

**Muscatine Power and Water**

**Electric Utility**

**Statement of Revenues, Expenses and Changes in Net Position**

**March 2014**

**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 Position.....	3 - 4
Statements of Net Position.....	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/Steam Sales**  
**Current Month - March 2014**

	<b>Budget Estimate</b>	<b>% Increase (Decrease) From Budget</b>	<b>This Year</b>	<b>% Increase (Decrease) Fr. Last Yr.</b>	<b>Last Year</b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	72,063,914	(7.6)	66,589,631	(36.2)	104,398,176
Less: Plant Use	<u>7,591,776</u>	(5.5)	<u>7,174,968</u>	(33.7)	<u>10,825,126</u>
Net Generation/Wholesale Sales	<u><u>64,472,138</u></u>	(7.8)	<u><u>59,414,663</u></u>	(36.5)	<u><u>93,573,050</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	40.00	(21.3)	31.48	(49.8)	62.68
Unit 8/8A	47.70	(4.1)	45.75	(11.3)	51.55
Unit 7	---	---	35.76	---	---
Total Plant	37.54	(7.7)	34.66	(36.3)	54.41
<b><u>KWH Distribution</u></b>					
Residential	8,150,000	(1.2)	8,055,421	(0.1)	8,066,650
Commercial I	3,161,200	(6.2)	2,966,575	(6.6)	3,175,159
Commercial II	8,587,400	(3.0)	8,332,284	(1.1)	8,421,333
Industrial I	9,045,140	(5.4)	8,552,440	(6.0)	9,102,860
Industrial II	40,750,555	(2.0)	39,947,791	0.6	39,723,183
City Enterprise Funds	550,000	(18.3)	449,269	2.0	440,479
Water & Communications Utilities	<u>1,347,526</u>	3.6	<u>1,396,451</u>	4.5	<u>1,336,634</u>
Native System Sales	71,591,821	(2.6)	69,700,231	(0.8)	70,266,298
City Lighting	173,791	(10.9)	154,819	(3.1)	159,831
City Buildings	502,461	20.6	606,218	5.4	575,000
Offline Power Plant Usage	183,029	3.2X	761,317	2.4X	221,890
Losses & Cycle Billing	<u>730,745</u>	1.9X	<u>2,103,435</u>	19.7	<u>1,757,672</u>
Total Native System KWH Distributed/Purchased Power	<u><u>73,181,847</u></u>	0.2	<u><u>73,326,020</u></u>	0.5	<u><u>72,980,691</u></u>
 <b><u>STEAM SALES - 1000 lbs</u></b>					
	<u><u>264,556</u></u>	(8.1)	<u><u>243,158</u></u>	(9.7)	<u><u>269,267</u></u>

