



MJMEUC

Missouri Joint Municipal Electric Utility Commission

**IATAN UNIT 2 PROJECT – POWER PROJECT
REVENUE BONDS, SERIES 2006 & 2009**

**CONTINUING DISCLOSURE
REPORT**

**FISCAL YEAR ENDING
December 31, 2010**

**Prepared by:
Michael J. Loethen, Chief Financial Officer & Director of Administration
May 30, 2011**

CONTENTS

Map of Iatan 2 Pool Power Purchasers	3
Officers & Management Information	4
Introduction.....	5
A. Project Financing	5
B. Project Update Report	6
C. MJMEUC 2010 and 2009 Unaudited Financial Report.....	9
D. Missouri Public Energy Pool #1 (MoPEP 1) Update.....	12
E. The Large Pool Power Purchasers.....	16
F. Large Unit Power Purchasers Update.....	22

MAP OF IATAN 2 POOL POWER PURCHASERS

**MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION**

**POOL POWER PURCHASERS AND
IATAN 2 PROJECT UNIT POWER PURCHASERS**



OFFICERS & MANAGEMENT INFORMATION

**Missouri Joint Municipal
Electric Utility Commission**

**1808 I-70 Drive S.W.
Columbia, Missouri 65203
(573) 445-3279**

Officers

Chair Mark Petty
Vice Chair..... Don Trigg
Secretary/Treasurer..... Rodney Bourne
Chair, Engineering Committee Robert E. Williams
Chair, Operating Committee..... Kyle Gibbs
Chair, Budget & Finance Committee James D. Roach
Chair, Power Contract/MoPEP Committee Chad Davis
Member at Large Richard Shockley
Immediate Past Chair..... Darrell Dunlap

Management

General Manager and Chief Executive Officer Duncan Kincheloe
Executive Director for Engineering and Operations
and Chief Operating Officer..... John Grotzinger
Assistant General Manager..... Eve Lissik
Chief Financial Officer & Director of Administration Michael J. Loethen

Bond Counsel

Gilmore & Bell, P.C.
Kansas City, Missouri

Financial Advisor

McDonald Partners, Inc.
Alamo, California

Trustee, Bond Registrar and Paying Agent

The Bank of New York Trust Company, N.A.
St. Louis, Missouri

INTRODUCTION

The information contained in this annual CONTINUING DISCLOSURE REPORT (Report) is provided to give an overview of the Iatan Unit 2 project development and address the continuing disclosure items listed in Appendix G, Section 4 of the Power Project Revenue Bonds (Iatan 2 Project), Series 2006 A& B Official Statement. Under the terms of MJMEUC's CONTINUING DISCLOSURE AGREEMENT, the Report is to be submitted to its trustee not later than 5 months after the end of each of MJMEUC's fiscal years (currently, by May 31).

A. PROJECT FINANCING

To date, two separate bond issuances (shown below) have been completed for financing MJMEUC's share of costs to construct Iatan Unit 2 and certain associated common facilities. Although the current budget for Iatan 2 (including coal inventory) is \$1.988B, KCPL has reported a range of \$1.94 - \$1.96B for the forecast cost at completion. Construction activities for the project are nearing the end, with final determination of total costs expected in 1Q 2012, after procurement efforts have closed out all contracts and purchase orders. As contracts are closed and remaining contingencies finalized, MJMEUC will determine its need, if any, for additional financing of Iatan Unit 2 and common facilities remaining construction costs. Remaining contingency will be used as necessary for scope increases or other required change orders.

	\$182,385,000	
	Power Project Revenue Bonds	
	(Iatan 2 Project)	
\$181,660,000		\$725,000
Series 2006A		Series 2006B
		(Federally Taxable)

The Series 2006 Bonds were issued by MJMEUC to finance a portion of the costs of acquiring its approximate 100 megawatt undivided ownership interest in a coal-fired generating unit being constructed at the site of the existing Iatan Power Station on the east bank of the Missouri River, near Weston, Missouri and certain associated common facilities. The Series 2006 Bonds also included the repayment of certain project interim borrowings, funding of a debt service reserve for the Series 2006 Bonds, funding of certain capitalized interest on the Series 2006 Bonds and to pay costs of issuance of the Series 2006 Bonds.

