

MUSCATINE POWER AND WATER
2012 OPERATING BUDGETS
SUMMARY

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
KWH GENERATION, DISTRIBUTION, AND CAPACITY
For the Calendar Year 2012

	2012 Budget Estimate	% Incr. (Decr.) From 2011	2011 Actual/ Estimate	% Incr. (Decr.) From 2010	2010 Actual
ELECTRIC ENERGY					
Gross Generation	1,114,117,391	6.1	1,049,679,742	(16.4)	1,255,201,792
Less: Plant Use	<u>105,539,169</u>	4.6	<u>100,904,402</u>	(20.2)	<u>126,411,662</u>
Net Generation	<u>1,008,578,222</u>	6.3	<u>948,775,340</u>	(15.9)	<u>1,128,790,130</u>
Wholesale Sales	<u>1,008,578,222</u>	6.3	<u>948,775,340</u>	(15.9)	<u>1,128,790,130</u>
DISTRIBUTION - KWH					
Residential	100,297,045	(6.0)	106,693,696	(1.1)	107,828,594
Commercial I	38,648,285	(1.6)	39,272,977	1.3	38,779,028
Commercial II	103,496,391	0.7	102,816,648	1.7	101,098,873
Industrial I	114,855,068	(3.6)	119,176,724	(1.4)	120,922,082
Industrial II	443,510,381	(0.6)	446,157,638	(1.6)	453,353,477
City Enterprise Funds	5,697,971	3.6	5,502,485	(12.4)	6,282,407
Water & Communication Utilities	<u>15,967,436</u>	3.5	<u>15,428,797</u>	(4.3)	<u>16,124,668</u>
Native System Sales	822,472,577	(1.5)	835,048,965	(1.1)	844,389,129
City Lighting	2,028,118	2.9	1,971,000	(0.2)	1,974,310
City Buildings	6,257,462	(3.0)	6,450,840	2.8	6,275,186
Offline Power Plant Usage	887,040	—	4,560,095	599.5	651,914
Losses & Cycle Billing	<u>26,765,541</u>	8.4	<u>24,698,375</u>	2.8	<u>24,032,822</u>
TOTAL KWH DISTRIBUTED	<u>858,410,738</u>	(1.6)	<u>872,729,275</u>	(0.5)	<u>877,323,361</u>
Purchased Power	<u>858,410,738</u>	(1.6)	<u>872,729,275</u>	(0.5)	<u>877,323,361</u>
Steam Sales (1,000 lbs.)	<u>1,240,925</u>	(54.5)	<u>2,726,816</u>	(0.9)	<u>2,750,241</u>
NATIVE SYSTEM ELECTRICAL REQUIREMENTS - KW					
Available Gen. Capacity	253,000	—	253,000	(2.3)	259,000
Capacity - Steam Sales (net)	<u>22,800</u>	—	<u>22,800</u>	0.0	<u>22,800</u>
Net Available Capacity	<u>230,200</u>	—	<u>230,200</u>	(2.5)	<u>236,200</u>
Summer Peak	140,000	(1.5)	142,100	3.0	137,900
Reserve Req. (12.4%)	<u>17,360</u>	12.7	<u>15,400</u>	(6.5)	<u>16,465</u>
Required Capacity	<u>157,360</u>	(0)	<u>157,500</u>	2.0	<u>154,365</u>
EXCESS CAPACITY	<u>72,840</u>	0	<u>72,700</u>	(11.2)	<u>81,835</u>
NATIVE SYSTEM LOAD FACTOR	<u>70.0%</u>		<u>70.1%</u>		<u>72.6%</u>
CAPACITY FACTOR - ELECTRIC	<u>50.0%</u>		<u>47.0%</u>		<u>54.6%</u>

MUSCATINE POWER AND WATER - ELECTRIC UTILITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For Calendar Year 2012

