

## **PRESS RELEASE**

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Muscatine Power and Water  
3205 Cedar Street  
P.O. Box 899  
Muscatine, IA 52761  
Contact: Erika Cox  
Phone: 563-262-3305  
FAX: 563-262-3315

### **FOR IMMEDIATE RELEASE**

#### **MP&W Board of Trustees Approves 2012 Operating Budgets, and Communications and Water Revenue Adjustments**

At Tuesday night's Board of Water, Electric and Communications Trustees meeting, the Board approved the 2012 Operating Budgets for the Electric, Water and Communications Utilities. Major factors impacting the 2012 budgets include: for the Electric Utility – stable retail kilowatt sales volumes, increasing coal and coal transportation expenses, continued lower margin from wholesale energy sales, and a reduction in revenue from steam sales; for the Water Utility – stable retail water sales, and increased maintenance, electricity, and chemical expenses; and for the Communications Utility – increased programming and additional bandwidth costs, moderate subscriber growth, and capital projects to meet ongoing Internet requirements.

The Board approved a recommendation to adjust the price for MPW Digital TV services and MachLink Internet services effective January 1, 2012. Erika Cox, Director, Customer and Employee Services, explained, "Factors driving the recommendation include increasing cable programming costs, increasing retransmission costs with local broadcasters WHBF-4, KWQC-6, WQAD-8, and KLJB-18, premium channel SVOD services, additional Internet bandwidth purchases, marketing expenses, and debt service obligations."

The price for "Basic" TV service will increase \$0.50 (2.4%) to \$21.49 per month and "Select" service will increase \$1.50 (2.6%) to \$58.99 per month. According to Cox, "If you compare the everyday rates of cable packages, and add in equipment charges and fees, MPW Digital TV costs the average consumer with multiple TVs less than satellite. We don't add extra charges for HD programming or to have DVR service. Our programming is comparable to satellite, plus we offer local content, and MPW Digital TV is delivered and serviced locally. It's a great product and a great value."

The price for MachLink "Lite" Internet will increase \$0.54 (2.0%) to \$27.49 per month, "Turbo" will increase \$1.00 (2.2%) to \$45.99 per month, and "Mega" will increase \$1.04 (1.6%) to \$65.99 per month. Internet services are discounted \$5 per month for customers who also subscribe to MPW Digital TV. "More and more content, particularly video content, is delivered over the Inter-

net which requires more capacity, or bandwidth. We increased our bandwidth purchases in 2011 by 44% and we maxed out our existing equipment with a project completed in 2011. In order to continue to improve speeds and performance, we're planning a 2012 project with new equipment. We're the fastest and most reliable provider of Internet service in Muscatine, and next year we plan to launch a residential 15 mbps product," added Cox.

Finally, the Board approved an overall water revenue adjustment increase of 5% effective April 1, 2012. The increase will contribute to projected operating and maintenance costs as well as capital requirements over the next ten years. The 5% adjustment equates to a \$0.77 a month increase for the average residential customer.

Sal LoBianco, General Manager, concluded, "Although we regret the need to increase rates, our water rates are still some of the lowest in the State and our communications rates remain very competitive. These utility services are delivered with our commitment to providing outstanding customer service. The adjustments are needed to help us continue to meet our customers' expectations for high quality and reliable services."

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