

Prairie State Energy Campus Participating Communities

American Municipal Power (AMP) (23.26%):

- **PSEC Commitment:** 368 MW
- **Participant Communities:** 68
- **Power Purchase Agreement:** Take-or-Pay
- **Bonds Outstanding:** \$1.7 Billion

AMP is a Columbus, Ohio based 501(c)(12) cooperative non-profit that operates for the mutual benefit of its 129 Members, 128 of which are municipalities in Ohio, Kentucky, Pennsylvania, Michigan, Virginia, West Virginia and one joint action agency in Delaware. Currently, 68 of AMP's Member Participants are contracted through take-or-pay power sales agreements to purchase power and energy from the Prairie State Energy Campus. AMP has a 23.26% ownership interest entitling them to 368 MW of power.

	Allocation in PSEC MW	Peak Demand MW (2009)	Peak Demand MW (2010)	Share of Peak demand from PSEC
Danville, VA	49.76	217.572	230.696	22%
Hamilton, OH	35.000	139.000	158.800	22%
Bowling Green, OH	35.000	99.115	93.501	37%
Cleveland, OH	24.800	289.600	309.400	8%
Piqua, OH	19.904	60.000	63.000	32%
Celina, OH	14.928	41.813	43.279	34%
Tipp City, OH	9.952	29.354	30.154	33%
Painesville, OH	9.952	52.550	54.000	18%
Hudson, OH	9.952	42.049	44.605	22%
Cuyahoga Falls, OH	9.952	99.377	103.950	10%
Coldwater, MI	9.952	55.565	56.580	18%
Galion, OH	9.952	22.354	24.304	41%
Jackson, OH	8.161	33.027	36.749	22%
Bedford, VA	7.862	54.760	53.829	15%
Bryan, OH	7.500	42.709	42.905	17%
Minister, OH	6.966	19.895	21.204	33%
New Bremen, OH	5.971	12.438	12.744	47%
Front Royal, VA	5.971	39.845	41.154	15%
Martinsville, VA	5.772	42.300	39.100	15%
Orrville, OH	4.976	55.777	58.600	8%
Napoleon, OH	4.976	30.421	32.500	15%
Dover, OH	4.976	44.765	45.850	11%
Amherst, OH	4.976	26.367	28.918	17%
Columbiana, OH	4.379	15.485	17.164	26%
Wellington, OH	3.981	13.570	13.859	29%
Versaille, OH	3.981	13.813	13.894	29%
Shelby, OH	3.981	23.698	22.510	18%

St. Mary's OH	3.981	36.828	37.938	10%
Wapakoneta, OH	2.986	31.847	33.151	9%
Clyde, OH	2.986	35.941	39.489	8%
Niles, OH	2.986	63.196	61.948	5%
Richlands, VA	2.588	21.500	21.272	12%
Montpelier, OH	2.488	14.330	14.700	17%
Newton Falls, OH	1.990	10.075	10.688	19%
Marshall, MI	1.990	23.082	23.557	8%
Carey, OH	1.990	14.029	14.102	14%
Jackson Center, OH	1.393	4.253	4.411	32%
Hubbard, OH	1.294	14.070	14.750	9%
Grafton, OH	1.294	6.318	6.669	19%
Arcanum, OH	1.194	5.198	5.315	22%
Pioneer, OH	.995	7.363	8.255	12%
Oak Harbor, OH	.995	5.593	6.087	16%
New Martinsville, WV	.995	8.491	8.00	12%
Monroeville, OH	.995	9.790	9.546	10%
Milan, OH	.995	2.347	2.823	35%
Holiday City, OH	.995	3.957	3.957*	6%*
Edgerton, OH	.995	5.870	5.803	17%
Genoa, OH	.896	3.844	4.233	21%
Lakeview, OH	.796	2.552	2.170	29%
Deshler, OH	.746	4.403	3.944	19%
Woodville, OH	.498	3.160	3.592	14%
Waynesfield, OH	.498	2.272	1.976	25%
Plymouth, OH	.498	2.754	2.78	18%
Pemberville, OH	.498	3.750	3.436	14%
Greenwich, OH	.498	3.673	3.447	14%
Elmore, OH	.498	3.311	3.596	14%
Shiloh, OH	.398	1.143	1.202	33%
Mendon, OH	.398	1.434	1.137	35%
Beach City, OH	.398	3.097	3.495	11%
Sycamore, OH	.299	1.457	1.630	18%
Ohio City, OH	.299	1.323	1.405	21%
Republic, OH	.199	.681	.737	27%
Eldorado, OH	.199	1.117	.984	20%
Bradner, OH	.199	1.469	1.579	13%
Bloomdale, OH	.199	1.330	1.562	13%
Arcadia, OH	.199	1.089	1.117	18%
New Knoxville, OH	.149	2.450	2.457	6%
Prospect, OH	.100	2.121	2.219	5%

