

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

July 2015

**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 - July 2015

	<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	121,825,982	(15.0)	103,532,646	39.5	74,196,667
Less: Plant Use	<u>11,039,844</u>	3.3	<u>11,405,327</u>	11.9	<u>10,189,567</u>
Net Generation/Wholesale Sales	<u><u>110,786,138</u></u>	(16.8)	<u><u>92,127,319</u></u>	43.9	<u><u>64,007,100</u></u>
<u>Net Capacity Factors</u>					
Unit 9	65.00	(3.6)	62.64	81.5	34.52
Unit 8/8A	77.90	(50.1)	38.88	(41.4)	66.35
Unit 7	40.00	(49.8)	20.08	3.2X	4.82
Total Plant	64.80	(17.1)	53.69	43.4	37.44
<u>KWH Distribution</u>					
Residential	12,853,500	(18.1)	10,523,608	0.5	10,472,992
Commercial I	4,739,000	(29.0)	3,363,131	(2.6)	3,451,755
Commercial II	12,194,000	(18.2)	9,972,280	11.1	8,977,700
Industrial I	11,944,764	(3.0)	11,587,200	1.1	11,462,520
Industrial II	36,200,000	(0.1)	36,178,813	(3.9)	37,642,192
City Enterprise Funds	401,001	17.7	472,063	4.2	453,093
Water & Communications Utilities	<u>1,605,397</u>	5.5	<u>1,694,385</u>	18.2	<u>1,433,635</u>
Native System Sales	79,937,662	(7.7)	73,791,480	(0.1)	73,893,887
City Lighting	175,000	(9.0)	159,251	(5.7)	168,875
City Buildings	556,000	4.3	579,738	1.8	569,660
Offline Power Plant Usage	360,872	(89.9)	36,416	(71.7)	128,800
Losses & Cycle Billing	<u>2,336,346</u>	66.2	<u>3,882,434</u>	96.8	<u>1,972,878</u>
Total Native System KWH Distributed/Purchased Power	<u><u>83,365,880</u></u>	(5.9)	<u><u>78,449,319</u></u>	2.2	<u><u>76,734,100</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>260,399</u></u>	 2.6	 <u><u>267,244</u></u>	 18.3	 <u><u>225,846</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - July 2015**

	Budget Estimate	% Increase (Decrease) From Budget	This Year	% Increase (Decrease) Fr. Last Yr.	Last Year
<u>KWH Generated and Sold</u>					
Gross Generation	685,490,068	(5.1)	650,409,216	(6.6)	696,056,779
Less: Plant Use	<u>66,894,254</u>	7.7	<u>72,041,117</u>	(0.5)	<u>72,404,222</u>
Net Generation/Wholesale Sales	<u><u>618,595,814</u></u>	(6.5)	<u><u>578,368,099</u></u>	(7.3)	<u><u>623,652,557</u></u>
<u>Net Capacity Factors</u>					
Unit 9	58.67	4.1	61.08	10.3	55.40
Unit 8/8A	47.75	(39.5)	28.88	(50.2)	57.98
Unit 7	24.15	(72.1)	6.73	(78.5)	31.30
Total Plant	52.91	(6.8)	49.30	(7.6)	53.33
<u>KWH Distribution</u>					
Residential	62,349,000	(6.1)	58,555,549	(5.5)	61,978,523
Commercial I	22,988,000	(8.6)	21,014,614	(5.0)	22,127,491
Commercial II	59,149,500	7.8	63,740,720	7.2	59,433,744
Industrial I	68,925,908	(0.2)	68,813,500	5.0	65,567,400
Industrial II	266,300,000	(0.9)	263,796,760	1.1	260,982,265
City Enterprise Funds	3,123,398	3.3	3,225,765	7.3	3,006,681
Water & Communications Utilities	<u>9,748,583</u>	6.1	<u>10,342,237</u>	6.9	<u>9,678,246</u>
Native System Sales	492,584,389	(0.6)	489,489,145	1.4	482,774,350
City Lighting	1,209,000	(9.8)	1,090,418	(5.0)	1,147,687
City Buildings	3,832,500	4.0	3,987,073	(6.0)	4,241,378
Offline Power Plant Usage	1,491,450	(32.8)	1,002,483	(50.8)	2,038,061
Losses & Cycle Billing	<u>14,925,670</u>	6.2	<u>15,851,310</u>	8.7	<u>14,585,623</u>
Total Native System KWH Distributed/Purchased Power	<u><u>514,043,009</u></u>	(0.5)	<u><u>511,420,429</u></u>	1.3	<u><u>504,787,099</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>1,553,694</u></u>	(3.6)	<u><u>1,497,050</u></u>	(8.5)	<u><u>1,635,400</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - July 2015

