

Muscatine Power and Water

Electric Utility

Operating Statements and Balance Sheets

July 2012

**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 Assets.....	3 - 4
Balance Sheets.....	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 2012**

	<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	120,115,378	0.5	120,724,938	(11.7)	136,658,717
Less: Plant Use	<u>12,210,082</u>	(0.2)	<u>12,180,715</u>	(1.5)	<u>12,363,585</u>
Net Generation/Wholesale Sales	<u><u>107,905,296</u></u>	0.6	<u><u>108,544,223</u></u>	(12.7)	<u><u>124,295,132</u></u>
<u>Net Capacity Factors</u>					
Unit 9	73.00	(15.5)	61.66	(16.0)	73.42
Unit 8/8A	32.90	1.4X	80.40	(0.1)	80.46
Unit 7	50.00	(12.4)	43.82	(10.8)	49.11
Total Plant	63.01	0.6	63.38	(12.4)	72.37
<u>KWH Distribution</u>					
Residential	10,928,790	28.7	14,061,051	10.3	12,752,450
Commercial I	3,820,028	10.1	4,207,213	3.0	4,084,491
Commercial II	9,539,034	4.3	9,948,106	(6.3)	10,612,086
Industrial I	10,949,926	8.9	11,925,200	(3.8)	12,394,080
Industrial II	36,971,257	(1.0)	36,595,054	(3.6)	37,961,791
City Enterprise Funds	444,785	(22.1)	346,319	(18.0)	422,205
Water & Communications Utilities	<u>1,414,462</u>	3.6	<u>1,466,078</u>	(1.2)	<u>1,484,622</u>
Native System Sales	74,068,282	6.0	78,549,021	(1.5)	79,711,725
City Lighting	176,464	(5.0)	167,666	(3.7)	174,091
City Buildings	546,090	12.3	612,989	0.1	612,587
Offline Power Plant Usage	---	---	12,684	(67.9)	39,456
Losses & Cycle Billing	<u>3,640,608</u>	8.9	<u>3,963,863</u>	35.2	<u>2,932,273</u>
Total Native System KWH Distributed/Purchased Power	<u><u>78,431,444</u></u>	6.2	<u><u>83,306,223</u></u>	(0.2)	<u><u>83,470,132</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>242,800</u></u>	 7.1	 <u><u>260,041</u></u>	 (1.2)	 <u><u>263,293</u></u>