	\$103,135,000	
	Power Project Revenue Bonds	
	(Iatan 2 Project)	
\$99,975,000		\$3,160,000
Series 2009A		Series 2009B
		(Federally Taxable)

The Series 2009 Bonds were issued by MJMEUC to finance an additional portion of the costs of acquiring its undivided interest in Iatan 2 Project. The Series 2009 Bonds also included funding of a deposit to the common debt service reserve for the Series 2009 Bonds and other Outstanding Bonds, funding of certain capitalized interest on the Series 2009 Bonds, funding of a deposit to the Operating Reserve Fund, and to pay costs of issuance of the Series 2009 Bonds.

In May 2011, Fitch affirms MJMEUC’s ‘A’ rating, with an outlook of ‘stable’, on both MJMEUC’s Series 2006 A&B and Series 2009 A&B outstanding bond issuances pertaining to the Iatan 2 Project. MJMEUC also maintains an A3 rating with stable outlook from Moody’s Investors Services.

B. PROJECT UPDATE REPORT

Background –

MJMEUC has an undivided ownership interest equal to 100 MW in a coal-fired generating unit, the Iatan Unit 2 Project (Project), constructed at the existing Iatan Power Station located near Weston, Missouri. Kansas City Power & Light (KCP&L) is the majority owner of the Iatan Project site and the developer of the Project. In addition to KCP&L, the other owners of the Project include Aquila, Inc., now known as KCP&L Greater Missouri Operations Company (“GMO”), Empire District Electric Company, Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) and Kansas Electric Power Cooperative (“KEPCo”). KCP&L and GMO are each wholly-owned subsidiaries of Great Plains Energy, Inc. (GPE”).

The Project involves construction of a second unit, including an upgrade of the common facilities originally constructed with Unit 1 and new common facilities constructed with Unit 2 at the Iatan plant. MJMEUC has and continues to monitor progress of project construction since construction began in Fall 2006 and has also retained an outside engineering consultant to provide additional monitoring of the Project status including engineering, procurement and construction, project schedule and project financial standing.

Project Update -

MJMEUC established its commercial operations date of Iatan Unit 2 when the unit became fully dispatchable to owners on January 1, 2011. Construction related engineering and procurement work scheduled through the end of March 2011 were essentially completed allowing additional focus on operations performance. KCP&L, its Owner's Engineer, Burns & McDonnell, the Balance of Plant Contractor, Kiewit Industrial Construction, along with the Boiler and Air Quality Control System supplier, Alstom, were proceeding with startup and performance testing of the unit into 2011. Engineering continues to support startup and testing activities.

While construction delays extended KCP&L's initial targeted completion date, KCP&L has maintained the project schedule beyond initial synchronization. Provisional Acceptance was declared by KCP&L as of September 23, 2010. Subsequent activities such as tuning, testing and startup then continued before Substantial Completion was completed and Unit 2 was fully available for dispatching to the owners. At this point, Unit 2 had completed emission standards testing and determined within compliance before final acceptance was made by KCP&L in late 1Q 2011. Remaining milestone and tuning activities will continue into the first half of 2011.

The turbine generator testing has indicated that the unit had capacity above the expected output, and a net output of 885 MW is potentially available to the owners. The initial request for an interconnection indicated an output of 850 MW net and the unit has demonstrated the ability to operate in excess of that capacity. This opportunity for additional capacity, shared amongst the owners by their pro rata share, will require MJMEUC, KCP&L and the other owners to apply for additional transmission capacity. Overall, Iatan Unit 2 is performing at or better than design.

The current budget for Iatan 2 (including initial coal inventory) is \$1.988 B. Procurement's effort is in the process of closing out contracts and purchase orders (PO's) with relatively few PO's remaining for purchase items. Through March 2011, approximately 97 % of the project forecast has been paid out to-date, with approximately 3% remaining for future payments and contingency. Future payment requirements and project contingency are closely monitored for determining if additional MJMEUC financing will be needed. As planned, MJMEUC financing included certain capitalized interest that carried into 1Q 2011, beyond MJMEUC's conservative expected commercial operations date.

