

Muscatine Power and Water

Electric Utility

Statement of Revenues, Expenses and Changes in Net Position

March 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 - March 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>
<u>KWH Generated and Sold</u>					
Gross Generation	68,272,812	52.9	104,398,176	4.7X	18,272,358
Less: Plant Use	<u>7,572,461</u>	43.0	<u>10,825,126</u>	2.4X	<u>3,196,866</u>
Net Generation/Wholesale Sales	<u><u>60,700,351</u></u>	54.2	<u><u>93,573,050</u></u>	5.2X	<u><u>15,075,492</u></u>
<u>Net Capacity Factors</u>					
Unit 9	37.26	68.2	62.68	17.5X	3.39
Unit 8/8A	30.93	66.7	51.55	69.9	30.35
Unit 7	30.00	---	---	---	5.73
Total Plant	35.34	54.0	54.41	5.2X	8.74
<u>KWH Distribution</u>					
Residential	8,155,080	(1.1)	8,066,650	2.2	7,895,465
Commercial I	2,994,990	6.0	3,175,159	2.9	3,087,030
Commercial II	8,390,180	0.4	8,421,333	5.3	8,000,939
Industrial I	9,494,482	(4.1)	9,102,860	(0.5)	9,149,700
Industrial II	39,372,965	0.9	39,723,183	0.5	39,523,736
City Enterprise Funds	492,986	(10.7)	440,479	21.5	362,654
Water & Communications Utilities	<u>1,340,150</u>	(0.3)	<u>1,336,634</u>	8.0	<u>1,237,791</u>
Native System Sales	70,240,833	---	70,266,298	1.5	69,257,315
City Lighting	163,208	(2.1)	159,831	(6.2)	170,470
City Buildings	528,683	8.6	573,907	12.6	509,908
Offline Power Plant Usage	327,090	(32.2)	221,890	(82.4)	1,261,607
Losses & Cycle Billing	<u>2,073,334</u>	(15.2)	<u>1,758,765</u>	1.8X	<u>632,192</u>
Total Native System KWH Distributed/Purchased Power	<u><u>73,333,148</u></u>	(0.5)	<u><u>72,980,691</u></u>	1.6	<u><u>71,831,492</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>255,871</u></u>	 5.2	 <u><u>269,267</u></u>	 2.4	 <u><u>263,013</u></u>

**Muscatine Power and Water - Electric Utility
Classification of Electric Energy/Steam Sales
Calendar Year-to-Date - March 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>
<u>KWH Generated and Sold</u>					
Gross Generation	260,750,181	9.8	286,190,682	1.1X	138,783,598
Less: Plant Use	<u>27,244,054</u>	15.5	<u>31,470,555</u>	46.4	<u>21,502,098</u>
Net Generation/Wholesale Sales	<u><u>233,506,127</u></u>	9.1	<u><u>254,720,127</u></u>	1.2X	<u><u>117,281,500</u></u>
<u>Net Capacity Factors</u>					
Unit 9	51.47	19.6	61.57	1.6X	24.13
Unit 8/8A	36.38	4.7	38.09	23.1	30.95
Unit 7	33.44	-1.0X	---	---	1.95
Total Plant	46.83	5.3	49.30	1.1X	23.26
<u>KWH Distribution</u>					
Residential	26,810,635	(3.2)	25,940,423	4.3	24,867,598
Commercial I	9,510,250	4.0	9,892,557	6.4	9,296,028
Commercial II	25,269,345	(4.0)	24,254,194	0.9	24,038,991
Industrial I	26,990,228	(0.8)	26,775,940	2.2	26,200,560
Industrial II	114,230,245	(1.3)	112,698,452	(2.3)	115,399,973
City Enterprise Funds	1,479,840	(15.5)	1,250,942	9.0	1,147,322
Water & Communications Utilities	<u>3,952,269</u>	(4.5)	<u>3,774,660</u>	5.3	<u>3,583,297</u>
Native System Sales	208,242,812	(1.8)	204,587,168	---	204,533,769
City Lighting	494,218	(1.4)	487,424	(2.1)	498,037
City Buildings	1,748,026	2.0	1,783,688	7.5	1,659,898
Offline Power Plant Usage	327,090	---	---	-1.0X	1,592,599
Losses & Cycle Billing	<u>5,565,055</u>	(0.1)	<u>5,557,252</u>	25.3	<u>4,433,637</u>
Total Native System KWH Distributed/Purchased Power	<u><u>216,377,201</u></u>	(1.8)	<u><u>212,415,532</u></u>	(0.1)	<u><u>212,717,940</u></u>
 <u>STEAM SALES - 1000 lbs</u>	 <u><u>739,263</u></u>	 2.3	 <u><u>756,381</u></u>	 (3.1)	 <u><u>780,739</u></u>