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

	<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	677,496,217	(40.6)	402,639,611	(22.0)	515,985,013
Less: Plant Use	<u>65,766,697</u>	(21.7)	<u>51,494,922</u>	(2.4)	<u>52,739,534</u>
Net Generation/Wholesale Sales	<u>611,729,520</u>	(42.6)	<u>351,144,689</u>	(24.2)	<u>463,245,479</u>
<u>Net Capacity Factors</u>					
Unit 9	63.76	(50.6)	31.50	(14.5)	36.86
Unit 8/8A	18.69	82.5	34.10	(33.5)	51.30
Unit 7	32.63	(67.0)	10.77	(69.3)	35.08
Total Plant	51.99	(42.6)	29.83	(24.3)	39.43
<u>KWH Distribution</u>					
Residential	57,577,507	7.9	62,100,869	(0.3)	62,305,440
Commercial I	22,301,164	0.4	22,391,125	(1.8)	22,803,110
Commercial II	59,629,327	(1.8)	58,584,859	(2.5)	60,098,875
Industrial I	66,374,030	1.5	67,356,760	(4.1)	70,242,320
Industrial II	257,143,329	2.5	263,451,807	0.6	261,775,888
City Enterprise Funds	3,402,126	(24.9)	2,554,616	(21.9)	3,270,361
Water & Communications Utilities	<u>9,318,529</u>	(6.9)	<u>8,673,620</u>	(2.0)	<u>8,853,378</u>
Native System Sales	475,746,012	2.0	485,113,656	(0.9)	489,349,372
City Lighting	1,200,281	(1.5)	1,182,088	2.4	1,154,711
City Buildings	3,733,149	1.9	3,805,720	(3.4)	3,940,279
Offline Power Plant Usage	638,400	4.6X	3,604,646	7.4X	427,930
Losses & Cycle Billing	<u>17,015,760</u>	(2.3)	<u>16,631,906</u>	(13.3)	<u>19,176,272</u>
Total Native System KWH Distributed/Purchased Power	<u>498,333,602</u>	2.4	<u>510,338,016</u>	(0.7)	<u>514,048,564</u>
<u>STEAM SALES - 1000 lbs</u>	<u>979,054</u>	59.2	<u>1,558,668</u>	(0.9)	<u>1,573,014</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - July 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	\$884,777	0.0810	\$1,115,743	0.0793	\$914,046	0.0717
Commercial I	303,519	0.0795	332,911	0.0791	312,521	0.0765
Commercial II	548,055	0.0575	567,942	0.0571	582,180	0.0549
Industrial I	570,710	0.0521	586,496	0.0492	585,438	0.0472
Industrial II	1,658,494	0.0449	1,659,013	0.0453	1,632,914	0.0430
City Enterprise Funds	24,535	0.0552	20,309	0.0586	24,491	0.0580
Water & Communication Utilities	66,767	0.0472	69,675	0.0475	66,990	0.0451
Native System Sales	4,056,857	0.0548	4,352,089	0.0554	4,118,580	0.0517
Wholesale Sales	5,123,495	0.0475	4,256,223	0.0392	5,354,948	0.0431
Energy Sales	<u>9,180,352</u>		<u>8,608,312</u>		<u>9,473,528</u>	
<u>Steam Sales</u>	<u>1,322,057</u>	5.45	<u>955,198</u>	3.67	<u>910,143</u>	3.46
<u>Other Revenue</u>						
Rail Car Lease	33,333		59,443		27,068	
By-Product Revenue	39,133		268,501		21,005	
Miscellaneous Revenue	40,072		41,814		38,154	
Total Other Revenue	<u>112,538</u>		<u>369,758</u>		<u>86,227</u>	
Operating Revenue	<u>10,614,947</u>		<u>9,933,268</u>		<u>10,469,898</u>	
<u>Operating Expense</u>						
Purchased Power	3,660,841	0.0467	2,784,108	0.0334	3,422,227	0.0410
Production Fuel	2,951,079		2,806,242		2,986,549	
Emissions Allowance	---		12,847		25,733	
Operation	1,916,891		1,896,214		1,622,652	
Maintenance	1,057,852		628,274		500,798	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	<u>10,522,684</u>		<u>9,057,047</u>		<u>9,479,565</u>	
Operating Income	<u>92,263</u>		<u>876,221</u>		<u>990,333</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	122,686		99,856		106,577	
