

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

**December 2015
(Unaudited)**

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - December 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	118,270,183	(38.5)	72,700,098	(42.9)	127,252,633
Less: Plant Use	<u>11,326,358</u>	(13.6)	<u>9,782,259</u>	(18.9)	<u>12,059,698</u>
Net Generation/Wholesale Sales	<u><u>106,943,825</u></u>	(41.2)	<u><u>62,917,839</u></u>	(45.4)	<u><u>115,192,935</u></u>
<u>Net Capacity Factors</u>					
Unit 9	68.00	(33.4)	45.30	(39.7)	75.08
Unit 8/8A	55.10	(48.3)	28.46	(49.6)	56.51
Unit 7	40.00	---	---	---	32.70
Total Plant	62.55	(39.7)	37.73	(43.8)	67.13
<u>KWH Distribution</u>					
Residential	8,484,000	(9.0)	7,718,468	(3.9)	8,028,745
Commercial I	3,128,000	(10.1)	2,811,572	0.2	2,805,431
Commercial II	8,048,000	(0.5)	8,003,860	(2.0)	8,170,380
Industrial I	8,433,888	3.2	8,702,100	(4.3)	9,089,660
Industrial II	41,450,000	(6.6)	38,714,819	(4.2)	40,399,862
City Enterprise Funds	471,548	3.7	489,182	2.4	477,769
Water & Communications Utilities	<u>1,416,583</u>	2.7	<u>1,454,695</u>	6.9	<u>1,361,279</u>
Native System Sales	71,432,019	(5.0)	67,894,696	(3.5)	70,333,126
City Lighting	169,000	(15.8)	142,255	(4.5)	148,964
City Buildings	534,000	4.1	555,964	1.0	550,345
Offline Power Plant Usage	531,491	(86.5)	71,750	(41.1)	121,902
Losses & Cycle Billing	<u>2,162,856</u>	30.9	<u>2,832,174</u>	(17.6)	<u>3,436,598</u>
Total Native System KWH Distributed/Purchased Power	<u><u>74,829,366</u></u>	(4.5)	<u><u>71,496,839</u></u>	(4.1)	<u><u>74,590,935</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>254,139</u></u>	 (5.7)	 <u><u>239,578</u></u>	 (8.6)	 <u><u>262,192</u></u>

Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - December 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	1,163,091,779	(15.0)	988,306,154	(8.5)	1,080,447,612
Less: Plant Use	<u>112,925,008</u>	0.9	<u>113,930,282</u>	(3.5)	<u>118,054,243</u>
Net Generation/Wholesale Sales	<u>1,050,166,771</u>	(16.7)	<u>874,375,872</u>	(9.1)	<u>962,393,369</u>
<u>Net Capacity Factors</u>					
Unit 9	56.56	(6.8)	52.70	4.4	50.47
Unit 8/8A	50.94	(38.1)	31.55	(33.6)	47.48
Unit 7	25.38	(60.5)	10.03	(65.0)	28.67
Total Plant	52.17	(14.6)	44.54	(6.5)	47.63
<u>KWH Distribution</u>					
Residential	107,297,000	(6.0)	100,834,056	(2.2)	103,081,267
Commercial I	39,560,000	(8.4)	36,254,795	(2.7)	37,243,552
Commercial II	101,790,000	5.2	107,042,280	3.8	103,167,844
Industrial I	119,306,004	(1.6)	117,360,600	1.7	115,385,800
Industrial II	465,050,000	(2.0)	455,733,789	(0.1)	456,416,834
City Enterprise Funds	5,134,541	5.2	5,398,974	3.4	5,223,869
Water & Communications Utilities	<u>16,961,434</u>	6.6	<u>18,081,003</u>	9.6	<u>16,489,856</u>
Native System Sales	855,098,979	(1.7)	840,705,497	0.4	837,009,022
City Lighting	2,057,000	(11.2)	1,827,463	(4.3)	1,910,565
City Buildings	6,515,000	2.6	6,682,147	(3.7)	6,938,063
Offline Power Plant Usage	3,500,000	(15.3)	2,962,883	(18.7)	3,645,391
Losses & Cycle Billing	<u>25,885,856</u>	(5.1)	<u>24,571,212</u>	(1.3)	<u>24,891,870</u>
Total Native System KWH Distributed/Purchased Power	<u>893,056,835</u>	(1.8)	<u>876,749,202</u>	0.3	<u>874,394,911</u>
<u>STEAM SALES - 1000 lbs</u>	<u>2,720,785</u>	(1.1)	<u>2,690,125</u>	21.7	<u>2,209,737</u>

