

**Muscatine Power and Water**

**Electric Utility**

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

**July 2013**

**Muscatine Power and Water  
Electric Utility**

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**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - July 2013**

	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	125,951,760	(20.7)	99,941,667	(17.2)	120,724,938
Less: Plant Use	<u>11,330,376</u>	(11.0)	<u>10,079,486</u>	(17.3)	<u>12,180,715</u>
Net Generation/Wholesale Sales	<u><u>114,621,384</u></u>	(21.6)	<u><u>89,862,181</u></u>	(17.2)	<u><u>108,544,223</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	70.00	(26.1)	51.73	(16.1)	61.66
Unit 8/8A	63.16	(2.2)	61.80	(23.1)	80.40
Unit 7	50.00	(20.7)	39.64	(9.5)	43.82
Total Plant	66.74	(21.5)	52.36	(17.4)	63.38
<b><u>KWH Distribution</u></b>					
Residential	11,768,135	(4.1)	11,284,628	(19.7)	14,061,051
Commercial I	3,855,820	(5.5)	3,643,057	(13.4)	4,207,213
Commercial II	9,718,540	(3.2)	9,409,196	(5.4)	9,948,106
Industrial I	12,032,106	0.9	12,145,900	1.9	11,925,200
Industrial II	38,592,330	(10.9)	34,384,557	(6.0)	36,595,054
City Enterprise Funds	429,331	(12.0)	378,019	9.2	346,319
Water & Communications Utilities	<u>1,423,877</u>	1.1	<u>1,439,049</u>	(1.8)	<u>1,466,078</u>
Native System Sales	77,820,139	(6.6)	72,684,406	(7.5)	78,549,021
City Lighting	177,317	(4.7)	169,004	0.8	167,666
City Buildings	551,724	17.5	648,086	5.7	612,989
Offline Power Plant Usage	—	—	390,947	29.4X	12,864
Losses & Cycle Billing	<u>3,668,120</u>	(33.4)	<u>2,443,738</u>	(38.3)	<u>3,963,683</u>
Total Native System KWH Distributed/Purchased Power	<u><u>82,217,300</u></u>	(7.2)	<u><u>76,336,181</u></u>	(8.4)	<u><u>83,306,223</u></u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u><u>252,394</u></u>	2.2	<u><u>257,863</u></u>	(0.8)	<u><u>260,041</u></u>