In summary, the Iatan 2 Project has incurred schedule delays and costs that were not included in its initial budget, but MJMEUC's forecasted all-in cost of power from Iatan Unit 2 is expected to be in a competitive range

from \$48 - \$54 per MWh through 2015. Through 1Q 2011 Iatan Unit 2 has delivered net generation totaling 1,252,169 MWh, while operating at a capacity factor of 68.2%. These operating results remain consistent with MJMEUC's expectations of early operations of a newly constructed coal-fired facility.

C. MJMEUC 2009 AND 2010 UNAUDITED FINANCIAL REPORT

MJMEUC's 2010 audited financials are not expected to be released until MJMEUC's Plum Point Project costs are finalized after June 30, 2011.

Missouri Joint Municipal Electric Utility Commission

Balance Sheet - Unaudited

December 31, 2010 and 2009

	2010	2009
ASSETS		
Current Assets	\$ 125,876,252	\$ 108,155,421
Capital Assets	1,122,978,709	833,213,652
Other noncurrent assets	305,893,497	514,069,047
Total Assets	\$ 1,554,748,458	\$ 1,455,438,120
LIABILITIES		
Accounts Payable	\$ 27,196,979	\$ 21,303,382
Accrued Liabilities	8,435,356	4,569,447
Long Term Debt	1,467,952,347	1,387,320,459
Accrued Interest Payable	36,763,434	29,724,275
Total Liabilities	1,540,348,116	1,442,917,563
FUND EQUITY		
Fund Equity	12,520,557	6,046,693
Net Income	1,879,785	6,473,864
Total Fund Equity	14,400,342	12,520,557
Total liabilities and fund equity	\$ 1,554,748,458	\$ 1,455,438,120

The table above presents a summarized financial position and results as of and for the years ended December 31, 2010 and 2009. The financial statements presented above reflect MJMEUC's continued investments in capital assets to meet its members' energy needs and to support its operations.

Current assets increased by approximately \$17.7 million or 16.4% in 2010. Cash and cash investments increased by approximately \$1.8 million from reserve account transactions related to the MoPEP and Plum Point funds. The current portion of bond accounts increased by approximately \$78 million as a result of the Prairie State Bonds issued in 2010. The current portion of bond cash and investment accounts are held by trustees and are used to make bond interest payments.

A 27.7% increase in accounts payable occurred primarily from an increase in power sales that were attributed to the commencement of Plum Point operations, the addition of Lebanon and increased load demand due to more normal weather conditions. Accrued liabilities and other liabilities netted an increase of approximately \$3.87 million. Long-term debt increased approximately \$80.6 million as result of the additional debt issues in 2010 for the power plant construction projects. Accrued interest payable increased approximately \$7.04 million and is attributed entirely to interest payable on combined debt associated with the three jointly-owned power plant projects. Total fund equity increased by 15% over 2009 comparable figures.

Missouri Joint Municipal Electric Utility Commission
Statement of Revenues, Expenses, and Changes in Equity - Unaudited
Years Ended December 31, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Power sales and related charges	\$ 174,494,258	\$ 139,914,266
Noncapital project cost reimbursements	642,751	582,534
Transfer from MAMU	124,500	180,868
Transfer from MGCM	20,629	-
Member training program	184,725	277,941
Other	119,904	121,278
Total Operating Revenues	175,586,767	141,076,887
OPERATING EXPENSES		
Power purchases and generation	166,019,491	130,923,217
General and administration	3,972,791	3,184,942
Total Operating Expenses	169,992,282	134,108,159
Nonoperating Income Net of Expenses	(3,714,700)	(494,864)
Increase in fund equity	1,879,785	6,473,864
Fund equity, beginning of the year	12,520,557	6,046,693
Fund equity, end of the year	\$ 14,400,342	\$ 12,520,557

Power sales to members largely consist of power sales to MJMEUC's full requirements pool, MoPEP, four months of Plum Point generation sales and a lesser degree to other MJMEUC members outside of MoPEP. Overall, 2010 power sales increased by approximately \$34.58 million in comparison to 2009 as a result of an increase in MoPEP member load demand, more normal weather conditions, and commencement of Plum Point power generating facility. MoPEP membership growth is attributed to the city of Lebanon, Missouri beginning service in April 2010. MoPEP's MWh requirements for 2010 of 2,592,340 exceeded comparable amounts of 2,206,062 for 2009 by 17.5%.