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

	Budget			% Increase (Decrease) from Last Year			% Increase (Decrease) from Last Year	
	Estimate	Avg. Price	from Budget	This Year	Avg. Price	Year	Last Year	Avg. Price
Sales of Electricity								
Residential	\$901,592	\$ 0.10627	(9.1)	\$819,842 ^{fn1}	\$ 0.10622	(6.8)	\$879,702 ^{fn2}	\$ 0.10957
Commercial I	316,078	0.10105	(13.5)	273,250 ^{fn1}	0.09719	(1.2)	276,597 ^{fn2}	0.09859
Commercial II	644,058	0.08003	(5.1)	611,479	0.07640	1.7	601,502	0.07362
Industrial I	528,824	0.06270	1.8	538,545	0.06189	(2.1)	550,007	0.06051
Industrial II	1,930,885	0.04658	(1.4)	1,903,012	0.04915	(1.1)	1,924,675	0.04764
City Enterprise Funds	33,303	0.07062	2.3	34,085	0.06968	6.0	32,164	0.06732
Water & Communication Utilities	84,074	0.05935	3.6	87,063	0.05985	1.4	85,892	0.06310
Native System Sales	4,438,814	0.06214	(3.9)	4,267,276	0.06285	(1.9)	4,350,539	0.06186
Wholesale Sales	3,725,927	0.03484	(61.0)	1,453,527	0.02310	(58.2)	3,476,611	0.03018
Energy Sales	8,164,741		(29.9)	5,720,803		(26.9)	7,827,150	
Steam Sales	1,071,768	4.22	(12.8)	934,503	3.90	(8.8)	1,024,594	3.91
Other Revenue								
By-Product Revenue	32,856		-2.1X	(36,690)		-7.1X	6,044	
Miscellaneous Revenue	53,143		35.9	72,214		38.7	52,050	
Total Other Revenue	85,999		(58.7)	35,524		(38.9)	58,094	
Operating Revenue	9,322,508		(28.2)	6,690,830		(24.9)	8,909,838	
Operating Expense								
Purchased Power	2,607,738	0.03485	(45.5)	1,420,128	0.01986	(33.5)	2,134,488	0.02862
Production Fuel	3,086,126		(41.3)	1,810,948		(40.0)	3,018,665	
Emissions Allowance	16,874		(34.1)	11,121		50.9	7,370	
Operation	2,053,663		1.0	2,073,660		2.8	2,016,252	
Maintenance	693,439		33.4	925,376		(5.7)	980,984	
Depreciation	956,362		(21.4)	751,937		(20.5)	945,494	
Total Operating Expense	9,414,202		(25.7)	6,993,170		(23.2)	9,103,253	
Operating Loss	(91,694)		2.3X	(302,340)		56.3	(193,415)	
Nonoperating Revenue (Expense)								
Interest Income	15,116		(43.2)	8,580		(92.2)	109,686	
Interest Expense	(167)		(33.5)	(111)		30.6	(85)	
Total Nonoperating Revenue (Expense)	14,949		(43.3)	8,469		(92.3)	109,601	
Net Loss Before Revenue Adjustment	(76,745)		2.8X	(293,871)		2.5X	(83,814)	
Prior Period Adj. GASB 68 Pension	---		---	---		---	---	
Capital Contributions	---		---	421,571		1.3X	183,739	
Change in Net Position	(76,745)		-2.7X	127,700		27.8	99,925	
Beginning Net Position	126,487,008			122,971,708			156,171,913	
Ending Net Position	\$126,410,263			\$123,099,408			\$156,271,838	
Net Loss Before Rev Adj to Op Revenue	(0.8)			(4.4)			(0.9)	
Change in Net Position to Operating Revenue	(0.8)			1.9			1.1	

^{fn1} Includes an adjustment to unbilled revenues of (\$7,254) and (\$2,519) for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment to unbilled revenues of \$44,329 and \$8,151 for residential and commercial I customers, respectively.

