

## **PRESS RELEASE**

November 30, 2010  
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### **FOR IMMEDIATE RELEASE**

#### **MP&W Board of Trustees Approves MPW Digital TV Pricing Recommendations, Water Revenue Adjustment and Agreement Between MP&W and IBEW Local No. 55.10**

At Tuesday night's Board of Water, Electric and Communications Trustees meeting, the Board approved a recommendation to adjust the price for MPW Digital TV services effective January 1, 2011. The requirements for the increases are primarily due to continued increases in programming costs, debt service requirements, and other inflationary factors. Programming costs alone are budgeted to increase 11.7% per subscriber for 2011. The last increase for MPW Digital TV was January 1, 2010, at which time a \$1.49 monthly increase was implemented for Basic and a \$1.70 monthly increase for Select Service.

The price for Basic service will be increased \$1.00 per month from the current price of \$19.99 to a total of \$20.99 per month. Basic consists of 30 channels.

The Select tier includes 91 digital channels. The current price for "Select" service will be adjusted from \$54.49 to \$57.49 per month or an increase of \$3.00.

According to Gary Wieskamp, Director, Utility Relations, "Muscatine Power and Water will complete its conversion to an all digital service in 2011. This conversion is in response to our customer's request for additional High Definition (HD) programming, HD On Demand, and faster Internet speeds. Transitioning to all digital provides us with additional system capacity to be able to provide these enhanced services. It will also allow us to remain competitive with Direct TV and Dish Network and bring the highest quality of television entertainment available to our customers."

The Board also approved an overall water revenue adjustment increase of 4% effective April 1, 2011. Increases in labor, electric, and chemical expenses as well as the need to make capital investments to replace aging infrastructure to provide adequate fire protection, and to serve the growth in the community are the primary drivers for the needed increase. The 4% adjustment equates to a \$0.60 a month increase for the average residential customer. The last adjustment which occurred in April 2010 was a 3% increase.

Erika Cox, Director, Customer and Employee Services told the Board, "Negotiations with IBEW Local No. 55.10 were held on October 28 and 29, 2010, with the climate of negotiations being positive. The Union's initial proposals and final agreement showed their recognition of the Utility's difficult financial position at this time and awareness of previous decisions to reduce labor costs, such as position deferrals, salaried employee position eliminations, and wage freezes earlier in the year. There was collaboration on issues important to both sides." "Major highlights of the agreement included a three-year contract; general wage increases of 0% in Year 1, 2.5% in Year 2, and 3.0% in Year 3; continued medical plan cost sharing with changes in years 2 and 3 to Medical Plan deductible, out-of-pocket maximum, prescription co-pays, prescription out-of-pocket maximum, and improvement of benefits for routine services; and changes to layoff language and other no-cost language clarifications," added Cox.

The union ratified the agreement on November 4, 2010, and the Board approved the agreement based upon staff's recommendation during their meeting.

#### In Other Action:

- The Board approved the 2011 Operating Budgets for the Electric, Water and Communications Utilities which were presented at the October 26, 2010, Board of Trustees meeting. Major factors impacting the 2011 budgets include: native system growth, wholesale energy revenues, capital expenditures, programming costs, investment rates, CATV subscriber growth, and coal and purchased power costs.
- The 2011 Strategic Plan was approved by the Board after having been submitted for their review at the October 26, 2010, Board of Trustees meeting. The Mission Statement was updated as follows: "We will competitively meet the needs and expectations of our customers with an environmentally responsible and unique mix of services – water, electricity and communications – for the direct benefit of our community." Six Core Values were established to support the successful execution of the mission Statement. They include: Customer Service, Employees, Environmental Stewardship, Financial Stability, Reliability, and Safety. The Strategic Plan also includes seven Critical Issues that will be assigned to teams for further development of tactics to address these issues.