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Current Month - March 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>
<u>Sales of Electricity</u>						
Residential	\$703,761	0.0863	\$740,644	0.0918	\$661,329	0.0838
Commercial I	244,732	0.0817	258,544	0.0814	246,580	0.0799
Commercial II	511,234	0.0609	496,748	0.0590	486,477	0.0608
Industrial I	508,281	0.0535	487,695	0.0536	473,817	0.0518
Industrial II	1,846,714	0.0469	1,842,091	0.0464	1,767,081	0.0447
City Enterprise Funds	28,723	0.0583	25,704	0.0584	22,105	0.0610
Water & Communication Utilities	66,659	0.0497	66,436	0.0497	59,694	0.0482
Native System Sales	3,910,104	0.0557	3,917,862	0.0558	3,717,083	0.0537
Wholesale Sales	1,244,357	0.0205	2,750,048	0.0294	257,820	0.0171
Energy Sales	5,154,461		6,667,910		3,974,903	
<u>Steam Sales</u>	947,470	3.70	996,606	3.70	967,142	3.68
<u>Other Revenue</u>						
Rail Car Lease	181,667		59,443		59,443	
By-Product Revenue	16,655		8,483		5,888	
Miscellaneous Revenue	45,492		37,442		43,801	
Total Other Revenue	243,814		105,368		109,132	
Operating Revenue	6,345,745		7,769,884		5,051,177	
<u>Operating Expense</u>						
Purchased Power	1,393,330	0.0190	1,858,524	0.0255	1,054,567	0.0147
Production Fuel	1,758,173		2,473,149		881,990	
Emissions Allowance	5,261		8,566		4,846	
Operation	1,966,690		1,844,247		1,666,785	
Maintenance	875,500		602,128		848,031	
Depreciation	944,954		937,001		929,362	
Total Operating Expense	6,943,908		7,723,615		5,385,581	
Operating Income (Loss)	(598,163)		46,269		(334,404)	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	110,613		105,123		108,834	
Interest Expense	(450)		(391)		(117)	
Total Nonoperating Revenue (Expense)	110,163		104,732		108,717	
Net Income (Loss) Before Revenue Adjustment	(488,000)		151,001		(225,687)	
Capital Contributions	---		5,047		---	
Change in Net Position	(488,000)		156,048		(225,687)	
Beginning Net Position	163,245,925		163,757,846		165,874,309	
Ending Net Position	<u>\$162,757,925</u>		<u>\$163,913,894</u>		<u>\$165,648,622</u>	
Net Loss Before Rev Adj to Op Revenue	(7.7)		1.9		(4.5)	
Change in Net Position to Operating Revenue	(7.7)		2.0		(4.5)	