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

	Budget		% Increase (Decrease) from Budget	% Increase (Decrease) from Last Year			Last Year	
	Estimate	Avg. Price		This Year	Avg. Price	Year	Year	Avg. Price
Sales of Electricity								
Residential	\$11,008,419	\$ 0.10260	(4.1)	\$10,557,651 ^{fn1}	\$ 0.10470	3.1	\$10,241,738 ^{fn2}	\$ 0.09936
Commercial I	3,832,698	0.09688	(8.5)	3,506,304 ^{fn1}	0.09671	3.7	3,381,118 ^{fn2}	0.09078
Commercial II	7,619,512	0.07486	4.1	7,928,324	0.07407	12.1	7,071,034	0.06854
Industrial I	7,056,499	0.05915	0.1	7,065,096	0.06020	5.8	6,675,192	0.05785
Industrial II	22,002,494	0.04731	2.1	22,461,792	0.04929	3.9	21,613,538	0.04735
City Enterprise Funds	357,915	0.06971	9.2	390,992	0.07242	11.1	351,799	0.06734
Water & Communications Utilities	987,065	0.05819	11.2	1,097,490	0.06070	13.9	963,399	0.05842
Native System Sales	52,864,602	0.06182	0.3	53,007,649	0.06305	5.4	50,297,818	0.06009
Wholesale Sales	37,621,654	0.03582	(35.5)	24,271,306	0.02776	(39.5)	40,116,365	0.04168
Energy Sales	90,486,256		(14.6)	77,278,955		(14.5)	90,414,183	
Steam Sales	11,325,694	4.16	(5.6)	10,688,550	3.97	23.1	8,686,191	3.93
Other Revenue								
Rail Car Lease	---			---		-1.0X	68,627	
By-Product Revenue	321,819		(21.6)	252,327		(35.8)	393,297	
Miscellaneous Revenue	639,109		3.2	659,276		3.5	637,221	
Total Other Revenue	960,928		(5.1)	911,603		(17.1)	1,099,145	
Operating Revenue	102,772,878		(13.5)	88,879,108		(11.3)	100,199,519	
Operating Expense								
Purchased Power	27,746,714	0.03107	(25.4)	20,697,271	0.02361	(30.8)	29,888,237	0.03418
Production Fuel	30,623,835		(20.6)	24,312,348		(7.6)	26,309,470	
Emissions Allowance	197,840		99.9	395,504		3.5X	87,856	
Operation	25,137,475		(5.9)	23,660,715		7.1	22,090,624	
Maintenance	12,345,592		(1.9)	12,112,068		15.9	10,449,668	
Depreciation	11,476,337		(1.1)	11,354,301		0.1	11,345,928	
Total Operating Expense	107,527,793		(13.9)	92,532,207		(7.6)	100,171,783	
Operating Income (Loss)	(4,754,915)		(23.2)	(3,653,099)		-132.7X	27,736	
Nonoperating Revenue (Expense)								
Interest Income	222,340		(56.2)	97,419		(92.5)	1,294,967	
Interest Expense	(2,000)		(30.3)	(1,395)		(37.9)	(2,245)	
Total Nonoperating Revenue (Expense)	220,340		(56.4)	96,024		(92.6)	1,292,722	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(4,534,575)		(21.6)	(3,557,075)		-3.7X	1,320,458	
Prior Period Adj. GASB 68 Pension	---		---	(4,724,094)		---	---	
Capital Contributions	---		---	435,739		93.4	225,323	
Write Off - Loan to Communications	(25,327,000)		---	(25,327,000)		---	---	
Change in Net Position	(29,861,575)		11.1	(33,172,430)		-22.5X	1,545,781	
Beginning Net Position	156,271,838			156,271,838			154,726,057	
Ending Net Position	\$126,410,263			\$123,099,408			\$156,271,838	
Net Income (Loss) Before Rev Adj to Op Revenue	(4.4)			(4.0)			1.3	
Change in Net Position to Operating Revenue	(29.1)			(37.3)			1.5	

^{fn1} Includes an adjustment to unbilled revenues of (\$7,254) and (\$2,519) for residential and commercial I customers, respectively.

^{fn2} Includes an adjustment to unbilled revenues of \$44,329 and \$8,151 for residential and commercial I customers, respectively.

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

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets:		
<u>Unrestricted Assets</u>		
Cash - interest bearing	\$6,006,761	\$8,785,751
Investments	7,000,146	13,004,815
Receivables:		
Consumer Accounts	5,562,304 ^{fn1}	5,523,382 ^{fn2}
Refined Coal	3,014,058	4,701,050
Wholesale	12,401	1,027,783
Steam Sales	1,000,523	1,079,842
Interest	12,543	649,935
Inventories	5,886,902	5,907,697
Fuel	17,418,558	6,725,684
Prepaid Expenses	870,131	507,914
	<hr/>	<hr/>
Total Unrestricted Current Assets	46,784,327	47,913,853
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - interest bearing	8,074,650	2,042,488
Investments	5,000,000	11,001,412
	<hr/>	<hr/>
Total Restricted Current Assets	13,074,650	13,043,900
	<hr/>	<hr/>
Total Current Assets	59,858,977	60,957,753
	<hr/>	<hr/>
Property and Equipment:		
At Cost	419,573,142	414,957,285
Less Accumulated Depreciation	340,907,275	330,989,011
	<hr/>	<hr/>
Net Property and Equipment	78,665,867	83,968,274
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	9,523,335	35,327,000
Note Receivable - Water Utility	2,900,000	1,900,000
Joint Venture Rights	104,390	99,495
	<hr/>	<hr/>
Total Other Assets	12,527,725	37,326,495
	<hr/>	<hr/>
Deferred Outflows of Resources - Pension		
Changes of Assumptions	2,764,049	---
Difference between projected and actual earnings on pension plan	575,136	---
Contributions subsequent to measurement date	2,181,815	---
	<hr/>	<hr/>
Total Deferred Outflows of Resources - Pension	5,521,000	---
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$156,573,569</u>	<u>\$182,252,522</u>

^{fn1} Includes \$482,645 for unbilled revenues.

^{fn2} Includes \$492,418 for unbilled revenues.