The margin on power sales revenues was 4.9% for 2010 compared to 6.4% for 2009 and includes increased contributions to reserves for both years. MJMEUC bills member municipalities monthly for power and energy based on the cost of MJMEUC's power and energy purchases plus a mark-up for associated MJMEUC overhead. In 2009, MoPEP power sales represents power sales less credits to MoPEP pool members that own electric generating units or third-party contracts that are utilized in meeting the overall power needs of the pool members. However, for 2010 these MoPEP credits and contracts were fully represented as power expenditures. In addition, 2010 power purchases increased total operating expenses largely due to Plum Point operations beginning in September 2010. Non-capitalized payroll and other overhead expenses allocated to the jointly-owned projects were offset by revenues received and or billed to municipalities participating in these projects. Nonoperating income net of expenses increased by approximately \$3.2 million as it reflects the transitioning from capitalized interest to bond interest expense related to the Plum Point bonds.

D. MISSOURI PUBLIC ENERGY POOL #1 (MOPEP 1) UPDATE

**MoPEP 1 POWER PURCHASERS
Peak Loads**

<u>City</u>	<u>2010 Peak Load (MW)⁽¹⁾</u>	<u>Percent of Total</u>
Lebanon	58.5	10.62
Rolla	58.0	10.53
Farmington.....	46.4	8.42
Marshall.....	39.5	7.17
Jackson	39.3	7.13
Harrisonville	27.5	4.99
Chillicothe	25.6	4.65
Macon	18.9	3.43
Trenton	18.2	3.30
Lamar.....	17.1	3.10
Ava	14.7	2.67
St. James	14.0	2.54
Higginsville	13.7	2.49
Butler	12.5	2.27
El Dorado Springs.....	12.4	2.25
Hermann	11.8	2.14
Odessa.....	11.6	2.11
Carrollton.....	11.0	2.00
Fredericktown.....	10.9	1.98
Palmyra.....	9.9	1.80
Bethany	9.8	1.78
Monroe City.....	8.5	1.54
Shelbina	7.9	1.43
Owensville.....	6.4	1.16
Fayette	6.1	1.11
Vandalia.....	5.5	1.00
Albany	5.0	0.91
Memphis	4.7	0.85
Salisbury	4.5	0.82
Unionville.....	4.5	0.82
Gallatin	4.0	0.73
Thayer.....	4.0	0.73
Rock Port.....	3.1	0.56
Stanberry.....	2.8	0.51
La Plata.....	<u>2.6</u>	<u>0.47</u>
Total.....	550.9 MW	100.00%
Total Pool Power Purchasers Served by		
MoPEP 1 as of December 31, 2010	35	

⁽¹⁾ Coincident.

AVERAGE COST OF MoPEP 1 DELIVERED ENERGY

<u>Year</u>	<u>\$/MWh</u>
2006	57.09
2007	60.98
2008	62.24
2009	56.54
2010.....	51.21

The table above shows the system average rate for all energy delivered during the last five calendar years. Charges include all costs for capacity, energy, transmission, load monitoring, scheduling, dispatch and ancillary services and all administrative costs for managing MoPEP 1. System average rates include average bill credits for the use of Member Capacity. If MJMEUC did not apply such credits as an offset to MoPEP 1 participants' energy bills, MJMEUC's average cost of delivered energy and annual revenues for MoPEP 1 would be approximately 15 percent higher and MJMEUC's operating expenses for MoPEP 1 would be higher by an equal amount. In 2010, the average cost includes increased contributions to reserves.

HISTORICAL AND PROJECTED MoPEP 1 ENERGY REQUIREMENTS

<u>Year</u>	Historical Energy Requirements (MWh)	<u>Year</u>	Projected Energy Requirements (MWh)
2006	1,962,615	2011	2,557,378
2007	2,198,185	2012	2,609,752
2008	2,096,441	2013	2,661,947
2009	2,206,062	2014	2,701,876
2010	2,592,340	2015	2,825,634

HISTORICAL AND PROJECTED MoPEP 1 LOADS AND RESOURCES ⁽¹⁾
(MW)