Muscatine Power and Water - Electric Utility
Statements of Revenues, Expenses, and Changes in Net Position
Calendar Year-to-Date - March 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>
<u>Sales of Electricity</u>						
Residential	\$2,280,389	0.0851	\$2,357,340	0.0909	\$2,066,642	0.0831
Commercial I	773,164	0.0813	802,989	0.0812	741,466	0.0798
Commercial II	1,548,398	0.0613	1,458,452	0.0601	1,446,769	0.0602
Industrial I	1,473,232	0.0546	1,444,538	0.0539	1,379,878	0.0527
Industrial II	5,390,794	0.0472	5,323,280	0.0472	5,205,698	0.0451
City Enterprise Funds	85,698	0.0579	73,889	0.0591	66,852	0.0583
Water & Communications Utilities	<u>196,893</u>	0.0498	<u>191,326</u>	0.0507	<u>177,385</u>	0.0495
Native System Sales	11,748,568	0.0564	11,651,814	0.0570	11,084,690	0.0542
Wholesale Sales	<u>5,768,560</u>	0.0247	<u>6,859,590</u>	0.0269	<u>2,759,874</u>	0.0235
Energy Sales	<u>17,517,128</u>		<u>18,511,404</u>		<u>13,844,564</u>	
<u>Steam Sales</u>	<u>2,737,480</u>	3.70	<u>2,798,225</u>	3.70	<u>2,866,874</u>	3.67
<u>Other Revenue</u>						
Rail Car Lease	218,000		172,575		246,042	
By-Product Revenue	66,794		18,869		16,647	
Miscellaneous Revenue	<u>139,208</u>		<u>131,907</u>		<u>117,103</u>	
Total Other Revenue	<u>424,002</u>		<u>323,351</u>		<u>379,792</u>	
Operating Revenue	<u>20,678,610</u>		<u>21,632,980</u>		<u>17,091,230</u>	
<u>Operating Expense</u>						
Purchased Power	4,835,234	0.0223	5,018,182	0.0236	4,084,929	0.0192
Production Fuel	6,249,291		6,769,723		4,171,963	
Emissions Allowance	15,784		23,216		19,297	
Operation	5,769,289		5,393,322		5,075,188	
Maintenance	2,399,948		1,888,119		1,999,660	
Depreciation	<u>2,834,861</u>		<u>2,811,003</u>		<u>2,788,086</u>	
Total Operating Expense	<u>22,104,407</u>		<u>21,903,565</u>		<u>18,139,123</u>	
Operating Loss	<u>(1,425,797)</u>		<u>(270,585)</u>		<u>(1,047,893)</u>	
<u>Nonoperating Revenue (Expense)</u>						
Interest Income	331,122		314,256		319,693	
Interest Expense	<u>(1,350)</u>		<u>(599)</u>		<u>(438)</u>	
Total Nonoperating Revenue (Expense)	<u>329,772</u>		<u>313,657</u>		<u>319,255</u>	
Net Income (Loss) Before Revenue Adjustment and Capital Contributions	(1,096,025)		43,072		(728,638)	
Capital Contributions	<u>---</u>		<u>16,872</u>		<u>4,000,000</u>	
Change in Net Position	(1,096,025)		59,944		3,271,362	
Beginning Net Position	<u>163,853,950</u>		<u>163,853,950</u>		<u>162,377,260</u>	
Ending Net Position	<u>\$162,757,925</u>		<u>\$163,913,894</u>		<u>\$165,648,622</u>	
Net Loss Before Rev Adj to Op Revenue	(5.3)		0.2		(4.3)	
Change in Net Position to Operating Revenue	(5.3)		0.3		19.1	

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

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
<u>Restricted</u>		
Cash - interest bearing	\$5,233,022	\$5,251,734
Investments	799,662	857,345
	<u>6,032,684</u>	<u>6,109,079</u>
<u>Unrestricted</u>		
Cash - interest bearing	9,281,873	6,701,378
Investments	9,200,993	---
Receivables:		
Consumer Accounts	5,272,106	4,401,077
Wholesale	710,718	---
Steam Sales	1,065,771	1,206,019
Interest	312,087	315,726
Intercompanies	226	14,078
Inventories	6,626,561	6,660,298
Fuel	7,173,183	14,526,769
Prepaid Expenses	1,223,128	1,100,722
	<u>40,866,646</u>	<u>34,926,067</u>
Total Current Assets	<u>46,899,330</u>	<u>41,035,146</u>
Property and Equipment:		
At Cost	409,833,789	407,710,049
Less Accumulated Depreciation	314,499,808	304,107,157
	<u>95,333,981</u>	<u>103,602,892</u>
Other Assets:		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	102,380	118,311
	<u>35,429,380</u>	<u>35,445,311</u>
TOTAL ASSETS	<u>\$177,662,691</u>	<u>\$180,083,349</u>

