

Muscatine Power and Water
Electric Utility
Operating Statements and Balance Sheets
February 2011

**Muscatine Power and Water
Electric Utility**

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Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Current Month - February 2011

	<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	91,260,320	(4.4)	87,280,739	(33.7)	131,671,492
Less: Plant Use	<u>8,112,320</u>	14.4	<u>9,282,218</u>	(21.1)	<u>11,762,718</u>
Net Generation/Wholesale Sales	<u><u>83,148,000</u></u>	(6.2)	<u><u>77,998,521</u></u>	(35.0)	<u><u>119,908,774</u></u>
<u>Capacity Factors</u>					
Unit 9	88.15	(37.7)	54.94	(31.7)	80.42
Unit 8	---	---	23.78	(60.5)	60.17
Unit 8A	95.29	(1.7)	93.68	(2.0)	95.61
Unit 7	52.27	(56.1)	22.96	(61.3)	59.38
Total Plant	52.84	(4.4)	50.53	(33.7)	76.24
<u>KWH Distribution</u>					
Residential	8,275,769	6.0	8,776,216	(1.9)	8,943,959
Commercial I	3,117,708	2.4	3,194,072	(2.2)	3,267,447
Commercial II	7,803,035	(2.5)	7,607,138	(11.5)	8,598,409
Industrial I	8,117,532	1.4	8,230,000	(1.8)	8,383,550
Industrial II	35,722,909	(2.8)	34,721,294	5.6	32,893,420
City Enterprise Funds	491,933	(0.9)	487,656	(3.8)	506,775
Water & Communications Utilities	<u>1,240,420</u>	(11.9)	<u>1,092,704</u>	(11.7)	<u>1,237,193</u>
Native System Sales	64,769,306	(1.0)	64,109,080	0.4	63,830,753
City Lighting	162,987	(4.4)	155,897	(9.6)	172,465
City Buildings	585,979	4.9	614,511	(6.8)	659,605
Offline Power Plant Usage	---	---	95,382	---	---
MAPP Trans Loss-Net	---	---	---	---	---
Losses & Cycle Billing	<u>1,143,946</u>	(40.1)	<u>684,735</u>	---	<u>(803,138)</u>
Total Native System KWH Distributed/Purchased Power	<u><u>66,662,218</u></u>	(1.5)	<u><u>65,659,605</u></u>	2.8	<u><u>63,859,685</u></u>
<u>STEAM SALES - 1000 lbs</u>	<u><u>231,840</u></u>	2.2	<u><u>237,030</u></u>	3.5	<u><u>229,086</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - February 2011**

	<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	197,908,630	12.5	222,567,463	(15.8)	264,481,218
Less: Plant Use	<u>17,557,030</u>	23.6	<u>21,705,650</u>	(10.8)	<u>24,324,403</u>
Net Generation/Wholesale Sales	<u>180,351,600</u>	11.4	<u>200,861,813</u>	(16.4)	<u>240,156,815</u>
<u>Capacity Factors</u>					
Unit 9	88.30	(26.4)	65.02	7.1	60.70
Unit 8	---	---	39.78	39.5	28.51
Unit 8A	95.29	0.5	95.77	14.7	83.47
Unit 7	52.27	(29.3)	36.95	(1.2)	37.40
Total Plant	92.69	(34.0)	61.15	(15.9)	72.67
<u>KWH Distribution</u>					
Residential	17,182,242	8.0	18,555,485	(1.9)	18,918,408
Commercial I	6,405,623	5.0	6,725,626	0.5	6,691,156
Commercial II	16,285,479	2.4	16,672,655	(0.1)	16,686,423
Industrial I	16,973,481	8.9	18,480,420	8.6	17,024,717
Industrial II	73,990,124	(1.1)	73,212,169	5.1	69,638,823
City Enterprise Funds	1,020,361	(5.0)	968,923	(9.2)	1,067,586
Water & Communications Utilities	<u>2,588,433</u>	(5.8)	<u>2,439,524</u>	(10.1)	<u>2,714,740</u>
Native System Sales	134,445,743	1.9	137,054,802	3.2	132,741,853
City Lighting	328,385	(3.6)	316,453	(7.0)	340,256
City Buildings	1,196,559	9.4	1,309,030	(0.8)	1,319,212
Offline Power Plant Usage	---	---	116,166	---	21,341
MAPP Trans Loss-Net	---	---	---	---	---
Losses & Cycle Billing	<u>3,445,752</u>	(29.8)	<u>2,420,446</u>	81.7	<u>1,332,369</u>
Total Native System KWH Distributed	<u>139,416,439</u>	1.3	<u>141,216,897</u>	4.0	<u>135,755,031</u>
Purchased Power	<u>139,416,439</u>	1.3	<u>141,216,897</u>	4.0	<u>135,755,031</u>
<u>STEAM SALES - 1000 lbs</u>	<u>488,520</u>	4.4	<u>509,937</u>	5.7	<u>482,261</u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Current Month - February 2011