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - March 2014**

	<b><u>Budget Estimate</u></b>	<b><u>% Increase (Decrease) From Budget</u></b>	<b><u>This Year</u></b>	<b><u>% Increase (Decrease) Fr. Last Yr.</u></b>	<b><u>Last Year</u></b>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	268,780,576	20.6	324,229,150	13.3	286,190,682
Less: Plant Use	<u>26,907,660</u>	18.5	<u>31,891,983</u>	1.3	<u>31,470,555</u>
Net Generation/Wholesale Sales	<u>241,872,916</u>	20.9	<u>292,337,167</u>	14.8	<u>254,720,127</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	53.72	10.5	59.35	(3.6)	61.57
Unit 8/8A	47.81	33.8	63.95	67.9	38.09
Unit 7	12.03	2.9X	46.63	---	---
Total Plant	48.51	21.4	58.87	19.4	49.30
<b><u>KWH Distribution</u></b>					
Residential	25,550,000	12.3	28,683,665	10.6	25,940,423
Commercial I	9,519,375	6.8	10,170,335	2.8	9,892,557
Commercial II	25,800,875	(1.7)	25,355,044	4.5	24,254,194
Industrial I	26,621,615	(6.3)	24,954,580	(6.8)	26,775,940
Industrial II	114,746,600	(3.7)	110,544,971	(1.9)	112,698,452
City Enterprise Funds	1,590,000	(13.2)	1,380,891	10.4	1,250,942
Water & Communications Utilities	<u>3,974,016</u>	2.7	<u>4,081,877</u>	8.1	<u>3,774,660</u>
Native System Sales	207,802,481	(1.3)	205,171,363	0.3	204,587,168
City Lighting	508,000	(6.1)	476,840	(2.2)	487,424
City Buildings	1,635,656	24.8	2,041,690	14.2	1,788,000
Offline Power Plant Usage	231,048	3.3X	983,063	94.5	505,536
Losses & Cycle Billing	<u>5,119,023</u>	(2.0)	<u>5,015,753</u>	(0.6)	<u>5,047,404</u>
Total Native System KWH Distributed/Purchased Power	<u>215,296,208</u>	(0.7)	<u>213,688,709</u>	0.6	<u>212,415,532</u>
 <b><u>STEAM SALES - 1000 lbs</u></b>	 <u>764,929</u>	 (3.8)	 <u>735,483</u>	 (2.8)	 <u>756,381</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - March 2014**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$780,514	0.09577	\$783,214	0.09723	\$740,644	0.09182
Commercial I	276,843	0.08758	260,471	0.08780	258,544	0.08143
Commercial II	568,561	0.06621	549,413	0.06594	496,748	0.05899
Industrial I	502,830	0.05559	493,720	0.05773	487,695	0.05358
Industrial II	1,886,832	0.04630	1,864,868	0.04668	1,842,091	0.04637
City Enterprise Funds	32,206	0.05856	28,962	0.06446	25,704	0.05835
Water & Communication Utilities	67,837	0.05034	78,188	0.05599	66,436	0.04970
Native System Sales	4,115,623	0.05749	4,058,836	0.05823	3,917,862	0.05576
Wholesale Sales	1,708,512	0.02650	2,724,197	0.04585	2,750,048	0.02939
Energy Sales	5,824,135		6,783,033		6,667,910	
<b><u>Steam Sales</u></b>	1,027,046	3.88	935,957	3.85	996,606	3.70
<b><u>Other Revenue</u></b>						
Rail Car Lease	27,600		18,188		59,443	
By-Product Revenue	16,655		9,938		8,483	
Miscellaneous Revenue	44,341		54,286		37,442	
Total Other Revenue	88,596		82,412		105,368	
Operating Revenue	6,939,777		7,801,402		7,769,884	
<b><u>Operating Expense</u></b>						
Purchased Power	1,664,887	0.02275	2,311,254	0.03152	1,858,524	0.02547
Production Fuel	1,941,377		1,886,682		2,473,149	
Emissions Allowance	7,932		6,604		8,566	
Operation	1,952,221		1,895,749		1,844,247	
Maintenance	984,527		789,743		602,128	
Depreciation	950,517		945,494		937,001	
Total Operating Expense	7,501,461		7,835,526		7,723,615	
Operating Income (Loss)	(561,684)		(34,124)		46,269	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	114,346		106,154		105,123	
Interest Expense	(133)		(79)		(391)	
Total Nonoperating Revenue (Expense)	114,213		106,075		104,732	
Net Income (Loss) Before Revenue Adjustment	(447,471)		71,951		151,001	
Capital Contributions	46,278		---		5,047	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Position	(401,193)		71,951		156,048	
Beginning Net Position	154,459,634		157,756,565		163,757,846	
Ending Net Position	\$154,058,441		\$157,828,516		\$163,913,894	
Net Loss Before Rev Adj to Op Revenue	(6.5)		0.9		1.9	
Change in Net Position to Operating Revenue	(5.8)		0.9		2.0	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - March 2014**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$2,428,000	0.09503	\$2,715,845	0.09468	\$2,357,340	0.09088
Commercial I	832,483	0.08745	883,735	0.08689	802,989	0.08117
Commercial II	1,719,422	0.06664	1,667,742	0.06578	1,458,452	0.06013
Industrial I	1,491,065	0.05601	1,457,156	0.05839	1,444,538	0.05395
Industrial II	5,428,680	0.04731	5,275,416	0.04772	5,323,280	0.04723
City Enterprise Funds	93,302	0.05868	87,348	0.06325	73,889	0.05907
Water & Communications Utilities	200,764	0.05052	228,140	0.05589	191,326	0.05069
Native System Sales	12,193,716	0.05868	12,315,382	0.06002	11,651,814	0.05695
Wholesale Sales	6,779,977	0.02803	15,434,164	0.05280	6,859,590	0.02693
Energy Sales	18,973,693		27,749,546		18,511,404	
<b><u>Steam Sales</u></b>	2,933,129	3.83	2,815,976	3.83	2,798,225	3.70
<b><u>Other Revenue</u></b>						
Rail Car Lease	82,800		68,627		172,575	
By-Product Revenue	66,794		16,862		18,869	
Miscellaneous Revenue	131,806		134,346		131,907	
Total Other Revenue	281,400		219,835		323,351	
Operating Revenue	22,188,222		30,785,357		21,632,980	
<b><u>Operating Expense</u></b>						
Purchased Power	5,398,358	0.02507	9,091,940	0.04255	5,018,182	0.02362
Production Fuel	6,649,247		8,098,692		6,769,723	
Emissions Allowance	23,147		21,417		23,216	
Operation	5,860,509		5,580,441		5,393,322	
Maintenance	2,474,611		2,372,338		1,888,119	
Depreciation	2,851,549		2,836,482		2,811,003	
Total Operating Expense	23,257,421		28,001,310		21,903,565	
Operating Income (Loss)	(1,069,199)		2,784,047		(270,585)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	343,150		318,995		314,256	
Interest Expense	(400)		(583)		(599)	
Total Nonoperating Revenue (Expense)	342,750		318,412		313,657	
<b>Net Income (Loss) Before Revenue Adjustment and Capital Contributions</b>	(726,449)		3,102,459		43,072	
Capital Contributions	58,833		---		16,872	
Revenue Adjustment-Extraordinary O&M	---		---		---	
<b>Change in Net Position</b>	(667,616)		3,102,459		59,944	
<b>Beginning Net Position</b>	154,726,057		154,726,057		163,853,950	
<b>Ending Net Position</b>	\$154,058,441		\$157,828,516		\$163,913,894	
Net Loss Before Rev Adj to Op Revenue	(3.3)		10.1		0.2	
Change in Net Position to Operating Revenue	(3.0)		10.1		0.3	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**March 2014**