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Illinois Municipal Electric Agency (IMEA)(15.17%)

- **PSEC Commitment: 240 MW**
- **Participant Communities: 32 Member Municipalities**
- **Power Purchase Agreement: Take-and-Pay**
- **Bonds Outstanding: \$ 461 Million**

IMEA is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. IMEA is currently comprised of 32 Member municipalities located in the State of Illinois, each of which owns and operates an electric utility. All of the Member have entered into long term full requirements supply arrangements with IMEA. IMEA currently serves thirty of the Participating Members and will commence service to the city of Red Bud on January 1, 2011 and the City of Naperville, on June 1 2011. The Participating Members are Relatively small cities and villages and have a combined population of 3330,000. The Power Sales Contracts and the rates charged by IMEA to its Participating Member or other market participants are not subject to regulation by the Illinois Commerce Commission or any other regulatory agency of the State of Illinois. The rates charged by IMEA's Members to their customers are also not subject to such regulation.

	Noncoincident Peak Demand MW (2009)	Noncoincident Peak Demand MW (2010)
Winnetka	31.8	31.842
St. Charles	119.7	119.704
Naperville	358.0	-
Rock Falls	20.5	20.480
Princeton	25.4	25.403
Peru	47.9	47.908
Ladd	3.1	3.048
Oglesby	9.7	9.708
Bushnell	8.7	8.728
Farmer City	4.7	4.734
Rantoul	29.1	29.070
Riverton	6.4	6.379
Chatham	22.2	22.185
Bethany	2.5	2.509
Sullivan	15.4	15.377
Marshall	14.3	14.303
Roodhouse	3.4	3.412
Greenup	3.7	3.705
Casey	8.2	8.235
Altamont	6.2	6.153
Highland	34.8	34.755
Breese	12.5	12.489
Carlyle	9.9	9.917
Flora	26.1	26.098
Mascoutah	14.3	14.335
Fairfield	17.7	17.708

Freeburg	10.4	10.440
Waterloo	22.3	22.271
Red Bud	9.8*	-
Carmi	15.1	15.126
Metropolis	22.2	22.231
Cairo	12.9	12.892
(including 26.9 MW other utilities)		
TOTAL	975.8	121.401
*Red Bud and Naperville executed full requirements contracts that began in January 1, 2011 and June 1, 2011.		

Indiana Municipal Power Agency (IMPA)(12.64%)

- **PSEC Commitment: 200 MW**
- **Participant Communities: 52 Member Utilities**
- **Power Purchase Agreement: Take-and-Pay**
- **Bonds Outstanding: \$144 Million**

IMPA was created in 1980 pursuant to the provisions of the IMPA act by contract among its then member municipalities, for the purpose of undertaking the planning financing, ownership and operation of projects to supply electric power and energy for the present and future needs of its members. IMPA has entered into separate power sales contracts and one power supply agreement to meet the power and energy requirements of its present 52 members. IMPA has further entered into a Power Sales Contract with the Ohio Village of Blanchester, its one customer. Raj Rao has served as President of IMPA since 1986 and is responsible for the development of IMPA and its strategies and programs pursuant to policies established by the Board.