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	
	Estimate	Avg. Price		This Year	Avg. Price	Year	Last Year	Avg. Price
Sales of Electricity								
Residential	\$1,237,850	\$ 0.09630	(15.3)	\$1,047,841	\$ 0.09957	6.1	\$987,744	\$ 0.09431
Commercial I	437,571	0.09233	(27.7)	316,430	0.09409	4.5	302,755	0.08771
Commercial II	798,942	0.06552	(11.7)	705,635	0.07076	20.2	587,065	0.06539
Industrial I	669,880	0.05608	(3.2)	648,692	0.05598	3.2	628,479	0.05483
Industrial II	1,772,028	0.04895	(3.2)	1,714,770	0.04740	(2.5)	1,758,932	0.04673
City Enterprise Funds	27,587	0.06880	20.9	33,365	0.07068	13.5	29,387	0.06486
Water & Communication Utilities	90,993	0.05668	6.9	97,293	0.05742	22.8	79,253	0.05528
Native System Sales	5,034,851	0.06298	(9.4)	4,564,026	0.06185	4.4	4,373,615	0.05919
Wholesale Sales	4,785,961	0.04320	(38.9)	2,922,799	0.03173	25.6	2,326,758	0.03635
Energy Sales	9,820,812		(23.8)	7,486,825		11.7	6,700,373	
Steam Sales	1,082,501	4.16	(3.9)	1,040,131	3.89	17.3	886,747	3.93
Other Revenue								
By-Product Revenue	31,515		3.9	32,734		3.5	31,617	
Miscellaneous Revenue	52,936		7.0	56,640		(6.6)	60,658	
Total Other Revenue	84,451		5.8	89,374		(3.1)	92,275	
Operating Revenue	10,987,764		(21.6)	8,616,330		12.2	7,679,395	
Operating Expense								
Purchased Power	3,059,528	0.03670	(27.7)	2,211,249	0.02819	(7.2)	2,381,741	0.03104
Production Fuel	3,161,914		(21.2)	2,490,687		27.5	1,953,531	
Emissions Allowance	23,464		1.1X	49,094		3.4X	11,157	
Operation	2,125,895		(10.5)	1,902,312		4.2	1,826,449	
Maintenance	930,805		(17.1)	771,724		50.1	514,292	
Depreciation	956,361		0.8	963,852		1.9	945,494	
Total Operating Expense	10,257,967		(18.2)	8,388,918		9.9	7,632,664	
Operating Income	729,797		(68.8)	227,412		3.9X	46,731	
Nonoperating Revenue (Expense)								
Interest Income	16,917		(43.8)	9,514		(91.2)	108,664	
Interest Expense	(167)		(34.7)	(109)		26.7	(86)	
Total Nonoperating Revenue (Expense)	16,750		(43.9)	9,405		(91.3)	108,578	
Net Income Before Revenue Adjustment	746,547		(68.3)	236,817		52.5	155,309	
Capital Contributions	—			5,643			—	
Change in Net Position	746,547		(67.5)	242,460		56.1	155,309	
Beginning Net Position	128,099,381			129,636,190			158,222,165	
Ending Net Position	\$128,845,928			\$129,878,650			\$158,377,474	
Net Loss Before Rev Adj to Op Revenue	6.8			2.8			2.0	
Change in Net Position to Operating Revenue	6.8			2.8			2.0	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - July 2015

