

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
May 2012

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - May 2012

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	75,782,724	(14.0)	65,183,721	---	16,774,774
Less: Plant Use	<u>6,542,364</u>	12.4	<u>7,351,314</u>	---	<u>1,986,667</u>
Net Generation/Wholesale Sales	<u><u>69,240,360</u></u>	(16.5)	<u><u>57,832,407</u></u>	---	<u><u>14,788,107</u></u>
<u>Net Capacity Factors</u>					
Unit 9	55.00	(19.8)	44.12	---	5.41
Unit 8/8A	---	---	6.53	8.1	6.04
Unit 7	15.00	(30.5)	10.42	(71.9)	37.10
Total Plant	40.43	(16.7)	33.67	---	8.66
<u>KWH Distribution</u>					
Residential	6,402,218	6.9	6,845,076	0.8	6,789,363
Commercial I	2,818,063	(2.6)	2,744,767	(0.6)	2,762,264
Commercial II	8,583,647	(1.8)	8,426,230	(2.5)	8,639,644
Industrial I	9,437,507	6.2	10,020,780	(0.7)	10,090,080
Industrial II	36,680,115	4.7	38,395,143	1.0	38,019,237
City Enterprise Funds	486,974	(23.1)	374,681	(22.1)	480,692
Water & Communications Utilities	<u>1,292,255</u>	(3.5)	<u>1,247,547</u>	(0.3)	<u>1,251,383</u>
Native System Sales	65,700,779	3.6	68,054,224	0.0	68,032,663
City Lighting	178,069	(4.8)	169,550	(0.6)	170,524
City Buildings	450,627	(2.8)	437,919	1.5	431,458
Offline Power Plant Usage	497,280	(2.1)	486,695	---	---
Losses & Cycle Billing	<u>2,920,642</u>	43.9	<u>4,204,019</u>	9.2	<u>3,848,462</u>
Total Native System KWH Distributed/Purchased Power	<u><u>69,747,397</u></u>	5.2	<u><u>73,352,407</u></u>	1.2	<u><u>72,483,107</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u>---</u>	<u>---</u>	<u><u>56,708</u></u>	7.4	<u><u>52,788</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - May 2012**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<u>KWH Generated and Sold</u>					
Gross Generation	468,532,119	(54.2)	214,600,801	(26.4)	291,519,381
Less: Plant Use	<u>45,974,295</u>	(32.4)	<u>31,080,658</u>	1.2	<u>30,706,440</u>
Net Generation/Wholesale Sales	<u><u>422,557,824</u></u>	(56.6)	<u><u>183,520,143</u></u>	(29.6)	<u><u>260,812,941</u></u>
<u>Net Capacity Factors</u>					
Unit 9	61.63	(62.0)	23.45	(12.2)	26.70
Unit 8/8A	19.48	26.6	24.67	(46.7)	46.27
Unit 7	29.61	(86.0)	4.15	(88.5)	36.05
Total Plant	50.32	(56.7)	21.78	(30.6)	31.37
<u>KWH Distribution</u>					
Residential	38,175,734	(0.3)	38,057,153	(5.5)	40,254,181
Commercial I	15,130,140	(2.9)	14,697,551	(4.6)	15,412,617
Commercial II	41,248,677	(2.8)	40,101,614	(1.9)	40,868,793
Industrial I	44,920,744	(0.4)	44,742,720	(4.3)	46,757,640
Industrial II	185,428,710	3.0	190,943,934	2.0	187,113,729
City Enterprise Funds	2,490,633	(24.9)	1,870,532	(23.0)	2,430,418
Water & Communications Utilities	<u>6,572,382</u>	(9.0)	<u>5,981,155</u>	(1.8)	<u>6,092,865</u>
Native System Sales	333,967,020	0.7	336,394,659	(0.7)	338,930,243
City Lighting	843,644	(0.8)	836,588	3.3	809,910
City Buildings	2,641,212	(3.3)	2,552,820	(7.5)	2,759,755
Offline Power Plant Usage	638,400	---	3,009,608	---	---
Losses & Cycle Billing	<u>9,774,697</u>	(3.1)	<u>9,475,795</u>	(18.9)	<u>11,687,640</u>
Total Native System KWH Distributed/Purchased Power	<u><u>347,864,973</u></u>	1.3	<u><u>352,269,470</u></u>	(0.5)	<u><u>354,187,548</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>736,254</u></u>	 42.1	 <u><u>1,046,194</u></u>	 (5.1)	 <u><u>1,102,123</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - May 2012