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - July 2013**

	<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>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	482,156,791	47.7	712,208,727	76.9	402,639,611
Less: Plant Use	<u>50,129,686</u>	45.0	<u>72,687,176</u>	41.2	<u>51,494,922</u>
Net Generation/Wholesale Sales	<u>432,027,105</u>	48.0	<u>639,521,551</u>	82.1	<u>351,144,689</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	38.45	64.2	63.15	1.0X	31.50
Unit 8/8A	34.69	27.8	44.32	30.0	34.10
Unit 7	28.73	(47.1)	15.21	41.2	10.77
Total Plant	36.78	48.1	54.48	82.6	29.83
<b><u>KWH Distribution</u></b>					
Residential	61,999,535	(2.6)	60,398,795	(2.7)	62,100,869
Commercial I	22,510,110	0.5	22,613,983	1.0	22,391,125
Commercial II	60,751,435	(5.3)	57,550,058	(1.8)	58,584,859
Industrial I	68,876,648	2.6	70,679,220	4.9	67,356,760
Industrial II	262,702,435	(2.5)	256,160,805	(2.8)	263,451,807
City Enterprise Funds	3,283,924	(10.3)	2,944,106	15.2	2,554,616
Water & Communications Utilities	<u>9,371,451</u>	(2.5)	<u>9,141,194</u>	5.4	<u>8,673,620</u>
Native System Sales	489,495,538	(2.0)	479,488,161	(1.2)	485,113,656
City Lighting	1,206,084	(1.4)	1,189,085	0.6	1,182,088
City Buildings	3,771,658	8.5	4,093,107	7.6	3,805,720
Offline Power Plant Usage	1,479,690	5.0	1,554,125	(56.9)	3,604,646
Losses & Cycle Billing	<u>17,144,350</u>	(9.5)	<u>15,514,803</u>	(6.7)	<u>16,631,906</u>
Total Native System KWH Distributed/Purchased Power	<u>513,097,320</u>	(2.2)	<u>501,839,281</u>	(1.7)	<u>510,338,016</u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u>1,515,709</u>	0.4	<u>1,521,140</u>	(2.4)	<u>1,558,668</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - July 2013**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$976,314	0.0830	\$999,509	0.0886	\$1,115,743	0.0793
Commercial I	312,596	0.0811	296,583	0.0814	332,911	0.0791
Commercial II	567,795	0.0584	548,631	0.0583	567,942	0.0571
Industrial I	631,553	0.0525	624,620	0.0514	586,496	0.0492
Industrial II	1,783,778	0.0462	1,618,737	0.0471	1,659,013	0.0453
City Enterprise Funds	24,659	0.0574	23,273	0.0616	20,309	0.0586
Water & Communication Utilities	70,910	0.0498	71,633	0.0498	69,675	0.0475
Native System Sales	4,367,605	0.0561	4,182,986	0.0575	4,352,089	0.0554
Wholesale Sales	4,814,098	0.0420	3,216,866	0.0358	4,256,223	0.0392
Energy Sales	9,181,703		7,399,852		8,608,312	
<b><u>Steam Sales</u></b>	923,927	3.66	932,398	3.62	955,198	3.67
<b><u>Other Revenue</u></b>						
Rail Car Lease	---		---		59,443	
By-Product Revenue	31,292		22,810		268,501	
Miscellaneous Revenue	45,075		54,298		41,814	
Total Other Revenue	76,367		77,108		369,758	
Operating Revenue	10,181,997		8,409,358		9,933,268	
<b><u>Operating Expense</u></b>						
Purchased Power	3,206,475	0.0390	2,412,605	0.0316	2,784,108	0.0334
Production Fuel	2,931,065		2,464,719		2,806,242	
Emissions Allowance	6,172		9,684		12,847	
Operation	1,953,424		1,725,239		1,896,214	
Maintenance	800,967		699,317		628,274	
Depreciation	944,953		937,001		929,362	
Total Operating Expense	9,843,056		8,248,565		9,057,047	
Operating Income	338,941		160,793		876,221	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	111,574		108,433		99,856	
Interest Expense	(450)		(107)		(118)	
Total Nonoperating Revenue (Expense)	111,124		108,326		99,738	
Net Income Before Revenue Adjustment	450,065		269,119		975,959	
Capital Contributions	---		5,400		---	
Change in Net Position	450,065		274,519		975,959	
Beginning Net Position	159,972,588		163,204,702		163,693,664	
Ending Net Position	<u>\$160,422,653</u>		<u>\$163,479,221</u>		<u>\$164,669,623</u>	
Net Loss Before Rev Adj to Op Revenue	4.4		3.2		9.8	
Change in Net Position to Operating Revenue	4.4		3.3		9.8	