Fiscal Year Ending December 31	Annual Peak Load	Peak Capacity Requirement⁽²⁾	Dedicated Member Capacity	Contract Purchases⁽³⁾	MoPEP 1 Owned Capacity⁽⁴⁾	Total Capacity	Surplus/ (Deficit)
Historical:							
2006	447	568	449	231	-	680	112
2007	491	644	463	242	12	717	73
2008	455	518	463	202	12	677	159
2009	476	543	454	203	12	669	126
2010	551	634	448	245	12	702	68
Projected:							
2011	585	673	448	245	42	735	62
2012	597	687	448	245	107	789	102
2013	609	700	448	234	148	830	130
2014	618	711	448	234	148	830	119
2015	627	721	448	234	148	830	109

- (1) Excludes new Members until the respective years in which they become Pool Power Purchasers.
- (2) Includes firm sales, firm purchases and system reserve requirements.
- (3) Includes firm power sales agreements, 57 MW of capacity from NC2 beginning in 2009, 50 MW of capacity from Plum Point Project beginning in 2010 and 3 MW of capacity from the Lamar Project beginning in June 2010.
- (4) The Iatan 2 Project began Jan. 1, 2011, 41MW of the Prairie State Project (unit one) beginning in late 2011 with an additional 41 MW from unit 2 of the Prairie State Project by the third quarter of 2012.

**MoPEP 1 MEMBER CAPACITY DEDICATED TO MoPEP 1 THROUGH
DECEMBER 31, 2010**

Facility	Fuel Type	Capacity (MW)	2010 Capacity Factor
Chillicothe Units 1 & 2	Natural Gas/Oil	80.0	<1.0%
Macon Gas Turbine	Natural Gas	8.5	98.0% ⁽¹⁾
Marshall Units 4 & 5	Coal	20.6	~24.20%
Other Peaking Units	Natural Gas/Oil	315.4	<1.0%
City of Jackson 10 units	Natural Gas/Oil	24.0	<1.0%
		Total Member Capacity	448.5

(1) The capacity of this unit is based upon a summertime rating, determined with evaporation at 100°F. At lower temperatures, the output of the unit is well above 8.5 MW, and the unit regularly produces 10 MW.

**E. THE LARGE POOL POWER PURCHASERS
(OFFICIAL STATEMENT - APPENDIX B)**

THE LARGE POOL POWER PURCHASERS & CITY OF HARRISONVILLE

GENERAL INFORMATION SUMMARY

	Lebanon	City of Farmington	City of Harrisonville	City of Jackson	City of Marshall	Rolla Municipal Utilities
General						
Year Established	1853	1891	1863	1905	1914	1945
Service Area (sq. Miles)	19	5.2	10.0	13.5	10.5	11.6
Fiscal Year End	October 31	Sept 30	Dec 31	Dec 31	Sept 30	Sept 30
Peak Load (in MW) & Energy Sales in (MWh)						
<u>Fiscal Year 2010</u>						
Peak Load-MW	58.5	46.4	27.5	39.3	39.5	58.0
Residential Sales	87,200	80,140	44,437	N/A	51,771	104,264
Commercial Sales	48,161	23,686	61,900		60,746	35,068
Industrial Sales	142,482	103,572	0		69,349	145,874
Other Sales	0	19,828	0		0	0
Total Sales	277,843	227,226	106,337		181,866	285,206
<u>Fiscal Year 2009</u>						
Peak Load-MW	55.3	45.4	28.0	31.0	39.4	57.0
Residential Sales	81,254	72,097	40,066	67,144	46,791	95,796
Commercial Sales	54,622	40,875	52,594	43,736	58,513	34,658
Industrial Sales	124,216	105,735	7,346	21,799	68,384	149,232
Other Sales	0	0	0	0	0	0
Total Sales	260,092	218,707	100,006	132,679	173,688	279,686
<u>Fiscal Year 2008</u>						
Peak Load - MW	61	45.6	27.1	33.3	36.1	60.1
Residential Sales	94,079	71,365	51,271	68,072	47,543	96,512
Commercial Sales	65,053	41,723	7,697	39,786	56,544	33,057
Industrial Sales	144,797	102,157	45,956	27,568	67,249	161,006
Other Sales	0	141	1	6,676	0	0
Total Sales	303,929	215,386	104,925	142,102	171,336	290,575
Customer Revenues (in 000's)						
<u>Fiscal Year 2010</u>						
Residential Sales	\$7,601	\$7,001	\$4,890	N/A	\$5,606	\$10,345
Commercial Sales	4,440	2,358	6,391		6,469	3,376
Industrial Sales	11,307	8,377	0		5,738	12,834
Other Sales	0	1,505	0		0	0
Total Sales	\$23,348	\$19,241	\$11,281		\$17,813	\$26,555
<u>Fiscal Year 2009</u>						
Residential Sales	\$5,846	\$6,342	\$4,616	\$7,684	\$5,226	\$9,673
Commercial Sales	4,226	3,610	738	4,847	5,192	3,341
Industrial Sales	8,216	8,450	5,639	2,297	4,545	13,194
Other Sales	0	354	0	0	0	0
Total Sales	\$18,288	\$18,756	\$10,993	\$14,828	\$14,963	\$26,208
<u>Fiscal Year 2008</u>						
Residential Sales	\$6,046	\$6,303	\$5,060	\$7,756	\$4,658	\$9,637
Commercial Sales	4,249	3,678	747	4,457	5,192	3,182
Industrial Sales	8,249	8,651	5,782	2,782	4,545	14,074
Other Sales	0	80	0	695	0	0
Total Sales	\$18,544	\$18,712	\$11,589	\$15,690	\$14,395	\$26,893