	Budget		% Increase (Decrease) from Budget	This Year		% Increase (Decrease) from Last Year	Last Year	
	Estimate	Avg. Price		Avg. Price	Year		Avg. Price	Avg. Price
Sales of Electricity								
Residential	\$6,252,940	\$ 0.10029	(2.2)	\$6,112,771	\$ 0.10439	2.7	\$5,954,050	\$ 0.09607
Commercial I	2,159,501	0.09394	(6.4)	2,022,091	0.09622	4.2	1,939,679	0.08766
Commercial II	4,242,830	0.07173	10.3	4,678,479	0.07340	19.2	3,923,594	0.06602
Industrial I	4,012,117	0.05821	3.4	4,147,087	0.06027	10.7	3,745,663	0.05713
Industrial II	12,630,671	0.04743	3.5	13,074,202	0.04956	5.8	12,355,296	0.04734
City Enterprise Funds	212,828	0.06814	7.9	229,680	0.07120	17.5	195,395	0.06499
Water & Communications Utilities	556,866	0.05712	14.5	637,591	0.06165	18.5	538,270	0.05562
Native System Sales	30,067,753	0.06104	2.8	30,901,901	0.06313	7.9	28,651,947	0.05935
Wholesale Sales	22,577,706	0.03650	(25.4)	16,836,639	0.02911	(39.1)	27,667,885	0.04436
Energy Sales	52,645,459		(9.3)	47,738,540		(15.2)	56,319,832	
Steam Sales	6,428,805	4.14	(5.9)	6,047,328	4.04	(4.5)	6,331,468	3.87
Other Revenue								
Rail Car Lease	—			—		-1.0X	68,627	
By-Product Revenue	193,628		(22.7)	149,705		8.3	138,207	
Miscellaneous Revenue	373,364		(5.5)	352,971		(5.5)	373,394	
Total Other Revenue	566,992		(11.3)	502,676		(13.4)	580,228	
Operating Revenue	59,641,256		(9.0)	54,288,544		(14.1)	63,231,528	
Operating Expense								
Purchased Power	15,807,236	0.03075	(18.6)	12,872,343	0.02517	(29.3)	18,194,607	0.03604
Production Fuel	17,824,397		(12.5)	15,596,995		(9.3)	17,199,487	
Emissions Allowance	115,954		84.3	213,751		2.6X	59,028	
Operation	14,685,011		(7.1)	13,639,062		5.7	12,903,596	
Maintenance	6,755,031		(5.9)	6,354,345		18.7	5,354,196	
Depreciation	6,694,531		0.8	6,746,959		1.9	6,618,458	
Total Operating Expense	61,882,160		(10.4)	55,423,455		(8.1)	60,329,372	
Operating Income (Loss)	(2,240,904)		(49.4)	(1,134,911)		-1.4X	2,902,156	
Nonoperating Revenue (Expense)								
Interest Income	143,161		(61.3)	55,398		(92.6)	750,900	
Interest Expense	(1,167)		(27.8)	(843)		(48.6)	(1,639)	
Total Nonoperating Revenue (Expense)	141,994		(61.6)	54,555		(92.7)	749,261	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(2,098,910)		(48.5)	(1,080,356)		-1.3X	3,651,417	
Capital Contributions	—			14,168			—	
Write Off - Loan to Communications	(25,327,000)			(25,327,000)			—	
Change in Net Position	(27,425,910)		(3.8)	(26,393,188)		-8.2X	3,651,417	
Beginning Net Position	156,271,838			156,271,838			154,726,057	
Ending Net Position	\$128,845,928			\$129,878,650			\$158,377,474	
Net Income (Loss) Before Rev Adj to Op Revenue	(3.5)			(2.0)			5.8	
Change in Net Position to Operating Revenue	(46.0)			(48.6)			5.8	

Muscatine Power and Water - Electric Utility
Statements of Net Position
July 2015