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$8,036,642	\$5,233,022
Investments	<u>5,000,320</u>	<u>799,662</u>
Total Restricted Current Assets	<u>13,036,962</u>	<u>6,032,684</u>
<u>Unrestricted</u>		
Cash - interest bearing	21,830,613	9,281,873
Investments	3,500,000	9,200,993
Receivables:		
Consumer Accounts	5,151,477	5,272,106
Refined Coal	2,317,650	---
Wholesale	277,355	710,718
Steam Sales	1,010,099	1,065,771
Interest	319,559	312,087
Intercompanies	---	226
Inventories	6,280,222	6,626,561
Fuel	2,882,776	7,173,183
Prepaid Expenses	<u>542,218</u>	<u>1,223,128</u>
Total Unrestricted Current Assets	<u>44,111,969</u>	<u>40,866,646</u>
Total Current Assets	<u>57,148,931</u>	<u>46,899,330</u>
<b>Property and Equipment:</b>		
At Cost	413,081,023	409,833,789
Less Accumulated Depreciation	<u>324,095,190</u>	<u>314,499,808</u>
Net Property and Equipment	<u>88,985,833</u>	<u>95,333,981</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	650,000	---
Joint Venture Rights	<u>99,944</u>	<u>102,380</u>
Total Other Assets	<u>36,076,944</u>	<u>35,429,380</u>
<b>TOTAL ASSETS</b>	<u><u>\$182,211,708</u></u>	<u><u>\$177,662,691</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**March 2014**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>2014</u>	<u>2013</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$5,153,194	\$1,608,756
Pension Provision	535,638	576,950
Health & Dental Insurance Provision	229,100	173,826
Accrued Payroll	717,375	611,356
Accrued Vacation	1,174,879	1,195,854
Accrued Emission Allowance Expense	92,112	89,241
Consumers' Deposits	613,502	583,307
Accrued Property Taxes	73,802	85,680
Miscellaneous Accrued Expenses	845,092	744,593
Unearned Mooring Lease	2,524	---
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	9,437,218	5,669,563
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,386,318	1,691,268
Post-Employment Health Benefit Provision	346,420	174,730
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,913,108	2,046,368
	<hr/>	<hr/>
<b>Deferred Inflows of Resources - Extraordinary O &amp; M</b>	13,032,866	6,032,866
	<hr/>	<hr/>
<b>Net Position:</b>		
Net Investment in Capital Assets	88,985,833	95,333,981
Restricted	13,036,962	6,032,684
Unrestricted	55,805,721	62,547,229
	<hr/>	<hr/>
Total Net Position	157,828,516	163,913,894
	<hr/>	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$182,211,708</u>	<u>\$177,662,691</u>