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - July 2013**

	<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>
<b><u>Sales of Electricity</u></b>						
Residential	\$5,301,997	0.0855	\$5,507,939	0.0912	\$5,138,182	0.0827
Commercial I	1,835,389	0.0815	1,844,339	0.0816	1,789,191	0.0799
Commercial II	3,698,805	0.0609	3,472,238	0.0603	3,498,545	0.0597
Industrial I	3,721,109	0.0540	3,736,559	0.0529	3,471,819	0.0515
Industrial II	12,350,539	0.0470	12,098,186	0.0472	11,907,031	0.0452
City Enterprise Funds	189,460	0.0577	176,144	0.0598	153,863	0.0602
Water & Communications Utilities	466,671	0.0498	465,836	0.0510	427,799	0.0493
Native System Sales	27,563,970	0.0563	27,301,241	0.0569	26,386,430	0.0544
Wholesale Sales	12,607,091	0.0292	19,949,503	0.0312	10,487,919	0.0299
Energy Sales	40,171,061		47,250,744		36,874,349	
<b><u>Steam Sales</u></b>	5,584,239	3.68	5,584,454	3.67	5,695,450	3.65
<b><u>Other Revenue</u></b>						
Rail Car Lease	218,000		172,575		479,978	
By-Product Revenue	264,824		105,063		405,470	
Miscellaneous Revenue	345,347		365,821		368,490	
Total Other Revenue	828,171		643,459		1,253,938	
Operating Revenue	46,583,471		53,478,657		43,823,737	
<b><u>Operating Expense</u></b>						
Purchased Power	12,271,015	0.0239	13,760,520	0.0274	11,329,293	0.0222
Production Fuel	12,205,561		16,256,833		10,839,978	
Emissions Allowance	39,561		50,777		40,917	
Operation	13,303,671		12,421,063		12,330,687	
Maintenance	6,353,111		5,616,139		5,228,485	
Depreciation	6,614,676		6,559,007		6,505,534	
Total Operating Expense	50,787,595		54,664,339		46,274,894	
Operating Loss	(4,204,124)		(1,185,682)		(2,451,157)	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	775,977		751,291		733,978	
Interest Expense	(3,150)		(1,035)		(901)	
Total Nonoperating Revenue (Expense)	772,827		750,256		733,077	
Net Loss Before Revenue Adjustment and Capital Contributions	(3,431,297)		(435,426)		(1,718,080)	
Capital Contributions	---		60,697		10,443	
Revenue Adjustment-Extraordinary O&M	---		---		4,000,000	
Change in Net Position	(3,431,297)		(374,729)		2,292,363	
Beginning Net Position	163,853,950		163,853,950		162,377,260	
Ending Net Position	<u>\$160,422,653</u>		<u>\$163,479,221</u>		<u>\$164,669,623</u>	
Net Loss Before Rev Adj to Op Revenue	(7.4)		(0.8)		(3.9)	
Change in Net Position to Operating Revenue	(7.4)		(0.7)		5.2	

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**July 2013**

**ASSETS**

	<u>2013</u>	<u>2012</u>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$231,242	\$6,032,610
Investments	5,800,778	---
Total Restricted Current Assets	<u>6,032,020</u>	<u>6,032,610</u>
<u>Unrestricted</u>		
Cash - interest bearing	3,304,671	7,563,695
Investments	17,701,954	---
Receivables:		
Consumer Accounts	4,971,581	5,372,279
Wholesale	950,210	1,105,395
Steam Sales	964,185	1,211,219
Interest	115,139	103,981
Intercompanies	---	17,283
Inventories	6,443,840	6,600,042
Fuel	5,979,830	14,824,505
Prepaid Expenses	1,024,447	831,888
Total Unrestricted Current Assets	<u>41,455,857</u>	<u>37,630,287</u>
Total Current Assets	<u>47,487,877</u>	<u>43,662,897</u>
<b>Property and Equipment:</b>		
At Cost	411,722,019	409,134,027
Less Accumulated Depreciation	317,896,119	307,742,345
Net Property and Equipment	<u>93,825,900</u>	<u>101,391,682</u>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Note Receivable - Water Utility	400,000	---
Joint Venture Rights	113,660	126,713
Total Other Assets	<u>35,840,660</u>	<u>35,453,713</u>
<b>TOTAL ASSETS</b>	<u><u>\$177,154,437</u></u>	<u><u>\$180,508,292</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**July 2013**

