory legal services	140/611	13,336.00	16,080.45	0.00	0.00	0.00	0.00
Transmission attorney	140	10,000.00	300.51	0.00	0.00	0.00	0.00
IAMWind Project - Phase II assessment	221	39,000.00	52,018.86	0.00	0.00	0.00	0.00
MCC Public Access	224	0.00	0.00	0.00	0.00	33,756.00	32,340.32
IDNR water main permit preparation	231	0.00	0.00	0.00	1,116.50	0.00	0.00
Insurance Advisor	310	29,327.32	26,593.20	2,120.00	1,922.40	3,887.29	3,524.40
LEAN Consultant	310	9,130.00	0.00	660.00	0.00	1,210.00	0.00
Financial Advisor	320	6,666.47	0.00	0.00	0.00	0.00	0.00
Rating Agency	320	6,666.33	6,666.64	0.00	0.00	0.00	0.00
Electric Cost of Service Rate Study	320	40,000.00	0.00	0.00	0.00	0.00	0.00
Tenaska Review/Audit	320	6,000.00	0.00	0.00	0.00	0.00	0.00
Investment Advisor	325	10,000.00	10,000.00	0.00	0.00	0.00	0.00
Coal & Transportation Consulting	331	55,266.00	39,921.01	0.00	0.00	0.00	0.00
Fuel Procurement Committee Consulting	331	5,000.00	0.00	0.00	0.00	0.00	0.00
Trustee Fee-FNB	340	0.00	0.00	0.00	0.00	0.00	0.00
Bond Services	340	7,000.00	4,825.22	0.00	0.00	0.00	0.00
Audit Services/Baker Tilly	340	30,295.00	28,466.31	2,190.00	2,057.80	4,015.00	3,772.66
Intrusion Prevention	350	7,554.00	8,534.08	546.00	582.00	1,000.80	1,131.04
Application Consulting	350	7,320.00	0.00	529.20	0.00	970.60	0.00
Infrastructure Review	350	4,980.00	0.00	360.00	0.00	660.00	0.00
Labor Attorney	410	19,532.20	4,633.87	6,400.10	937.08	728.65	390.15
509A Actuary Study	410	830.00	767.75	60.00	55.50	110.00	101.75
Employee Search Services	410	11,068.61	0.00	800.00	0.00	1,466.66	0.00
Workforce Development Training	410	13,280.00	0.00	960.00	0.00	1,760.00	0.00
Employee Handbook Review	410	2,075.00	0.00	150.00	0.00	275.00	0.00
Services to the MISO LSE Coalition	610	0.00	10,420.00	0.00	0.00	0.00	0.00
PM10 Modeling Consultation	611	0.00	21,003.00	0.00	0.00	0.00	0.00
Energy Management Services	740	128,000.00	128,000.00	0.00	0.00	0.00	0.00
Coal Pile Survey - GW000101	760	16,300.00	16,438.10	0.00	0.00	0.00	0.00
Communications Legal Counsel/Consulting	910	0.00	0.00	0.00	0.00	1,668.00	1,000.00
TOTAL		<u>534,158.93</u>	<u>461,198.44</u>	<u>15,175.30</u>	<u>6,861.36</u>	<u>52,245.33</u>	<u>42,608.80</u>