**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**March 2014**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,128,719	\$12,303,587
MISO sales	6,387,273	16,857,713
Steam sales	889,198	2,885,445
Railcar/facilities leasing	34,670	134,644
By-product sales	3,948	55,698
Miscellaneous sources	28,963	125,278
Cash paid to/for:		
Suppliers	3,660,071	6,481,459
MISO purchases/administration fees	(3,545,491)	(9,892,318)
Coal	(5,930,006)	(14,344,794)
Employees payroll, taxes and benefits	(1,558,184)	(5,015,896)
Net cash flows from operating activities	<u>4,099,161</u>	<u>9,590,816</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(390,532)	(693,246)
Loan to Water Utility	<u>---</u>	<u>(250,000)</u>
Net cash flows from capital and related financing activities	<u>(390,532)</u>	<u>(943,246)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(22,235)
Interest received on investments and note receivable	7,715	647,659
Amortization/accretion of investments	(143)	(430)
Mark to Market	<u>(57)</u>	<u>110</u>
Net cash flows from investing activities	<u>7,515</u>	<u>625,104</u>
Net increase in cash and investments	<u>3,716,144</u>	<u>9,272,674</u>
Cash and investments at beginning of period	<u>34,651,431</u>	<u>29,094,901</u>
Cash and investments at end of period	<u><u>\$38,367,575</u></u>	<u><u>\$38,367,575</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**March 2014**

	<b><u>Current</u></b> <b><u>Month</u></b>	<b><u>Year-</u></b> <b><u>To-Date</u></b>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	(\$34,124)	\$2,784,047
Noncash items in operating income:		
Depreciation of electric utility plant	945,494	2,836,482
Amortization of joint venture rights	7,378	23,912
Changes in assets and liabilities:		
Consumer accounts receivable	49,509	1,609,150
Refined coal	1,879,500	(2,317,650)
Wholesale receivable	1,821,978	764,121
Steam sales receivable	(47,084)	68,491
Inventories	(161,715)	38,386
Fuel	(354,176)	2,186,392
Prepaid expenses	102,663	(49,892)
Accounts payable	(498,073)	785,097
Pension provision	178,546	535,638
Health & dental insurance provision	23,757	(108,200)
Other post-employment benefit provision	8,229	24,688
Accrued payroll	106,721	254,542
Accrued vacation	25,594	81,399
Accrued emission allowance expense	6,603	21,417
Consumers' deposits	6,136	19,561
Accrued property taxes	(37,634)	(23,758)
Miscellaneous accrued expenses	69,859	56,993
Net cash flows from operating activities	<u><u>\$4,099,161</u></u>	<u><u>\$9,590,816</u></u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
March 2014**