**LIABILITIES AND NET ASSETS**

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$2,089,331	\$3,162,336
Pension Provision	101,572	1,295,594
Health & Dental Insurance Provision	173,826	196,533
Accrued Payroll	469,611	398,101
Accrued Vacation	1,163,859	1,082,497
Accrued Emission Allowance Expense	50,777	322,724
Consumers' Deposits	582,989	585,590
Retained Percentage on Contracts	41,179	19,365
Accrued Property Taxes	114,735	113,981
Miscellaneous Accrued Expenses	723,839	592,638
Miscellaneous Deferred Credits	6,350	13,850
	<u>5,518,068</u>	<u>7,783,209</u>
<b>Total Unrestricted Current Liabilities</b>		
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,739,710	1,688,688
Post-Employment Health Benefit Provision	204,202	153,536
Consumer Advances for Construction	180,370	180,370
	<u>2,124,282</u>	<u>2,022,594</u>
<b>Total Non-Current Liabilities</b>		
<b>Deferred Revenue - Extraordinary O &amp; M</b>	<u>6,032,866</u>	<u>6,032,866</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	93,825,900	101,391,682
Restricted	6,032,020	6,032,610
Unrestricted	63,621,301	57,245,331
	<u>163,479,221</u>	<u>164,669,623</u>
<b>Total Net Position</b>		
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$177,154,437</u></u>	<u><u>\$180,508,292</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**July 2013**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Retail electric sales	\$4,032,512	\$26,984,220
MISO sales	3,173,832	18,093,185
Steam sales	819,880	5,499,339
Coal & transportation allowances	---	3,925
Railcar leasing	---	249,469
By-product sales	11,077	64,916
Miscellaneous sources	107,045	365,481
Cash paid to/for:		
Suppliers	(808,211)	(4,976,118)
MISO purchases/administration fees	(2,585,959)	(13,594,070)
Coal	(1,752,497)	(8,197,533)
Employees payroll, taxes and benefits	(1,529,545)	(12,783,683)
Net cash flows from operating activities	<u>1,468,134</u>	<u>11,709,131</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(1,009,463)</u>	<u>(2,439,715)</u>
Net cash flows from capital and related financing activities	<u>(1,009,463)</u>	<u>(2,439,715)</u>
<b>Cash flows from investing activities:</b>		
Purchase of joint venture rights	(26,955)	(65,515)
Interest received on investments and note receivable	623,926	860,656
Accrued interest purchased	---	(1,540)
Amortization/accretion of investments	78	849
Mark to Market	79	(195)
Net cash flows from investing activities	<u>597,128</u>	<u>794,255</u>
Net increase in cash and investments	<u>1,055,799</u>	<u>10,063,671</u>
Cash and investments at beginning of period	<u>25,982,846</u>	<u>16,974,974</u>
Cash and investments at end of period	<u><u>\$27,038,645</u></u>	<u><u>\$27,038,645</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**July 2013**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$160,793	(\$1,185,682)
Noncash items in operating income:		
Depreciation of electric utility plant	937,001	6,559,007
Amortization of joint venture rights	9,655	62,413
Changes in assets and liabilities:		
Consumer accounts receivable	(103,851)	(200,971)
Wholesale receivable	(316,755)	(855,631)
Steam sales receivable	(112,841)	(29,654)
Intercompany receivable	—	17,211
Inventories	86,348	122,474
Fuel	542,469	6,808,330
Prepaid expenses	73,272	(547,900)
Accounts payable	(92,140)	605,563
Pension provision	136,701	101,572
Health & dental insurance provision	11,114	89,975
Other post-employment benefit provision	23,506	35,438
Accrued payroll	145,833	77,825
Accrued vacation	(25,487)	52,015
Accrued emission allowance expense	9,683	(15,248)
Consumers' deposits	(3,710)	8,073
Retained percentage	5,262	41,179
Accrued property taxes	6,004	8,416
Miscellaneous accrued expenses	(31,073)	(37,774)
Miscellaneous deferred credits	6,350	(7,500)
	<u>\$1,468,134</u>	<u>\$11,709,131</u>
Net cash flows from operating activities	<u>\$1,468,134</u>	<u>\$11,709,131</u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
July 2013**

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$6,032,020</u>	<u>\$6,032,610</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$6,032,020</u></u>	<u><u>\$6,032,610</u></u>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - July 2013**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$3,206,475</u>	31.5	<u>\$2,412,605</u>	28.7	<u>\$2,784,108</u>	28.0
Average price per kWh	\$0.0390		\$0.0316		\$0.0334	
<b><u>Generation</u></b>						
Operation Supervision	77,936		80,492		72,044	
Fuel:						
Coal	2,823,094		2,325,135		2,708,475	
Fuel Oil	18,999		45,783		9,891	
Gas	10,800		14,581		12,983	
Coal Handling Expense	69,674		71,955		70,394	
Landfill Operation Expense	8,498		7,265		4,499	
Emissions Allowance Expense	6,172		9,684		12,847	
Steam Expense:						
Boiler	107,473		92,958		158,393	
Pollution Control	104,777		29,028		37,609	
Electric Expense	102,585		96,690		108,290	
Miscellaneous Steam Power Expense	182,878		137,039		154,971	
Maintenance:						
Supervision	81,219		73,543		76,356	
Structures	82,626		39,744		74,682	
Boiler Plant:						
Boiler	191,322		109,779		138,607	
Pollution Control	22,685		37,747		56,209	
Electric Plant	59,087		111,936		22,751	
System Control	18,689		14,275		14,350	
Miscellaneous Steam Plant	79,672		83,760		57,285	
Coal Handling Equipment	102,937		60,785		31,726	
System Control and Load Dispatch	25,248		23,715		21,631	
Vacation, Holiday, Sick Leave	100,822		118,059		97,229	
Depreciation	624,688		622,373		622,359	
<b>Total Generation Expense</b>	<u>\$4,901,881</u>	48.1	<u>\$4,206,326</u>	50.0	<u>\$4,563,581</u>	45.9