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

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current Liabilities:		
<u>Unrestricted</u>		
Accounts Payable	\$1,608,756	\$2,253,166
Pension Provision	576,950	552,570
Health & Dental Insurance Provision	173,826	196,533
Accrued Payroll	611,356	563,116
Accrued Vacation	1,195,854	1,140,354
Accrued Emission Allowance Expense	89,241	301,104
Consumers' Deposits	583,307	592,967
Accrued Property Taxes	85,680	80,937
Miscellaneous Accrued Expenses	744,593	557,953
Miscellaneous Deferred Credits	---	10,350
Total Unrestricted Current Liabilities	<u>5,669,563</u>	<u>6,249,050</u>
Non-Current Liabilities:		
Health & Dental Insurance Provision	1,691,268	1,826,646
Post-Employment Health Benefit Provision	174,730	145,796
Consumer Advances for Construction	<u>180,370</u>	<u>180,370</u>
Total Non-Current Liabilities	<u>2,046,368</u>	<u>2,152,812</u>
Deferred Revenue - Extraordinary O & M	<u>6,032,866</u>	<u>6,032,866</u>
Net Position:		
Net Investment in Capital Assets	95,333,981	103,602,892
Restricted	6,032,684	6,109,079
Unrestricted	<u>62,547,229</u>	<u>55,936,650</u>
Total Net Position	<u>163,913,894</u>	<u>165,648,621</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$177,662,691</u></u>	<u><u>\$180,083,349</u></u>

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

	<u>Current Month</u>	<u>Year- To-Date</u>
Cash flows from operating activities:		
Cash received from:		
Retail electric sales	\$3,354,466	\$11,037,492
MISO sales	1,329,048	5,245,170
Steam sales	817,817	2,667,902
Coal & transportation allowances	—	3,925
Railcar leasing	53,690	190,026
By-product sales	7,781	31,923
Miscellaneous sources	27,464	149,500
Cash paid to/for:		
Suppliers	(357,860)	(1,892,600)
MISO purchases/administration fees	(1,733,875)	(4,908,210)
Coal	(19,803)	(446,012)
Employees payroll, taxes and benefits	<u>(1,541,093)</u>	<u>(4,703,480)</u>
Net cash flows from operating activities	<u>1,937,635</u>	<u>7,375,636</u>
Cash flows from capital and related financing activities:		
Capital expenditures, net	<u>(189,111)</u>	<u>(441,560)</u>
Net cash flows from capital and related financing activities	<u>(189,111)</u>	<u>(441,560)</u>
Cash flows from investing activities:		
Purchase of joint venture rights	—	(19,280)
Interest received on investments and note receivable	623	625,423
Mark to Market	<u>357</u>	<u>357</u>
Net cash flows from investing activities	<u>980</u>	<u>606,500</u>
Net increase in cash and investments	<u>1,749,504</u>	<u>7,540,576</u>
Cash and investments at beginning of period	<u>22,766,046</u>	<u>16,974,974</u>
Cash and investments at end of period	<u><u>\$24,515,550</u></u>	<u><u>\$24,515,550</u></u>

Muscatine Power and Water - Electric Utility
Statements of Cash Flows
March 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)	\$46,269	(\$270,585)
Noncash items in operating income:		
Depreciation of electric utility plant	937,001	2,811,003
Amortization of joint venture rights	8,410	27,458
Changes in assets and liabilities:		
Consumer accounts receivable	(563,256)	(501,496)
Wholesale receivable	(443,011)	(616,139)
Steam sales receivable	(179,136)	(131,240)
Intercompany receivable	(226)	16,985
Inventories	74,150	58,749
Fuel	1,513,096	5,614,977
Prepaid expenses	(622,042)	(746,581)
Accounts payable	803,692	203,935
Pension provision	192,317	576,950
Health & dental insurance provision	49,811	41,533
Other post-employment benefit provision	1,989	5,966
Accrued payroll	79,156	219,570
Accrued vacation	32,115	84,010
Accrued emission allowance expense	8,566	23,216
Consumers' deposits	2,654	8,391
Accrued property taxes	(37,686)	(20,639)
Miscellaneous accrued expenses	44,116	(16,577)
Miscellaneous deferred credits	(10,350)	(13,850)
Net cash flows from operating activities	<u>\$1,937,635</u>	<u>\$7,375,636</u>

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

	<u>This Year</u>	<u>Last Year</u>
Extraordinary Operation & Maintenance Account	<u>\$6,032,684</u>	<u>\$6,109,079</u>
Total Cash and Investments Appropriated for Specific Purposes	<u><u>\$6,032,684</u></u>	<u><u>\$6,109,079</u></u>