	<u>Budget</u> <u>Estimate</u>	<u>Avg.</u> <u>Price</u>	<u>This</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>	<u>Last</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>
<u>Sales of Electricity</u>						
Residential	\$552,753	0.0863	\$587,836	0.0859	\$530,003	0.0781
Commercial I	226,621	0.0804	221,446	0.0807	219,246	0.0794
Commercial II	510,256	0.0594	503,050	0.0597	505,380	0.0585
Industrial I	501,655	0.0532	507,773	0.0507	489,523	0.0485
Industrial II	1,641,436	0.0448	1,726,283	0.0450	1,638,194	0.0431
City Enterprise Funds	26,402	0.0542	23,412	0.0625	26,784	0.0557
Water & Communication Utilities	60,897	0.0471	59,815	0.0479	60,754	0.0485
Native System Sales	3,520,020	0.0536	3,629,615	0.0533	3,469,884	0.0510
Wholesale Sales	2,232,962	0.0322	1,700,871	0.0294	432,679	0.0293
Energy Sales	5,752,982		5,330,486		3,902,563	
<u>Steam Sales</u>	---	---	204,222	3.60	176,163	3.34
<u>Other Revenue</u>						
Rail Car Lease	33,333		59,442		---	
By-Product Revenue	26,643		61,245		6,645	
Miscellaneous Revenue	65,503		47,292		63,099	
Total Other Revenue	125,479		167,979		69,744	
Operating Revenue	5,878,461		5,702,687		4,148,470	
<u>Operating Expense</u>						
Purchased Power	2,061,291	0.0296	1,840,604	0.0251	1,881,701	0.0260
Production Fuel	1,529,870		1,375,526		566,670	
Emissions Allowance	---		849		9,856	
Operation	1,823,869		1,777,009		1,694,428	
Maintenance	1,826,350		1,210,569		1,103,828	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	8,177,401		7,133,919		6,178,089	
Operating Loss	(2,298,940)		(1,431,232)		(2,029,619)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	122,504		104,079		115,580	
Interest Expense	(93,913)		(118)		(63,197)	
Total Nonoperating Revenue (Expense)	28,591		103,961		52,383	
Net Loss Before Revenue Adjustment	(2,270,349)		(1,327,271)		(1,977,236)	
Capital Contributions	---		---		---	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Assets	(2,270,349)		(1,327,271)		(1,977,236)	
Beginning Net Assets	160,627,416		165,255,545		160,076,763	
Ending Net Assets	\$158,357,067		\$163,928,274		\$158,099,527	
Net Income (Loss) to Total Income (Loss)	(37.8)		(22.9)		(46.4)	
Debt Service Coverage	(13.75)		---	fn1	(0.84)	

fn1 No longer applicable; final principal and interest paid on 12/28/11 and no new debt issued.