The Major Members of the Utility based on 2009 revenues are the Indiana cities of Richmond (14.6%), Anderson (14.2%), Crawfordsville (6.4%), Frankfort (6.0%), Jasper (5.9%), and Greenfield (5.1%). The Major Members provided retail electric service to approximately 91,000 customers and received approximately \$249 million in revenue from their customers.

Member Utilities

	2009 Peak Demand (MW)	2010 Peak Demand (MW)
Advance	1	1
Anderson	168	180
Argos	4	4
Bainbridge	1	2
Bargersville	14	15
Blanchester, OH	13	13
Bremen	24	25

Brooklyn	2	2
Brookston	3	3
Centerville	5	5
Chalmers	1	1
Columbia City	21	22
Covington	6	7
Crawfordsville	73	76
Darlington	4	4
Dublin	1	1
Dunreith	1	1
Edinburgh	15	18
Etna Green	1	1
Flora	5	5
Frankfort	65	71
Frankton	4	4
Gas City	13	14
Greendale	20	19
Greenfield	63	69
Huntingburg	20	22
Jamestown	2	2
Jasper	69	74
Kingsford Heights	2	2
Knightstown	5	6
Ladoga	2	2
Lawrenceburg	31	33
Lebanon	43	46
Lewisville	1	1
Linton	16	18
Middletown	4	5
Paoli	10	11
Pendleton	13	15
Peru	53	51
Pittsboro	3	3
Rensselaer	20	22
Richmond	158	169
Rising Sun	10	10
Rockville	7	8
Scottsburg	27	28
Spiceland	2	3
Straughn*	-	-
Tell City	35	38
Thorntown	3	4
Tipton	22	23
Walkerton	8	42
Washington	39	2
Waynetown	2	2
Winamac	13	15
TOTAL	1,148 MW	1,226 MW

- Straughn is a new member as of December 1, 2010

Kentucky Municipal Power Agency (KMPA) (7.82%)

- **PSEC Commitment:** 124 MW
- **Participant Communities:** 2
- **Power Purchase Agreement:** Take-or-Pay
- **Bonds Outstanding:** \$ 512 Million

KMPA is a joint public agency duly organized under provisions of Chapter 65 of the Kentucky Revised Statutes pursuant to an Interlocal Cooperation Agreement dated February 7, 2005 entered into by KMPA's founding Members, the Electric Plant Board of the City of Paducah, Kentucky and the Electric Plant Board of the City of Princeton, Kentucky ("Princeton Electric") both of which are municipal utilities located in the Commonwealth of Kentucky.

The Paducah Electric system consists of approximately 22,500 customers. Approximately 18,700 or 83% are residential customers approximately 3,320 or 15% are small and large commercial customers, and the remaining 3% are classified as "other" customers. Paducah Electric is entitled to purchase 83.9% of KMPA's share of the Project and Princeton Electric is entitled to purchase the remaining 16.1%.

The Princeton Electric system consists of approximately 3,930 total customers. Approximately 3,125 or 80% are residential customers, approximately 715 or 18% are small and large commercial customers, 78, or 2% are industrial customers and the remaining less than 1% are classified as "other" customers. Each of the Power Sales Agreements is a "take-or-pay" agreement which each Member has agreed to pay for its portion of KMPA's share of the Project at rates sufficient to enable KMPA to recover all of its costs incurred with respect to the Project. From time to time, in the event that one or both of the Members do not require the full entitlement of their respective shares of the Project's output, KMPA will make an effort to sell such unused power and energy in the energy marketplace.

	Peak Demand MW (2009)
Paducah Electric	150 MW
Princeton Electric	24.8 MW

Missouri Joint Municipal Electric Utility Commission (MJMEUC) (12.33%)

- **PSEC Commitment:** 195 MW
- **Participant Communities:** 60
- **Power Purchase Agreement:** Take-or-Pay
- **Bonds Outstanding:** \$836 Million

MJMEUC is a body politic and corporate of the State of Missouri was created by contract in 1979 for the purpose of permitting cities, incorporated towns and villages of the State of Missouri to own and operate retail electric utility systems and that become parties to such contract to secure, by joint action among themselves or by contract with other utilities and adequate supply of reliable and economical supply of electric power and energy. MJMEUC is a member of the Missouri Public Utility Alliance, a not-for-profit service organization that represents municipally owned electric, natural gas, water, wastewater and

broadband utilities. MJMEUC is one of three of MAMU's organizations that also include the Missouri Association of Municipal Utilities (MAMU) and the Municipal Gas Commission of Missouri (MGCM).