	<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	\$617,124	0.0746	\$652,244	0.0743	\$637,860	0.0713
Commercial I	245,114	0.0786	249,255	0.0780	244,638	0.0749
Commercial II	465,810	0.0597	456,748	0.0600	469,439	0.0546
Industrial I	432,335	0.0533	431,270	0.0524	429,306	0.0512
Industrial II	1,584,863	0.0444	1,557,199	0.0448	1,443,557	0.0439
City Enterprise Funds	25,245	0.0513	26,543	0.0544	25,111	0.0496
Water & Communication Utilities	<u>61,631</u>	<u>0.0497</u>	<u>55,317</u>	<u>0.0506</u>	<u>61,531</u>	<u>0.0497</u>
Native System Sales	3,432,122	0.0530	3,428,576	0.0535	3,311,442	0.0519
Wholesale Sales	<u>2,961,939</u>	<u>0.0356</u>	<u>2,474,403</u>	<u>0.0317</u>	<u>4,308,107</u>	<u>0.0359</u>
Energy Sales	<u>6,394,061</u>		<u>5,902,979</u>		<u>7,619,549</u>	
<u>Steam Sales</u>	<u>774,140</u>	<u>3.34</u>	<u>836,953</u>	<u>3.53</u>	<u>897,692</u>	<u>3.92</u>
<u>Other Revenue</u>						
Rail Car Lease	---		46,494		17,625	
By-Product Revenue	10,367		8,668		2,695	
Miscellaneous Revenue	<u>36,693</u>		<u>33,467</u>		<u>29,843</u>	
Total Other Revenue	<u>47,060</u>		<u>88,629</u>		<u>50,163</u>	
Operating Revenue	<u>7,215,261</u>		<u>6,828,561</u>		<u>8,567,404</u>	
<u>Operating Expense</u>						
Purchased Power	2,441,180	0.0366	1,848,450	0.0282	2,280,184	0.0357
Production Fuel	2,009,542		1,886,861		2,080,584	
Emissions Allowance	45,945		134,543		107,592	
Operation	1,795,393		1,675,577		1,576,668	
Maintenance	978,308		858,377		590,367	
Depreciation	<u>928,219</u>		<u>921,606</u>		<u>1,186,227</u>	
Total Operating Expense	<u>8,198,587</u>		<u>7,325,414</u>		<u>7,821,622</u>	
Operating Income (Loss)	<u>(983,326)</u>		<u>(496,853)</u>		<u>745,782</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	131,261		111,997		122,399	
Interest Expense	<u>(64,475)</u>		<u>(63,243)</u>		<u>(124,713)</u>	
Total Nonoperating Revenue (Expense)	<u>66,786</u>		<u>48,754</u>		<u>(2,314)</u>	
Change in Net Assets	(916,540)		(448,099)		743,468	
Beginning Net Assets	<u>163,428,326</u>		<u>166,180,001</u>		<u>168,559,180</u>	
Ending Net Assets	<u>\$162,511,786</u>		<u>\$165,731,902</u>		<u>\$169,302,648</u>	
Net Income (Loss) to Total Income	(12.5)		(6.5)		8.6	
Debt Service Coverage	0.06		0.47		1.78	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Assets
Calendar Year-to-Date - February 2011