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	<u>2015</u>	<u>2014</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$4,464,814	\$7,510,986
Health & Dental Insurance Provision	289,930	289,930
Accrued Payroll	605,135	507,870
Accrued Vacation	1,196,288	1,130,823
Accrued Emission Allowance Expense	394,713	68,598
Consumers' Deposits	733,317	680,434
Retained Percentage on Contracts	48,610	73,894
Accrued Property Taxes	102,119	100,554
Miscellaneous Accrued Expenses	846,222	517,779
Unearned Revenue	56,581	---
	<u>8,737,729</u>	<u>10,880,868</u>
Total Unrestricted Current Liabilities		
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,080,094	1,411,953
Post-Employment Health Benefit Provision	381,926	420,482
Net Pension Liability	9,582,626	---
Consumer Advances for Construction	---	234,515
	<u>11,044,646</u>	<u>2,066,950</u>
Total Non-Current Liabilities		
Deferred Inflows of Resources		
Extraordinary O&M	13,032,866	13,032,866
Pension		
Differences between expected and actual experience	658,920	---
	<u>13,691,786</u>	<u>13,032,866</u>
Total Deferred Inflows of Resources		
Net Position:		
Net Investment in Capital Assets	78,665,867	83,968,274
Restricted	18,595,650	13,043,900
Unrestricted	25,837,891	59,259,664
	<u>123,099,408</u>	<u>156,271,838</u>
Total Net Position		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$156,573,569</u></u>	<u><u>\$182,252,522</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$4,120,012	\$52,928,006
MISO sales	1,301,789	26,411,283
Steam sales	530,486	10,397,981
Coal sales	2,483,060	39,495,480
Railcar/facilities leasing	5,408	63,232
By-product sales	436	309,069
Miscellaneous sources	113,954	682,658
Cash paid to/for:		
Suppliers	(1,883,407)	(12,905,107)
MISO purchases/administration fees	(1,215,149)	(22,085,302)
Coal purchases	(5,737,301)	(74,967,431)
Employees payroll, taxes and benefits	(2,093,313)	(23,916,673)
Net cash flows from operating activities	<u>(2,374,025)</u>	<u>(3,586,804)</u>
Cash flows from noncapital financing activities:		
Interest received on notes receivable from water & communications utilities	29,770	680,347
Principal received on note receivable from communications utility	476,665	476,665
Loan to Water Utility	---	(1,000,000)
Net cash flows from noncapital financing activities	<u>506,435</u>	<u>157,012</u>
Cash flows from capital financing activities:		
Capital expenditures, net	<u>233,966</u>	<u>(5,275,891)</u>
Net cash flows from capital and related financing activities	<u>233,966</u>	<u>(5,275,891)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(96,690)
Purchase of Resco stock	(5,000)	(5,000)
Interest received on investments	9,991	59,775
Accrued interest purchased	---	(1,291)
Amortization/accretion of investments	139	(5)
Mark to Market	(801)	(4,015)
Net cash flows from investing activities	<u>4,329</u>	<u>(47,226)</u>
Net decrease in cash and investments	<u>(1,629,295)</u>	<u>(8,752,909)</u>
Cash and investments at beginning of period	<u>27,710,852</u>	<u>34,834,466</u>
Cash and investments at end of period	<u>\$26,081,557</u>	<u>\$26,081,557</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$302,340)	(\$3,653,099)
Noncash items in operating income:		
Depreciation of electric utility plant	751,937	11,354,301
Amortization of joint venture rights	8,934	96,795
Changes in deferred outflows of resources - pension	(436,363)	(872,726)
Changes in deferred inflows of resources - pension	---	658,920
Changes in assets and liabilities:		
Consumer accounts receivable	(241,201)	(38,922)
Refined coal	(525,590)	1,686,992
Wholesale receivable	80,684	1,015,382
Steam sales receivable	(463,046)	79,319
Inventories	56,458	20,795
Fuel	489,793	(10,692,874)
Prepaid expenses	(217,516)	(362,217)
Accounts payable	(1,706,925)	(3,386,444)
Net pension liability	181,562	210,257
Health & dental insurance provision	55,289	(331,859)
Other post-employment benefit provision	---	(38,556)
Accrued payroll	181,874	97,265
Accrued vacation	(8,248)	65,465
Accrued emission allowance expense	11,121	326,115
Consumers' deposits	(4,743)	52,883
Retained Percentage	2,445	(25,284)
Accrued property taxes	4,847	1,565
Unearned revenue	(14,143)	92,533
Miscellaneous accrued expenses	(278,854)	56,590
	<u>(\$2,374,025)</u>	<u>(\$3,586,804)</u>
Net cash flows from operating activities	<u>(\$2,374,025)</u>	<u>(\$3,586,804)</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$13,074,650</u>	<u>\$13,043,900</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$13,074,650</u></u>	<u><u>\$13,043,900</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,607,738</u>	28.0	<u>\$1,420,128</u>	21.2	<u>\$2,134,488</u>	24.0
Average price per kWh	\$0.0348		\$0.0199		\$0.0286	
<u>Generation</u>						
Operation Supervision	83,768		84,485		83,918	
Fuel:						
Coal	2,983,166		1,732,450		2,937,627	
Fuel Oil	17,500		757		222	
Gas	12,000		15,102		15,965	
Coal Handling Expense	69,832		49,606		62,278	
Landfill Operation Expense	3,628		13,033		2,573	
Emissions Allowance Expense	16,874		11,121		7,370	
Steam Expense:						
Boiler	105,751		104,464		94,179	
Pollution Control	61,352		36,925		29,481	
Electric Expense	103,800		106,104		104,039	
Miscellaneous Steam Power Expense	182,993		224,528		154,497	
Maintenance:						
Supervision	86,987		82,745		82,258	
Structures	52,014		78,444		107,042	
Boiler Plant:						
Boiler	126,562		167,400		239,710	
Pollution Control	51,298		107,868		68,233	
Electric Plant	41,266		28,061		34,909	
System Control	19,135		17,647		17,565	
Miscellaneous Steam Plant	71,359		61,524		70,394	
Coal Handling Equipment	59,836		61,522		113,010	
System Control and Load Dispatch	28,750		22,443		26,265	
Vacation, Holiday, Sick Leave	145,871		154,853		159,379	
Depreciation	<u>626,278</u>		<u>636,060</u>		<u>624,707</u>	
Total Generation Expense	<u>\$4,950,020</u>	53.1	<u>\$3,797,142</u>	56.8	<u>\$5,035,621</u>	56.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$27,746,714</u>	27.0	<u>\$20,697,271</u>	23.3	<u>\$29,888,237</u>	29.8
Average price per kWh	\$0.0311		\$0.0236		\$0.0342	
<u>Generation</u>						
Operation Supervision	1,062,844		1,012,198		991,203	
Fuel:						
Coal	29,310,644		23,279,469		24,971,939	
Fuel Oil	212,054		91,429		132,743	
Gas	178,000		168,307		402,516	
Coal Handling Expense	842,506		693,063		749,596	
Landfill Operation Expense	80,631		80,080		52,676	
Emissions Allowance Expense	197,840		395,504		87,856	
Steam Expense:						
Boiler	1,345,252		1,280,371		1,229,459	
Pollution Control	786,572		480,970		452,445	
Electric Expense	1,239,303		1,136,237		1,127,649	
Miscellaneous Steam Power Expense	2,982,313		2,363,191		1,861,501	
Maintenance:						
Supervision	1,052,448		1,063,090		1,006,354	
Structures	803,762		740,170		767,723	
Boiler Plant:						
Boiler	3,409,226		3,127,553		3,034,918	
Pollution Control	936,670		984,820		737,921	
Electric Plant	1,251,564		1,001,762		565,257	
System Control	246,781		206,551		219,742	
Miscellaneous Steam Plant	897,964		796,500		818,771	
Coal Handling Equipment	1,133,318		1,480,830		1,077,446	
System Control and Load Dispatch	341,676		312,432		283,046	
Vacation, Holiday, Sick Leave	1,228,400		1,241,589		1,250,776	
Depreciation	<u>7,515,330</u>		<u>7,632,720</u>		<u>7,496,484</u>	
Total Generation Expense	<u>\$57,055,098</u>	55.5	<u>\$49,568,836</u>	55.8	<u>\$49,318,021</u>	49.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$4,802		\$4,562		\$3,773	
Load Dispatching	59,678		70,330		50,058	
Station Expense	7,404		10,029		9,102	
Overhead Line Expense	142		932		139	
Transmission of Electricity by Others	44,469		40,972		25,593	
Miscellaneous Transmission Expense	7,695		8,444		5,504	
Maintenance:						
Supervision	2,632		2,961		1,852	
Structures	31		---		---	
Station Equipment	6,207		8,320		3,244	
Overhead Lines	11,905		126,545		93,439	
Vacation, Holiday, Sick Leave	11,689		13,503		11,610	
Depreciation	30,810		30,688		30,688	
Tax on Rural Property	5,642		5,710		5,828	
Total Transmission Expense	193,106	2.1	322,996	4.8	240,830	2.7
<u>Distribution</u>						
Operation Supervision	11,895		15,149		11,301	
Load Dispatching	33,352		30,442		31,097	
Station Expense	7,140		5,329		4,262	
Overhead Line Expense	2,560		6,464		3,435	
Vehicle Expense	18,254		6,807		18,117	
Underground Line Expense	3,613		2,332		1,990	
Street Lighting	2,970		3,158		1,002	
Signal Expense	678		406		---	
Meter Expense	9,399		8,190		8,514	
Consumer Installation Expense	566		734		115	
Miscellaneous Distribution Expense	51,316		62,038		43,446	
Maintenance:						
Supervision	9,983		13,613		10,295	
Structures	493		---		---	
Station Equipment	11,249		9,347		7,970	
Overhead Lines	48,678		37,248		44,405	
Underground Lines	12,084		13,014		4,725	
Line Transformers	3,411		1,230		8,667	
Street Lighting	6,374		11,887		7,146	
Signal System	3,860		1,037		1,088	
Meters	2,372		2,624		1,624	
Miscellaneous Distribution Plant	2,500		16,712		2,765	
Vacation, Holiday, Sick Leave	46,289		52,289		46,877	
Depreciation	164,368		163,755		158,237	
Tax on Rural Property	1,685		1,706		1,741	
Total Distribution Expense	\$455,089	4.9	\$465,511	7.0	\$418,819	4.7