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - May 2012

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<u>Sales of Electricity</u>						
Residential	\$3,195,040	0.0837	\$3,205,483	0.0842	\$3,042,029	0.0756
Commercial I	1,207,456	0.0798	1,177,610	0.0801	1,207,002	0.0783
Commercial II	2,489,402	0.0604	2,416,021	0.0602	2,389,126	0.0585
Industrial I	2,413,053	0.0537	2,341,343	0.0523	2,328,106	0.0498
Industrial II	8,390,657	0.0453	8,616,962	0.0451	8,146,295	0.0435
City Enterprise Funds	139,721	0.0561	111,621	0.0597	136,222	0.0560
Water & Communications Utilities	309,878	0.0471	295,372	0.0494	297,171	0.0488
Native System Sales	18,145,207	0.0543	18,164,412	0.0540	17,545,951	0.0518
Wholesale Sales	14,583,110	0.0345	4,593,100	0.0250	8,516,026	0.0327
Energy Sales	<u>32,728,317</u>		<u>22,757,512</u>		<u>26,061,977</u>	
<u>Steam Sales</u>	<u>3,396,091</u>	4.61	<u>3,839,149</u>	3.67	<u>3,872,463</u>	3.51
<u>Other Revenue</u>						
Rail Car Lease	166,667		363,010		219,956	
By-Product Revenue	63,653		119,321		38,139	
Miscellaneous Revenue	226,719		243,663		232,999	
Total Other Revenue	<u>457,039</u>		<u>725,994</u>		<u>491,094</u>	
Operating Revenue	<u>36,581,447</u>		<u>27,322,655</u>		<u>30,425,534</u>	
<u>Operating Expense</u>						
Purchased Power	11,301,434	0.0325	6,981,261	0.0198	10,100,936	0.0285
Production Fuel	10,304,317		6,199,076		7,297,548	
Emissions Allowance	---		22,344		197,202	
Operation	9,151,012		8,463,110		8,354,369	
Maintenance	5,306,817		3,990,895		7,864,332	
Depreciation	4,680,110		4,646,810		4,608,030	
Total Operating Expense	<u>40,743,690</u>		<u>30,303,496</u>		<u>38,422,417</u>	
Operating Loss	<u>(4,162,243)</u>		<u>(2,980,841)</u>		<u>(7,996,883)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	611,613		532,524		562,864	
Interest Expense	(469,567)		(669)		(317,639)	
Total Nonoperating Revenue (Expense)	<u>142,046</u>		<u>531,855</u>		<u>245,225</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(4,020,197)</u>		<u>(2,448,986)</u>		<u>(7,751,658)</u>	
Capital Contributions	---		---		8,873	
Revenue Adjustment-Extraordinary O & M	---		4,000,000		2,000,000	
Change in Net Assets	<u>(4,020,197)</u>		<u>1,551,014</u>		<u>(5,742,785)</u>	
Beginning Net Assets	<u>162,377,260</u>		<u>162,377,260</u>		<u>163,842,312</u>	
Ending Net Assets	<u>\$158,357,063</u>		<u>\$163,928,274</u>		<u>\$158,099,527</u>	
Net Income (Loss) to Total Income Before Revenue Adj	(10.8)		(8.8)		(25.0)	
Net Income (Loss) to Total Income Afer Revenue Adj	(10.8)		5.6		(18.5)	
Debt Service Coverage Before Revenue Adj	2.50		---	fn1	(0.47)	
Debt Service Coverage After Revenue Adj	2.50		---	fn1	(0.13)	

fn1 No longer applicable; final principal and interest paid on 12/28/11 and no new debt issued.

Muscatine Power and Water - Electric Utility
Statements of Net Assets
May 2012

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$5,278,154	\$6,693,570
Investments	828,412	15,966,027
	<hr/>	<hr/>
Total Restricted Current Assets	6,106,566	22,659,597
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	4,440,411	2,697,908
Investments	---	---
Receivables:		
Consumer Accounts	4,469,402	4,337,603
Wholesale	19,586	80,820
Steam Sales	454,324	807,463
Interest	523,119	601,972
Intercompanies	12,651	20,171
Inventories	6,583,237	6,374,063
Fuel	16,973,905	13,672,788
Prepaid Expenses	971,155	888,858
	<hr/>	<hr/>
Total Unrestricted Current Assets	34,447,790	29,481,646
	<hr/>	<hr/>
Total Current Assets	40,554,356	52,141,243
	<hr/>	<hr/>
Property and Equipment:		
At Cost	408,383,467	406,899,341
Less Accumulated Depreciation	306,015,331	296,122,746
	<hr/>	<hr/>
Net Property and Equipment	102,368,136	110,776,595
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	120,062	147,591
	<hr/>	<hr/>
Total Other Assets	35,447,062	35,474,591
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$178,369,554</u></u>	<u><u>\$198,392,429</u></u>

Muscatine Power and Water - Electric Utility
Statements of Net Assets
May 2012

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$42,975 in 2011 and Less Deferred Amount on Refunding of \$42,215 in 2011	---	\$13,270,760
Accrued Interest	---	304,104
	<hr/>	<hr/>
Total Restricted Current Liabilities	---	13,574,864
	<hr/>	<hr/>
<u>Unrestricted</u>		
Accounts Payable	2,254,086	5,007,142
Pension Provision	920,950	796,880
Health & Dental Insurance Provision	196,533	233,632
Accrued Payroll	227,961	769,524
Accrued Vacation	1,173,478	1,174,847
Accrued Emission Allowance Expense	304,151	179,385
Consumers' Deposits	595,841	600,276
Retained Percentage on Contracts	13,784	2,483
Accrued Property Taxes	97,786	87,018
Miscellaneous Accrued Expenses	583,934	736,343
Miscellaneous Deferred Credits	10,350	52,850
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	6,378,854	9,640,380
	<hr/>	<hr/>
Total Current Liabilities	6,378,854	23,215,244
	<hr/>	<hr/>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,699,524	1,792,020
Post-Employment Health Benefit Provision	149,666	130,476
Consumer Advances for Construction	180,370	---
	<hr/>	<hr/>
Total Non-Current Liabilities	2,029,560	1,922,496
	<hr/>	<hr/>
Deferred Revenue - Extraordinary O & M	6,032,866	15,155,162
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets, net of related debt	102,368,136	97,521,750
Restricted	6,106,566	22,355,493
Unrestricted	55,453,572	38,222,284
	<hr/>	<hr/>
Total Net Assets	163,928,274	158,099,527
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$178,369,554</u>	<u>\$198,392,429</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2012