	<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	\$1,277,539	0.0744	\$1,370,417	0.0739	\$1,338,398	0.0707
Commercial I	500,191	0.0781	521,793	0.0776	498,895	0.0746
Commercial II	960,710	0.0590	961,232	0.0577	927,713	0.0556
Industrial I	886,632	0.0522	925,999	0.0501	865,101	0.0508
Industrial II	3,244,340	0.0438	3,205,021	0.0438	2,954,801	0.0424
City Enterprise Funds	51,200	0.0502	54,436	0.0562	53,089	0.0497
Water & Communications Utilities	129,232	0.0499	119,877	0.0491	131,867	0.0486
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Native System Sales	7,049,844	0.0524	7,158,775	0.0522	6,769,864	0.0510
Wholesale Sales	6,708,618	0.0372	6,800,404	0.0339	8,982,802	0.0374
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Energy Sales	13,758,462		13,959,179		15,752,666	
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<u>Steam Sales</u>	1,631,227	3.34	1,796,234	3.52	1,895,712	3.93
	<hr/>		<hr/>		<hr/>	
<u>Other Revenue</u>						
Rail Car Lease	---		121,905		17,625	
By-Product Revenue	20,734		11,840		11,607	
Miscellaneous Revenue	70,261		75,999		65,942	
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Total Other Revenue	90,995		209,744		95,174	
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Operating Revenue	15,480,684		15,965,157		17,743,552	
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<u>Operating Expense</u>						
Purchased Power	5,223,107	0.0375	4,327,205	0.0306	4,960,656	0.0365
Production Fuel	4,251,987		4,619,050		4,214,152	
Emissions Allowance	96,779		213,360		236,939	
Operation	3,610,826		3,352,074		3,369,391	
Maintenance	1,907,896		1,816,869		1,210,357	
Depreciation	1,856,437		1,843,212		2,372,454	
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Total Operating Expense	16,947,032		16,171,770		16,363,949	
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Operating Income (Loss)	(1,466,348)		(206,613)		1,379,603	
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<u>Nonoperating Revenue (Expense)</u>						
Interest Income	264,772		223,622		273,739	
Interest Expense	(128,950)		(127,419)		(249,352)	
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Total Nonoperating Revenue (Expense)	135,822		96,203		24,387	
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Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,330,526)		(110,410)		1,403,990	
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Revenue Adjustment-Extraordinary O & M	---		2,000,000		5,100,000	
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Change in Net Assets	(1,330,526)		1,889,590		6,503,990	
	<hr/>		<hr/>		<hr/>	
Beginning Net Assets	163,842,312		163,842,312		162,798,658	
	<hr/>		<hr/>		<hr/>	
Ending Net Assets	\$162,511,786		\$165,731,902		\$169,302,648	
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Net Income (Loss) before Rev Adj to Total Income	(8.5)		(0.7)		7.8	
Net Income (Loss) after Rev Adj to Total Income	(8.5)		11.7		36.1	
	<hr/>		<hr/>		<hr/>	
Debt Service Coverage Before Transfers	0.28		0.81		1.73	
Debt Service Coverage After Transfers	0.28		1.11		3.91	

Muscatine Power and Water - Electric Utility
Statements of Net Assets
February 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$9,411,707	\$5,684,694
Investments	13,283,106	14,898,111
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Total Restricted Current Assets	22,694,813	20,582,805
<u>Unrestricted</u>		
Cash - interest bearing	8,096,754	10,374,969
Investments	---	3,499
Receivables:		
Consumer Accounts	4,924,745	5,348,712
Wholesale	755,843	2,170,796
Steam Sales	1,657,372	989,229
Interest	252,025	311,055
Intercompanies	24,079	24,299
Inventories	6,978,210	8,303,374
Fuel	8,771,970	7,820,693
Prepaid Expenses	573,486	582,480
Hedge Asset ^{fn1}	2,196,100	---
	<hr/>	<hr/>
Total Unrestricted Current Assets	34,230,584	35,929,106
Total Current Assets	<hr/>	<hr/>
	56,925,397	56,511,911
Property and Equipment:		
At Cost	405,480,122	404,290,002
Less Accumulated Depreciation	293,402,079	280,160,692
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Net Property and Equipment	112,078,043	124,129,310
Other Assets:		
Unamortized Cost of Issuing Bonds	---	22,735
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	159,793	183,266
	<hr/>	<hr/>
Total Other Assets	35,486,793	35,533,001
TOTAL ASSETS	<hr/>	<hr/>
	\$204,490,233	\$216,174,222

fn1 The hedge asset and liability is a result of a financial swap with Tenaska based on 73,200 MWH at an average price of \$30/MWH for Unit 9's scheduled maintenance outage in March and April 2011.

Muscatine Power and Water - Electric Utility
Statements of Net Assets
February 2011

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current Liabilities:		
<u>Restricted</u>		
2001 Revenue Bonds - Plus Unamortized Premium of \$61,393 in 2011 and \$63,504 in 2010; and Less Deferred Amount on Refund of \$60,308 in 2011 and \$62,916 in 2010	\$13,271,085	\$12,585,588
Accrued Interest	121,642	237,004
Total Restricted Current Liabilities	<u>13,392,727</u>	<u>12,822,592</u>
<u>Unrestricted</u>		
Accounts Payable	1,857,829	899,087
Pension Provision	318,752	284,070
Health & Dental Insurance Provision	233,632	216,660
Accrued Payroll	387,984	301,326
Accrued Vacation	1,091,591	1,103,097
Accrued Emission Allowance Expense	733,060	1,936,069
Consumers' Deposits	597,272	615,003
Accrued Property Taxes	108,568	112,933
Miscellaneous Accrued Expenses	624,069	514,769
Miscellaneous Deferred Credits	52,850	86,050
Hedge Liability ^{fn1}	2,196,100	---
Total Unrestricted Current Liabilities	<u>8,201,707</u>	<u>6,069,064</u>
Total Current Liabilities	<u>21,594,434</u>	<u>18,891,656</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,885,645	1,893,087
Post-Employment Health Benefit Provision	123,090	---
Long-Term Debt - Less Current Portion:		
2001 Revenue Bonds - Plus Unamortized Premium of \$140,630 in 2010 and less Deferred Amount on Refunding of \$126,961 in 2010	---	13,283,669
Total Non-Current Liabilities	<u>2,008,735</u>	<u>15,176,756</u>
Deferred Revenue - Extraordinary O & M	<u>15,155,162</u>	<u>12,803,162</u>
Net Assets:		
Invested in capital assets, net of related debt	98,829,693	98,331,634
Restricted	22,573,171	20,345,801
Unrestricted	44,329,038	50,625,213
Total Net Assets	<u>165,731,902</u>	<u>169,302,648</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$204,490,233</u>	<u>\$216,174,222</u>