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$13,036,962</u>	<u>\$6,032,684</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,036,962</u></u>	<u><u>\$6,032,684</u></u>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2014**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$1,664,887</u>	24.0	<u>\$2,311,254</u>	29.6	<u>\$1,858,524</u>	23.9
Average price per kWh	\$0.0227		\$0.0315		\$0.0255	
<b><u>Generation</u></b>						
Operation Supervision	77,563		82,257		77,815	
Fuel:						
Coal	1,847,754		1,766,342		2,371,551	
Fuel Oil	15,872		346		23,908	
Gas	16,000		49,196		6,353	
Coal Handling Expense	58,973		68,713		68,932	
Landfill Operation Expense	2,778		2,085		2,405	
Emissions Allowance Expense	7,932		6,604		8,566	
Steam Expense:						
Boiler	88,895		108,187		152,992	
Pollution Control	37,777		36,622		35,901	
Electric Expense	91,248		94,746		87,277	
Miscellaneous Steam Power Expense	255,032		182,683		178,669	
Maintenance:						
Supervision	87,977		86,276		79,950	
Structures	74,250		53,610		58,389	
Boiler Plant:						
Boiler	291,826		148,942		117,317	
Pollution Control	94,155		108,180		34,987	
Electric Plant	66,276		80,389		18,857	
System Control	19,465		17,473		16,255	
Miscellaneous Steam Plant	96,640		65,174		58,861	
Coal Handling Equipment	61,228		57,188		38,101	
System Control and Load Dispatch	28,845		29,541		29,781	
Vacation, Holiday, Sick Leave	71,044		84,471		109,949	
Depreciation	<u>625,409</u>		<u>624,707</u>		<u>622,373</u>	
<b>Total Generation Expense</b>	<u>\$4,016,939</u>	57.9	<u>\$3,753,732</u>	48.1	<u>\$4,199,189</u>	54.0