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$56,788		\$60,800		\$51,005	
Load Dispatching	720,916		733,547		696,084	
Station Expense	86,856		123,080		149,971	
Overhead Line Expense	1,074		5,029		3,604	
Transmission of Electricity by Others	533,633		590,010		359,570	
Miscellaneous Transmission Expense	215,034		80,786		89,055	
Maintenance:						
Supervision	31,124		33,925		24,163	
Structures	10,994		---		---	
Station Equipment	146,867		138,271		75,295	
Overhead Lines	144,673		364,098		221,772	
Vacation, Holiday, Sick Leave	99,556		95,624		88,229	
Depreciation	369,721		368,254		368,256	
Tax on Rural Property	67,708		68,458		68,386	
Total Transmission Expense	<u>2,484,944</u>	2.4	<u>2,661,882</u>	3.0	<u>2,195,390</u>	2.2
<u>Distribution</u>						
Operation Supervision	143,070		166,301		143,276	
Load Dispatching	384,981		365,721		370,366	
Station Expense	88,855		81,073		106,139	
Overhead Line Expense	42,088		34,186		24,844	
Vehicle Expense	219,089		161,658		183,817	
Underground Line Expense	45,836		44,219		35,961	
Street Lighting	36,155		41,433		27,028	
Signal Expense	8,562		1,662		2,172	
Meter Expense	113,588		96,678		107,431	
Consumer Installation Expense	6,927		6,741		6,610	
Miscellaneous Distribution Expense	649,936		687,924		610,906	
Maintenance:						
Supervision	124,689		145,084		129,175	
Structures	15,403		---		1,498	
Station Equipment	120,944		138,054		94,788	
Overhead Lines	673,449		641,473		521,473	
Underground Lines	162,860		169,239		101,268	
Line Transformers	63,713		52,350		63,562	
Street Lighting	77,701		119,856		88,942	
Signal System	38,564		49,828		52,286	
Meters	29,749		23,496		26,733	
Miscellaneous Distribution Plant	30,000		49,809		35,221	
Vacation, Holiday, Sick Leave	384,854		396,642		359,796	
Depreciation	1,972,416		1,965,056		1,898,844	
Tax on Rural Property	20,224		20,448		20,420	
Total Distribution Expense	<u>\$5,453,653</u>	5.3	<u>\$5,458,931</u>	6.1	<u>\$5,012,556</u>	5.0