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,504,202	\$18,331,266
MISO sales	660,865	4,581,389
Steam sales	763,448	4,542,168
Coal & transportation allowances	4,466	280,234
Railcar leasing	---	280,558
By-product sales	---	81,029
Miscellaneous sources	27,002	375,117
Cash paid to/for:		
Suppliers	(830,503)	(3,393,646)
MISO purchases/administration fees	(1,311,591)	(6,837,012)
Coal	(2,270,749)	(7,711,762)
Employees payroll, taxes and benefits	(2,208,123)	(8,673,629)
Net cash flows from operating activities	<u>(1,660,983)</u>	<u>1,855,712</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(428,356)	(1,398,951)
Bond principal payments	---	---
Bond interest payments	---	---
Net cash flows from capital and related financing activities	<u>(428,356)</u>	<u>(1,398,951)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(39,533)
Interest received on investments and note receivable	3,675	19,194
Accrued Interest Purchased	---	---
Amortization/accretion of investments	113	171
Mark to market	(3,256)	(5,964)
Net cash flows from investing activities	<u>532</u>	<u>(26,132)</u>
Net increase (decrease) in cash and investments	<u>(2,088,807)</u>	<u>430,629</u>
Cash and investments at beginning of period	<u>12,635,784</u>	<u>10,116,348</u>
Cash and investments at end of period	<u><u>\$10,546,977</u></u>	<u><u>\$10,546,977</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
May 2012

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$1,431,232)	(\$2,980,841)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	4,646,810
Amortization of joint venture rights	8,712	42,691
Changes in assets and liabilities:		
Consumer accounts receivable	(235,104)	526,118
Wholesale receivable	17,260	175,851
Steam sales receivable	559,155	701,685
Intercompany receivable	12,062	13,171
Inventories	(39,571)	157,887
Fuel	(625,075)	(1,355,135)
Prepaid expenses	34,975	(473,384)
Accounts payable	(698,644)	(429,183)
Pension provision	184,190	920,950
Health & dental insurance provision	(28,108)	(171,893)
Other post-employment benefit provision	1,935	9,675
Accrued payroll	(411,336)	(77,718)
Accrued vacation	1,129	112,757
Accrued emission allowance expense	848	22,344
Consumers' deposits	110	4,576
Retained percentage	7,125	13,784
Accrued property taxes	8,424	(9,040)
Miscellaneous accrued expenses	42,800	47,107
Miscellaneous deferred credits	---	(42,500)
Net cash flows from operating activities	<u>(\$1,660,983)</u>	<u>\$1,855,712</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
May 2012**