fn1 The hedge asset and liability is a result of a financial swap with Tenaska based on 73,200 MWH at an average price of \$30/MWH for Unit 9's scheduled maintenance outage in March and April 2011.

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,242,273	\$6,953,252
MISO, net sales/purchases	1,724,193	3,018,505
Steam sales	999,740	1,919,995
Coal & transportation allowances	12,231	94,582
Railcar leasing	23,423	23,423
By-product sales	1,669	50,908
Miscellaneous sources	35,912	73,291
Cash paid to/for:		
Suppliers	(814,074)	(1,384,071)
Coal	(881,943)	(1,755,159)
Employees payroll, taxes and benefits	(1,494,169)	(3,100,957)
Net cash flows from operating activities	<u>2,849,255</u>	<u>5,893,769</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	(277,987)	(446,935)
Bond principal payments	---	(12,585,000)
Bond interest payments	---	(711,013)
Net cash flows from capital and related financing activities	<u>(277,987)</u>	<u>(13,742,948)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	---	(12,525)
Interest received on investments and note receivable	32,975	663,285
Accrued Interest Purchased	---	---
Amortization/accretion of investments	262	1,414
Mark to market	(12,528)	(24,721)
Net cash flows from investing activities	<u>20,709</u>	<u>627,453</u>
Net increase (decrease) in cash and investments	<u>2,591,977</u>	<u>(7,221,726)</u>
Cash and investments at beginning of period	<u>28,199,589</u>	<u>38,013,293</u>
Cash and investments at end of period	<u>\$30,791,566</u>	<u>\$30,791,567</u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
February 2011

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$496,853)	(\$206,613)
Noncash items in operating income:		
Depreciation of electric utility plant	921,606	1,843,212
Amortization of joint venture rights	8,420	15,264
Changes in assets and liabilities:		
Consumer accounts receivable	(287,593)	22,339
Wholesale receivable	1,095,951	536,756
Steam sales receivable	843,327	708,373
Intercompany receivable	(6,680)	(1,879)
Inventories	(392,179)	(318,390)
Fuel	582,513	2,346,617
Prepaid expenses	(154,874)	(40,517)
Accounts payable	409,758	416,166
Pension provision	159,376	318,752
Health & dental insurance provision	17,114	26,763
Other post-employment benefit provision	2,462	4,924
Accrued payroll	45,514	93,657
Accrued vacation	23,636	75,534
Accrued emission allowance expense	17,807	96,624
Consumers' deposits	4,266	(520)
Retained percentage	---	---
Accrued property taxes	11,335	19,148
Miscellaneous accrued expenses	44,349	(62,441)
Miscellaneous deferred credits	---	---
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Net cash flows from operating activities	<u>\$2,849,255</u>	<u>\$5,893,769</u>

**Muscatine Power and Water - Electric Utility
Funds Appropriated for Specific Purposes
February 2011**

	<u>This Year</u>	<u>Last Year</u>
Bond Reserve Fund	\$7,494,474	\$7,475,585
Extraordinary Operation & Maintenance Account	<u>15,200,339</u>	<u>13,107,220</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$22,694,813</u></u>	<u><u>\$20,582,805</u></u>