MJMEUC's Members currently consist of 60 municipally owned retail electric systems. MJMEUC's undivided interest in Prairie State entitles MJMEUC to approximately 195 MW of the capacity and output of Prairie State when constructed and placed in service and a coal supply expected to fuel MJMEUC's interest for at least 30 years.

Unit Purchasers: Approximately 113MW (58%) of the capacity of the Prairie State Project has been sold to the Missouri cities of Columbia, Kirkwood, Hannibal, Fulton, Marceline, Centralia and Kahoka, pursuant to separate unit-specific, life-of-unit, take-or-pay power purchase agreements between MJMEUC and each of the Unit Power Purchasers and the balance of the capacity of the Prairie State Project (82 MW or 42%) has been assigned to MoPEP 1 to provide a portion of the electric power and energy requirements of the MJMEUC Members participating in MoPEP1. The Unit Power Purchase Agreements entitle each Unit Power Purchaser to a specified percentage share of the capacity and output of the Prairie State Project, and require that each Unit Power Purchaser to pay MJMEUC its proportionate share of (1) the fixed and variable costs MJMEUC incurs in connection with the Prairie State Project and (b) MJMEUC's administrative and other reasonable costs associated with its role as power supplier to the Power Purchasers

Pool Power Purchasers: The Pool Power Purchasers currently consist of 35 of MJMEUC's Members. Thirty-four of these members took full requirements service from MoPEP 1 as of December 31, 2009. The City of Lebanon, Missouri joined MoPEP 1 and commenced service on April 1, 2010. MoPEP 1 reached a peak load of 550.9 MW on August 10, 2010 for the calendar year 2010 through October 31.

The Pool Power Purchasers are obligated to pay a proportionate share of all of MoPEP 1's operating expenses, including all of MoPEP 1's allocable costs associated with the Prairie State Project.

MJMEUC purchased delay in start-up insurance to protect against delay in completion caused by loss or damage to the power plant, switchyard, or owner's equipment, materials or supplies. The Delay in Start-Up Insurance is an aggregate amount of \$38,000,000 which is expected together with capitalized interest, to cover MJMEUC's debt service for a period of approximately eleven to twelve months beyond the guaranteed completion date for each unit.

	Pool Power Purchaser	Peak Load 2010 (MW)	Unit Power Purchaser	Anticipated Capacity (MW)
Albany	X	5		
Kahoka			X	2
Bethany	X	9.8		
Rock Port	X	3.1		
Stanberry	X	2.8		
Gallatin	X	4.0		
Unionville	X	4.5		
Memphis	X	4.7		
Trenton	X	18.2		
La Plata	X	2.6		
Shelbina	X	7.9		
Marceline			X	4
Macon	X	18.9		
Palmyra	X	9.9		

Monroe City	X	8.5		
Vandalia	X	5.5		
Salisbury	X	4.5		
Fayette	X	6.1		
Marshall	X	39.5		
Odessa	X	11.6		
Higginsville	X	13.7		
Harrisonville	X	27.5		
Fulton			X	10
Columbia			X	50
Centralia			X	2
Hermann	X	11.8		
Kirkwood			X	25
Owensville	X	6.4		
St. James	X	14.0		
Rolla	X	58.0		
Butler	X	12.5		
El Dorado Springs	X	12.4		
Lamar	X	17.1		
Lebanon	X	58.5		
Ava	X	14.7		
Thayer	X	4.0		
Farmington	X	46.4		
Frederickton	X	10.9		
Jackson	X	39.3		
Hannibal			X	20

Northern Illinois Municipal Power Agency (NIMPA) (7.6%)

- **PSEC Commitment: 120 MW**
- **Participant Communities: 3**
- **Power Purchase Agreement: Take-or-Pay**
- **Bonds Outstanding: \$533 Million**

NIMPA is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State. The 7.6% undivided interest in the Prairie State project entitles NIMPA to 120MW of the capacity and output of the PSEC Project. The project is the only asset that NIMPA currently has under construction. NIMPA has sold all of its rights to capacity and energy from the Project pursuant to take-or-pay power sales agreements (the “Power Sales Agreements”) with the cities of Batavia, Geneva and Rochelle.