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

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$6,551		\$6,555		\$14,068	
Energy Efficiency Rebates	19,114		41,292		67,097	
Electric Ranges/Dryers Maintenance	409		281		590	
Electric Water Heaters Maintenance	146		---		88	
Total Customer Service Expense	26,220	0.3	48,128	0.7	81,843	0.9
<u>Consumer Accounts</u>						
Supervision	3,086		2,837		2,592	
Meter Reading Expense	8,846		10,364		9,573	
Consumer Records and Collection	36,137		38,949		38,207	
Uncollectible Accounts Expense	4,565		(16,980)		19,386	
Vacation, Holiday, Sick Leave	7,303		6,992		7,051	
Total Consumer Accounts Expense	59,937	0.6	42,162	0.6	76,809	0.9
<u>Administrative and General</u>						
Administrative and General Salaries	178,179		172,982		156,863	
Office Supplies and Expenses	15,231		15,374		14,957	
Outside Services Employed	50,992		56,960		72,998	
Property Insurance	60,891		58,782		59,470	
Casualty Ins, Injuries & Damages	41,551		37,214		26,593	
Employee Pensions and Benefits	519,676		503,006		541,880	
Fringe Benefits Charged to Constr.	(24,270)		(32,103)		(31,583)	
Regulatory Commission	7,311		7,144		7,285	
Miscellaneous General Expense	31,628		32,045		25,510	
Maintenance of General Plant	32,035		40,907		28,447	
Maintenance of A/O Center	31,168		34,720		32,196	
Vacation, Holiday, Sick Leave	42,794		48,638		48,365	
Depreciation	134,906		(78,566)		131,862	
Total Administrative and General	1,122,092	12.0	897,103	13.4	1,114,843	12.5
Total Operating Expense	\$9,414,202		\$6,993,170		\$9,103,253	
Percent to Operating Revenue		101.0		104.5		102.2