	2012 Budget Estimate	% Incr. (Decr.) From 2011	2011 Actual/ Estimate	% Incr. (Decr.) From 2010	2010 Actual
<u>SALES OF ELECTRICITY</u>					
Residential	\$8,673,820	5.9	\$8,187,033	3.6	\$7,905,137
Commercial I	3,113,011	(0.3)	3,123,506	5.3	2,985,597
Commercial II	6,207,431	2.1	6,079,184	4.9	5,797,915
Industrial I	6,234,578	3.1	6,047,875	2.4	5,903,966
Industrial II	20,395,752	3.1	19,786,702	2.7	19,274,788
City Enterprise Funds	323,062	6.5	303,441	(8.9)	333,119
Water & Communication Utilities	<u>760,492</u>	(0.4)	<u>763,636</u>	(2.2)	<u>780,463</u>
Native System Sales	45,708,146	3.2	44,291,377	3.1	42,960,985
Wholesale Sales	<u>35,303,820</u>	16.1	<u>30,418,938</u>	(25.0)	<u>40,535,035</u>
ENERGY SALES	<u>81,011,966</u>	8.4	<u>74,710,315</u>	(10.5)	<u>83,496,020</u>
STEAM SALES REVENUE	<u>6,151,798</u>	(35.6)	<u>9,550,948</u>	(13.9)	<u>11,089,012</u>
<u>OTHER REVENUE</u>					
Rail Car Lease	400,000	3.1	387,955	50.9	257,063
By-Product Revenue	255,070	34.4	189,829	(37.2)	302,299
Miscellaneous Revenue	<u>514,488</u>	(11.1)	<u>578,842</u>	5.7	<u>547,877</u>
TOTAL OTHER REVENUE	<u>1,169,558</u>	1.1	<u>1,156,626</u>	4.5	<u>1,107,239</u>
OPERATING REVENUE	<u>88,333,322</u>	3.4	<u>85,417,889</u>	(10.7)	<u>95,692,271</u>
<u>OPERATING EXPENSE</u>					
Production Fuel	24,910,202	11.8	22,281,163	(4.1)	23,240,870
Purchased Power	27,468,051	10.0	24,971,049	(8.6)	27,314,007
Emissions Allowance	0	(100.0)	460,003	N/A	659,927
Operation	22,614,435	7.6	21,023,016	1.5	20,711,508
Maintenance	11,448,660	(18.9)	14,114,759	52.3	9,268,167
Depreciation	<u>11,232,266</u>	1.6	<u>11,059,272</u>	(22.3)	<u>14,234,724</u>
TOTAL OPERATING EXPENSE	<u>97,673,614</u>	4.0	<u>93,909,262</u>	(1.6)	<u>95,429,203</u>
OPERATING INCOME (LOSS)	<u>(9,340,292)</u>	—	<u>(8,491,373)</u>	(3,327.8)	<u>263,068</u>
<u>NONOPERATING REVENUE (EXPENSE)</u>					
Interest Income	1,471,682	7.9	1,363,542	(5.6)	1,444,829
Interest Expense	(1,126,961)	47.3	(765,201)	(48.7)	(1,491,345)
Other	—	—	—	—	—
TOTAL NONOPERATING REVENUE (EXPENSE)	<u>344,721</u>	—	<u>598,341</u>	(1,386.3)	<u>(46,516)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS & REVENUE ADJUSTMENT					
ADJUSTMENT	(8,995,571)	N/A	(7,893,032)	(3,744.9)	216,552
CAPITAL CONTRIBUTIONS	—	—	9,185	(88.4)	79,102
CHANGE IN NET ASSETS BEFORE REVENUE ADJUSTMENT	(8,995,571)	N/A	(7,883,847)	(2,766.6)	295,654
REVENUE ADJUSTMENT - EXTRA-ORDINARY O&M	<u>(2,304,824)</u>	—	<u>17,155,162</u>	—	<u>748,000</u>
CHANGE IN NET ASSETS	(11,300,395)	—	9,271,315	—	1,043,654
BEGINNING NET ASSETS	<u>173,113,627</u>	—	<u>163,842,312</u>	—	<u>162,798,658</u>
ENDING NET ASSETS	<u>\$161,813,232</u>	—	<u>\$173,113,627</u>	—	<u>\$163,842,312</u>
Net Income (Loss) before Rev Adj to Total Income	-10.0%	—	-9.1%	—	0.2%
Debt Service Coverage before Transfers	3.10	—	0.28	—	1.11
Debt Service Coverage after Transfers	0.97	—	1.50	—	1.16
Minimum Target	1.25	—	—	—	—