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$1,393,330</u>	22.0	<u>\$1,858,524</u>	23.9	<u>\$1,054,567</u>	20.9
Average price per kWh	\$0.0190		\$0.0255		\$0.0147	
<u>Generation</u>						
Operation Supervision	76,385		77,815		76,155	
Fuel:						
Coal	1,660,776		2,371,551		804,736	
Fuel Oil	15,119		23,908		8,099	
Gas	18,000		6,353		8,480	
Coal Handling Expense	61,565		68,932		52,734	
Landfill Operation Expense	2,713		2,405		7,941	
Emissions Allowance Expense	5,261		8,566		4,846	
Steam Expense:						
Boiler	153,284		152,992		87,990	
Pollution Control	42,371		35,901		19,049	
Electric Expense	93,279		87,277		90,800	
Miscellaneous Steam Power Expense	199,134		178,669		131,934	
Maintenance:						
Supervision	76,960		79,950		82,442	
Structures	63,314		58,389		44,622	
Boiler Plant:						
Boiler	177,878		117,317		365,828	
Pollution Control	90,388		34,987		31,150	
Electric Plant	89,312		18,857		23,844	
System Control	22,387		16,255		17,830	
Miscellaneous Steam Plant	79,429		58,861		71,608	
Coal Handling Equipment	68,801		38,101		59,266	
System Control and Load Dispatch	23,492		29,781		51,045	
Vacation, Holiday, Sick Leave	99,161		109,949		86,869	
Depreciation	<u>624,688</u>		<u>622,373</u>		<u>622,359</u>	
Total Generation Expense	<u>\$3,743,697</u>	59.0	<u>\$4,199,189</u>	54.0	<u>\$2,749,627</u>	54.4