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$10,299,067	\$21,165,515
Investments	9,000,000	5,500,000
Receivables:		
Consumer Accounts	5,619,095	5,277,086
Refined Coal	4,178,560	3,179,690
Wholesale	610,091	2,203
Steam Sales	1,040,478	932,104
Intercompany	---	553
Interest	17,756	117,956
Inventories	6,034,338	6,099,928
Fuel	12,299,561	2,906,230
Prepaid Expenses	1,177,257	1,254,913
	<hr/>	<hr/>
Total Unrestricted Current Assets	50,276,203	46,436,178
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	3,066,139	2,042,488
Investments	10,000,000	11,000,000
	<hr/>	<hr/>
Total Restricted Current Assets	13,066,139	13,042,488
	<hr/>	<hr/>
Total Current Assets	63,342,342	59,478,666
	<hr/>	<hr/>
Property and Equipment:		
At Cost	417,820,018	413,889,382
Less Accumulated Depreciation	337,566,953	327,542,863
	<hr/>	<hr/>
Net Property and Equipment	80,253,065	86,346,519
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	10,000,000	35,327,000
Note Receivable - Water Utility	2,900,000	1,400,000
Joint Venture Rights	113,520	112,831
	<hr/>	<hr/>
Total Other Assets	13,013,520	36,839,831
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$156,608,927</u>	<u>\$182,665,016</u>

Muscatine Power and Water - Electric Utility
Statements of Net Position
July 2015

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$6,903,244	\$4,709,528
Pension Provision	1,233,353	1,249,822
Health & Dental Insurance Provision	289,930	229,100
Accrued Payroll	623,790	527,039
Accrued Vacation	1,172,438	1,125,040
Accrued Emission Allowance Expense	212,960	69,823
Consumers' Deposits	718,322	646,119
Retained Percentage on Contracts	19,305	---
Accrued Property Taxes	110,272	107,953
Miscellaneous Accrued Expenses	634,555	598,756
Unearned Revenue - Farm Rent	23,370	---
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	11,941,539	9,263,180
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,094,047	1,431,790
Post-Employment Health Benefit Provision	478,086	379,336
Consumer Advances for Construction	183,739	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,755,872	1,991,496
	<hr/>	<hr/>
Deferred Inflows of Resources - Extraordinary O & M	13,032,866	13,032,866
	<hr/>	<hr/>
Net Position:		
Net Investment in Capital Assets		
Restricted	80,253,065	86,346,519
Unrestricted	13,066,139	13,042,488
	<hr/>	<hr/>
Total Net Position	36,559,446	58,988,467
	<hr/>	<hr/>
	129,878,650	158,377,474
	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$156,608,927</u>	<u>\$182,665,016</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
July 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,251,057	\$30,549,266
MISO sales	2,163,103	16,772,462
Steam sales	882,828	5,868,490
Coal sales	3,631,355	24,832,795
Railcar/facilities leasing	5,200	36,400
By-product sales	78,457	211,151
Miscellaneous sources	48,643	351,817
Cash paid to/for:		
Suppliers	(932,716)	(7,153,016)
MISO purchases/administration fees	(1,719,579)	(12,852,230)
Coal purchases	(7,069,396)	(45,736,300)
Employees payroll, taxes and benefits	(1,723,913)	(12,465,741)
Net cash flows from operating activities	<u>(384,961)</u>	<u>415,094</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	25,000	650,577
Loan to Water Utility	<u>(250,000)</u>	<u>(1,000,000)</u>
Net cash flows from noncapital financing activities	<u>(225,000)</u>	<u>(349,423)</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>(565,293)</u>	<u>(2,501,176)</u>
Net cash flows from capital and related financing activities	<u>(565,293)</u>	<u>(2,501,176)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(25,935)	(70,755)
Interest received on investments	<u>430</u>	<u>37,000</u>
Net cash flows from investing activities	<u>(25,505)</u>	<u>(33,755)</u>
Net decrease in cash and investments	<u>(1,200,759)</u>	<u>(2,469,260)</u>
Cash and investments at beginning of period	<u>33,565,965</u>	<u>34,834,466</u>
Cash and investments at end of period	<u><u>\$32,365,206</u></u>	<u><u>\$32,365,206</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
July 2015