THE LARGE POOL POWER PURCHASERS & CITY OF HARRISONVILLE
BALANCE SHEET SUMMARY ('000s)

	Lebanon	City of Farmington	City of Harrisonville	City of Jackson	City of Marshall	Rolla Municipal Utilities
Fiscal Year End	October 31	Sept 30	Dec 31	Dec 31	Sept 30	Sept 30
<i>Fiscal Year 2010</i>	Unaudited		Unaudited			
Assets:						
Utility Plant, Net	\$0	\$12,303	\$5,300	N/A	\$21,903	\$30,985
Cash and Investments	8,713	4,883	2,666		19,649	28,216
Other Assets	<u>9,758</u>	<u>3,3815</u>	<u>2,214</u>		<u>3,428</u>	<u>2,578</u>
Total Assets	\$18,471	\$21,001	\$10,180	\$	\$44,980	\$61,779
Liabilities and Equity:						
Equity	\$16,091	\$16,993	\$7,426	N/A	\$42,521	\$40,883
Bonds/Leases Payable, Noncurrent	1,330	1,693	2,065		0	15,765
Other Liabilities	<u>1,050</u>	<u>2,315</u>	<u>689</u>		<u>2,459</u>	<u>5,131</u>
Total Liabilities and Equity	\$18,471	\$21,001	\$10,180	\$	\$44,980	\$61,779
<i>Fiscal Year 2009</i>						
Assets:						
Utility Plant, Net	\$0	\$12,346	\$5,397	\$13,856	\$21,384	\$27,890
Cash and Investments	6,542	3,780	1,878	10,374	17,677	28,208
Other Assets	<u>9,988</u>	<u>3,524</u>	<u>2,050</u>	<u>63</u>	<u>4,466</u>	<u>2,548</u>
Total Assets	\$16,530	19,650	\$9,325	\$24,293	43,527	58,646
Liabilities and Equity:						
Equity	\$13,906	\$15,408	\$6,349	\$22,186	\$40,989	\$37,359
Bonds/Leases Payable, Noncurrent	1,975	2,046	2,240	1,485	0	16,440
Other Liabilities	<u>649</u>	<u>2,196</u>	<u>736</u>	<u>622</u>	<u>2,538</u>	<u>4,847</u>
Total Liabilities and Equity	\$16,530	\$19,650	\$9,325	\$24,293	\$43,527	\$58,646
<i>Fiscal Year 2008</i>						
Assets:						
Utility Plant, Net	\$0	\$12,440	\$5,382	\$13,627	\$22,304	\$26,830
Cash and Investments	12,075	3,244	2,264	9,346	13,531	11,656
Other Assets	<u>6,686</u>	<u>3,448</u>	<u>1,972</u>	<u>75</u>	<u>4,478</u>	<u>2,625</u>
Total Assets	\$18,761	\$19,132	\$9,618	\$23,048	\$40,313	\$41,111
Liabilities and Equity:						
Equity	\$15,579	\$14,724	\$5,833	\$20,619	\$38,280	\$34,488
Revenue Bonds Payable, Noncurrent	2,559	2,384	2,226	1,835	0	2,540
Other Liabilities	<u>623</u>	<u>2,024</u>	<u>1,559</u>	<u>594</u>	<u>2,033</u>	<u>4,083</u>
Total Liabilities and Equity	\$18,761	\$19,132	\$9,618	\$23,048	\$40,313	\$41,111