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	\$2,441,180	33.8	\$1,848,450	27.1	\$2,280,184	26.6
Average price per kWh	\$0.0366		\$0.0282		\$0.0357	
 <u>Generation</u>						
Operation Supervision	73,846		76,733		82,406	
Fuel:						
Coal	1,899,340		1,792,703		2,009,256	
Fuel Oil	10,000		6,874		4,554	
Gas	31,600		24,808		7,305	
Coal Handling Expense	65,003		60,675		58,117	
Landfill Operation Expense	3,599		1,801		1,352	
Emissions Allowance Expense	45,945		134,543		107,592	
Steam Expense:						
Boiler	113,512		90,732		93,037	
Pollution Control	52,038		33,738		37,593	
Electric Expense	100,506		85,281		87,301	
Miscellaneous Steam Power Expense	111,593		129,507		108,689	
Maintenance:						
Supervision	75,987		79,955		81,137	
Structures	61,325		45,560		48,578	
Boiler Plant:						
Boiler	190,667		287,914		113,081	
Pollution Control	223,206		48,478		14,941	
Electric Plant	70,085		108,441		41,848	
System Control	19,961		19,025		17,839	
Miscellaneous Steam Plant	72,077		48,742		51,863	
Coal Handling Equipment	91,409		57,227		43,522	
Wholesale Sales Commission	---		---		---	
System Control and Load Dispatch	62,852		47,115		70,579	
Vacation, Holiday, Sick Leave	73,703		75,492		79,053	
Depreciation	621,861		620,375		885,239	
 Total Generation Expense	 <u>\$4,070,115</u>	 56.4	 <u>\$3,875,719</u>	 56.8	 <u>\$4,044,882</u>	 47.2

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
Purchased Power	<u>\$5,223,107</u>	33.7	<u>\$4,327,205</u>	27.1	<u>\$4,960,656</u>	28.0
Average price per kWh	\$0.0375		\$0.0306		\$0.0365	
 <u>Generation</u>						
Operation Supervision	147,424		155,260		170,166	
Fuel:						
Coal	4,026,874		4,419,181		4,060,339	
Fuel Oil	20,000		8,280		6,148	
Gas	63,200		53,913		19,226	
Coal Handling Expense	134,260		134,241		125,923	
Landfill Operation Expense	7,653		3,435		2,516	
Emissions Allowance Expense	96,779		213,360		236,939	
Steam Expense:						
Boiler	214,560		240,247		239,346	
Pollution Control	105,221		68,922		71,470	
Electric Expense	207,008		179,186		183,959	
Miscellaneous Steam Power Expense	233,291		238,349		228,951	
Maintenance:						
Supervision	152,157		165,203		164,382	
Structures	216,948		108,285		90,113	
Boiler Plant:						
Boiler	455,597		595,256		181,188	
Pollution Control	240,412		85,051		62,344	
Electric Plant	109,202		256,988		87,004	
System Control	42,483		44,525		35,825	
Miscellaneous Steam Plant	128,575		109,419		112,687	
Coal Handling Equipment	191,935		121,766		127,026	
Wholesale Sales Commission	---		---		---	
System Control and Load Dispatch	122,126		92,178		156,527	
Vacation, Holiday, Sick Leave	147,178		151,126		189,484	
Depreciation	<u>1,243,721</u>		<u>1,240,750</u>		<u>1,770,478</u>	
 Total Generation Expense	 <u>\$8,306,604</u>	 53.7	 <u>\$8,684,921</u>	 54.4	 <u>\$8,322,041</u>	 46.9

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,773		\$3,924		\$3,928	
Load Dispatching	10,316		7,951		7,306	
Station Expense	7,213		4,996		9,013	
Overhead Line Expense	118		185		66	
Miscellaneous Transmission Expense	12,686		8,865		7,310	
Maintenance:						
Supervision	1,949		1,905		1,735	
Structures	28		---		47	
Station Equipment	7,965		6,351		8,568	
Overhead Lines	5,514		8,897		14,878	
Vacation, Holiday, Sick Leave	4,720		4,989		4,801	
Depreciation	30,608		30,592		30,568	
Tax on Rural Property	5,560		5,560		5,942	
	<hr/>		<hr/>		<hr/>	
Total Transmission Expense	90,450	1.3	84,215	1.2	94,162	1.1
	<hr/>		<hr/>		<hr/>	
<u>Distribution</u>						
Operation Supervision	10,470		11,188		11,951	
Load Dispatching	38,375		30,827		7,210	
Station Expense	6,675		8,111		6,427	
Overhead Line Expense	2,667		7,057		2,818	
Vehicle Expense	15,144		11,656		13,151	
Underground Line Expense	3,189		1,135		933	
Street Lighting	1,470		2,052		1,977	
Signal Expense	485		---		210	
Meter Expense	8,995		6,924		9,629	
Consumer Installation Expense	1,354		1,588		1,484	
Miscellaneous Distribution Expense	72,248		53,007		61,384	
Maintenance:						
Supervision	9,626		10,130		10,721	
Structures	331		---		---	
Station Equipment	11,208		12,088		13,330	
Overhead Lines	59,174		47,962		60,760	
Underground Lines	8,127		5,510		2,920	
Line Transformers	3,607		8,335		7,063	
Street Lighting	4,904		3,480		3,196	
Signal System	1,741		5,731		1,690	
Meters	676		4,666		---	
Miscellaneous Distribution Plant	2,917		1,369		1,350	
Vacation, Holiday, Sick Leave	21,901		25,384		25,141	
Depreciation	150,714		148,879		146,484	
Tax on Rural Property	1,661		1,661		1,775	
	<hr/>		<hr/>		<hr/>	
Total Distribution Expense	\$437,659	6.1	\$408,740	6.0	\$391,604	4.6
	<hr/>		<hr/>		<hr/>	