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$227,412	(\$1,134,911)
Noncash items in operating income:		
Depreciation of electric utility plant	963,852	6,746,959
Amortization of joint venture rights	7,836	56,730
Changes in assets and liabilities:		
Consumer accounts receivable	(240,686)	(95,713)
Refined coal	(547,205)	522,490
Wholesale receivable	(176,453)	417,692
Steam sales receivable	(126,078)	39,364
Inventories	26,910	(126,641)
Fuel	(1,044,262)	(5,573,877)
Prepaid expenses	40,593	(669,343)
Accounts payable	99,329	(1,124,153)
Pension provision	176,193	1,233,353
Health & dental insurance provision	34,479	(317,906)
Other post-employment benefit provision	8,229	57,604
Accrued payroll	189,853	115,920
Accrued vacation	(45,261)	41,615
Accrued emission allowance expense	49,094	144,362
Consumers' deposits	6,075	37,888
Retained Percentage	19,305	(54,589)
Accrued property taxes	8,342	9,718
Unearned revenue	(3,339)	23,376
Miscellaneous accrued expenses	(59,179)	65,156
Net cash flows from operating activities	<u>(\$384,961)</u>	<u>\$415,094</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
July 2015**

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,066,139</u>	<u>\$13,042,488</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,066,139</u></u>	<u><u>\$13,042,488</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$3,059,528</u>	27.8	<u>\$2,211,249</u>	25.7	<u>\$2,381,741</u>	31.0
Average price per kWh	\$0.0367		\$0.0282		\$0.0310	
<u>Generation</u>						
Operation Supervision	91,379		86,790		82,056	
Fuel:						
Coal	3,054,324		2,410,673		1,843,892	
Fuel Oil	17,500		121		7,147	
Gas	10,000		13,663		33,906	
Coal Handling Expense	74,919		61,505		62,548	
Landfill Operation Expense	5,171		4,725		6,038	
Emissions Allowance Expense	23,464		49,094		11,157	
Steam Expense:						
Boiler	145,070		100,847		101,917	
Pollution Control	62,118		44,787		31,193	
Electric Expense	110,162		93,816		95,060	
Miscellaneous Steam Power Expense	240,618		177,831		153,084	
Maintenance:						
Supervision	87,719		83,993		81,377	
Structures	89,214		68,694		21,392	
Boiler Plant:						
Boiler	245,849		196,274		106,518	
Pollution Control	52,281		35,766		25,662	
Electric Plant	60,271		28,086		21,505	
System Control	25,032		18,022		17,355	
Miscellaneous Steam Plant	69,180		47,811		57,753	
Coal Handling Equipment	89,464		37,340		97,502	
System Control and Load Dispatch	27,507		22,110		19,617	
Vacation, Holiday, Sick Leave	111,511		110,253		123,239	
Depreciation	<u>626,277</u>		<u>636,060</u>		<u>624,707</u>	
Total Generation Expense	<u>\$5,319,030</u>	48.4	<u>\$4,328,261</u>	50.2	<u>\$3,624,625</u>	47.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2015

	<u>Budget</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$15,807,236</u>	26.5	<u>\$12,872,343</u>	23.7	<u>\$18,194,607</u>	28.8
Average price per kWh	\$0.0308		\$0.0252		\$0.0360	
<u>Generation</u>						
Operation Supervision	616,542		576,084		559,688	
Fuel:						
Coal	17,042,620		15,040,324		16,276,085	
Fuel Oil	123,527		28,262		130,471	
Gas	119,500		116,994		301,467	
Coal Handling Expense	499,458		382,510		470,827	
Landfill Operation Expense	39,292		28,905		20,637	
Emissions Allowance Expense	115,954		213,751		59,028	
Steam Expense:						
Boiler	762,983		719,313		699,057	
Pollution Control	476,746		239,158		241,369	
Electric Expense	709,489		650,705		660,521	
Miscellaneous Steam Power Expense	1,724,859		1,409,942		1,068,656	
Maintenance:						
Supervision	605,441		618,219		585,132	
Structures	460,836		399,766		362,281	
Boiler Plant:						
Boiler	1,674,274		1,502,792		1,318,594	
Pollution Control	456,980		489,493		458,822	
Electric Plant	593,585		426,868		312,440	
System Control	147,879		123,820		129,687	
Miscellaneous Steam Plant	525,215		431,942		448,611	
Coal Handling Equipment	722,865		892,883		533,141	
System Control and Load Dispatch	199,778		189,039		178,904	
Vacation, Holiday, Sick Leave	670,537		696,537		727,891	
Depreciation	<u>4,383,943</u>		<u>4,452,420</u>		<u>4,372,949</u>	
Total Generation Expense	<u>\$32,672,303</u>	54.8	<u>\$29,629,727</u>	54.6	<u>\$29,916,258</u>	47.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2015