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - July 2013**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$12,271,015</u>	26.3	<u>\$13,760,520</u>	25.7	<u>\$11,329,293</u>	25.9
Average price per kWh	\$0.0239		\$0.0274		\$0.0222	
<b><u>Generation</u></b>						
Operation Supervision	538,119		546,307		519,365	
Fuel:						
Coal	11,426,971		15,598,524		10,181,306	
Fuel Oil	122,613		81,187		121,315	
Gas	124,200		82,599		87,729	
Coal Handling Expense	486,202		461,412		409,606	
Landfill Operation Expense	45,575		33,111		40,022	
Emissions Allowance Expense	39,561		50,777		40,917	
Steam Expense:						
Boiler	810,032		695,337		694,243	
Pollution Control	368,479		236,274		197,449	
Electric Expense	673,693		641,437		657,478	
Miscellaneous Steam Power Expense	1,277,061		1,081,306		1,209,401	
Maintenance:						
Supervision	547,679		564,227		548,682	
Structures	453,570		417,511		395,762	
Boiler Plant:						
Boiler	1,562,342		1,302,718		1,390,364	
Pollution Control	360,370		356,338		394,293	
Electric Plant	637,253		507,640		254,841	
System Control	137,727		123,100		107,637	
Miscellaneous Steam Plant	529,920		461,161		445,507	
Coal Handling Equipment	787,573		516,992		606,590	
System Control and Load Dispatch	170,414		186,879		225,742	
Vacation, Holiday, Sick Leave	610,922		668,042		671,269	
Depreciation	<u>4,372,816</u>		<u>4,356,611</u>		<u>4,356,513</u>	
<b>Total Generation Expense</b>	<u>\$26,083,092</u>	56.0	<u>\$28,969,490</u>	54.2	<u>\$23,556,031</u>	53.8

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - July 2013**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$3,695		\$4,464		\$3,911	
Load Dispatching	44,564		48,099		53,333	
Station Expense	7,251		7,268		6,441	
Overhead Line Expense	66		224		---	
Transmission of Electricity by Others	10,933		15,324		3,016	
Miscellaneous Transmission Expense	10,063		7,957		7,241	
Maintenance:						
Supervision	1,885		2,072		1,741	
Structures	881		---		---	
Station Equipment	5,422		4,492		4,820	
Overhead Lines	10,057		6,607		2,610	
Vacation, Holiday, Sick Leave	7,378		6,866		5,263	
Depreciation	30,745		30,625		30,625	
Tax on Rural Property	5,682		5,774		5,057	
<b>Total Transmission Expense</b>	<u>138,622</u>	1.4	<u>139,772</u>	1.7	<u>124,058</u>	1.2
<b><u>Distribution</u></b>						
Operation Supervision	10,313		12,213		10,289	
Load Dispatching	36,485		35,685		26,576	
Station Expense	7,914		8,984		4,570	
Overhead Line Expense	4,951		2,231		2,017	
Vehicle Expense	15,663		24,441		12,861	
Underground Line Expense	3,177		3,149		2,927	
Street Lighting	1,767		3,654		2,151	
Signal Expense	576		80		96	
Meter Expense	7,541		8,874		9,107	
Consumer Installation Expense	657		306		1,495	
Miscellaneous Distribution Expense	49,784		43,724		47,316	
Maintenance:						
Supervision	9,154		11,049		9,277	
Structures	841		---		---	
Station Equipment	8,577		10,797		7,680	
Overhead Lines	41,726		37,122		52,046	
Underground Lines	9,283		11,870		6,134	
Line Transformers	2,996		5,572		6,076	
Street Lighting	5,433		5,478		2,506	
Signal System	2,494		4,812		4,711	
Meters	1,981		1,956		242	
Miscellaneous Distribution Plant	2,278		2,063		1,307	
Vacation, Holiday, Sick Leave	32,476		32,973		28,636	
Depreciation	156,137		155,502		152,158	
Tax on Rural Property	1,697		1,725		1,510	
<b>Total Distribution Expense</b>	<u>\$413,901</u>	4.1	<u>\$424,260</u>	5.0	<u>\$391,688</u>	3.9