**MUSCATINE POWER AND WATER - WATER UTILITY
WATER DISTRIBUTION AND PUMPING CAPACITY
FOR THE CALENDAR YEAR 2012**
(1,000 Gallons)

	2012 <u>Budget Estimate</u>	% Incr. (Decr.) From <u>2011</u>	2011 <u>Actual/ Estimate</u>	% Incr. (Decr.) From <u>2010</u>	2010 <u>Actual</u>
<u>WATER DISTRIBUTION</u>					
Contract Customers	7,260,338	(0.8)	7,321,645	2.3	7,160,419
Power Plants	770,000	(7.9)	835,782	(8.3)	911,742
Residential	474,000	(2.8)	487,820	4.8	465,699
Commercial	<u>380,000</u>	(2.0)	<u>387,687</u>	0.9	<u>384,144</u>
Total Metered Customers	8,884,338	(1.6)	9,032,934	1.2	8,922,004
City Use, Line Loss, Cycle Billing	<u>544,000</u>	0.4	<u>541,976</u>	1.2	<u>535,537</u>
TOTAL WATER PUMPED	<u>9,428,338</u>	(1.5)	<u>9,574,910</u>	1.2	<u>9,457,541</u>
DAILY AVERAGE WATER PUMPED	<u>25.831</u>	(1.5)	<u>26.233</u>	1.2	<u>25.911</u>
PEAK DAY WATER PUMPED	<u>35,500</u>	0.4	<u>35,341</u>	9.5	<u>32,273</u>
Peak to Average Ratio	<u>1.37</u>	2.0	<u>1.35</u>	8.2	<u>1.25</u>
<u>PUMPING CAPACITY</u>					
Total Available	42,582	2.1	41,688	(2.8)	42,883
Less: Reserve (3/3/2 wells)	<u>(6,480)</u>	—	<u>(6,480)</u>	50.0	<u>(4,320)</u>
FIRM CAPACITY	<u>36,102</u>	2.5	<u>35,208</u>	(8.7)	<u>38,563</u>
EXCESS CAPACITY	<u>602</u>	(552.6)	<u>(133)</u>	(102.1)	<u>6,290</u>

MUSCATINE POWER AND WATER - WATER UTILITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE CALENDAR YEAR 2012

	2012 Budget Estimate	% Incr. (Decr.) From 2011	2011 Actual/ Estimate	% Incr. (Decr.) From 2010	2010 Actual
<u>SALES OF WATER</u>					
Contract Customers	\$2,277,591	4.2	\$2,185,625	4.9	\$2,082,844
Power Plants	333,964	2.1	326,975	1.3	322,651
Residential	1,493,111	3.4	1,444,556	5.7	1,366,655
Commercial	<u>469,753</u>	3.4	<u>454,380</u>	4.3	<u>435,735</u>
WATER SALES	<u>4,574,419</u>	3.7	<u>4,411,536</u>	4.8	<u>4,207,885</u>
<u>OTHER REVENUE</u>					
Penalty Revenue	6,775	(4.9)	7,123	1.1	7,044
Merchandise & Job Sales-Net	10,912	(3.5)	11,307	20.6	9,379
Miscellaneous Revenue-Net	<u>11,341</u>	(2.0)	<u>11,577</u>	12.0	<u>10,336</u>
TOTAL OTHER REVENUE	<u>29,028</u>	(3.3)	<u>30,007</u>	12.1	<u>26,759</u>
OPERATING REVENUE	<u>4,603,447</u>	3.6	<u>4,441,543</u>	4.9	<u>4,234,644</u>
<u>OPERATING EXPENSE</u>					
Operation	3,033,813	0.5	3,018,553	2.3	2,951,414
Maintenance	675,175	8.7	621,023	14.9	540,423
Depreciation	<u>642,029</u>	17.1	<u>548,288</u>	5.3	<u>520,845</u>
TOTAL OPERATING EXPENSE	<u>4,351,017</u>	3.9	<u>4,187,864</u>	4.4	<u>4,012,682</u>
OPERATING INCOME	<u>252,430</u>	(0.5)	<u>253,679</u>	14.3	<u>221,962</u>
<u>INTEREST AND MISCELLANEOUS</u>					
Interest Income	5,492	N/A	477	(49.7)	948
Interest Expense	(118,982)	N/A	(9,401)	N/A	(13,226)
Other	<u>0</u>	—	<u>0</u>	—	<u>0</u>
TOTAL INTEREST AND MISC.	<u>(113,490)</u>	N/A	<u>(8,924)</u>	(27.3)	<u>(12,278)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>138,940</u>	(43.2)	<u>244,755</u>	16.7	<u>209,684</u>
CAPITAL CONTRIBUTIONS	<u>383,935</u>	N/A	<u>48,000</u>	(47.9)	<u>92,081</u>
CHANGE IN NET ASSETS	<u>\$522,875</u>	78.6	<u>\$292,755</u>	(3.0)	<u>\$301,765</u>
BEGINNING NET ASSETS	<u>13,683,963</u>		<u>13,391,208</u>		<u>13,089,443</u>
ENDING NET ASSETS	<u>\$14,206,837</u>		<u>\$13,683,963</u>		<u>\$13,391,208</u>
Percent to Total Income	<u>3.0%</u>		<u>5.5%</u>		<u>5.0%</u>
Debt Service Coverage	<u>6.35</u>		<u>19.68</u>		<u>19.47</u>
Minimum Target	<u>1.25</u>				