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	---	\$7,479,689
Extraordinary Operation & Maintenance Account	<u>6,106,566</u>	<u>15,179,908</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$6,106,566</u></u>	<u><u>\$22,659,597</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$2,061,291</u>	35.1	<u>\$1,840,604</u>	32.3	<u>\$1,881,701</u>	45.4
Average price per kWh	\$0.0296		\$0.0251		\$0.0260	
<u>Generation</u>						
Operation Supervision	86,246		78,693		80,105	
Fuel:						
Coal	1,428,993		1,274,908		429,947	
Fuel Oil	17,500		35,915		79,664	
Gas	10,800		6,424		7,633	
Coal Handling Expense	61,827		51,981		43,302	
Landfill Operation Expense	10,750		6,298		6,124	
Emissions Allowance Expense	---		849		9,856	
Steam Expense:						
Boiler	78,868		97,935		82,253	
Pollution Control	55,819		31,311		27,990	
Electric Expense	81,719		92,590		82,465	
Miscellaneous Steam Power Expense	141,338		122,666		102,975	
Maintenance:						
Supervision	87,943		88,026		90,931	
Structures	82,801		68,799		53,304	
Boiler Plant:						
Boiler	909,711		449,822		375,170	
Pollution Control	56,658		94,852		65,376	
Electric Plant	198,060		81,019		154,382	
System Control	22,685		16,845		28,361	
Miscellaneous Steam Plant	64,482		44,398		54,355	
Coal Handling Equipment	210,177		214,922		119,219	
System Control and Load Dispatch	53,784		(22,219)		48,045	
Vacation, Holiday, Sick Leave	109,580		103,421		102,274	
Depreciation	<u>623,299</u>		<u>622,359</u>		<u>620,375</u>	
Total Generation Expense	<u>\$4,393,040</u>	74.7	<u>\$3,561,814</u>	62.5	<u>\$2,664,106</u>	64.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$11,301,434</u>	30.9	<u>\$6,981,261</u>	25.6	<u>\$10,100,936</u>	33.2
Average price per kWh	\$0.0325		\$0.0198		\$0.0285	
 <u>Generation</u>						
Operation Supervision	415,087		375,892		406,828	
Fuel:						
Coal	9,764,045		5,776,487		6,682,631	
Fuel Oil	89,116		45,267		202,118	
Gas	97,600		57,734		99,979	
Coal Handling Expense	332,574		290,622		288,517	
Landfill Operation Expense	20,982		28,966		24,303	
Emissions Allowance Expense	---		22,344		197,202	
Steam Expense:						
Boiler	552,605		440,448		503,444	
Pollution Control	229,941		116,039		133,650	
Electric Expense	482,600		449,788		418,100	
Miscellaneous Steam Power Expense	656,651		623,890		594,166	
Maintenance:						
Supervision	407,915		396,296		451,216	
Structures	404,492		276,055		346,599	
Boiler Plant:						
Boiler	1,881,933		1,143,735		2,501,926	
Pollution Control	247,730		316,773		778,496	
Electric Plant	474,687		205,481		2,113,657	
System Control	102,650		83,054		109,729	
Miscellaneous Steam Plant	327,627		307,583		310,928	
Coal Handling Equipment	552,521		530,263		446,684	
System Control and Load Dispatch	272,356		185,103		192,968	
Vacation, Holiday, Sick Leave	480,704		510,079		428,639	
Depreciation	<u>3,116,497</u>		<u>3,111,795</u>		<u>3,101,875</u>	
 Total Generation Expense	 <u>\$20,910,313</u>	 57.2	 <u>\$15,293,694</u>	 56.0	 <u>\$20,333,655</u>	 66.8

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,852		\$4,053		\$1,277	
Load Dispatching	7,388		105,654		7,434	
Station Expense	7,498		5,102		9,708	
Overhead Line Expense	---		452		---	
Transmission of Electricity by Others	---		2,638		---	
Miscellaneous Transmission Expense	10,717		5,336		8,292	
Maintenance:						
Supervision	1,991		1,935		1,511	
Structures	2,322		---		---	
Station Equipment	4,007		4,296		5,564	
Overhead Lines	6,231		2,168		3,791	
Vacation, Holiday, Sick Leave	6,611		5,412		6,263	
Depreciation	30,643		30,625		30,592	
Tax on Rural Property	5,606		5,606		5,560	
Total Transmission Expense	86,866	1.5	173,277	3.0	79,992	1.9
<u>Distribution</u>						
Operation Supervision	11,004		11,073		8,940	
Load Dispatching	32,439		30,043		27,734	
Station Expense	7,172		6,214		6,404	
Overhead Line Expense	4,179		311		3,210	
Vehicle Expense	16,516		13,572		15,135	
Underground Line Expense	3,228		4,018		2,913	
Street Lighting	1,598		2,306		1,820	
Signal Expense	590		493		96	
Meter Expense	8,595		11,008		9,729	
Consumer Installation Expense	1,132		1,360		1,385	
Miscellaneous Distribution Expense	55,103		47,934		52,647	
Maintenance:						
Supervision	10,273		9,985		8,860	
Structures	2,145		---		---	
Station Equipment	6,054		7,928		8,297	
Overhead Lines	55,692		50,064		60,993	
Underground Lines	8,432		9,776		2,989	
Line Transformers	12,208		12,511		12,804	
Street Lighting	5,548		3,321		2,213	
Signal System	1,850		6,051		4,065	
Meters	2,450		340		2,427	
Miscellaneous Distribution Plant	3,007		1,624		3,831	
Vacation, Holiday, Sick Leave	30,860		31,861		27,643	
Depreciation	152,683		152,158		148,879	
Tax on Rural Property	1,674		1,674		1,661	
Total Distribution Expense	\$434,432	7.4	\$415,625	7.3	\$414,675	10.0