**Electric Utility
Balance Sheet Review
August 2010**

	<u>2010</u>	<u>2009</u>
<u>Current Assets</u>		
<u>Consumer Accounts</u>		
Customer Electric Accounts	\$4,439,968	\$3,796,118
Unbilled Revenue	381,941	383,422
Merchandise Accounts	540,058	311,921
Allowance for Doubtful Accounts	(38,581)	(40,919)
	<u>\$5,323,386</u>	<u>\$4,450,542</u>
<u>Inventories</u>		
Inventory	\$6,069,770	\$5,911,439
Emission Allowance - SO2	192,098	43,921
Emission Allowance - NOx	18,948	1,546,798
Stores Expense (a/c 163)	174,085	158,289
Gas and Diesel Fuel	170,219	166,519
Limestone	29,242	35,944
	<u>\$6,654,362</u>	<u>\$7,862,910</u>
<u>Prepaid Expenses</u>		
Prepaid Insurance	\$383,218	\$384,565
Unamortized Bond Issue Expense (current portion)	35,908	61,334
Prepaid Maintenance Contracts	135,062	214,909
Other Prepaid Expenses	167,921	30,012
	<u>\$722,109</u>	<u>\$690,820</u>
<u>Current Liabilities</u>		
<u>Accounts Payable</u>		
Water Bills	\$30,408	\$30,880
Air Equipment Sales - supplies	—	6,060
Alliant Utilities - gas	7,124	9,355
Allsteel Musc Comp Plant - air efficiency rebate	—	5,000
Alstom Power - parts	3,238	11,572
BL Robinson - parts	1,109	10,905
Bancard - travel	8,210	7,110
Bank of America - supplies	22,896	16,667
Bowe Machine Co - rpr 9B hydrobin	—	8,828
Bryant Bureau - employment svc	7,993	—
Buckskin Mining - coal	279,698	473,033
Burlington Northern - railcar rpr/coal transport	229,263	195,960
Canadian Pacific Railway - coal transport	141,056	—
City of Muscatine - wastewater/sanitation	67,841	79,693
Coca Lawn Care - lawn care svc	7,619	14,268
Comprehensive Emission Svc - emission testing	18,183	—
Cottingham & Butler - workers comp	7,329	13,129
Crescent Electric Supply - parts/supplies	15,770	10,965

Decatur Industrial Electric - motor rpr	—	34,444
Dresser - blower rpr	—	8,291
Fletcher-Reinhardt Co - tools/parts	4,665	7,761
Fuel Inc - annual rpt	—	14,604
GE Energy - software upgrade	160,638	—
Iowa, Chicago & Eastern RR - coal transport	—	130,457
Janda Electric Motor Svc - motor	—	7,887
Jordan Transformer - transformer rpr	—	22,751
Lafarge - ash hauling	4,342	8,170
Land Services - directional boring	6,648	—
Lewis Industrial Svc - splash ring	7,426	—
Magic - ESRI license agreement	7,055	—
Maxeefish - rr car consulting	6,600	5,992
MISO - trans fees/training	17,942	—
Nalco Co - chemicals	52,247	55,508
NERC - assessment	8,160	—
NRG - coal	272,759	—
Omaha Public Power District - purchased power	—	11,468
Open Systems Intl - hardware	33,923	40,238
Overland Systems - limestone/gypsum	5,675	2,229
Petrochem Insulation - insulation/scaffold rental	873	11,411
Platt Environmental - testing	22,957	—
Pliibrico Co - refractory	—	9,754
Ragan - #8 control room AC/#8 cyclone riser head/welding	74,527	109,540
Safety Management Svc Co - steps training	6,000	—
S&K Acquisition - parts/tools/supplies	4,531	5,053
SGS North America - density testing	11,178	—
Spratt Oil Sales - fuel	9,962	9,326
Superior Industrial Equip - bearings	6,661	—
Trackmasters - rail rpr	—	9,186
Wesco Receivables - parts	846	12,989
Other	371,050	380,633
	<u>\$1,944,402</u>	<u>\$1,791,117</u>
<u>Retained Percentage on Contracts</u>		
GE Energy	—	21,989
	<u>—</u>	<u>21,989</u>
<u>Miscellaneous Accrued Expenses</u>		
Interest on Customer Deposits	\$157,333	\$145,011
Sales/Use Tax Collections Payable	63,842	50,159
Payroll Tax Collections Payable	140,411	140,957
Employee Payroll Deductions	(2,177)	5,229
Workers' Comp Self Insurance Reserves	71,147	69,921
Comp Time Payable	45,065	41,876
Other	29,876	35,404
	<u>\$505,497</u>	<u>\$488,557</u>
<u>Miscellaneous Deferred Credits</u>		
Economic Development Reserve (a/c 265)	<u>\$86,050</u>	<u>\$119,250</u>