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - July 2013**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b>Transmission</b>						
Operation Supervision	\$25,542		\$28,043		\$25,557	
Load Dispatching	310,977		379,914		322,290	
Station Expense	57,469		46,375		52,918	
Overhead Line Expense	511		2,639		2,422	
Transmission of Electricity by Others	76,531		91,518		18,550	
Miscellaneous Transmission Expense	75,379		42,616		44,345	
Maintenance:						
Supervision	12,949		13,179		11,046	
Structures	8,602		---		---	
Station Equipment	58,490		44,515		27,493	
Overhead Lines	72,602		92,439		97,569	
Vacation, Holiday, Sick Leave	43,685		46,104		34,949	
Depreciation	215,213		214,375		214,375	
Tax on Rural Property	39,774		40,054		38,779	
<b>Total Transmission Expense</b>	<u>997,724</u>	2.1	<u>1,041,771</u>	1.9	<u>890,293</u>	2.0
<b>Distribution</b>						
Operation Supervision	72,146		78,395		65,571	
Load Dispatching	246,035		192,585		201,324	
Station Expense	51,861		40,173		49,046	
Overhead Line Expense	35,331		12,616		9,909	
Vehicle Expense	109,505		127,276		92,045	
Underground Line Expense	23,194		19,698		19,299	
Street Lighting	11,997		14,060		19,819	
Signal Expense	7,419		1,027		1,797	
Meter Expense	54,927		62,584		64,391	
Consumer Installation Expense	4,310		4,224		9,998	
Miscellaneous Distribution Expense	360,593		360,498		362,303	
Maintenance:						
Supervision	65,517		70,815		58,470	
Structures	7,918		---		---	
Station Equipment	63,873		74,140		47,985	
Overhead Lines	354,630		468,706		328,120	
Underground Lines	62,630		47,358		41,909	
Line Transformers	31,443		48,448		43,249	
Street Lighting	36,220		53,904		22,325	
Signal System	18,431		16,349		25,152	
Meters	18,629		18,500		7,597	
Miscellaneous Distribution Plant	15,946		14,979		15,366	
Vacation, Holiday, Sick Leave	191,753		202,225		176,442	
Depreciation	1,092,962		1,088,514		1,065,106	
Tax on Rural Property	11,879		11,961		11,595	
<b>Total Distribution Expense</b>	<u>\$2,949,149</u>	6.3	<u>\$3,029,035</u>	5.7	<u>\$2,738,818</u>	6.2