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$4,802		\$5,050		\$4,114	
Load Dispatching	59,144		55,138		41,253	
Station Expense	7,441		12,170		11,559	
Overhead Line Expense	74		25		1,430	
Transmission of Electricity by Others	44,469		50,945		33,845	
Miscellaneous Transmission Expense	7,485		4,962		10,939	
Maintenance:						
Supervision	2,632		3,308		1,954	
Structures	894		---		---	
Station Equipment	6,179		3,449		2,328	
Overhead Lines	11,817		11,629		8,789	
Vacation, Holiday, Sick Leave	9,045		8,785		7,274	
Depreciation	30,810		30,688		30,688	
Tax on Rural Property	5,642		5,642		5,642	
Total Transmission Expense	<u>190,434</u>	1.7	<u>191,791</u>	2.2	<u>159,815</u>	2.1
<u>Distribution</u>						
Operation Supervision	11,951		15,969		11,634	
Load Dispatching	32,838		32,713		35,731	
Station Expense	8,317		10,287		12,199	
Overhead Line Expense	2,559		4,099		2,339	
Vehicle Expense	18,275		13,758		16,404	
Underground Line Expense	3,716		3,520		4,036	
Street Lighting	3,070		4,461		2,320	
Signal Expense	772		65		250	
Meter Expense	9,585		8,703		8,291	
Consumer Installation Expense	596		988		784	
Miscellaneous Distribution Expense	51,658		50,504		63,286	
Maintenance:						
Supervision	10,120		14,209		10,525	
Structures	881		---		---	
Station Equipment	8,819		13,055		11,966	
Overhead Lines	62,121		68,782		23,305	
Underground Lines	13,285		35,100		(86,243)	
Line Transformers	3,584		1,743		6,475	
Street Lighting	6,390		7,444		11,075	
Signal System	3,081		2,834		16,853	
Meters	2,043		2,668		1,935	
Miscellaneous Distribution Plant	2,500		9,395		2,413	
Vacation, Holiday, Sick Leave	35,127		34,844		35,282	
Depreciation	164,368		163,755		158,237	
Tax on Rural Property	1,685		1,685		1,685	
Total Distribution Expense	<u>\$457,341</u>	4.2	<u>\$500,581</u>	5.8	<u>\$350,782</u>	4.6

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2015

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$32,776		\$33,697		\$29,889	
Load Dispatching	411,092		415,632		413,931	
Station Expense	49,797		71,566		97,120	
Overhead Line Expense	574		3,013		3,868	
Transmission of Electricity by Others	311,286		355,094		208,788	
Miscellaneous Transmission Expense	176,119		45,337		40,858	
Maintenance:						
Supervision	17,964		18,168		14,020	
Structures	8,706		---		---	
Station Equipment	114,786		25,987		36,440	
Overhead Lines	84,948		189,629		88,790	
Vacation, Holiday, Sick Leave	54,330		51,646		45,068	
Depreciation	215,671		214,815		214,816	
Tax on Rural Property	39,496		39,588		39,599	
	<u>1,517,545</u>	2.5	<u>1,464,172</u>	2.7	<u>1,233,187</u>	2.0
<u>Distribution</u>						
Operation Supervision	82,522		88,174		83,186	
Load Dispatching	220,315		215,162		213,119	
Station Expense	53,436		51,776		73,500	
Overhead Line Expense	29,295		21,627		12,672	
Vehicle Expense	127,777		103,491		108,654	
Underground Line Expense	26,567		28,216		20,208	
Street Lighting	21,105		25,886		14,824	
Signal Expense	5,069		549		1,890	
Meter Expense	66,239		58,285		63,550	
Consumer Installation Expense	4,065		2,904		4,735	
Miscellaneous Distribution Expense	376,744		386,624		362,294	
Maintenance:						
Supervision	72,078		76,371		74,788	
Structures	12,195		---		1,498	
Station Equipment	68,487		89,551		53,804	
Overhead Lines	385,332		386,225		295,537	
Underground Lines	98,937		102,024		51,938	
Line Transformers	36,562		33,532		26,973	
Street Lighting	45,789		41,537		38,320	
Signal System	23,321		24,909		35,922	
Meters	18,486		10,822		14,189	
Miscellaneous Distribution Plant	17,500		24,942		22,199	
Vacation, Holiday, Sick Leave	209,182		216,503		193,584	
Depreciation	1,150,576		1,146,283		1,107,659	
Tax on Rural Property	11,797		11,825		11,823	
	<u>\$3,163,376</u>	5.3	<u>\$3,147,218</u>	5.8	<u>\$2,886,866</u>	4.6

**Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - July 2015**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$11,731		\$5,349		\$3,729	
Energy Efficiency Rebates	23,107		5,969		7,310	
Electric Ranges/Dryers Maintenance	409		(40)		212	
Electric Water Heaters Maintenance	117		89		27	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	35,364	0.3	11,367	0.1	11,278	0.1
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	3,086		3,004		3,483	
Meter Reading Expense	9,075		10,409		9,164	
Consumer Records and Collection	36,172		36,294		34,096	
Uncollectible Accounts Expense	4,565		4,565		4,317	
Vacation, Holiday, Sick Leave	5,514		5,968		5,743	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	58,412	0.5	60,240	0.7	56,803	0.7
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	178,343		180,772		173,536	
Office Supplies and Expenses	15,468		11,633		18,960	
Outside Services Employed	48,214		13,226		20,269	
Property Insurance	60,894		58,782		59,470	
Casualty Ins, Injuries & Damages	42,951		39,788		41,679	
Employee Pensions and Benefits	521,441		504,218		499,048	
Fringe Benefits Charged to Constr.	(24,276)		(26,362)		(33,020)	
Regulatory Commission	7,311		7,803		7,722	
Miscellaneous General Expense	42,734		47,681		22,609	
Maintenance of General Plant	33,311		36,432		31,067	
Maintenance of A/O Center	44,138		45,690		42,786	
Vacation, Holiday, Sick Leave	32,423		32,417		31,632	
Depreciation	134,906		133,349		131,862	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,137,858	10.4	1,085,429	12.6	1,047,620	13.6
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$10,257,967</u>		<u>\$8,388,918</u>		<u>\$7,632,664</u>	
Percent to Operating Revenue		93.4		97.4		99.4

**Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - July 2015**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$91,796		\$52,724		\$42,524	
Energy Efficiency Rebates	137,753		90,672		115,066	
Electric Ranges/Dryers Maintenance	2,963		1,547		2,525	
Electric Water Heaters Maintenance	1,064		658		475	
	<u> </u>		<u> </u>		<u> </u>	
Total Customer Service Expense	\$233,576	0.4	\$145,601	0.3	\$160,590	0.3
	<u> </u>		<u> </u>		<u> </u>	
<u>Consumer Accounts</u>						
Supervision	21,016		22,200		20,924	
Meter Reading Expense	65,152		66,284		66,767	
Consumer Records and Collection	249,230		241,528		227,579	
Uncollectible Accounts Expense	31,953		31,953		30,216	
Vacation, Holiday, Sick Leave	32,634		31,814		34,574	
	<u> </u>		<u> </u>		<u> </u>	
Total Consumer Accounts Expense	399,985	0.7	393,779	0.7	380,060	0.6
	<u> </u>		<u> </u>		<u> </u>	
<u>Administrative and General</u>						
Administrative and General Salaries	1,217,329		1,163,775		1,158,505	
Office Supplies and Expenses	117,575		122,471		101,563	
Outside Services Employed	408,052		301,288		310,404	
Property Insurance	421,455		413,538		403,386	
Casualty Ins, Injuries & Damages	295,057		391,263		316,305	
Employee Pensions and Benefits	3,707,738		3,595,702		3,557,112	
Fringe Benefits Charged to Constr.	(170,052)		(158,801)		(177,162)	
Regulatory Commission	51,175		51,018		50,462	
Miscellaneous General Expense	341,277		306,074		269,181	
Maintenance of General Plant	236,270		210,639		207,843	
Maintenance of A/O Center	326,595		234,226		243,227	
Vacation, Holiday, Sick Leave	191,327		205,981		193,944	
Depreciation	944,341		933,441		923,034	
	<u> </u>		<u> </u>		<u> </u>	
Total Administrative and General	8,088,139	13.6	7,770,615	14.3	7,557,804	12.0
	<u> </u>		<u> </u>		<u> </u>	
Total Operating Expense	<u>\$61,882,160</u>		<u>\$55,423,455</u>		<u>\$60,329,372</u>	
Percent to Operating Revenue		103.8		102.1		95.4