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$19,375		\$17,622		\$14,286	
Load Dispatching	37,032		213,919		39,406	
Station Expense	39,291		40,180		32,950	
Overhead Line Expense	317		2,422		869	
Transmission of Electricity by Others	---		12,810		---	
Miscellaneous Transmission Expense	58,955		31,412		48,034	
Maintenance:						
Supervision	10,005		7,363		8,807	
Structures	3,522		---		---	
Station Equipment	28,394		18,030		24,982	
Overhead Lines	31,154		40,929		41,090	
Vacation, Holiday, Sick Leave	29,175		25,896		28,345	
Depreciation	153,215		153,125		152,960	
Tax on Rural Property	28,028		28,116		27,879	
Total Transmission Expense	438,463	1.2	591,824	2.2	419,608	1.4
<u>Distribution</u>						
Operation Supervision	55,706		44,037		52,290	
Load Dispatching	160,566		144,583		152,048	
Station Expense	35,627		41,193		36,589	
Overhead Line Expense	19,694		7,630		12,538	
Vehicle Expense	82,513		65,688		71,538	
Underground Line Expense	16,441		13,361		11,288	
Street Lighting	7,691		14,257		10,821	
Signal Expense	5,707		1,416		798	
Meter Expense	44,264		47,039		44,412	
Consumer Installation Expense	5,849		7,518		7,751	
Miscellaneous Distribution Expense	288,577		268,184		258,650	
Maintenance:						
Supervision	51,116		39,008		48,960	
Structures	3,831		---		---	
Station Equipment	48,994		30,561		50,771	
Overhead Lines	293,514		233,072		257,224	
Underground Lines	41,781		30,024		22,182	
Line Transformers	26,883		25,339		36,825	
Street Lighting	25,958		18,162		21,841	
Signal System	11,531		17,292		23,943	
Meters	11,002		7,179		11,782	
Miscellaneous Distribution Plant	15,036		12,731		10,019	
Vacation, Holiday, Sick Leave	135,129		124,721		133,813	
Depreciation	763,417		760,790		744,395	
Tax on Rural Property	8,372		8,411		8,344	
Total Distribution Expense	\$2,159,199	5.9	\$1,962,196	7.2	\$2,028,822	6.7

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$24,384		\$9,530		9,804	
Energy Efficiency Rebates	21,788		3,620		6,870	
Electric Ranges/Dryers-Maint/Promotion	558		880		987	
Electric Water Heaters-Maint/Promotion	182		556		37	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	46,912	0.8	14,586	0.3	17,698	0.4
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	1,999		2,317		2,202	
Meter Reading Expense	8,429		8,932		7,910	
Consumer Records and Collection	30,439		33,372		26,461	
Uncollectible Accounts Expense	2,402		2,403		1,942	
Vacation, Holiday, Sick Leave	4,706		4,892		4,032	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	47,975	0.8	51,916	0.9	42,547	1.0
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	168,470		171,817		162,582	
Office Supplies and Expenses	17,616		19,787		14,353	
Outside Services Employed	71,249		33,877		65,940	
Property Insurance	46,880		46,620		38,809	
Casualty Ins, Injuries & Damages	37,800		63,092		88,438	
Employee Pensions and Benefits	513,259		511,747		486,642	
Fringe Benefits Charged to Constr.	(23,211)		(14,254)		(17,535)	
Regulatory Commission	4,400		4,400		655	
Miscellaneous General Expense	36,843		40,472		38,462	
Maintenance of General Plant	25,877		15,739		19,632	
Maintenance of A/O Center	45,746		26,148		25,753	
Vacation, Holiday, Sick Leave	32,560		32,432		31,879	
Depreciation	129,396		124,220		121,760	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,106,885	18.8	1,076,097	18.9	1,077,370	26.0
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$8,177,401</u>		<u>\$7,133,919</u>		<u>\$6,178,089</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		139.1		125.1		148.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - May 2012