**THE LARGE POOL POWER PURCHASERS & CITY OF HARRISONVILLE
INCOME SHEET SUMMARY ('000s)**

	Lebanon	City of Farmington	City of Harrisonville	City of Jackson	City of Marshall	Rolla Municipal Utilities
Fiscal Year End	October 31	Sept 30	Dec 31	Dec 31	Sept 30	Sept 30
	Unaudited		Unaudited			
<i>Fiscal Year 2010</i>						
Customer Revenues	\$23,482	\$19,502	\$11,431	N/A	\$21,295	\$30,110
Other Revenues	<u>642</u>	<u>1,551</u>	<u>65</u>		<u>286</u>	<u>492</u>
Total Revenues	\$24,124	\$21,053	\$11,496		\$21,581	\$30,602
Purchased Power Expense	\$19,944	\$17,706	\$7,251		\$11,164	\$19,596
Other Operating Expense	<u>1,539</u>	<u>1,068</u>	<u>2,979</u>		<u>4,882</u>	<u>4,914</u>
Total Operating Expenses	\$21,483	\$18,774	\$10,230		\$16,046	\$24,510
Net Revenues	\$2,641	\$2,279	\$1,266		\$5,535	\$6,092
Depreciation, Amortization	\$0	\$684	0		\$1,903	\$2,053
Transfers Out/(In)	456	(73)	0		1,749	0
Other non-Operating Expenses	<u>0</u>	<u>83</u>	<u>222</u>		<u>350</u>	<u>516</u>
Net Income	\$2,185	\$1,585	\$1,044		\$1,533	\$3,523
Debt Service/Capital Lease	\$679	\$416	\$175		\$0	\$1,631
Debt Service Coverage	3.89	5.48	7.23	N/A		3.74
<i>Fiscal Year 2009</i>						
Customer Revenues	\$18,540	\$18,756	\$11,121	\$14,484	\$21,700	\$29,551
Other Revenues	<u>1,112</u>	<u>1,385</u>	<u>197</u>	<u>345</u>	<u>770</u>	<u>606</u>
Total Revenues	\$19,652	\$20,141	\$11,318	\$14,829	\$22,470	30,157
Purchased Power Expense	18,113	17,926	7,895	10,720	12,121	20,135
Other Operating Expense	<u>1,506</u>	<u>872</u>	<u>2,754</u>	<u>1,068</u>	<u>5,064</u>	<u>4,750</u>
Total Operating Expenses	\$19,619	\$18,798	\$10,649	\$11,788	\$17,185	24,885
Net Revenues	\$33	\$1,343	\$669	\$3,041	\$5,285	\$5,272
Depreciation, Amortization	0	686	0	590	1,953	1,918
Transfers Out/(In)	1,706	(124)	0	791	1,682	0
Other non-Operating Expenses	<u>0</u>	<u>97</u>	<u>156</u>	<u>94</u>	<u>0</u>	<u>482</u>
Net Income	(\$1,673)	\$684	\$516	\$1,566	1,650	\$2,872
Debt Service/Capital Lease	\$687	\$414	\$267	\$431	\$0	\$1,319
Debt Service Coverage	0.05	3.24	2.51	7.06	N/A	4.0
<i>Fiscal Year 2008</i>						
Customer Revenues	\$16,801	\$19,103	\$11,712	\$15,363	\$19,935	\$30,310
Other Revenues	<u>982</u>	<u>1,264</u>	<u>40</u>	<u>1,161</u>	<u>705</u>	<u>512</u>
Total Revenues	\$17,783	\$20,367	\$11,752	\$16,524	\$20,640	\$30,822
Purchased Power Expense	15,934	\$17,581	\$8,112	\$11,705	\$12,258	\$21,671
Other Operating Expense	<u>1,242</u>	<u>869</u>	<u>2,995</u>	<u>1,929</u>	<u>6,617</u>	<u>4,301</u>
Total Operating Expenses	\$17,176	\$18,450	\$11,107	\$13,634	\$18,875	\$25,972
Net Revenues	\$607	\$1,917	\$645	\$2,890	\$1,765	\$4,850
Depreciation, Amortization	0	\$659	\$0	\$576	\$1,538	\$1,795
Transfers Out to City	1,232	0	0	885	1,413	6
Other non-Operating Expenses	<u>793</u>	<u>231</u>	<u>114</u>	<u>106</u>	<u>0</u>	<u>(163)</u>
Net Income	(\$1,418)	\$1,027	\$531	\$1,323	(\$1,816)	\$3,212
Debt Service/Capital Lease	\$768	\$531	\$264	\$426	\$0	\$1,001
Debt Service Coverage	0.79	3.61	2.44	6.78	-	4.85