**Muscatine Power and Water - Electric Utility
Statistical Data
July 2015**

Total Fuel Cost
(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.835	\$1.818
Per Net MW Generated	\$20.78	\$23.18
Net Peak Monthly Demand-KW	132,800	130,340
Date of Peak	7/17	7/22
Hour of Peak	1600	1400
	<u>Calendar Year-To-Date</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.899	\$1.871
Per Net MW Generated	\$21.09	\$21.90
Net Peak Monthly Demand-KW	133,330	130,340
Date of Peak	6/10	7/22
Hour of Peak	1500	1400
Average Temperature	72°	68.3°
<u>Services</u>	<u>2015</u>	<u>2014</u>
Residential	9,775	9,740
Commercial I	1,365	1,365
Commercial II	118	118
Industrial I	9	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	35
Total	<u><u>11,326</u></u>	<u><u>11,292</u></u>

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - July 2015

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	110,786,138		92,127,319		64,007,100	
Wholesale Sales	\$4,785,961	\$0.04320	\$2,922,799	\$0.03173	\$2,326,758	\$0.03635
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	2,445,157	0.02207	1,827,849	0.01984	1,399,717	0.02187
Emissions:						
SO ² Allowances-ARP ^{fn1}	177	0.00000	43	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	452	0.00000	---	---
SO ² Allowances-CAIR ^{fn3}	124	0.00000	---	---	80	0.00000
NO _x Allowances ^{fn4}	8,675	0.00008	50,074	0.00054	15,068	0.00024
Other ^{fn5}	193,507	0.00175	185,110	0.00201	184,962	0.00289
Total Variable Costs	2,647,640	0.02390	2,063,528	0.02240	1,599,827	0.02499
Gross Margin	\$2,138,321	\$0.01930	\$859,271	\$0.00933	\$726,931	\$0.01136
Percent Gross Margin	44.7%		29.4%		31.2%	

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>
Wholesale kWh Sales	618,595,814		578,368,099		623,652,557	
Wholesale Sales	\$22,577,706	\$0.03650	\$16,836,639	\$0.02911	\$27,667,885	\$0.04436
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	13,487,206	0.02180	11,687,732	0.02021	13,023,408	0.02088
Emissions:						
SO ² Allowances-ARP ^{fn1}	1,283	0.00000	181	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	14,271	0.00002	---	---
SO ² Allowances-CAIR ^{fn3}	899	0.00000	---	---	403	0.00000
NO _x Allowances ^{fn4}	48,174	0.00008	158,926	0.00027	127,445	0.00020
Other ^{fn5}	1,354,549	0.00219	1,337,755	0.00231	1,303,289	0.00209
Total Variable Costs	14,892,111	0.02407	13,198,865	0.02282	14,454,545	0.02318
Gross Margin	\$7,685,595	\$0.01242	\$3,637,774	\$0.00629	\$13,213,340	\$0.02119
Percent Gross Margin	34.0%		21.6%		47.8%	

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

	<u>Budget</u>	<u>2015</u>	<u>2014</u>
fn1 SO ² ARP	\$2.00	\$0.80	\$0.00
YTD SO ² ARP	2.00	0.80	0.00
fn2 SO ² CASPR	0.00	8.50	0.00
YTD SO ² CASPR	0.00	63.16	0.00
fn3 SO ² CAIR	0.70	0.00	0.90
YTD SO ² CAIR	0.70	0.00	0.81
fn4 NO _x annual	49.00	147.50	59.50
NO _x seasonal	10.00	302.50	31.50
YTD NO _x annual	49.00	153.81	57.41
YTD NO _x seasonal	10.00	214.23	25.86

fn5 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.