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$7,636		\$7,865		\$7,589	
Load Dispatching	21,189		16,043		15,353	
Station Expense	15,382		11,349		19,959	
Overhead Line Expense	118		738		343	
Miscellaneous Transmission Expense	25,880		17,496		15,938	
Maintenance:						
Supervision	3,898		3,824		3,481	
Structures	140		---		211	
Station Equipment	15,742		11,078		19,236	
Overhead Lines	11,028		22,678		22,471	
Vacation, Holiday, Sick Leave	9,441		10,156		11,431	
Depreciation	61,216		61,184		61,136	
Tax on Rural Property	11,120		11,120		11,926	
Total Transmission Expense	182,790	1.2	173,531	1.1	189,074	1.1
<u>Distribution</u>						
Operation Supervision	21,618		22,581		22,721	
Load Dispatching	79,442		62,513		15,156	
Station Expense	14,787		18,738		15,197	
Overhead Line Expense	6,534		7,772		3,286	
Vehicle Expense	30,277		24,420		30,095	
Underground Line Expense	6,483		2,111		1,680	
Street Lighting	2,940		3,920		3,381	
Signal Expense	1,269		---		629	
Meter Expense	18,487		15,236		17,458	
Consumer Installation Expense	2,851		2,756		3,203	
Miscellaneous Distribution Expense	131,487		105,920		122,948	
Maintenance:						
Supervision	19,816		20,463		20,584	
Structures	635		---		---	
Station Equipment	23,568		25,628		21,466	
Overhead Lines	120,595		101,597		132,824	
Underground Lines	16,445		9,211		4,346	
Line Transformers	7,246		14,669		13,711	
Street Lighting	9,808		9,684		6,732	
Signal System	3,876		6,580		3,095	
Meters	1,453		5,916		---	
Miscellaneous Distribution Plant	5,833		2,754		2,768	
Vacation, Holiday, Sick Leave	43,791		51,027		59,299	
Depreciation	301,428		297,758		292,968	
Tax on Rural Property	3,322		3,322		3,550	
Total Distribution Expense	\$873,991	5.6	\$814,576	5.1	\$797,097	4.5

Muscatine Power and Water - Electric Utility
Summary of Expenses
Current Month - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$55,753		\$34,031		\$11,578	
Electric Ranges/Dryers-Maint/Promotion	1,327		1,056		533	
Electric Water Heaters-Maint/Promotion	877		1,198		150	
	<hr/>		<hr/>		<hr/>	
Total Customer Service Expense	57,957	0.8	36,285	0.5	12,261	0.1
	<hr/>		<hr/>		<hr/>	
<u>Consumer Accounts</u>						
Supervision	1,903		1,363		1,363	
Meter Reading Expense	7,936		7,562		8,425	
Consumer Records and Collection	30,460		25,916		32,498	
Uncollectible Accounts Expense	1,942		1,834		1,834	
Vacation, Holiday, Sick Leave	2,668		3,437		3,358	
	<hr/>		<hr/>		<hr/>	
Total Consumer Accounts Expense	44,909	0.6	40,112	0.6	47,478	0.6
	<hr/>		<hr/>		<hr/>	
<u>Administrative and General</u>						
Administrative and General Salaries	170,550		155,812		152,033	
Office Supplies and Expenses	16,106		13,417		11,714	
Outside Services Employed	69,659		74,397		36,903	
Property Insurance	41,012		41,013		41,006	
Casualty Ins, Injuries & Damages	38,044		30,843		36,795	
Employee Pensions and Benefits	476,599		488,783		456,328	
Fringe Benefits Charged to Constr.	(12,815)		(10,864)		(7,768)	
Regulatory Commission	4,400		4,400		4,561	
Miscellaneous General Expense	47,787		41,817		23,911	
Maintenance of General Plant	29,653		20,513		25,359	
Maintenance of A/O Center	26,171		26,098		25,941	
Vacation, Holiday, Sick Leave	24,115		23,904		20,332	
Depreciation	125,036		121,760		123,936	
	<hr/>		<hr/>		<hr/>	
Total Administrative and General	1,056,317	14.6	1,031,893	15.1	951,051	11.1
	<hr/>		<hr/>		<hr/>	
Total Operating Expense	<u>\$8,198,587</u>		<u>\$7,325,414</u>		<u>\$7,821,622</u>	
	<hr/>		<hr/>		<hr/>	
Percent to Operating Revenue		113.6		107.3		91.3