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Purchased Power</u>	<u>\$4,835,234</u>	23.4	<u>\$5,018,182</u>	23.2	<u>\$4,084,929</u>	23.9
Average price per kWh	\$0.0223		\$0.0236		\$0.0192	
<u>Generation</u>						
Operation Supervision	230,571		234,873		224,353	
Fuel:						
Coal	5,915,694		6,492,087		3,919,775	
Fuel Oil	45,117		30,605		9,352	
Gas	68,800		25,986		40,137	
Coal Handling Expense	213,727		206,598		183,100	
Landfill Operation Expense	5,953		14,447		19,599	
Emissions Allowance Expense	15,784		23,216		19,297	
Steam Expense:						
Boiler	381,824		328,862		276,213	
Pollution Control	131,746		103,586		77,143	
Electric Expense	287,029		273,585		280,348	
Miscellaneous Steam Power Expense	548,176		501,455		396,806	
Maintenance:						
Supervision	226,686		235,101		232,543	
Structures	172,617		157,256		145,010	
Boiler Plant:						
Boiler	609,994		306,930		548,077	
Pollution Control	135,608		128,464		133,868	
Electric Plant	187,645		87,526		89,824	
System Control	59,756		59,050		49,585	
Miscellaneous Steam Plant	237,865		182,726		188,127	
Coal Handling Equipment	182,599		179,552		170,241	
System Control and Load Dispatch	73,990		80,696		162,431	
Vacation, Holiday, Sick Leave	268,945		304,631		292,225	
Depreciation	<u>1,874,064</u>		<u>1,867,119</u>		<u>1,867,077</u>	
Total Generation Expense	<u>\$11,874,190</u>	57.4	<u>\$11,824,351</u>	54.7	<u>\$9,325,131</u>	54.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$3,734		\$3,758		\$3,640	
Load Dispatching	43,504		49,704		10,115	
Station Expense	6,421		5,711		10,366	
Overhead Line Expense	---		514		159	
Transmission of Electricity by Others	10,933		12,038		2,809	
Miscellaneous Transmission Expense	12,051		5,119		5,535	
Maintenance:						
Supervision	1,878		1,811		1,364	
Structures	110		---		---	
Station Equipment	6,475		8,010		1,879	
Overhead Lines	10,048		11,331		13,978	
Vacation, Holiday, Sick Leave	7,201		8,033		4,798	
Depreciation	30,745		30,625		30,625	
Tax on Rural Property	5,682		5,778		5,694	
	<u>138,782</u>	2.2	<u>142,432</u>	1.8	<u>90,962</u>	1.8
<u>Distribution</u>						
Operation Supervision	10,989		10,748		8,508	
Load Dispatching	35,566		24,403		28,446	
Station Expense	7,756		3,041		8,583	
Overhead Line Expense	3,948		260		2,066	
Vehicle Expense	15,655		15,976		13,252	
Underground Line Expense	3,164		3,000		2,258	
Street Lighting	1,655		409		3,079	
Signal Expense	478		535		49	
Meter Expense	9,797		12,130		6,636	
Consumer Installation Expense	586		872		1,274	
Miscellaneous Distribution Expense	58,780		51,181		61,047	
Maintenance:						
Supervision	10,106		9,742		7,372	
Structures	362		---		---	
Station Equipment	10,402		7,284		5,136	
Overhead Lines	60,428		69,025		45,105	
Underground Lines	9,089		3,241		5,451	
Line Transformers	3,175		11,382		1,209	
Street Lighting	5,040		3,676		1,678	
Signal System	4,294		1,144		3,769	
Meters	2,162		1,638		340	
Miscellaneous Distribution Plant	2,278		1,645		2,830	
Vacation, Holiday, Sick Leave	31,827		35,563		20,590	
Depreciation	156,137		155,502		152,158	
Tax on Rural Property	1,697		1,723		1,713	
	<u>\$445,371</u>	7.0	<u>\$424,120</u>	5.5	<u>\$382,549</u>	7.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Transmission</u>						
Operation Supervision	\$10,949		\$11,828		\$10,156	
Load Dispatching	134,295		166,349		61,925	
Station Expense	21,603		17,943		30,103	
Overhead Line Expense	125		1,129		1,572	
Transmission of Electricity by Others	32,799		36,611		7,696	
Miscellaneous Transmission Expense	33,329		18,774		17,995	
Maintenance:						
Supervision	5,532		5,658		3,944	
Structures	244		---		---	
Station Equipment	21,136		23,725		11,535	
Overhead Lines	32,405		55,749		36,537	
Vacation, Holiday, Sick Leave	19,283		20,936		15,067	
Depreciation	92,234		91,875		91,875	
Tax on Rural Property	17,046		17,142		16,905	
Total Transmission Expense	<u>420,980</u>	2.0	<u>467,719</u>	2.2	<u>305,310</u>	1.8
<u>Distribution</u>						
Operation Supervision	31,138		33,476		24,060	
Load Dispatching	104,506		74,616		87,367	
Station Expense	23,866		14,566		27,998	
Overhead Line Expense	13,940		4,655		5,146	
Vehicle Expense	46,916		50,808		40,323	
Underground Line Expense	9,840		5,899		6,412	
Street Lighting	4,965		3,087		8,551	
Signal Expense	4,967		535		789	
Meter Expense	24,849		30,446		24,768	
Consumer Installation Expense	1,859		2,750		4,460	
Miscellaneous Distribution Expense	159,989		152,227		175,568	
Maintenance:						
Supervision	28,467		30,286		21,073	
Structures	1,174		---		---	
Station Equipment	31,718		19,168		17,078	
Overhead Lines	174,980		193,721		140,989	
Underground Lines	26,119		13,586		14,483	
Line Transformers	10,260		26,415		8,550	
Street Lighting	15,121		9,581		12,385	
Signal System	9,174		4,171		6,219	
Meters	6,244		9,599		4,310	
Miscellaneous Distribution Plant	6,834		5,379		7,287	
Vacation, Holiday, Sick Leave	84,870		102,514		66,938	
Depreciation	468,412		466,506		456,474	
Tax on Rural Property	5,091		5,117		5,062	
Total Distribution Expense	<u>\$1,295,299</u>	6.3	<u>\$1,259,108</u>	5.8	<u>\$1,166,290</u>	6.8

