



## Stats at a Glance

	2014	2015	2016	
<b>Electric</b>	Electric Revenues—Retail	\$44,100,245	\$44,667,414	\$45,111,094
	Electric Revenues—Wholesale	\$23,441,093	\$21,563,746	\$22,367,450
	Number of Electric Customers	17,888	17,925	17,952
	Megawatt-hours Sold—Retail	521,856	529,126	535,882
	Megawatt-hours Sold—Wholesale	160,759	117,759	134,683
	Peak Electric System Demand	105.0	105.0	109
	Miles of Distribution Line	230	234	233
	Net Electric Utility Plant	\$96,383,115	\$95,044,013	\$93,555,562
<b>Water</b>	Water Revenues—Retail	\$4,327,985	\$4,644,818	\$4,695,333
	Water Revenues—Wholesale	\$2,083,159	\$2,041,982	\$2,126,122
	Number of Water Customers	13,644	13,668	13,715
	Gallons of Water Sold (x 1,000) - Retail	1,501,362	1,654,711	1,673,717
	Gallons of Water Sold (x 1,000) - Wholesale	2,509,721	2,426,900	2,335,212
	Miles of Water Main	185	185	187
	Number of Hydrants	1,361	1,364	1,378
	Net Water Utility Plant	\$48,434,383	\$48,453,205	\$47,742,595

## 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 2016

- **About the Cover:** MPU Achieved "Platinum" performance designation from the American Public Power Association's Reliable Public Power Provider program which evaluated MPU in the disciplines of safety, reliability, system improvement and workforce development.
- Redesigned the MPU website to make it more user friendly and informative for our customers.
- Installed a kiosk in the front office which allows customers to pay their bills with credit cards.
- Implemented a 3.5% electric rate decrease effective October 1, 2016.
- Created both an Economic Development & Energy Efficiency Shared Savings Loan Program which provide low interest loans to new and existing commercial and industrial customers of MPU with the purpose of promoting economic development in the City of Manitowoc, preserving the environment, and promoting energy conservation.
- Completed installation of two Package Firetube Boilers to provide steam for heat and process use to Steam Utility Customers.
- Replaced the existing phone system with a new IP-based phone system.
- Replaced 1750ft of aging watermain infrastructure.
- Applied and qualified for the 2017 Wisconsin Department of Natural Resources (DNR) Private Lead Service Line Replacement Funding Program through the Safe Drinking Water Loan Program (SDWLP), a \$300,000 grant.
- Completed design, installation and commissioning of Dry Sorbent Injection systems for hydrogen chloride (HCl) removal and pollutant control per regulatory requirements.
- Completed development of Security Plan for receiving vessels at the North Dock, and obtained Coast Guard approval of the plan.

## 2017 Planned Activities

- Install a wind fence extending from the northeast corner of the pet coke storage pile perimeter for a total length of 160 feet per request from the EPA to enhance fugitive dust control.
- Convert 2000 feet of overhead line to underground cable to improve reliability.
- Replace deteriorated concrete light poles on North 13th and North 8th streets.
- Replace 1600 feet of degraded underground primary cable in the 1500 block of South 35th Street.
- Continue to replace underground transformer vaults in the 800 block of Franklin Street.
- Replace 3,600 feet of watermain throughout the City to improve reliability.
- Develop a program to distribute to customers DNR funds received for replacement of lead services.



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# 2016 Annual Report



Manitowoc Public Utilities



## Purpose of this Report

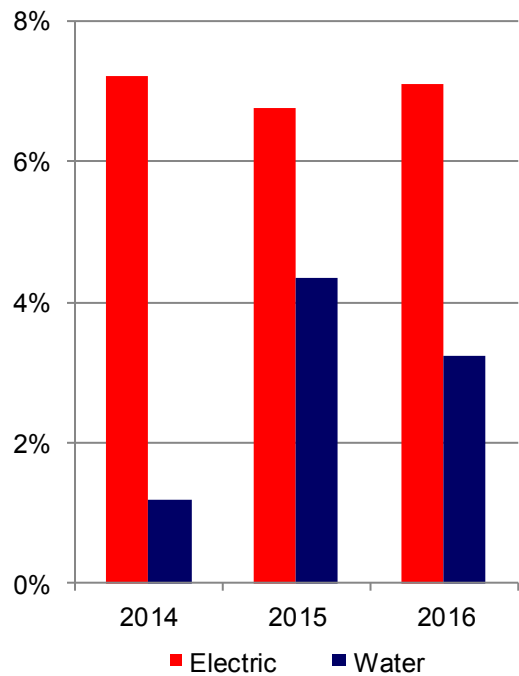
The purpose of this report is to help you understand where and how your utility payments are used. This annual report details MPU's revenue and expenses, as well as our key accomplishments from 2016, and our plans for 2017.

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.