**Muscatine Power and Water - Electric Utility  
Summary of Expenses  
Current Month - July 2013**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$11,428		\$6,126		\$5,781	
Energy Efficiency Rebates	24,892		11,318		13,039	
Electric Ranges/Dryers Maintenance	450		337		293	
Electric Water Heaters Maintenance	150		29		14	
<b>Total Customer Service Expense</b>	<b>36,920</b>	<b>0.4</b>	<b>17,810</b>	<b>0.2</b>	<b>19,127</b>	<b>0.2</b>
<b><u>Consumer Accounts</u></b>						
Supervision	2,758		3,153		2,107	
Meter Reading Expense	8,245		7,267		8,151	
Consumer Records and Collection	31,370		31,840		29,679	
Uncollectible Accounts Expense	3,297		3,297		2,403	
Vacation, Holiday, Sick Leave	4,978		5,211		5,767	
<b>Total Consumer Accounts Expense</b>	<b>50,648</b>	<b>0.5</b>	<b>50,768</b>	<b>0.6</b>	<b>48,107</b>	<b>0.5</b>
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	167,918		187,916		160,686	
Office Supplies and Expenses	20,018		14,044		17,446	
Outside Services Employed	61,575		15,454		150,299	
Property Insurance	55,708		55,169		46,620	
Casualty Ins, Injuries & Damages	36,614		25,331		40,618	
Employee Pensions and Benefits	519,578		462,294		486,981	
Fringe Benefits Charged to Constr.	(29,594)		(22,572)		(20,240)	
Regulatory Commission	8,567		8,980		4,400	
Miscellaneous General Expense	30,427		24,776		30,497	
Maintenance of General Plant	28,447		28,283		25,215	
Maintenance of A/O Center	31,275		35,575		31,943	
Vacation, Holiday, Sick Leave	30,693		33,273		27,693	
Depreciation	133,383		128,501		124,220	
<b>Total Administrative and General</b>	<b>1,094,609</b>	<b>10.8</b>	<b>997,024</b>	<b>11.9</b>	<b>1,126,378</b>	<b>11.3</b>
<b>Total Operating Expense</b>	<b>\$9,843,056</b>		<b>\$8,248,565</b>		<b>\$9,057,047</b>	
<b>Percent to Operating Revenue</b>		<b>96.7</b>		<b>98.1</b>		<b>91.2</b>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - July 2013**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$110,338		\$47,569		75,699	
Energy Efficiency Rebates	144,245		90,461		121,788	
Electric Ranges/Dryers Maintenance	3,437		3,842		3,088	
Electric Water Heaters Maintenance	<u>1,156</u>		<u>619</u>		<u>563</u>	
Total Customer Service Expense	<u>\$259,176</u>	0.6	<u>\$142,491</u>	0.3	<u>\$201,138</u>	0.5
<b><u>Consumer Accounts</u></b>						
Supervision	18,758		21,179		14,566	
Meter Reading Expense	58,669		62,998		60,918	
Consumer Records and Collection	222,113		232,956		201,258	
Uncollectible Accounts Expense	23,076		23,079		16,817	
Vacation, Holiday, Sick Leave	<u>29,285</u>		<u>31,356</u>		<u>32,270</u>	
Total Consumer Accounts Expense	<u>351,901</u>	0.8	<u>371,568</u>	0.7	<u>325,829</u>	0.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	1,123,786		1,224,177		1,106,510	
Office Supplies and Expenses	153,098		106,471		113,559	
Outside Services Employed	525,007		306,153		406,251	
Property Insurance	361,966		360,537		302,907	
Casualty Ins, Injuries & Damages	256,294		213,542		309,456	
Employee Pensions and Benefits	3,667,204		3,467,112		3,450,229	
Fringe Benefits Charged to Constr.	(164,997)		(113,616)		(126,166)	
Regulatory Commission	59,967		58,460		40,771	
Miscellaneous General Expense	273,646		228,217		218,330	
Maintenance of General Plant	215,651		175,563		160,369	
Maintenance of A/O Center	293,146		227,557		198,159	
Vacation, Holiday, Sick Leave	177,085		195,784		183,577	
Depreciation	<u>933,685</u>		<u>899,507</u>		<u>869,540</u>	
Total Administrative and General	<u>7,875,538</u>	16.9	<u>7,349,464</u>	13.7	<u>7,233,492</u>	16.5
Total Operating Expense	<u>\$50,787,595</u>		<u>\$54,664,339</u>		<u>\$46,274,894</u>	
Percent to Operating Revenue		109.0		102.2		105.6

**Muscatine Power and Water - Electric Utility  
Statistical Data  
July 2013**

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

	<b><u>Current Month</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Per Million Btu.	\$1.849	\$1.794
Per Net MW Generated	\$21.17	\$20.72
Net Peak Monthly Demand-KW	134,800	138,450
Date of Peak	7/18	7/5
Hour of Peak	1300	1500

	<b><u>Calendar Year-To-Date</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Per Million Btu.	\$1.821	\$1.877
Per Net MW Generated	\$20.25	\$21.12
Net Peak Monthly Demand-KW	134,800	138,450
Date of Peak	7/18	7/5
Hour of Peak	1300	1500