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2014**

Page 11

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<b><u>\$5,398,358</u></b>	<b>24.3</b>	<b><u>\$9,091,940</u></b>	<b>29.5</b>	<b><u>\$5,018,182</u></b>	<b>23.2</b>
Average price per kWh	\$0.0251		\$0.0425		\$0.0236	
<b><u>Generation</u></b>						
Operation Supervision	232,128		245,606		234,873	
Fuel:						
Coal	6,337,942		7,678,316		6,492,087	
Fuel Oil	47,370		32,290		30,605	
Gas	56,450		159,759		25,986	
Coal Handling Expense	202,180		222,621		206,598	
Landfill Operation Expense	5,305		5,706		14,447	
Emissions Allowance Expense	23,147		21,417		23,216	
Steam Expense:						
Boiler	295,494		303,461		328,862	
Pollution Control	114,022		101,845		103,586	
Electric Expense	279,847		277,402		273,585	
Miscellaneous Steam Power Expense	650,351		464,714		501,455	
Maintenance:						
Supervision	243,483		258,307		235,101	
Structures	193,539		146,433		157,256	
Boiler Plant:						
Boiler	610,757		491,907		306,930	
Pollution Control	193,819		269,132		128,464	
Electric Plant	147,743		169,235		87,526	
System Control	58,169		61,551		59,050	
Miscellaneous Steam Plant	270,630		227,424		182,726	
Coal Handling Equipment	181,649		205,279		179,552	
System Control and Load Dispatch	96,336		81,845		80,696	
Vacation, Holiday, Sick Leave	241,384		292,317		304,631	
Depreciation	<u>1,876,226</u>		<u>1,874,121</u>		<u>1,867,119</u>	
<b>Total Generation Expense</b>	<b><u>\$12,357,971</u></b>	<b>55.7</b>	<b><u>\$13,590,688</u></b>	<b>44.1</b>	<b><u>\$11,824,351</u></b>	<b>54.7</b>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2014**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
<b><u>Transmission</u></b>						
Operation Supervision	\$3,998		\$4,175		\$3,758	
Load Dispatching	51,572		72,057		49,704	
Station Expense	6,549		12,551		5,711	
Overhead Line Expense	---		---		514	
Transmission of Electricity by Others	28,433		30,013		12,038	
Miscellaneous Transmission Expense	13,094		5,054		5,119	
Maintenance:						
Supervision	1,977		2,032		1,811	
Structures	114		---		---	
Station Equipment	4,987		6,275		8,010	
Overhead Lines	10,385		12,515		11,331	
Vacation, Holiday, Sick Leave	5,084		10,072		8,033	
Depreciation	31,041		30,688		30,625	
Tax on Rural Property	5,716		5,747		5,778	
Total Transmission Expense	162,950	2.3	191,179	2.5	142,432	1.8
<b><u>Distribution</u></b>						
Operation Supervision	11,563		12,008		10,748	
Load Dispatching	29,625		29,949		24,403	
Station Expense	7,705		9,639		3,041	
Overhead Line Expense	10,109		588		260	
Vehicle Expense	17,780		14,244		15,976	
Underground Line Expense	3,092		3,142		3,000	
Street Lighting	1,618		2,003		409	
Signal Expense	594		73		535	
Meter Expense	10,381		11,857		12,130	
Consumer Installation Expense	608		620		872	
Miscellaneous Distribution Expense	54,127		45,366		51,181	
Maintenance:						
Supervision	10,597		10,892		9,742	
Structures	374		---		---	
Station Equipment	9,700		5,059		7,284	
Overhead Lines	60,051		32,852		69,025	
Underground Lines	10,740		3,365		3,241	
Line Transformers	3,683		1,404		11,382	
Street Lighting	5,100		6,134		3,676	
Signal System	4,387		4,949		1,144	
Meters	1,965		1,576		1,638	
Miscellaneous Distribution Plant	2,318		4,658		1,645	
Vacation, Holiday, Sick Leave	21,874		22,186		35,563	
Depreciation	159,472		158,237		155,502	
Tax on Rural Property	1,708		1,713		1,723	
Total Distribution Expense	\$439,171	6.3	\$382,514	4.9	\$424,120	5.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2014**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$11,730		\$13,065		\$11,828	
Load Dispatching	196,098		177,431		166,349	
Station Expense	22,458		46,645		17,943	
Overhead Line Expense	129		1,466		1,129	
Transmission of Electricity by Others	85,300		85,194		36,611	
Miscellaneous Transmission Expense	36,224		13,803		18,774	
Maintenance:						
Supervision	5,827		6,151		5,658	
Structures	251		---		---	
Station Equipment	20,480		19,212		23,725	
Overhead Lines	33,554		44,477		55,749	
Vacation, Holiday, Sick Leave	17,705		21,303		20,936	
Depreciation	93,124		92,064		91,875	
Tax on Rural Property	17,148		17,031		17,142	
Total Transmission Expense	<u>540,028</u>	2.4	<u>537,842</u>	1.7	<u>467,719</u>	2.2
<b><u>Distribution</u></b>						
Operation Supervision	32,774		36,585		33,476	
Load Dispatching	84,470		87,810		74,616	
Station Expense	23,076		31,414		14,566	
Overhead Line Expense	30,765		4,283		4,655	
Vehicle Expense	53,289		47,805		50,808	
Underground Line Expense	9,622		5,449		5,899	
Street Lighting	4,853		8,842		3,087	
Signal Expense	1,736		1,062		535	
Meter Expense	26,265		29,908		30,446	
Consumer Installation Expense	1,923		2,094		2,750	
Miscellaneous Distribution Expense	147,036		150,889		152,227	
Maintenance:						
Supervision	29,856		32,780		30,286	
Structures	1,213		---		---	
Station Equipment	30,978		21,184		19,168	
Overhead Lines	176,086		141,956		193,721	
Underground Lines	30,289		20,554		13,586	
Line Transformers	11,055		6,419		26,415	
Street Lighting	16,501		14,557		9,581	
Signal System	9,413		6,977		4,171	
Meters	6,275		7,179		9,599	
Miscellaneous Distribution Plant	6,953		8,727		5,379	
Vacation, Holiday, Sick Leave	76,070		80,770		102,514	
Depreciation	478,415		474,711		466,506	
Tax on Rural Property	5,124		5,083		5,117	
Total Distribution Expense	<u>\$1,294,037</u>	5.8	<u>\$1,227,038</u>	4.0	<u>\$1,259,108</u>	5.8