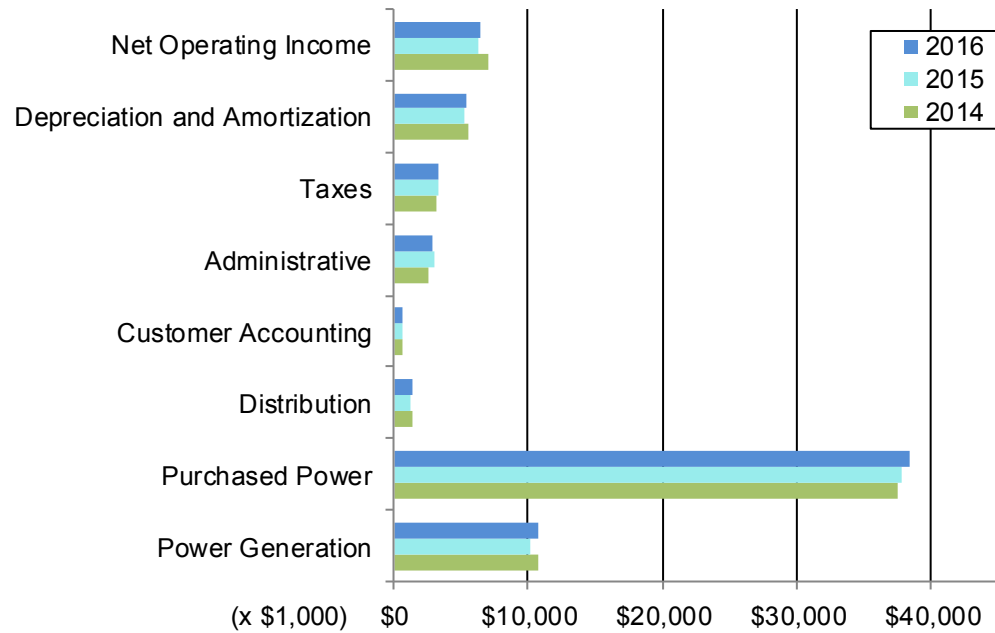
## Annual Return on Rate Base



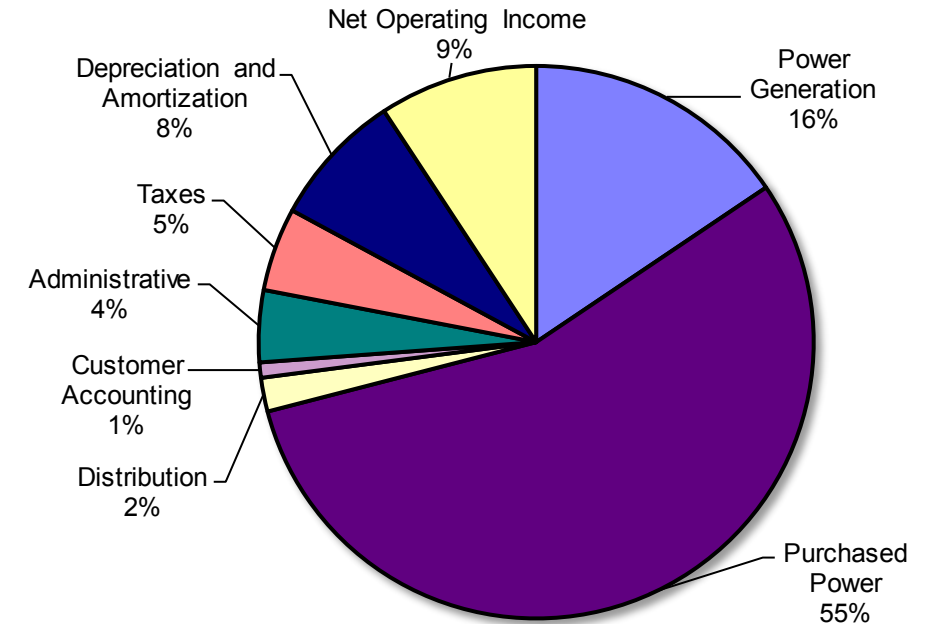
\*Excludes Wholesale Revenues and Expenses from the Central Brown County Water Authority (CBCWA)



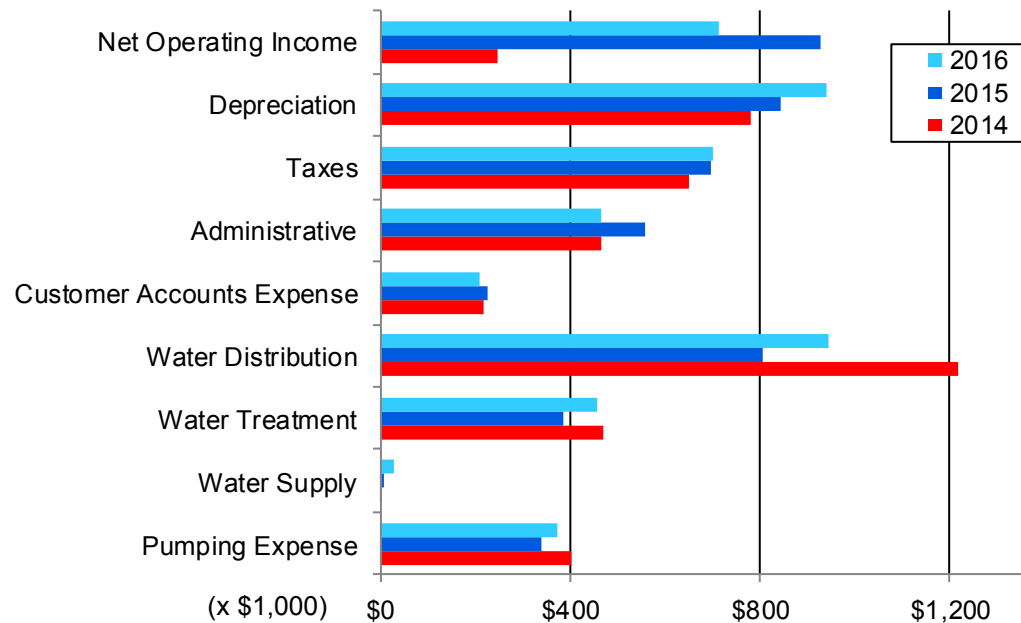
## Electric Utility Expense Tracking



## Electric Revenue Distribution- 2016



## Water Utility Expense Tracking \*



## Water Revenue Distribution- 2016