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$94,827		\$55,587		90,342	
Energy Efficiency Rebates	108,942		97,323		45,320	
Electric Ranges/Dryers-Maint/Promotion	2,589		4,773		4,943	
Electric Water Heaters-Maint/Promotion	<u>874</u>		<u>2,108</u>		<u>4,379</u>	
Total Customer Service Expense	<u>\$207,232</u>	0.6	<u>\$159,791</u>	0.6	<u>\$144,984</u>	0.5
 <u>Consumer Accounts</u>						
Supervision	9,820		10,412		9,963	
Meter Reading Expense	42,680		45,510		40,537	
Consumer Records and Collection	152,969		142,182		138,768	
Uncollectible Accounts Expense	12,013		12,012		9,708	
Vacation, Holiday, Sick Leave	<u>20,438</u>		<u>22,565</u>		<u>18,661</u>	
Total Consumer Accounts Expense	<u>237,920</u>	0.7	<u>232,681</u>	0.9	<u>217,637</u>	0.7
 <u>Administrative and General</u>						
Administrative and General Salaries	843,204		781,966		840,645	
Office Supplies and Expenses	98,710		76,697		69,579	
Outside Services Employed	352,691		204,575		322,763	
Property Insurance	210,186		209,666		200,654	
Casualty Ins, Injuries & Damages	189,003		216,774		248,893	
Employee Pensions and Benefits	2,566,909		2,486,034		2,442,634	
Fringe Benefits Charged to Constr.	(86,975)		(91,048)		(102,504)	
Regulatory Commission	22,000		22,000		18,255	
Miscellaneous General Expense	199,399		161,988		150,450	
Maintenance of General Plant	130,715		113,446		120,371	
Maintenance of A/O Center	173,826		138,519		126,300	
Vacation, Holiday, Sick Leave	142,480		140,332		129,935	
Depreciation	<u>646,981</u>		<u>621,100</u>		<u>608,800</u>	
Total Administrative and General	<u>5,489,129</u>	15.0	<u>5,082,049</u>	18.6	<u>5,176,775</u>	17.0
 Total Operating Expense	 <u>\$40,743,690</u>		 <u>\$30,303,496</u>		 <u>\$38,422,417</u>	
 Percent to Operating Revenue		 111.4		 110.9		 126.3

Muscatine Power and Water - Electric Utility
Statistical Data
May 2012

Per KWH Delivered to Wholesale Customers

	<u>Current Month</u> <u>2012 Budget</u>	<u>Current Month</u> <u>2012 Actual</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Year-To-Date</u> <u>2012 Budget</u>	<u>Year-To-Date</u> <u>2012 Actual</u>	<u>Year-To-Date</u> <u>2011 Actual</u>
Wholesale Sales KWHs	69,240,360	57,832,407	14,788,107	422,557,824	183,520,143	260,812,941
Wholesale Sales	\$0.03225	\$0.02941	\$0.02926	\$0.03451	\$0.02503	\$0.03265
Less:						
Generation	0.06257	0.05844	0.16762	0.04391	0.06967	0.06797
Transmission	0.00125	0.00300	0.00541	0.00104	0.00322	0.00161
Subtotal	0.06382	0.06144	0.17303	0.04495	0.07289	0.06958
Wholesale Margin	<u>(\$0.03157)</u>	<u>(\$0.03203)</u>	<u>(\$0.14377)</u>	<u>(\$0.01044)</u>	<u>(\$0.04786)</u>	<u>(\$0.03693)</u>

Per KWH Delivered to Paying Native System Customers

	<u>Current Month</u> <u>2012 Budget</u>	<u>Current Month</u> <u>2012 Actual</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Year-To-Date</u> <u>2012 Budget</u>	<u>Year-To-Date</u> <u>2012 Actual</u>	<u>Year-To-Date</u> <u>2011 Actual</u>
Native System Sales KWHs	65,700,779	68,054,224	68,032,663	333,967,020	336,394,659	338,930,243
Native System Sales	\$0.05358	\$0.05333	\$0.05100	\$0.05433	\$0.05400	\$0.05177
Less:						
Purchased Power	0.03137	0.02705	0.02766	0.03384	0.02075	0.02980
Distribution	0.00661	0.00611	0.00610	0.00647	0.00583	0.00599
Customer Service	0.00071	0.00021	0.00026	0.00062	0.00048	0.00043
Consumers Accounts	0.00073	0.00076	0.00063	0.00071	0.00069	0.00064
Administrative & General	0.01685	0.01581	0.01584	0.01644	0.01511	0.01527
Subtotal	0.05628	0.04994	0.05048	0.05807	0.04286	0.05213
Native System Margin	(0.00270)	0.00339	0.00053	(0.00374)	0.01114	(0.00036)
Wholesale Margin	<u>(0.03327)</u>	<u>(0.02721)</u>	<u>(0.03125)</u>	<u>(0.01321)</u>	<u>(0.02611)</u>	<u>(0.02842)</u>
Net Electric Margin before Steam Sales	<u>(\$0.03598)</u>	<u>(\$0.02382)</u>	<u>(\$0.03072)</u>	<u>(\$0.01695)</u>	<u>(\$0.01497)</u>	<u>(\$0.02878)</u>
Net Electric Margin after Steam Sales	<u>(\$0.03690)</u>	<u>(\$0.02350)</u>	<u>(\$0.03086)</u>	<u>(\$0.01383)</u>	<u>(\$0.01102)</u>	<u>(\$0.02504)</u>