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - March 2014**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$17,883		\$13,509		\$5,680	
Energy Efficiency Rebates	20,114		6,014		4,278	
Electric Ranges/Dryers Maintenance	441		441		569	
Electric Water Heaters Maintenance	168		157		---	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	38,606	0.6	20,121	0.3	10,527	0.1
	<hr/>		<hr/>		<hr/>	
<b><u>Consumer Accounts</u></b>						
Supervision	2,761		3,232		2,384	
Meter Reading Expense	8,678		8,666		8,898	
Consumer Records and Collection	32,264		35,557		28,008	
Uncollectible Accounts Expense	4,317		4,317		3,297	
Vacation, Holiday, Sick Leave	3,771		3,745		5,167	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	51,791	0.7	55,517	0.7	47,754	0.6
	<hr/>		<hr/>		<hr/>	
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	165,844		141,365		159,512	
Office Supplies and Expenses	23,594		17,495		10,622	
Outside Services Employed	70,742		33,973		36,361	
Property Insurance	55,053		55,169		46,620	
Casualty Ins, Injuries & Damages	41,720		67,859		35,165	
Employee Pensions and Benefits	509,739		509,249		504,204	
Fringe Benefits Charged to Constr.	(24,893)		(27,968)		(17,145)	
Regulatory Commission	8,608		7,158		8,268	
Miscellaneous General Expense	54,874		82,424		46,789	
Maintenance of General Plant	33,095		29,938		22,615	
Maintenance of A/O Center	33,237		50,862		26,867	
Vacation, Holiday, Sick Leave	20,909		21,823		32,690	
Depreciation	134,595		131,862		128,501	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,127,117	16.2	1,121,209	14.4	1,041,069	13.4
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$7,501,461</u>		<u>\$7,835,526</u>		<u>\$7,723,615</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		108.1		100.4		99.4



**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - March 2014**

	<b><u>Budget</u></b> <b><u>Estimate</u></b>		<b><u>This Year</u></b>		<b><u>Last Year</u></b>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$43,167		\$20,994		\$22,853	
Energy Efficiency Rebates	60,345		20,564		15,654	
Electric Ranges/Dryers Maintenance	1,423		1,212		1,807	
Electric Water Heaters Maintenance	567		333		259	
Total Customer Service Expense	<u>\$105,502</u>	0.5	<u>\$43,103</u>	0.1	<u>\$40,573</u>	0.2
<b><u>Consumer Accounts</u></b>						
Supervision	8,238		9,538		8,604	
Meter Reading Expense	25,979		29,828		27,418	
Consumer Records and Collection	96,612		96,836		91,089	
Uncollectible Accounts Expense	12,950		12,950		9,891	
Vacation, Holiday, Sick Leave	12,098		13,647		15,101	
Total Consumer Accounts Expense	<u>155,877</u>	0.7	<u>162,799</u>	0.5	<u>152,103</u>	0.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	497,605		503,202		488,143	
Office Supplies and Expenses	66,633		49,882		52,083	
Outside Services Employed	221,095		159,438		128,649	
Property Insurance	165,159		165,507		139,861	
Casualty Ins, Injuries & Damages	126,761		149,369		75,422	
Employee Pensions and Benefits	1,544,619		1,536,364		1,523,607	
Fringe Benefits Charged to Constr.	(65,616)		(62,503)		(40,179)	
Regulatory Commission	25,825		21,042		24,429	
Miscellaneous General Expense	150,696		142,169		114,407	
Maintenance of General Plant	101,910		95,876		72,027	
Maintenance of A/O Center	94,181		117,021		82,449	
Vacation, Holiday, Sick Leave	72,996		74,947		95,128	
Depreciation	403,784		395,586		385,503	
Total Administrative and General	<u>3,405,648</u>	15.3	<u>3,347,900</u>	10.9	<u>3,141,529</u>	14.5
Total Operating Expense	<u>\$23,257,421</u>		<u>\$28,001,310</u>		<u>\$21,903,565</u>	
Percent to Operating Revenue		104.8		91.0		101.3

**Muscatine Power and Water - Electric Utility**  
**Statistical Data**  
**March 2014**

**Total Fuel Cost**  
**(To & Including Ash Handling, Gas &**

	<b><u>Current Month</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Per Million Btu.	\$1.932	\$1.852
Per Net MW Generated	\$22.76	\$20.11
Net Peak Monthly Demand-KW	114,310	114,210
Date of Peak	3/4	3/20
Hour of Peak	800	0800