Interest Expense	(93,913)		(118)		(63,195)	
Total Nonoperating Revenue (Expense)	<u>28,773</u>		<u>99,738</u>		<u>43,382</u>	
Net Income Before Revenue Adjustment and Capital Contributions	121,036		975,959		1,033,715	
Capital Contributions	---		---		311	
Revenue Adjustment-Extraordinary O&M	---		---		---	
Change in Net Assets	121,036		975,959		1,034,026	
Beginning Net Assets	<u>156,997,957</u>		<u>163,693,664</u>		<u>172,517,870</u>	
Ending Net Assets	<u>\$157,118,993</u>		<u>\$164,669,623</u>		<u>\$173,551,896</u>	
Net Income (Loss) to Total Income Before Revenue Adj	1.1		9.7		9.8	
Net Income (Loss) to Total Income Afer Revenue Adj	1.1		9.7		9.8	
Debt Service Coverage Before Revenue Adj	12.74		N/A		1.74	
Debt Service Coverage After Revenue Adj	12.74		N/A		1.74	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - July 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	\$4,784,960	0.0831	\$5,138,182	0.0827	\$4,651,098	0.0746
Commercial I	1,779,153	0.0798	1,789,191	0.0799	1,778,596	0.0780
Commercial II	3,571,553	0.0599	3,498,545	0.0597	3,479,789	0.0579
Industrial I	3,537,698	0.0533	3,471,819	0.0515	3,454,778	0.0492
Industrial II	11,632,659	0.0452	11,907,031	0.0452	11,379,802	0.0435
City Enterprise Funds	190,538	0.0560	153,863	0.0602	184,844	0.0565
Water & Communications Utilities	439,643	0.0472	427,799	0.0493	424,555	0.0480
Native System Sales	25,936,204	0.0545	26,386,430	0.0544	25,353,462	0.0518
Wholesale Sales	22,812,866	0.0373	10,487,919	0.0299	16,580,554	0.0358
Energy Sales	48,749,070		36,874,349		41,934,016	
<u>Steam Sales</u>	4,718,149	4.82	5,695,450	3.65	5,474,537	3.48
<u>Other Revenue</u>						
Rail Car Lease	233,333		479,978		247,023	
By-Product Revenue	141,919		405,470		72,768	
Miscellaneous Revenue	306,813		368,490		312,284	
Total Other Revenue	682,065		1,253,938		632,075	
Operating Revenue	54,149,284		43,823,737		48,040,628	
<u>Operating Expense</u>						
Purchased Power	17,378,271	0.0349	11,329,293	0.0222	15,772,931	0.0307
Production Fuel	15,096,915		10,839,978		12,245,431	
Emissions Allowance	---		40,917		251,930	
Operation	13,349,524		12,330,687		11,951,029	
Maintenance	7,230,186		5,228,485		9,159,687	
Depreciation	6,552,155		6,505,534		6,451,242	
Total Operating Expense	59,607,051		46,274,894		55,832,250	
Operating Loss	(5,457,767)		(2,451,157)		(7,791,622)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	856,894		733,978		780,964	
Interest Expense	(657,394)		(901)		(444,105)	
Total Nonoperating Revenue (Expense)	199,500		733,077		336,859	
Net Loss Before Revenue Adjustment and Capital Contributions	(5,258,267)		(1,718,080)		(7,454,763)	
Capital Contributions	---		10,443		9,185	
Revenue Adjustment-Extraordinary O & M	---		4,000,000		17,155,162	
Change in Net Assets	(5,258,267)		2,292,363		9,709,584	
Beginning Net Assets	162,377,260		162,377,260		163,842,312	
Ending Net Assets	\$157,118,993		\$164,669,623		\$173,551,896	
Net Income (Loss) to Total Income Before Revenue Adj	(9.6)		(3.9)		(15.3)	
Net Income (Loss) to Total Income Afer Revenue Adj	(9.6)		5.1		19.9	
Debt Service Coverage Before Revenue Adj	3.08		N/A		(0.06)	
Debt Service Coverage After Revenue Adj	3.08		N/A		2.04	