	Peak Load (MW) 2009	PSEC Contracted (MW)	PSEC Ownership Interest
Geneva	81	34.8	29%
Batavia	88.8	55.2	46%
Rochelle	45	30.0	25%

Terms of the Power Sales Agreements

The Power Sales Agreements require the Project Participants to make monthly payments to NIMPA for deposit into the Revenue Funds established under the Indenture in amounts sufficient to pay that Project Participants proportionate share of (a) the fixed and variable costs NIMPA incurs in connection with the Project, (b) the fixed and variable costs NIMPA incurs in connection with its obligation to deliver energy from the Project or replacement energy, and (c) NIMPA's administrative and other reasonable costs associated with its role as power supplier to the Project Participants. Each Project Participant's obligation to make such payments is a special limited obligation payable solely out of the revenues of its municipal electric system. Such payments are payable whether or not the project is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, are not subject to any reduction, whether by offset, counterclaim recoupment or otherwise and are not conditioned upon the performance or nonperformance of NIMPA or any other person under the Power Sales Agreements or any other agreement for any cause whatsoever.

Members

Southern Illinois Power Cooperative is jointly owned and governed by its six electric distribution cooperatives, and these electric distribution members are owned and governed by their end-use, retail customers. Beginning January 1, 2010, a seventh distribution cooperative, Clay Electric Co-operative will [join](#) the SIPC family. SIPC's primary mission is to provide reliable, competitively priced wholesale electric power to its member systems. These member cooperatives, in turn, distribute electric power to nearly 80,000 metered-customers throughout southern Illinois, estimated to be representing 193,000 people.

Clinton County [Electric](#) Cooperative, Inc.

PO Box 40

Breese, IL 62230-0040

(618) 526-7282

Counties served: Clinton, Fayette, Madison, Marion, St. Clair and Washington

www.cceci.com

Egyptian Electric Cooperative Association

PO Box 38

Steeleville, IL 62288-0038

(618) 965-3434

Counties served: Jackson, Perry, Randolph, St. Clair, Washington and Williamson

www.eeca.coop

Monroe County Electric Co-Operative, Inc.

PO Box 128

Waterloo, IL 62298-0128

(618) 939-7171

Counties served: Monroe, Randolph and St. Clair

www.mcec.org

SouthEastern Illinois Electric Cooperative, Inc.

PO Box 251

Eldorado, IL 62930-0251

(618) 273-2611

Counties served: Franklin, Gallatin, Hamilton, Hardin, Johnson, Massac, Pope, Saline, White and Williamson

www.seiec.com

Southern Illinois Electric Cooperative

PO Box 100

Dongola, IL 62926-0100

(618) 827-3555

Counties served: Alexander, Johnson, Massac, Pope, Pulaski and Union

www.siec.coop

Tri-County Electric Cooperative, Inc.
PO Box 309
Mt. Vernon, IL 62864-0008
(618) 244-5151
Counties served: Franklin, Jefferson, Marion, Perry and Washington
www.tricountycoop.com

Clay Electric Co-operative, Inc.
PO Box 517
Flora, IL 62839-0517
(618) 662-2171
Counties served: Clay, Effingham, Fayette, Jasper, Marion, Richland and Wayne
www.ceci.coop

Municipals Served

City of Red Bud
200 East Market Street
Red Bud, IL 62278-1597
www.cityofredbud.org

City of McLeansboro
City Clerk
McLeansboro, IL 62859

Cooperatives Served

Norris Electric Cooperative ([To Begin](#) January 1, 2013)
8543 North State Highway 130
Newton, IL 62448
(618)783-8765
Counties served: Clark, Crawford, Cumberland, Effingham, Jasper, Lawrence, Richland and Wabash
www.norriselectric.com