	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2014</u></b>	<b><u>2013</u></b>
Per Million Btu.	\$1.891	\$1.837
Per Net MW Generated	\$22.12	\$20.16
Net Peak Monthly Demand-KW	115,760	114,210
Date of Peak	2/10	2/1
Hour of Peak	800	1000

Average Temperature	31.3°	30.3°
---------------------	-------	-------

<b><u>Services</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Residential	9,749	9,756
Commercial I	1,365	1,383
Commercial II	117	114
Industrial I	10	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
<b>Total</b>	<b><u>11,298</u></b>	<b><u>11,320</u></b>

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis**  
**Current Month - March 2014**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales</u></b>	<b><u>64,472,138</u></b>		<b><u>59,414,663</u></b>		<b><u>93,573,050</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$1,708,512</u></b>	<b><u>\$0.02650</u></b>	<b><u>\$2,724,197</u></b>	<b><u>\$0.04585</u></b>	<b><u>\$2,750,048</u></b>	<b><u>\$0.02939</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	1,254,843	0.01946	1,265,084	0.02129	1,789,577	0.01912
Emissions:						
SO <sup>2</sup> Allowances <sup>fn1</sup>	478	0.00001	35	0.00000	48	0.00000
NO <sub>x</sub> Allowances <sup>fn2</sup>	7,197	0.00011	4,533	0.00008	5,726	0.00006
Other <sup>fn3</sup>	<u>186,673</u>	<u>0.00290</u>	<u>186,673</u>	<u>0.00314</u>	<u>191,059</u>	<u>0.00204</u>
Total Variable Costs	<u>1,449,191</u>	<u>0.02248</u>	<u>1,456,325</u>	<u>0.02451</u>	<u>1,986,410</u>	<u>0.02123</u>
Gross Margin	<u>\$259,321</u>	<u>\$0.00402</u>	<u>\$1,267,872</u>	<u>\$0.02134</u>	<u>\$763,638</u>	<u>\$0.00816</u>
Percent Gross Margin	15.2%		46.5%		27.8%	

**Calendar Year To Date**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b><u>Wholesale kWh Sales</u></b>	<b><u>241,872,916</u></b>		<b><u>292,337,167</u></b>		<b><u>254,720,127</u></b>	
<b><u>Wholesale Sales</u></b>	<b><u>\$6,779,977</u></b>	<b><u>\$0.02803</u></b>	<b><u>\$15,434,164</u></b>	<b><u>\$0.05280</u></b>	<b><u>\$6,859,590</u></b>	<b><u>\$0.02693</u></b>
<b><u>Variable Costs</u></b>						
Fuel (Coal, Gas & Fuel Oil)	4,666,775	0.01929	6,149,524	0.02104	4,860,976	0.01908
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	1,388	0.00001	173	0.00000	93	0.00000
NO <sub>x</sub> Allowances <sup>fn3</sup>	20,988	0.00009	21,973	0.00008	13,417	0.00005
Other <sup>fn4</sup>	<u>560,019</u>	<u>0.00232</u>	<u>560,019</u>	<u>0.00192</u>	<u>573,177</u>	<u>0.00225</u>
Total Variable Costs	<u>5,249,170</u>	<u>0.02170</u>	<u>6,731,689</u>	<u>0.02303</u>	<u>5,447,663</u>	<u>0.02139</u>
Gross Margin	<u>\$1,530,807</u>	<u>\$0.00633</u>	<u>\$8,702,475</u>	<u>\$0.02977</u>	<u>\$1,411,927</u>	<u>\$0.00554</u>
Percent Gross Margin	22.6%		56.4%		20.6%	

Allowance costs are based on budgeted and market prices for allowances:

	<u>Budget</u>	<u>2014</u>	<u>2013</u>
fn1 SO <sup>2</sup> (Acid Rain Program)	\$2.00	\$0.75	\$0.75
YTD SO <sup>2</sup>	2.00	0.75	0.75
fn2 NO <sub>x</sub> annual	42.50	45.00	40.00
NO <sub>x</sub> seasonal	10.00	21.50	0.00
fn3 YTD NO <sub>x</sub> annual	42.50	45.00	40.00
YTD NO <sub>x</sub> seasonal	10.00	0.00	0.00

fn3 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.