Average Temperature	72.1°	79.4°
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<b><u>Services</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Residential	9,718	9,725
Commercial I	1,373	1,388
Commercial II	115	116
Industrial I	10	11
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
<b>Total</b>	<b><u>11,273</u></b>	<b><u>11,297</u></b>

**Muscatine Power and Water - Electric Utility**  
**Wholesale Sales Analysis**  
**Current Month - July 2013**

	Modified <u>Budget</u>	<u>\$/kWh</u>	This <u>Year</u>	<u>\$/kWh</u>	Last <u>Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>114,621,384</u></b>		<b><u>89,862,181</u></b>		<b><u>108,544,223</u></b>	
<b>Wholesale Sales</b>	<b><u>\$4,814,098</u></b>	<b><u>\$0.0420</u></b>	<b><u>\$3,216,866</u></b>	<b><u>\$0.0358</u></b>	<b><u>\$4,256,223</u></b>	<b><u>\$0.0392</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	2,275,762	0.0199	1,813,611	0.0202	2,156,650	0.0199
Emissions:						
SO <sup>2</sup> Allowances <sup>fn1</sup>	176	0.0000	60	0.0000	84	0.0000
NO <sub>x</sub> Allowances <sup>fn2</sup>	4,633	0.0000	6,647	0.0001	8,038	0.0001
Other <sup>fn3</sup>	<u>191,059</u>	<u>0.0017</u>	<u>187,258</u>	<u>0.0021</u>	<u>192,761</u>	<u>0.0018</u>
Total Variable Costs	<u>2,471,630</u>	<u>0.0216</u>	<u>2,007,576</u>	<u>0.0223</u>	<u>2,357,533</u>	<u>0.0217</u>
<b>Gross Margin</b>	<b><u>\$2,342,468</u></b>	<b><u>\$0.0204</u></b>	<b><u>\$1,209,290</u></b>	<b><u>\$0.0135</u></b>	<b><u>\$1,898,690</u></b>	<b><u>\$0.0175</u></b>
Percent Gross Margin	48.7%		37.6%		44.6%	

**Calendar Year To Date**

	Modified <u>Budget</u>	<u>\$/kWh</u>	This <u>Year</u>	<u>\$/kWh</u>	Last <u>Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>432,027,105</u></b>		<b><u>639,521,551</u></b>		<b><u>351,144,689</u></b>	
<b>Wholesale Sales</b>	<b><u>\$12,607,091</u></b>	<b><u>\$0.0292</u></b>	<b><u>\$19,949,503</u></b>	<b><u>\$0.0312</u></b>	<b><u>\$10,487,919</u></b>	<b><u>\$0.0299</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil)	8,277,680	0.0192	12,340,964	0.0193	6,894,198	0.0196
Emissions: <sup>fn1</sup>						
SO <sup>2</sup> Allowances <sup>fn2</sup>	1,258	0.0000	280	0.0000	323	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	25,238	0.0001	41,038	0.0001	23,420	0.0001
Other <sup>fn4</sup>	<u>1,337,413</u>	<u>0.0031</u>	<u>1,329,811</u>	<u>0.0021</u>	<u>1,353,242</u>	<u>0.0039</u>
Total Variable Costs	<u>9,641,589</u>	<u>0.0223</u>	<u>13,712,093</u>	<u>0.0214</u>	<u>8,271,183</u>	<u>0.0236</u>
<b>Gross Margin</b>	<b><u>\$2,965,502</u></b>	<b><u>\$0.0069</u></b>	<b><u>\$6,237,410</u></b>	<b><u>\$0.0098</u></b>	<b><u>\$2,216,736</u></b>	<b><u>\$0.0063</u></b>
Percent Gross Margin	23.5%		31.3%		21.1%	

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

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
fn1 SO <sup>2</sup> (Acid Rain Program)	\$2.00	\$0.75	\$0.75
YTD SO <sup>2</sup>	2.00	0.75	1.19
fn2 NO <sub>x</sub> annual	42.50	45.00	37.50
NO <sub>x</sub> seasonal	10.00	21.50	5.00
fn3 YTD NO <sub>x</sub> annual	42.50	41.61	42.90
YTD NO <sub>x</sub> seasonal	10.00	11.50	5.00

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