Power Supply

- 120 MW circulating fluidized bed boiler (coal fired)
- 173 MW cyclone boiler (coal-fired unit)
- two 70 MW simple cycle combustion turbines (natural [gas](#) or oil)
- 28 MW of hydro-power from the SouthEastern Power Administration
- In 2007, SIPC purchased an ownership share of a 1,600 MW mine-mouth coal-fired power plant currently under construction in [Illinois](#). SIPC owns 7.9% of the project, which equates to approximately 125 MW of power once the plant is fully operational in 2012. PSGC unit 1 62.5MW went in service June 2012 and PSGC unit 2 62.5MW will go online in late 2012.

Southern Illinois Power Cooperative (SIPC), Marion, Ill., secured \$360 million through a private placement earlier this month. The funds will be used to finance the G&T's 7.9 percent share of the Prairie State Energy [Campus](#), a 1,600mw supercritical coal-fired plant and adjacent coal mine. The Washington County, Ill.-based project is expected to come online in late 2011.

Prairie Power Inc. (PPI)

Prairie Power, Inc. is a member-owned, not-for-profit electric generation and transmission cooperative, which produces and supplies wholesale electricity to 10 electric distribution cooperatives in central Illinois. PPI's distribution cooperatives provide retail electric service to approximately 78,000 consumers within their local service territories. PPI is one of more than 60 generation and transmission (G&T) cooperatives that supply wholesale electricity to rural utilities in the United States.

PPI owns and operates approximately 590 miles of transmission lines at 138 kV, 69 kV and 34.5 kV; 141 MW of oil and gas-fired peaking units; and 78 distribution and transmission substations to serve its members. PPI is also one of 9 public utility partners in the Prairie State Generating Company (PSGC), a limited liability corporation responsible for the ownership, construction and future operation of the Prairie State Energy [Campus](#) (PSEC). The PSEC is a 2 unit 1600 megawatt supercritical electric generation station scheduled to come on line in late 2012.

Background on Take-or-Pay and Take-and-Pay Contracts

Take-or-Pay Agreements: . Under the agreement, each participant is obligated to to make such payments whether or not Prairie State is operating or operable or its output is suspended, interrupted, interfered with, reduced, curtailed or terminated in whole or in part are not subject to any reduction whether by offset, counterclaim, recoupment. Under certain circumstances there are “step-up” provisions whereby that in the event of default of one of the participating members, the non-defaulting participants purchase a percentage of the defaulting participant’s share.

Credit Strengths(for purposes of sustaining payments on the bonds):

- Participants are required to make payments regardless of unit operation
- Intended to protect against price volatility through the fixed price provision
- Step-up provisions are intended to guard against the default risk of the weakest participant

Credit Weaknesses

- In the past, contracts have been repudiated (WPPSS case where courts determined that the agencies did not have the authority to enter into the contract). Agencies will have the contracts “court validated”.
- Communities can obligate under simultaneous take-or-pay contracts (worst case scenario of obligated under multiple contracts without receiving power and capacity)
- Step-up provision may be insufficient if the other entities are not able to assume the obligations of the defaulting party.

Take-and-Pay Agreements: Under the Agreement, each participant’s obligation to make payments pursuant to the contract shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, so long as any energy is made available and shall not be conditioned upon the performance by any other participant. Under the terms of the take-and-pay all requirements contracts buyers are additionally required to purchase all energy and capacity needs from the joint action agency.

Bonds issued by take-and-pay all requirements agencies are typically secured by net revenues of the agency, which is responsible for setting rates sufficient to meet the debt service requirements.

Credit Strengths: (for purposes of sustaining payments on the bonds)

- Underlying members of the agency receive all energy and capacity needs from the agency.
- The risk of an individual member defaulting or a unit failing is assumed by the Members of the agency (rather than the bondholder) in the form of higher wholesale rates set by the agency.

Credit Weaknesses:

- All requirements contracts with members can be shorter than the life of the debt and exposes bondholders to “tail end” risk.