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$123,701		\$89,025		\$70,701	
Energy Efficiency Rebates	233,300		158,129		243,313	
Electric Ranges/Dryers Maintenance	5,036		2,850		4,640	
Electric Water Heaters Maintenance	<u>1,794</u>		<u>809</u>		<u>923</u>	
Total Customer Service Expense	<u>\$363,831</u>	0.4	<u>\$250,813</u>	0.3	<u>\$319,577</u>	0.3
<u>Consumer Accounts</u>						
Supervision	36,448		37,218		35,443	
Meter Reading Expense	110,533		112,413		114,413	
Consumer Records and Collection	430,196		420,039		395,408	
Uncollectible Accounts Expense	54,776		33,231		66,868	
Vacation, Holiday, Sick Leave	<u>60,202</u>		<u>56,811</u>		<u>63,532</u>	
Total Consumer Accounts Expense	<u>692,155</u>	0.7	<u>659,712</u>	0.7	<u>675,664</u>	0.7
<u>Administrative and General</u>						
Administrative and General Salaries	2,108,935		2,062,711		1,977,405	
Office Supplies and Expenses	197,454		201,180		179,451	
Outside Services Employed	652,986		435,513		481,202	
Property Insurance	725,922		707,448		700,736	
Casualty Ins, Injuries & Damages	504,212		961,137		486,170	
Employee Pensions and Benefits	6,314,511		6,052,675		6,026,399	
Fringe Benefits Charged to Constr.	(303,860)		(310,619)		(320,466)	
Regulatory Commission	87,728		90,834		84,015	
Miscellaneous General Expense	528,067		496,309		422,551	
Maintenance of General Plant	402,139		355,378		363,206	
Maintenance of A/O Center	540,990		429,931		422,154	
Vacation, Holiday, Sick Leave	353,444		363,994		357,171	
Depreciation	<u>1,618,870</u>		<u>1,388,271</u>		<u>1,582,344</u>	
Total Administrative and General	<u>13,731,398</u>	13.4	<u>13,234,762</u>	14.9	<u>12,762,338</u>	12.7
Total Operating Expense	<u>\$107,527,793</u>		<u>\$92,532,207</u>		<u>\$100,171,783</u>	
Percent to Operating Revenue		104.6		104.1		100.0

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

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

	<u>Current Month</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.830	\$1.899
Per Net MW Generated	\$28.90	\$20.98
Net Peak Monthly Demand-KW	112,810	118,150
Date of Peak	12/16	12/1
Hour of Peak	1900	1800

	<u>Calendar Year-To-Date</u>	
	<u>2015</u>	<u>2014</u>
Per Million Btu.	\$1.878	\$1.880
Per Net MW Generated	\$21.60	\$22.37
Net Peak Monthly Demand-KW	137,500	133,330
Date of Peak	9/3	9/4
Hour of Peak	1700	1600
Average Temperature	37.2°	30.1°

<u>Services</u>	<u>2015</u>	<u>2014</u>
Residential	9,819	9,801
Commercial I	1,364	1,366
Commercial II	120	118
Industrial I	9	10
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	35	35
Total	<u>11,371</u>	<u>11,354</u>

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

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>106,943,825</u>		<u>62,917,839</u>		<u>115,192,935</u>	
<u>Wholesale Sales</u>	<u>\$3,725,927</u>	<u>\$0.03484</u>	<u>\$1,453,527</u>	<u>\$0.02310</u>	<u>\$3,476,611</u>	<u>\$0.03018</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	2,380,445	0.02226	1,207,966	0.01920	2,338,331	0.02030
Emissions:						
SO ² Allowances-ARP ^{fn1}	229	0.00000	21	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	52	0.00000	---	---
SO ² Allowances-CAIR ^{fn3}	160	0.00000	---	---	40	0.00000
NO _x Allowances ^{fn4}	7,547	0.00007	7,157	0.00011	4,423	0.00004
Other ^{fn5}	<u>193,507</u>	<u>0.00181</u>	<u>185,110</u>	<u>0.00294</u>	<u>184,962</u>	<u>0.00161</u>
Total Variable Costs	<u>2,581,888</u>	<u>0.02414</u>	<u>1,400,306</u>	<u>0.02226</u>	<u>2,527,756</u>	<u>0.02194</u>
Gross Margin	<u>\$1,144,039</u>	<u>\$0.01070</u>	<u>\$53,221</u>	<u>\$0.00085</u>	<u>\$948,855</u>	<u>\$0.00824</u>
Percent Gross Margin	30.7%		3.7%		27.3%	

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>
<u>Wholesale kWh Sales</u>	<u>1,050,166,771</u>		<u>874,375,872</u>		<u>962,393,369</u>	
<u>Wholesale Sales</u>	<u>\$37,621,654</u>	<u>\$0.03582</u>	<u>\$24,271,306</u>	<u>\$0.02776</u>	<u>\$40,116,365</u>	<u>\$0.04168</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	20,970,089	0.01997	17,410,075	0.01991	20,515,497	0.02132
Emissions:						
SO ² Allowances-ARP ^{fn1}	2,140	0.00000	319	0.00000	---	---
SO ² Allowances-CASPR ^{fn2}	---	---	15,176	0.00002	---	---
SO ² Allowances-CAIR ^{fn3}	1,500	0.00000	---	---	575	0.00000
NO _x Allowances ^{fn4}	83,889	0.00008	376,067	0.00043	158,245	0.00016
Other ^{fn5}	<u>2,322,084</u>	<u>0.00221</u>	<u>2,078,195</u>	<u>0.00238</u>	<u>2,228,099</u>	<u>0.00232</u>
Total Variable Costs	<u>23,379,702</u>	<u>0.02226</u>	<u>19,879,832</u>	<u>0.02274</u>	<u>22,902,416</u>	<u>0.02380</u>
Gross Margin	<u>\$14,241,952</u>	<u>\$0.01356</u>	<u>\$4,391,474</u>	<u>\$0.00502</u>	<u>\$17,213,949</u>	<u>\$0.01789</u>
Percent Gross Margin	37.9%		18.1%		42.9%	