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

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$3,239,404
Investments	---	4,223,649
	<hr/>	<hr/>
Total Restricted Current Assets	6,032,610	7,463,053
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	7,563,695	6,900,947
Investments	---	3,679,174
Receivables:		
Consumer Accounts	5,372,279	6,243,913
Wholesale	1,105,395	1,881,119
Steam Sales	1,211,219	2,117,468
Interest	103,981	122,161
Intercompanies	17,283	14,947
Inventories	6,600,042	6,595,584
Fuel	14,824,505	13,966,911
Prepaid Expenses	831,888	751,199
	<hr/>	<hr/>
Total Unrestricted Current Assets	37,630,287	42,273,423
	<hr/>	<hr/>
Total Current Assets	43,662,897	49,736,476
	<hr/>	<hr/>
Property and Equipment:		
At Cost	409,134,027	407,289,081
Less Accumulated Depreciation	307,742,345	297,901,653
	<hr/>	<hr/>
Net Property and Equipment	101,391,682	109,387,428
	<hr/>	<hr/>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	126,713	147,478
	<hr/>	<hr/>
Total Other Assets	35,453,713	35,474,478
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$180,508,292</u>	<u>\$194,598,382</u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$30,697 in 2011 and Less Deferred Amount on Refunding of \$30,153 in 2011	---	\$13,270,544
Accrued Interest	---	60,821
Total Restricted Current Liabilities	---	<u>13,331,365</u>
<u>Unrestricted</u>		
Accounts Payable	3,162,336	1,436,947
Pension Provision	1,295,594	1,082,935
Health & Dental Insurance Provision	196,533	233,632
Accrued Payroll	398,101	289,911
Accrued Vacation	1,082,497	1,127,936
Accrued Emission Allowance Expense	322,724	234,113
Consumers' Deposits	585,590	600,926
Retained Percentage on Contracts	19,365	---
Accrued Property Taxes	113,981	106,097
Miscellaneous Accrued Expenses	592,638	613,724
Miscellaneous Deferred Credits	13,850	52,850
Total Unrestricted Current Liabilities	<u>7,783,209</u>	<u>5,779,071</u>
Total Current Liabilities	<u>7,783,209</u>	<u>19,110,436</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,688,688	1,800,650
Post-Employment Health Benefit Provision	153,536	135,400
Consumer Advances for Construction	180,370	---
Total Non-Current Liabilities	<u>2,022,594</u>	<u>1,936,050</u>
Deferred Revenue - Extraordinary O & M	<u>6,032,866</u>	---
Net Assets:		
Invested in capital assets, net of related debt		
Restricted	101,391,682	96,128,251
Unrestricted	6,032,610	7,402,232
Total Net Assets	<u>57,245,331</u>	<u>70,021,413</u>
Total Net Assets	<u>164,669,623</u>	<u>173,551,896</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$180,508,292</u>	<u>\$194,598,382</u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,985,395	\$25,762,047
MISO sales	3,041,834	9,080,492
Steam sales	896,882	5,642,219
Coal & transportation allowances	---	280,234
Railcar leasing	115,050	455,050
By-product sales	114,523	195,552
Miscellaneous sources	119,926	554,707
Cash paid to/for:		
Suppliers	(847,623)	(5,154,653)
MISO purchases/administration fees	(2,377,195)	(10,731,655)
Coal	(815,256)	(9,689,672)
Employees payroll, taxes and benefits	(1,559,510)	(11,660,120)
Net cash flows from operating activities	<u>2,674,026</u>	<u>4,734,201</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(167,519)</u>	<u>(1,824,055)</u>
Net cash flows from capital and related financing activities	<u>(167,519)</u>	<u>(1,824,055)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	(24,650)	(64,183)
Interest received on investments and note receivable	628,917	651,696
Amortization/accretion of investments	---	424
Mark to market	(6,038)	(18,126)
Net cash flows from investing activities	<u>598,229</u>	<u>569,811</u>
Net increase in cash and investments	<u>3,104,736</u>	<u>3,479,957</u>
Cash and investments at beginning of period	<u>10,491,569</u>	<u>10,116,348</u>
Cash and investments at end of period	<u><u>\$13,596,305</u></u>	<u><u>\$13,596,305</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$876,221	(\$2,451,157)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	6,505,534
Amortization of joint venture rights	9,032	60,690
Changes in assets and liabilities:		
Consumer accounts receivable	(376,647)	(376,759)
Wholesale receivable	(1,012,362)	(909,958)
Steam sales receivable	(58,648)	(55,210)
Intercompany receivable	(3,535)	8,539
Inventories	(102,506)	141,082
Fuel	665,278	794,265
Prepaid expenses	38,131	(334,117)
Accounts payable	1,494,023	32,344
Pension provision	187,322	1,295,594
Health & dental insurance provision	(57,430)	(182,729)
Other post-employment benefit provision	1,935	13,545
Accrued payroll	116,145	92,422
Accrued vacation	(53,546)	21,776
Accrued emission allowance expense	12,847	40,917
Consumers' deposits	(5,793)	(5,675)
Retained percentage	---	19,365
Accrued property taxes	7,770	7,155
Miscellaneous accrued expenses	6,427	55,578
Miscellaneous deferred credits	---	(39,000)
	<u> </u>	<u> </u>
Net cash flows from operating activities	<u>\$2,674,026</u>	<u>\$4,734,201</u>