Muscatine Power and Water - Electric Utility
Summary of Expenses
Calendar Year-to-Date - February 2011

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$116,152		\$52,644		\$23,415	
Electric Ranges/Dryers-Maint/Promotion	3,154		1,869		1,971	
Electric Water Heaters-Maint/Promotion	1,722		2,508		1,190	
Total Customer Service Expense	\$121,028	0.8	\$57,021	0.4	\$26,576	0.1
<u>Consumer Accounts</u>						
Supervision	3,806		3,566		3,408	
Meter Reading Expense	15,908		15,918		18,323	
Consumer Records and Collection	61,315		54,950		61,105	
Uncollectible Accounts Expense	3,883		3,776		3,668	
Vacation, Holiday, Sick Leave	5,330		6,665		7,858	
Total Consumer Accounts Expense	90,242	0.6	84,875	0.5	94,362	0.5
<u>Administrative and General</u>						
Administrative and General Salaries	341,293		331,098		300,488	
Office Supplies and Expenses	40,679		27,146		26,524	
Outside Services Employed	129,003		121,749		133,607	
Property Insurance	82,024		82,025		82,012	
Casualty Ins, Injuries & Damages	76,087		63,921		70,018	
Employee Pensions and Benefits	981,917		965,096		924,295	
Fringe Benefits Charged to Constr.	(25,541)		(24,146)		(17,367)	
Regulatory Commission	8,800		8,800		9,121	
Miscellaneous General Expense	86,294		67,765		45,000	
Maintenance of General Plant	64,736		46,389		46,541	
Maintenance of A/O Center	65,768		49,905		52,322	
Vacation, Holiday, Sick Leave	48,138		46,373		53,710	
Depreciation	250,072		243,520		247,872	
Total Administrative and General	2,149,270	13.9	2,029,641	12.7	1,974,143	11.1
Total Operating Expense	\$16,947,032		\$16,171,770		\$16,363,949	
Percent to Operating Revenue		109.5		101.3		92.2

Muscatine Power and Water - Electric Utility
Statistical Data
February 2011

Per KWH Delivered to Wholesale Customers

	<u>Current Month</u> <u>2011 Budget</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Year-To-Date</u> <u>2011 Budget</u>	<u>Year-To-Date</u> <u>2011 Actual</u>
Wholesale Sales KWHs	83,148,000	77,998,521	119,908,774	180,351,600	#REF!
Wholesale Sales	\$0.03562	\$0.03172	\$0.03593	\$0.03720	#REF!
Less:					
Generation	0.04165	0.03001	0.02232	0.03911	#REF!
Transmission	0.00109	0.00108	0.00079	0.00101	#REF!
Subtotal	<u>0.04274</u>	<u>0.03109</u>	<u>0.02311</u>	<u>0.04012</u>	<u>#REF!</u>
Wholesale Margin	<u>(\$0.00712)</u>	<u>\$0.00063</u>	<u>\$0.01282</u>	<u>(\$0.00292)</u>	<u>#REF!</u>

Per KWH Delivered to Paying Native System Customers

	<u>Current Month</u> <u>2011 Budget</u>	<u>Current Month</u> <u>2011 Actual</u>	<u>Current Month</u> <u>2010 Actual</u>	<u>Year-To-Date</u> <u>2011 Budget</u>	<u>Year-To-Date</u> <u>2011 Actual</u>
Native System Sales KWHs	64,769,306	64,109,080	63,830,753	134,445,743	137,054,802
Native System Sales	\$0.05299	\$0.05348	\$0.05188	\$0.05244	\$0.05223
Less:					
Purchased Power	0.03769	0.02883	0.03572	0.03885	0.03157
Distribution	0.00676	0.00638	0.00614	0.00650	0.00594
Customer Service	0.00089	0.00057	0.00019	0.00090	0.00042
Consumers Accounts	0.00069	0.00063	0.00074	0.00067	0.00062
Administrative & General	0.01631	0.01610	0.01490	0.01599	0.01481
Subtotal	<u>0.06234</u>	<u>0.05250</u>	<u>0.05769</u>	<u>0.06291</u>	<u>0.05336</u>
Native System Margin	(0.00935)	0.00098	(0.00581)	(0.01047)	(0.00113)
Wholesale Margin	<u>(0.00913)</u>	<u>0.00077</u>	<u>0.02408</u>	<u>(0.00392)</u>	<u>0.00723</u>
Net Electric Margin before Steam Sales	<u>(\$0.01849)</u>	<u>\$0.00175</u>	<u>\$0.01827</u>	<u>(\$0.01440)</u>	<u>\$0.00610</u>
Net Electric Margin after Steam Sales	<u>(\$0.01591)</u>	<u>(\$0.00913)</u>	<u>\$0.01090</u>	<u>(\$0.01158)</u>	<u>(\$0.00304)</u>