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$11,554		\$5,680		\$25,019	
Energy Efficiency Rebates	19,892		4,278		26,192	
Electric Ranges/Dryers Maintenance	448		569		964	
Electric Water Heaters Maintenance	178		---		370	
	<u>32,072</u>	0.5	<u>10,527</u>	0.1	<u>52,545</u>	1.0
 <u>Consumer Accounts</u>						
Supervision	2,674		2,384		1,724	
Meter Reading Expense	8,147		8,898		9,787	
Consumer Records and Collection	30,718		28,008		28,905	
Uncollectible Accounts Expense	3,297		3,297		2,402	
Vacation, Holiday, Sick Leave	4,866		5,167		3,705	
	<u>49,702</u>	0.8	<u>47,754</u>	0.6	<u>46,523</u>	0.9
 <u>Administrative and General</u>						
Administrative and General Salaries	159,309		159,512		154,776	
Office Supplies and Expenses	21,457		10,622		12,063	
Outside Services Employed	72,774		36,361		54,883	
Property Insurance	46,378		46,620		38,809	
Casualty Ins, Injuries & Damages	36,613		35,165		25,174	
Employee Pensions and Benefits	519,898		504,204		496,115	
Fringe Benefits Charged to Constr.	(18,296)		(17,145)		(19,943)	
Regulatory Commission	8,567		8,268		4,400	
Miscellaneous General Expense	50,350		46,789		36,339	
Maintenance of General Plant	46,587		22,615		22,172	
Maintenance of A/O Center	34,597		26,867		39,158	
Vacation, Holiday, Sick Leave	29,336		32,690		20,642	
Depreciation	133,384		128,501		124,220	
	<u>1,140,954</u>	18.0	<u>1,041,069</u>	13.4	<u>1,008,808</u>	20.0
Total Operating Expense	<u>\$6,943,908</u>		<u>\$7,723,615</u>		<u>\$5,385,581</u>	
Percent to Operating Revenue		109.4		99.4		106.6

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

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<u>Customer Service Expense</u>						
Customer Information Expense	\$41,285		\$22,853		38,942	
Energy Efficiency Rebates	59,677		15,654		64,680	
Electric Ranges/Dryers Maintenance	1,544		1,807		2,911	
Electric Water Heaters Maintenance	500		259		1,313	
	<u> </u>		<u> </u>		<u> </u>	
Total Customer Service Expense	<u>\$103,006</u>	0.5	<u>\$40,573</u>	0.2	<u>\$107,846</u>	0.6
 <u>Consumer Accounts</u>						
Supervision	7,977		8,604		5,994	
Meter Reading Expense	24,584		27,418		28,216	
Consumer Records and Collection	98,537		91,089		82,146	
Uncollectible Accounts Expense	9,890		9,891		7,207	
Vacation, Holiday, Sick Leave	12,969		15,101		12,235	
	<u> </u>		<u> </u>		<u> </u>	
Total Consumer Accounts Expense	<u>153,957</u>	0.7	<u>152,103</u>	0.7	<u>135,798</u>	0.8
 <u>Administrative and General</u>						
Administrative and General Salaries	478,062		488,143		450,729	
Office Supplies and Expenses	71,156		52,083		43,737	
Outside Services Employed	234,038		128,649		135,048	
Property Insurance	139,133		139,861		116,426	
Casualty Ins, Injuries & Damages	109,840		75,422		124,187	
Employee Pensions and Benefits	1,572,562		1,523,607		1,480,393	
Fringe Benefits Charged to Constr.	(50,256)		(40,179)		(50,901)	
Regulatory Commission	25,700		24,429		13,200	
Miscellaneous General Expense	145,508		114,407		92,213	
Maintenance of General Plant	102,756		72,027		66,999	
Maintenance of A/O Center	115,014		82,449		90,996	
Vacation, Holiday, Sick Leave	78,077		95,128		78,132	
Depreciation	400,151		385,503		372,660	
	<u> </u>		<u> </u>		<u> </u>	
Total Administrative and General	<u>3,421,741</u>	16.5	<u>3,141,529</u>	14.5	<u>3,013,819</u>	17.6
	<u> </u>		<u> </u>		<u> </u>	
Total Operating Expense	<u>\$22,104,407</u>		<u>\$21,903,565</u>		<u>\$18,139,123</u>	
Percent to Operating Revenue		106.9		101.3		106.1

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

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

	<u>Current Month</u>	
	<u>2013</u>	<u>2012</u>
Per Million Btu.	\$1.852	\$1.949
Per Net MW Generated	\$20.11	\$20.27
Net Peak Monthly Demand-KW	114,210	113,250
Date of Peak	3/20	3/5
Hour of Peak	0800	0900

	<u>Calendar Year-To-Date</u>	
	<u>2013</u>	<u>2012</u>
Per Million Btu.	\$1.837	\$1.879
Per Net MW Generated	\$20.16	\$20.91
Net Peak Monthly Demand-KW	114,210	114,950
Date of Peak	2/1	2/13
Hour of Peak	1000	1200

Average Temperature	30.3°	52.8°
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<u>Services</u>	<u>2013</u>	<u>2012</u>
Residential	9,756	9,736
Commercial I	1,383	1,393
Commercial II	114	116
Industrial I	10	11
Industrial II	2	2
City Enterprise Funds	22	22
Water & Communications Utility	33	33
Total	<u>11,320</u>	<u>11,313</u>

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

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>60,700,351</u>		<u>93,573,050</u>		<u>15,075,492</u>	
Wholesale Sales	<u>\$1,244,357</u>	<u>\$0.0205</u>	<u>\$2,750,048</u>	<u>\$0.0294</u>	<u>\$257,820</u>	<u>\$0.0171</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	1,126,029	0.0186	1,789,577	0.0191	240,773	0.0160
Emissions:						
SO ² Allowances ^{fn1}	231	0.0000	48	0.0000	48	0.0000
NO _x Allowances ^{fn2}	4,055	0.0001	5,726	0.0001	1,389	0.0001
Other ^{fn3}	<u>191,059</u>	<u>0.0031</u>	<u>191,059</u>	<u>0.0020</u>	<u>193,544</u>	<u>0.0128</u>
Total Variable Costs	<u>1,321,374</u>	<u>0.0218</u>	<u>1,986,410</u>	<u>0.0212</u>	<u>435,754</u>	<u>0.0289</u>
Gross Margin	<u>(\$77,017)</u>	<u>(\$0.0013)</u>	<u>\$763,638</u>	<u>\$0.0082</u>	<u>(\$177,934)</u>	<u>(\$0.0118)</u>
Percent Gross Margin	-6.2%		27.8%		-69.0%	

Calendar Year To Date

	Modified Budget	\$/kWh	This Year	\$/kWh	Last Year	\$/kWh
Wholesale kWh Sales	<u>233,506,127</u>		<u>254,720,127</u>		<u>117,281,500</u>	
Wholesale Sales	<u>\$5,768,560</u>	<u>\$0.0247</u>	<u>\$6,859,590</u>	<u>\$0.0269</u>	<u>\$2,759,874</u>	<u>\$0.0235</u>
Variable Costs						
Fuel (Coal, Gas & Fuel Oil)	4,384,521	0.0188	4,860,976	0.0191	2,221,843	0.0189
Emissions: ^{fn1}						
SO ² Allowances ^{fn2}	670	0.0000	93	0.0000	160	0.0000
NO _x Allowances ^{fn3}	11,758	0.0001	13,417	0.0001	8,734	0.0001
Other ^{fn4}	<u>573,177</u>	<u>0.0025</u>	<u>573,177</u>	<u>0.0023</u>	<u>580,632</u>	<u>0.0050</u>
Total Variable Costs	<u>4,970,126</u>	<u>0.0213</u>	<u>5,447,663</u>	<u>0.0214</u>	<u>2,811,369</u>	<u>0.0240</u>
Gross Margin	<u>\$798,434</u>	<u>\$0.0034</u>	<u>\$1,411,927</u>	<u>\$0.0055</u>	<u>(\$51,495)</u>	<u>(\$0.0004)</u>
Percent Gross Margin	13.8%		20.6%		-1.9%	

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

	Budget	2013	2012
fn1 SO ² (Acid Rain Program)	\$2.00	\$0.75	\$1.75
YTD SO ²	2.00	0.75	1.75
fn2 NO _x annual	42.50	40.00	42.50
NO _x seasonal	10.00	0.00	0.00
fn3 YTD NO _x annual	42.50	40.00	51.46
YTD NO _x seasonal	10.00	0.00	0.00

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