**MUSCATINE POWER AND WATER - COMMUNICATIONS UTILITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET DEFICIT
FOR THE CALENDAR YEAR 2012**

	2012 Budget Estimate	% Incr. (Decr.) From 2011	2011 Actual/ Estimate	% Incr. (Decr.) From 2010	2010 Actual
<u>Operating Revenue</u>					
CATV :					
VOD & PPV	\$327,814	7.3	\$305,638	5.6	\$289,421
Ad Sales	402,795	0.7	400,000	35.7	294,803
All Other	7,425,460	6.7	6,956,549	4.8	6,640,617
Data/Internet	3,615,292	4.9	3,446,862	5.5	3,267,288
MAN/MME	652,710	59.4	409,358	20.7	339,246
Miscellaneous	<u>105,397</u>	1.0	<u>104,376</u>	17.2	<u>89,063</u>
Total Operating Revenue	<u>12,529,468</u>	7.8	<u>11,622,783</u>	6.4	<u>10,920,438</u>
<u>Operating Expense</u>					
Operation	8,033,162	8.0	7,437,477	1.3	7,343,509
Maintenance	867,428	1.8	852,447	1.8	837,231
Depreciation	2,483,510	4.4	2,379,865	3.9	2,290,464
Amortization	<u>773,136</u>	(0.0)	<u>773,137</u>	0.0	<u>773,137</u>
Total Operating Expense	<u>12,157,235</u>	6.2	<u>11,442,926</u>	1.8	<u>11,244,341</u>
Operating Income	<u>372,233</u>	N/A	<u>179,858</u>	(155.5)	<u>(323,903)</u>
<u>Interest and Miscellaneous</u>					
Interest Income	141,807	(8.6)	155,175	1,585.8	9,205
Interest Expense	(1,440,570)	(3.5)	(1,493,369)	14.8	(1,301,406)
Other	<u>0</u>	N/A	<u>0</u>	N/A	<u>0</u>
Total Interest and Miscellaneous	<u>(1,298,763)</u>	(2.9)	<u>(1,338,194)</u>	3.6	<u>(1,292,201)</u>
Net Loss before Capital Contribution	<u>(926,530)</u>	(20.0)	<u>(1,158,337)</u>	(28.3)	<u>(1,616,104)</u>
Capital Contribution	<u>0</u>	N/A	<u>13,584</u>	N/A	<u>0</u>
Change in Net Deficit	<u>(926,530)</u>		<u>(1,144,753)</u>		<u>(1,616,104)</u>
Beginning Net Deficit	<u>(20,851,270)</u>		<u>(19,706,517)</u>		<u>(18,090,413)</u>
Ending Net Deficit	<u>(\$21,777,800)</u>		<u>(\$20,851,270)</u>		<u>(\$19,706,517)</u>
Percent to Total Income	<u>-7.3%</u>		<u>-9.8%</u>		<u>-14.8%</u>
Debt Service Coverage on Bank Debt	3.43		3.17		64.05
Debt Service Coverage Including Debt Owed the Electric Utility	<u>1.61</u>		<u>1.49</u>		<u>2.13</u>
Minimum Target	<u>1.25</u>				