Total Fuel Cost
(To & Including Ash Handling)

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Per Million Btu.	\$1.652	\$1.300	\$1.458	\$1.305
Per Net MW Generated	\$18.14	\$14.41	\$15.47	\$14.44
Net Peak Monthly Demand - KW	113,100	115,800	116,470	115,800
Date of Peak	2/3	2/24	1/13	2/24
Average Temperature	24.1°	22.5°		
<u>Services</u>	<u>2011</u>	<u>2010</u>		
Residential	9,684	9,661		
Commercial I	1,391	1,383		
Commercial II	117	119		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	<u>33</u>	<u>39</u>		
Total	<u><u>11,260</u></u>	<u><u>11,237</u></u>		

Muscatine Power and Water - Electric Utility
Wholesale Sales Analysis
Current Month - February 2011

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>83,148,000</u>		<u>77,998,521</u>		<u>119,908,774</u>	
<u>Wholesale Sales</u>	<u>\$2,961,939</u>	<u>\$0.0356</u>	<u>\$2,474,403</u>	<u>\$0.0317</u>	<u>\$4,308,107</u>	<u>\$0.0359</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	1,479,203	0.0178	1,338,278	0.0172	1,651,383	0.0138
SO ² Allowances ^{fn1}	319	0.0000	561	0.0000	4,862	0.0000
NO _x Allowances ^{fn2}	45,628	0.0005	30,319	0.0004	106,126	0.0009
Other ^{fn4}	<u>283,062</u>	<u>0.0034</u>	<u>275,332</u>	<u>0.0035</u>	<u>296,229</u>	<u>0.0025</u>
Total Variable Costs	<u>1,808,212</u>	<u>0.0217</u>	<u>1,644,490</u>	<u>0.0211</u>	<u>2,058,600</u>	<u>0.0172</u>
Gross Margin	<u>\$1,153,727</u>	<u>\$0.0139</u>	<u>\$829,913</u>	<u>\$0.0106</u>	<u>\$2,249,507</u>	<u>\$0.0188</u>
Percent Gross Margin	39.0%		33.5%		52.2%	

Calendar Year To Date

	<u>Budget</u> <u>Estimate</u>	<u>\$/kWh</u>	<u>This</u> <u>Year</u>	<u>\$/kWh</u>	<u>Last</u> <u>Year</u>	<u>\$/kWh</u>
<u>Wholesale kWh Sales</u>	<u>180,351,600</u>		<u>200,861,813</u>		<u>240,156,815</u>	
<u>Wholesale Sales</u>	<u>\$6,708,618</u>	<u>\$0.0372</u>	<u>\$6,800,404</u>	<u>\$0.0339</u>	<u>\$8,982,802</u>	<u>\$0.0374</u>
<u>Variable Costs</u>						
Fuel (Coal, Gas & Fuel Oil)	3,151,995	0.0175	3,427,909	0.0171	3,297,792	0.0137
SO ² Allowances ^{fn1}	638	0.0000	1,454	0.0000	12,829	0.0001
NO _x Allowances ^{fn3}	96,144	0.0005	91,244	0.0005	223,126	0.0009
Other ^{fn4}	<u>566,124</u>	<u>0.0031</u>	<u>550,664</u>	<u>0.0027</u>	<u>592,458</u>	<u>0.0025</u>
Total Variable Costs	<u>3,814,901</u>	<u>0.0212</u>	<u>4,071,271</u>	<u>0.0203</u>	<u>4,126,205</u>	<u>0.0172</u>
Gross Margin	<u>\$2,893,717</u>	<u>\$0.0160</u>	<u>\$2,729,133</u>	<u>\$0.0136</u>	<u>\$4,856,597</u>	<u>\$0.0202</u>
Percent Gross Margin	43.1%		40.1%		54.1%	

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

	<u>Budget</u>	<u>2011</u>	<u>2010</u>
fn1 SO²	\$30.00	\$8.00	\$56.00
YTD SO ²	30.00	9.12	75.29
fn2 NO_x annual	400.00	290.00	600.00
NO _x seasonal	50.00	0.00	0.00
fn3 YTD NO_x annual	400.00	318.57	612.85
YTD NO _x seasonal	50.00	0.00	0.00

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees