



Stats at a Glance

	2013	2014	2015	
Electric	Electric Revenues—Retail	\$44,492,260	\$44,100,245	\$44,667,414
	Electric Revenues—Wholesale	\$21,731,475	\$23,441,093	\$21,563,746
	Number of Electric Customers	17,821	17,888	17,925
	Megawatt-hours Sold—Retail	520,364	521,856	529,126
	Megawatt-hours Sold—Wholesale	114,493	160,759	117,759
	Peak Electric System Demand	115.3	105.0	105.0
	Miles of Distribution Line	229	230	234
	Net Electric Utility Plant	\$100,500,939	\$96,383,115	\$95,044,013
	Water	Water Revenues—Retail	\$4,394,535	\$4,327,985
Water Revenues—Wholesale		\$2,126,873	\$2,083,159	\$2,041,982
Number of Water Customers		13,632	13,644	13,668
Gallons of Water Sold (x 1,000) - Retail		1,532,125	1,501,362	1,654,711
Gallons of Water Sold (x 1,000) - Wholesale		2,555,000	2,509,721	2,426,900
Miles of Water Main		185	185	185
Number of Hydrants		1,349	1,361	1,364
Net Water Utility Plant		\$49,399,187	\$48,434,383	\$48,453,205

Glossary

Administrative

Salaries and benefits paid to employees in administrative roles, along with administrative expenses such as supplies and insurance.

Annual Return on Investment

Operating earnings divided by Average Net Investment.

Customer Account

Cost of meter reading, billing, collection, and uncollectible accounts.

Depreciation

The decline in value of plant and equipment due to wear and tear of normal use and obsolescence, measured year by year through the charging of a portion of the asset's original cost against income.

Electric Distribution

Cost of distributing electricity to customers including routine and emergency maintenance of poles, wires, underground facilities, street lighting, substations, and metering.

Net Operating Income

These are the dollars available after all expenses are paid. This amount is used to finance system improvements and expansion projects.

Power Generation

Cost of energy generated at MPU power plants. Includes the cost of fuel, maintenance, and operation of the facility.

Pumping Expense

Cost of energy to operate pumps to deliver water to the distribution system and maintenance of pumping equipment.

Purchased Power

Energy purchased from other utilities.

Taxes

MPU is exempt from state and federal income tax, but other taxes are incurred. The majority of tax paid is referred to as "Payment in Lieu of Taxes" to city government, which is based on property value. MPU is the largest tax payer to city government.

Water Distribution

Cost of delivering water to consumers including routine and emergency maintenance of water mains and hydrants, storage tanks, and metering.

Water Supply

Cost of maintaining water intakes and wells.

Water Treatment

Cost of treating water delivered to the water distribution systems including operation as cost of the water treatment plant, such as energy, maintenance, chemicals, and laboratory expenses.

Year End Net Utility Plant

The depreciated value of the utility system plus construction work in progress, at year end.

Key Accomplishments for 2015

- MPU signed a five year intergovernmental agency services agreement with the Village of Reedsville to provide ongoing engineering, operational, and technical services related to operation of Reedsville's water and wastewater system.
- Completed a total replacement of computer data center equipment.
- Completed replacement of the finance system. The Microsoft Dynamics GP system is used to maintain business accounting, budgeting, payroll, and project management.
- Extended water main to 9 new customers on Viebahn Street and County CR, whose wells were contaminated by an old gravel pit.
- Replaced the MPU business office HVAC system and converted to steam heat.
- Deployed approximately 350 electric meters to pilot Advanced Metering Infrastructure.
- Purchased the former C. Riess coal dock to allow flexibility for fuel delivery.
- Replaced the opacity instrumentation that serves boilers 8 & 9 and added Continuous Emission Monitoring Equipment to meet air emissions regulations.
- Replaced water main on Custer Street, from S. 35th Street to S. 39th Street and on Michigan Avenue from Indian Bluff to N. 40th Street.
- Safety – No Lost Time Accidents in 2015.

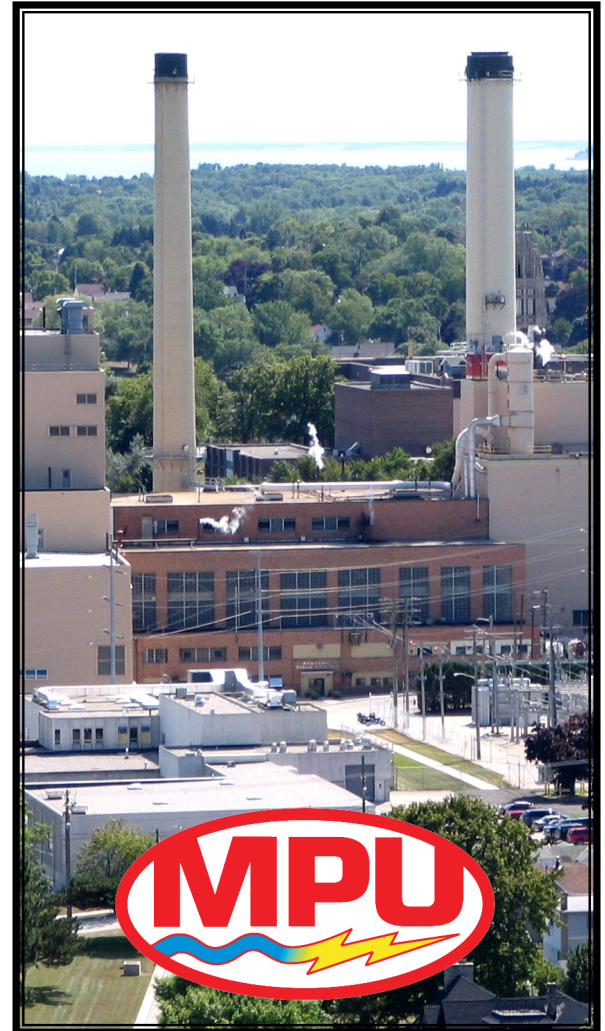
2016 Planned Activities

- Install 2 new gas fired boilers to provide low pressure steam sales to a large Industrial customer.
- Conduct a generation reliability enhancement study to review generation technologies and capacity requirements for black start capabilities.
- Convert 2700 feet of overhead line to underground cable to improve reliability.
- Replace the Electric Distribution Supervisory Control and Data Acquisition System (SCADA) including new servers, software, and substation equipment.
- Install new water main on STH 42, South of Calumet Avenue to serve a new development.
- Upgrade the existing telephone systems for the City of Manitowoc and MPU.



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2015 Annual Report



Manitowoc Public Utilities

Purpose of this Report

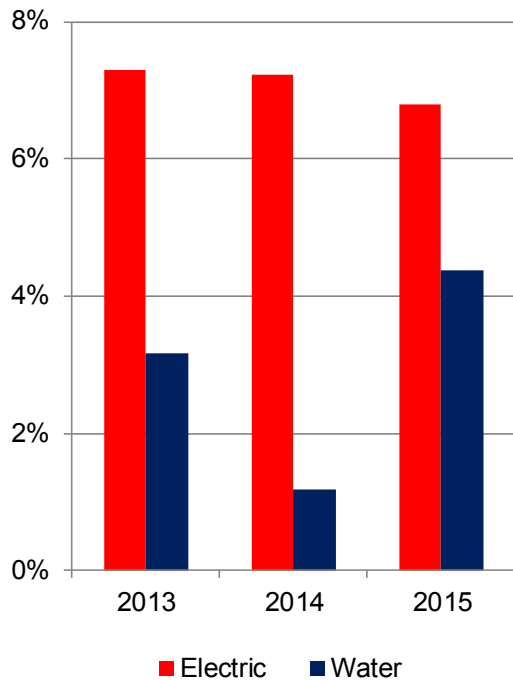
The purpose of this report is to help you understand where and how your utility payments are used. This annual report details MPU's revenue and expenses, as well as our key accomplishments from 2015, and our plans for 2016.

If you have any questions concerning this report or operation of your electric and water utility, please call our customer service office at 683-4600.

Mission Statement

MPU is dedicated to providing customer focused utility services.

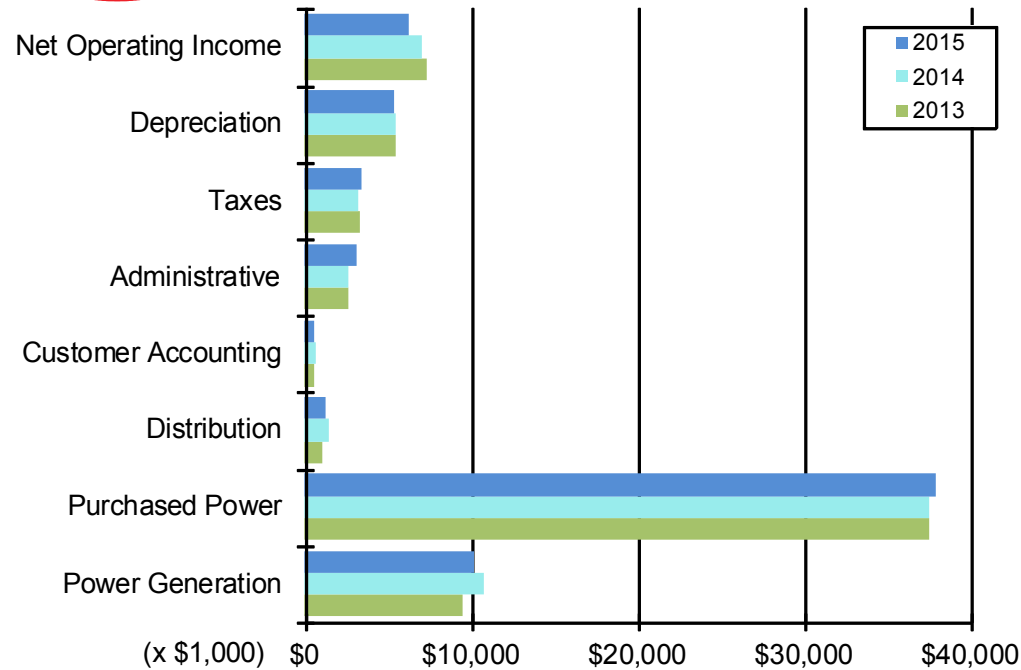
Annual Return on Rate Base



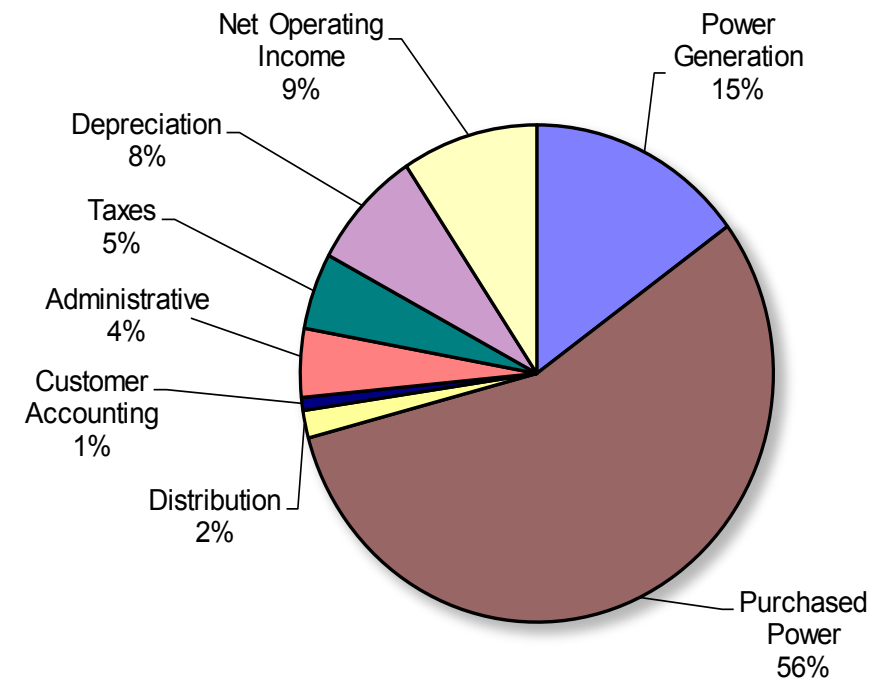
*Excludes Wholesale Revenues and Expenses from the Central Brown County Water Authority (CBCWA)



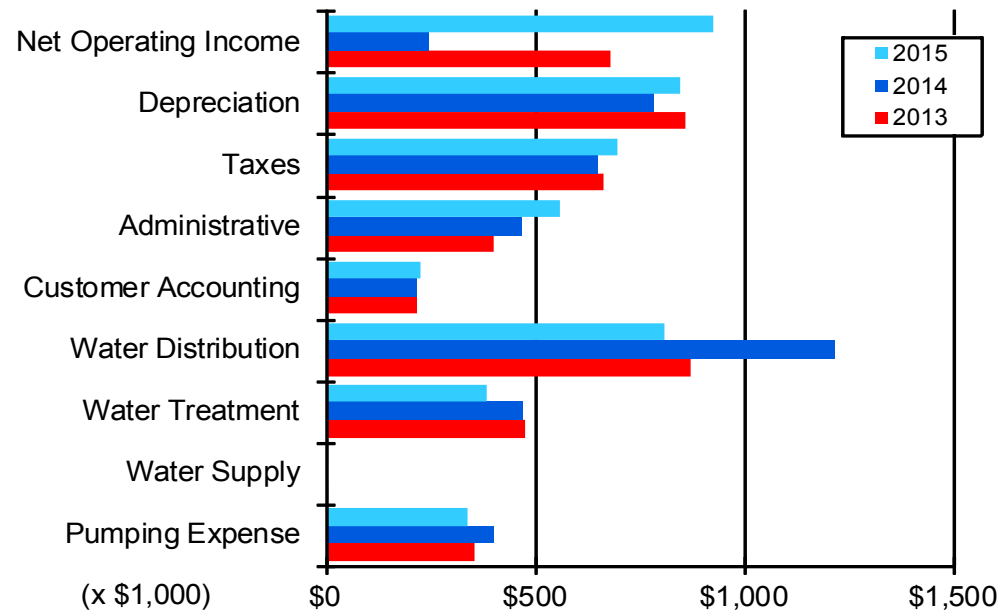
Electric Utility Expense Tracking



Electric Revenue Distribution- 2015



Water Utility Expense Tracking *



Water Revenue Distribution- 2015