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

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	---	\$7,463,053
Extraordinary Operation & Maintenance Account	<u>6,032,610</u>	<u>---</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$6,032,610</u>	<u>\$7,463,053</u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$3,660,841</u>	34.5	<u>\$2,784,108</u>	28.0	<u>\$3,422,227</u>	32.7
Average price per kWh	\$0.0467		\$0.0334		\$0.0410	
<u>Generation</u>						
Operation Supervision	81,781		72,044		71,947	
Fuel:						
Coal	2,848,617		2,708,475		2,846,034	
Fuel Oil	17,500		9,891		2,142	
Gas	10,800		12,983		27,520	
Coal Handling Expense	66,251		70,394		69,226	
Landfill Operation Expense	7,911		4,499		41,627	
Emissions Allowance Expense	---		12,847		25,733	
Steam Expense:						
Boiler	135,355		158,393		100,664	
Pollution Control	99,525		37,609		40,827	
Electric Expense	107,331		108,290		100,730	
Miscellaneous Steam Power Expense	116,584		154,971		110,783	
Maintenance:						
Supervision	82,380		76,356		75,488	
Structures	58,905		74,682		52,191	
Boiler Plant:						
Boiler	253,715		138,607		71,842	
Pollution Control	210,374		56,209		39,827	
Electric Plant	43,295		22,751		(59,570)	
System Control	20,321		14,350		14,661	
Miscellaneous Steam Plant	56,162		57,285		44,603	
Coal Handling Equipment	111,226		31,726		95,841	
System Control and Load Dispatch	54,731		21,631		57,716	
Vacation, Holiday, Sick Leave	111,121		97,229		111,495	
Depreciation	<u>623,299</u>		<u>622,359</u>		<u>620,375</u>	
Total Generation Expense	<u>\$5,117,184</u>	48.2	<u>\$4,563,581</u>	45.9	<u>\$4,561,702</u>	43.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$17,378,271</u>	32.1	<u>\$11,329,293</u>	25.9	<u>\$15,772,931</u>	32.8
Average price per kWh	\$0.0349		\$0.0222		\$0.0307	
 <u>Generation</u>						
Operation Supervision	576,065		519,365		556,363	
Fuel:						
Coal	14,338,189		10,181,306		11,389,292	
Fuel Oil	124,116		121,315		225,165	
Gas	124,200		87,729		142,592	
Coal Handling Expense	468,091		409,606		416,977	
Landfill Operation Expense	42,319		40,022		71,405	
Emissions Allowance Expense	---		40,917		251,930	
Steam Expense:						
Boiler	801,565		694,243		694,676	
Pollution Control	380,387		197,449		206,904	
Electric Expense	698,434		657,478		608,436	
Miscellaneous Steam Power Expense	1,260,243		1,209,401		1,149,081	
Maintenance:						
Supervision	569,868		548,682		611,207	
Structures	522,948		395,762		484,428	
Boiler Plant:						
Boiler	2,315,218		1,390,364		2,682,168	
Pollution Control	479,260		394,293		902,063	
Electric Plant	570,435		254,841		2,177,743	
System Control	143,804		107,637		143,364	
Miscellaneous Steam Plant	444,751		445,507		398,134	
Coal Handling Equipment	776,707		606,590		594,642	
System Control and Load Dispatch	515,507		225,742		317,726	
Vacation, Holiday, Sick Leave	667,999		671,269		613,898	
Depreciation	<u>4,363,096</u>		<u>4,356,513</u>		<u>4,342,625</u>	
Total Generation Expense	<u>\$30,183,202</u>	55.7	<u>\$23,556,031</u>	53.8	<u>\$28,980,819</u>	60.3

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,935		\$3,911		\$1,249	
Load Dispatching	7,748		53,333		7,452	
Station Expense	7,244		6,441		6,495	
Overhead Line Expense	68		---		---	
Transmission of Electricity by Others	---		3,016		---	
Miscellaneous Transmission Expense	10,943		7,241		17,970	
Maintenance:						
Supervision	2,061		1,741		1,471	
Structures	886		---		---	
Station Equipment	5,900		4,820		5,668	
Overhead Lines	6,261		2,610		2,041	
Vacation, Holiday, Sick Leave	6,781		5,263		6,402	
Depreciation	30,643		30,625		30,592	
Tax on Rural Property	5,606		5,057		6,369	
Total Transmission Expense	88,076	0.8	124,058	1.2	85,709	0.8
<u>Distribution</u>						
Operation Supervision	11,223		10,289		8,805	
Load Dispatching	33,553		26,576		27,829	
Station Expense	7,812		4,570		9,027	
Overhead Line Expense	2,684		2,017		4,308	
Vehicle Expense	16,526		12,861		16,844	
Underground Line Expense	3,243		2,927		2,162	
Street Lighting	1,614		2,151		1,837	
Signal Expense	1,242		96		123	
Meter Expense	8,431		9,107		6,733	
Consumer Installation Expense	1,175		1,495		2,544	
Miscellaneous Distribution Expense	55,203		47,316		45,722	
Maintenance:						
Supervision	10,092		9,277		8,725	
Structures	766		---		1,403	
Station Equipment	10,180		7,680		9,645	
Overhead Lines	55,856		52,046		37,330	
Underground Lines	8,516		6,134		5,173	
Line Transformers	3,189		6,076		4,042	
Street Lighting	5,827		2,506		3,386	
Signal System	2,725		4,711		3,233	
Meters	2,191		242		1,717	
Miscellaneous Distribution Plant	3,007		1,307		1,238	
Vacation, Holiday, Sick Leave	31,494		28,636		31,323	
Depreciation	152,683		152,158		148,879	
Tax on Rural Property	1,674		1,510		1,902	
Total Distribution Expense	\$430,906	4.1	\$391,688	3.9	\$383,930	3.7