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	0.79	0.00
fn2 SO ² CASPR	0.00	2.00	0.00
YTD SO ² CASPR	0.00	37.61	0.00
fn3 SO ² CAIR	0.70	0.00	0.80
YTD SO ² CAIR	0.70	0.00	0.83
fn4 NO _x annual	49.00	90.00	15.00
YTD NO _x annual	49.00	150.57	56.56
YTD NO _x seasonal	10.00	243.06	25.00

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

Muscatine Power and Water - Electric Utility
SUPPLEMENTAL STATISTICAL DATA - FOR INTERNAL PURPOSES ONLY
December 2015

Delivered to Wholesale Customers

	<u>Current Month 2015 Budget</u>	<u>Current Month 2015 Actual</u>	<u>Current Month 2014 Actual</u>	<u>Year-To-Date 2015 Budget</u>	<u>Year-To-Date 2015 Actual</u>	<u>Year-To-Date 2014 Actual</u>
Wholesale Sales KWHs	106,943,825	62,917,839	115,192,935	1,050,166,771	874,375,872	962,393,369
Wholesale Sales	\$3,725,927	\$1,453,527	\$3,476,611	\$37,621,654	\$24,271,306	\$40,116,365
Less:						
Production Fuel	2,459,085	1,276,727	2,407,887	24,015,469	18,243,756	21,428,411
Generation-Other	1,831,220	1,933,833	1,965,219	26,009,000	24,401,928	22,486,406
Transmission	193,106	322,996	240,830	2,484,944	2,661,882	2,195,390
Subtotal	<u>4,483,411</u>	<u>3,533,556</u>	<u>4,613,936</u>	<u>52,509,413</u>	<u>45,307,566</u>	<u>46,110,207</u>
Wholesale Margin	<u>(\$757,484)</u>	<u>(\$2,080,029)</u>	<u>(\$1,137,325)</u>	<u>(\$14,887,759)</u>	<u>(\$21,036,260)</u>	<u>(\$5,993,842)</u>

Delivered to Steam Customer

	<u>Current Month 2015 Budget</u>	<u>Current Month 2015 Actual</u>	<u>Current Month 2014 Actual</u>	<u>Year-To-Date 2015 Budget</u>	<u>Year-To-Date 2015 Actual</u>	<u>Year-To-Date 2014 Actual</u>
Steam Sales - 1,000 lbs.	254,139	239,578	262,192	2,720,785	2,690,125	2,209,737
Steam Sales	\$1,071,768	\$934,503	\$1,024,594	\$11,325,694	\$10,688,550	\$8,686,191
Less:						
Production Fuel	627,041	534,221	610,778	6,608,366	6,068,592	4,881,059
Generation-Other	32,674	52,361	51,737	422,263	854,560	522,145
Steam Sales Margin	<u>\$412,053</u>	<u>\$347,921</u>	<u>\$362,079</u>	<u>\$4,295,065</u>	<u>\$3,765,398</u>	<u>\$3,282,987</u>

Delivered to Paving Native System Customers

	<u>Current Month 2015 Budget</u>	<u>Current Month 2015 Actual</u>	<u>Current Month 2014 Actual</u>	<u>Year-To-Date 2015 Budget</u>	<u>Year-To-Date 2015 Actual</u>	<u>Year-To-Date 2014 Actual</u>
Native System Sales KWHs	71,432,019	67,894,696	70,333,126	855,098,979	840,705,497	837,009,022
Native System Sales	\$4,438,814	\$4,267,276	\$4,350,539	\$52,864,602	\$53,007,649	\$50,297,818
Less:						
Purchased Power	2,607,738	1,420,128	2,134,488	27,746,714	20,697,271	29,888,237
Distribution	455,089	465,511	418,819	5,453,653	5,458,931	5,012,556
Customer Service	26,220	48,128	81,843	363,831	250,813	319,577
Consumers Accounts	59,937	42,162	76,809	692,155	659,712	675,664
Administrative & General	1,122,092	897,103	1,114,843	13,731,398	13,234,762	12,762,338
Subtotal	<u>4,271,076</u>	<u>2,873,032</u>	<u>3,826,802</u>	<u>47,987,751</u>	<u>40,301,489</u>	<u>48,658,372</u>
Native System Margin	167,738	1,394,244	523,737	4,876,851	12,706,160	1,639,446
Steam Sales Margin	412,053	347,921	362,079	4,295,065	3,765,398	3,282,987
Wholesale Margin	<u>(757,484)</u>	<u>(2,080,029)</u>	<u>(1,137,325)</u>	<u>(14,887,759)</u>	<u>(21,036,260)</u>	<u>(5,993,842)</u>
Net Electric Margin	(177,693)	(337,864)	(251,509)	(5,715,843)	(4,564,702)	(1,071,409)
Other Revenue	85,999	35,524	58,094	960,928	911,603	1,099,145
Nonoperating Revenue (Expense)	14,949	8,469	109,601	220,340	96,024	1,292,722
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	<u>(\$76,745)</u>	<u>(\$293,871)</u>	<u>(\$83,814)</u>	<u>(\$4,534,575)</u>	<u>(\$3,557,075)</u>	<u>\$1,320,458</u>