Total Fuel Cost

(To & Including Ash Handling, Gas & Oil)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Per Million Btu.	\$1.904	\$2.242	\$1.900	\$1.614
Per Net MW Generated	\$21.67	\$30.75	\$21.21	\$17.63
Net Peak Monthly Demand-KW	116,820	124,080	114,950	124,080
Date of Peak	5/24	5/11	2/13	5/11
Hour of Peak	1600	1400	1200	1400
Average Temperature	66.2°	61°		
Services	<u>2012</u>	<u>2011</u>		
Residential	9,727	9,681		
Commercial I	1,388	1,388		
Commercial II	116	118		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	32		
Total	<u>11,299</u>	<u>11,254</u>		

**Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - May 2012**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
Wholesale kWh Sales	<u>69,240,360</u>		<u>57,832,407</u>		<u>14,788,107</u>	
Wholesale Sales	<u>\$2,232,962</u>	<u>\$0.0322</u>	<u>\$1,700,871</u>	<u>\$0.0294</u>	<u>\$432,679</u>	<u>\$0.0293</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,451,135	0.0210	1,185,616	0.0205	399,787	0.0270
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	13,011	0.0002	15	0.0000	33	0.0000
NO _x Allowances ^{fn3}	116,870	0.0017	2,557	0.0000	2,495	0.0002
Other ^{fn4}	<u>196,292</u>	<u>0.0028</u>	<u>193,544</u>	<u>0.0033</u>	<u>275,332</u>	<u>0.0186</u>
Total Variable Costs	<u>1,777,308</u>	<u>0.0257</u>	<u>1,381,732</u>	<u>0.0239</u>	<u>677,647</u>	<u>0.0458</u>
Gross Margin	<u>\$455,654</u>	<u>\$0.0066</u>	<u>\$319,139</u>	<u>\$0.0055</u>	<u>(\$244,968)</u>	<u>(\$0.0166)</u>
Percent Gross Margin	20.4%		18.8%		-56.6%	

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	<u>422,557,824</u>		<u>183,520,143</u>		<u>260,812,941</u>	
Wholesale Sales	<u>\$14,583,110</u>	<u>\$0.0345</u>	<u>\$4,593,100</u>	<u>\$0.0250</u>	<u>\$8,516,026</u>	<u>\$0.0327</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	8,273,672	0.0196	3,529,959	0.0192	4,716,028	0.0181
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	143,925	0.0003	212	0.0000	2,106	0.0000
NO _x Allowances ^{fn3}	309,027	0.0007	12,195	0.0001	120,040	0.0005
Other ^{fn4}	<u>981,460</u>	<u>0.0023</u>	<u>967,720</u>	<u>0.0053</u>	<u>1,376,660</u>	<u>0.0053</u>
Total Variable Costs	<u>9,708,084</u>	<u>0.0230</u>	<u>4,510,086</u>	<u>0.0246</u>	<u>6,214,834</u>	<u>0.0238</u>
Gross Margin	<u>\$4,875,026</u>	<u>\$0.0115</u>	<u>\$83,014</u>	<u>\$0.0005</u>	<u>\$2,301,192</u>	<u>\$0.0088</u>
Percent Gross Margin	33.4%		1.8%		27.0%	

fn1 CSAPR was to be in place 1/1/12 and allowances granted were expected to meet our native system electric needs.

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

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
fn2 SO ² (Acid Rain Program)	\$2.00	\$1.25	\$4.00
YTD SO ²	30.00	1.70	7.77
fn2 SO ² (CSAPR)	1,000.00	---	---
fn3 NO _x annual	500.00	42.50	167.50
NO _x seasonal	1,300.00	5.00	13.50
fn3 YTD NO _x annual	500.00	48.71	275.85
YTD NO _x seasonal	50.00	5.00	13.50

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.