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$27,212		\$25,557		\$16,713	
Load Dispatching	52,024		322,290		54,561	
Station Expense	53,515		52,918		48,577	
Overhead Line Expense	509		2,422		869	
Transmission of Electricity by Others	---		18,550		---	
Miscellaneous Transmission Expense	82,262		44,345		73,034	
Maintenance:						
Supervision	14,107		11,046		11,658	
Structures	7,379		---		---	
Station Equipment	41,438		27,493		35,932	
Overhead Lines	98,646		97,569		44,671	
Vacation, Holiday, Sick Leave	40,628		34,949		38,158	
Depreciation	214,501		214,375		214,144	
Tax on Rural Property	39,240		38,779		40,070	
Total Transmission Expense	671,461	1.2	890,293	2.0	578,387	1.2
<u>Distribution</u>						
Operation Supervision	78,376		65,571		69,662	
Load Dispatching	225,700		201,324		209,254	
Station Expense	50,412		49,046		52,770	
Overhead Line Expense	29,057		9,909		26,253	
Vehicle Expense	115,536		92,045		109,363	
Underground Line Expense	23,355		19,299		18,108	
Street Lighting	10,903		19,819		15,076	
Signal Expense	7,682		1,797		996	
Meter Expense	61,041		64,391		59,576	
Consumer Installation Expense	8,234		9,998		12,200	
Miscellaneous Distribution Expense	401,890		362,303		368,353	
Maintenance:						
Supervision	71,787		58,470		66,183	
Structures	7,393		---		3,094	
Station Equipment	68,719		47,985		67,712	
Overhead Lines	408,298		328,120		345,259	
Underground Lines	58,617		41,909		32,592	
Line Transformers	33,343		43,249		44,998	
Street Lighting	37,397		22,325		34,688	
Signal System	16,357		25,152		32,899	
Meters	15,720		7,597		12,805	
Miscellaneous Distribution Plant	21,050		15,366		12,482	
Vacation, Holiday, Sick Leave	187,925		176,442		183,306	
Depreciation	1,068,784		1,065,106		1,042,153	
Tax on Rural Property	11,721		11,595		11,985	
Total Distribution Expense	\$3,019,297	5.6	\$2,738,818	6.2	\$2,831,767	5.9

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$15,985		\$5,781		21,468	
Energy Efficiency Rebates	26,788		13,039		28,872	
Electric Ranges/Dryers Maintenance	460		293		608	
Electric Water Heaters Maintenance	155		14		302	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	43,388	0.4	19,127	0.2	51,250	0.5
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	2,024		2,107		2,088	
Meter Reading Expense	8,512		8,151		8,068	
Consumer Records and Collection	32,018		29,679		31,015	
Uncollectible Accounts Expense	2,402		2,403		1,942	
Vacation, Holiday, Sick Leave	4,827		5,767		4,581	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	49,783	0.5	48,107	0.5	47,694	0.5
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	174,088		160,686		146,686	
Office Supplies and Expenses	17,326		17,446		12,259	
Outside Services Employed	61,818		150,299		40,910	
Property Insurance	46,880		46,620		38,809	
Casualty Ins, Injuries & Damages	37,801		40,618		28,180	
Employee Pensions and Benefits	507,474		486,981		424,209	
Fringe Benefits Charged to Constr.	(15,999)		(20,240)		(34,416)	
Regulatory Commission	4,400		4,400		4,400	
Miscellaneous General Expense	31,702		30,497		28,709	
Maintenance of General Plant	25,616		25,215		24,571	
Maintenance of A/O Center	78,401		31,943		56,272	
Vacation, Holiday, Sick Leave	33,603		27,693		34,704	
Depreciation	129,396		124,220		121,760	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,132,506	10.7	1,126,378	11.3	927,053	8.9
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$10,522,684</u>		<u>\$9,057,047</u>		<u>\$9,479,565</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		99.1		91.2		90.5

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$143,126		\$75,699		127,116	
Energy Efficiency Rebates	157,518		121,788		82,834	
Electric Ranges/Dryers Maintenance	3,508		3,088		6,340	
Electric Water Heaters Maintenance	<u>1,182</u>		<u>563</u>		<u>5,540</u>	
Total Customer Service Expense	<u>\$305,334</u>	0.6	<u>\$201,138</u>	0.5	<u>\$221,830</u>	0.5
<u>Consumer Accounts</u>						
Supervision	13,799		14,566		14,332	
Meter Reading Expense	59,621		60,918		56,834	
Consumer Records and Collection	216,487		201,258		199,330	
Uncollectible Accounts Expense	16,817		16,817		13,592	
Vacation, Holiday, Sick Leave	<u>28,425</u>		<u>32,270</u>		<u>26,478</u>	
Total Consumer Accounts Expense	<u>335,149</u>	0.6	<u>325,829</u>	0.7	<u>310,566</u>	0.6
<u>Administrative and General</u>						
Administrative and General Salaries	1,185,697		1,106,510		1,148,193	
Office Supplies and Expenses	134,024		113,559		95,315	
Outside Services Employed	479,282		406,251		419,076	
Property Insurance	303,946		302,907		278,271	
Casualty Ins, Injuries & Damages	264,603		309,456		306,906	
Employee Pensions and Benefits	3,564,372		3,450,229		3,343,541	
Fringe Benefits Charged to Constr.	(121,699)		(126,166)		(157,039)	
Regulatory Commission	30,800		40,771		26,306	
Miscellaneous General Expense	262,030		218,330		217,041	
Maintenance of General Plant	181,957		160,369		171,647	
Maintenance of A/O Center	324,987		198,159		249,318	
Vacation, Holiday, Sick Leave	198,564		183,577		185,055	
Depreciation	<u>905,774</u>		<u>869,540</u>		<u>852,320</u>	
Total Administrative and General	<u>7,714,337</u>	14.2	<u>7,233,492</u>	16.5	<u>7,135,950</u>	14.9
Total Operating Expense	<u>\$59,607,051</u>		<u>\$46,274,894</u>		<u>\$55,832,250</u>	
Percent to Operating Revenue		110.1		105.6		116.2

Muscatine Power and Water - Electric Utility
Statistical Data
July 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	107,905,296	108,544,223	124,295,132	611,729,520	351,144,689	463,245,479
Wholesale Sales	\$0.04748	\$0.03921	\$0.04308	\$0.03729	\$0.02987	\$0.03579
Less:						
Generation	0.03835	0.03652	0.03187	0.04385	0.05653	0.05451
Transmission	0.00082	0.00114	0.00069	0.00110	0.00254	0.00125
Subtotal	0.03917	0.03766	0.03256	0.04495	0.05907	0.05576
Wholesale Margin	\$0.00831	\$0.00155	\$0.01052	(\$0.00766)	(\$0.02920)	(\$0.01997)

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	74,068,282	78,549,021	79,711,725	475,746,012	485,113,656	489,349,372
Native System Sales	\$0.05477	\$0.05541	\$0.05167	\$0.05452	\$0.05439	\$0.05181
Less:						
Purchased Power	0.04943	0.03544	0.04293	0.03653	0.02335	0.03223
Distribution	0.00582	0.00499	0.00482	0.00635	0.00565	0.00579
Customer Service	0.00059	0.00024	0.00064	0.00064	0.00041	0.00045
Consumers Accounts	0.00067	0.00061	0.00060	0.00070	0.00067	0.00063
Administrative & General	0.01529	0.01434	0.01163	0.01622	0.01491	0.01458
Subtotal	0.07179	0.05563	0.06062	0.06044	0.04500	0.05369
Native System Margin	(0.01702)	(0.00022)	(0.00895)	(0.00592)	0.00940	(0.00188)
Wholesale Margin	0.01212	0.00215	0.01640	(0.00984)	(0.02114)	(0.01890)
Net Electric Margin before Steam Sales	(\$0.00490)	\$0.00192	\$0.00745	(\$0.01576)	(\$0.01174)	(\$0.02078)
Net Electric Margin after Steam Sales	(\$0.00027)	\$0.00645	\$0.01134	(\$0.01291)	(\$0.00764)	(\$0.01721)

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.	\$1.794	\$1.726	\$1.877	\$1.671
Per Net MW Generated	\$20.72	\$19.71	\$21.12	\$18.50
Net Peak Monthly Demand-KW	138,450	140,880	138,450	140,880
Date of Peak	7/5	7/20	7/5	7/20
Hour of Peak	1500	1500	1500	1500
Average Temperature	79.4°	78°		
Services	2012	2011		
Residential	9,725	9,712		
Commercial I	1,388	1,395		
Commercial II	116	117		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	33	32		
Total	11,297	11,291		

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>107,905,296</u>		<u>108,544,223</u>		<u>124,295,132</u>	
Wholesale Sales	<u>\$5,123,495</u>	<u>\$0.0475</u>	<u>\$4,256,223</u>	<u>\$0.0392</u>	<u>\$5,354,948</u>	<u>\$0.0431</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil) Emissions: ^{fn1}	2,275,070	0.0211	2,156,650	0.0199	2,322,648	0.0187
SO ² Allowances ^{fn2}	151,291	0.0014	84	0.0000	488	0.0000
NO _x Allowances ^{fn3}	463,286	0.0043	8,038	0.0001	33,268	0.0003
Other ^{fn4}	<u>196,292</u>	<u>0.0018</u>	<u>192,761</u>	<u>0.0018</u>	<u>278,856</u>	<u>0.0022</u>
Total Variable Costs	<u>3,085,939</u>	<u>0.0286</u>	<u>2,357,533</u>	<u>0.0217</u>	<u>2,635,260</u>	<u>0.0212</u>
Gross Margin	<u>\$2,037,556</u>	<u>\$0.0189</u>	<u>\$1,898,690</u>	<u>\$0.0175</u>	<u>\$2,719,688</u>	<u>\$0.0219</u>
Percent Gross Margin	39.8%		44.6%		50.8%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>611,729,520</u>		<u>351,144,689</u>		<u>463,245,479</u>	
Wholesale Sales	<u>\$22,812,866</u>	<u>\$0.0373</u>	<u>\$10,487,919</u>	<u>\$0.0299</u>	<u>\$16,580,554</u>	<u>\$0.0358</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil) Emissions: ^{fn1}	12,302,914	0.0201	6,894,198	0.0196	8,480,394	0.0183
SO ² Allowances ^{fn2}	308,227	0.0005	323	0.0000	2,840	0.0000
NO _x Allowances ^{fn3}	889,182	0.0015	23,420	0.0001	171,899	0.0004
Other ^{fn4}	<u>1,374,044</u>	<u>0.0022</u>	<u>1,353,242</u>	<u>0.0039</u>	<u>1,934,372</u>	<u>0.0042</u>
Total Variable Costs	<u>14,874,367</u>	<u>0.0243</u>	<u>8,271,183</u>	<u>0.0236</u>	<u>10,589,505</u>	<u>0.0229</u>
Gross Margin	<u>\$7,938,499</u>	<u>\$0.0130</u>	<u>\$2,216,736</u>	<u>\$0.0063</u>	<u>\$5,991,049</u>	<u>\$0.0129</u>
Percent Gross Margin	34.8%		21.1%		36.1%	

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:

	Budget	2012	2011
fn2 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$4.00
YTD SO ²	30.00	1.19	6.25
fn2 SO ² (CSAPR)	1,000.00	---	---
fn3 NO _x annual	500.00	37.50	142.50
NO _x seasonal	1,300.00	5.00	15.00
fn3 YTD NO _x annual	400.00	42.90	218.36
YTD NO _x seasonal	50.00	5.00	14.94

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