THE LARGE POOL POWER PURCHASERS & CITY OF HARRISONVILLE
Top Ten Customers by Revenue

Customer	Industry	% of Revenues
<i>Lebanon – 2010</i>		
Copeland	Manufacturer AC Compressors	15.2%
Independent Stave Company	Manufacturer Oak Barrels	6.2%
Detroit Tool Metal Products	Manufacturer Metal Stamper	3.8%
Marathon Electric	Manufacturer Electric Motors	3.3%
St. John/ Breech Medical Ctr	Medical Hospital	2.9%
Detroit Tool Metal Products	Manufacturing Tool & Die	2.1%
Wal-Mart	Retail	2.0%
County Courthouse	Government	1.7%
City of Lebanon	Government	1.3%
Ramey's	Retail	1.1%
<i>Farmington – 2010</i>		
SR Automotive Products	Automotive	11.3%
Mineral Area Regional	Medical Center	3.4%
BJC Parkland Med.	Health Services	3.3%
Farmington R-VIII Schools	Education	2.3%
Wal-Mart Super Center	Retail	2.2%
*Little Tikes Commercial	Manufacturing – Recreation	2.1%
Accent Marketing	Call Center	1.3%
Country Mart	Retail	1.0%
Lowe's Home Center	Retail	0.9%
The Molding Company-Forte	Manufacturing - Plastics	0.9%
* Little Tikes Commercial Play Systems scheduled ceasing production at the local facility in 2010, but plans to maintain Sales and G&A related operations at that facility.		
<i>Harrisonville – 2010</i>		
Wal-Mart Stores	Retailer	7.7%
Cass Regional Medical Center	Healthcare	7.4%
Four B Corporation	Retailer	5.3%
Cass County Justice Center	Government	4.9%
Aptuit LLC	Pharmaceutical Mfg	4.0%
City of Harrisonville	Government	2.5%
Sutherlands	Retailer	2.1%
City of Harrisonville - Community Center	Recreational	1.9%
Cass R-IV School – Middle	Education	1.7%
Cass R-IV School – High School	Education	1.6%
<i>Jackson – 2009</i>		
Rubbearmaid	Closet Organization Products	9.9%
Jackson R-2 Schools	Education	4.6%
American Railcar	Railroad car industry	2.6%
Wal-Mart	Retail	2.0%
Midwest Sterilization	Processing	1.9%
Cape Girardeau County	Government	1.6%
Country Mart	Grocery Retail	1.5%
NLC, Inc.	Manufacturer clay products	1.1%
DCO International	Recycling	0.6%
Buchheit, Inc.	Retail	0.5%

Customer	Industry	% of Revenues
<i>Marshall – 2010</i>		
Con Agra	Food Packaging Mfg	15.8%
Excel (bought out by Cargil)	Food Packaging Mfg	5.0%
State of MO	Government	2.2%
Fitzgibbon Hospital	Hospital	2.0%
Wal-Mart	Retail	1.6%
MMU Wastewater	Government	1.6%
Americold Logistics	Refrigeration Plant	1.5%
MMU Water	Government	1.3%
Marshall Egg Products	Agriculture - Dry Egg Production	0.9%
Jerden Foods	Grocery retail	0.9%
<i>Rolla – 2010</i>		
Missouri – S & T – Physical Facilities	Educational	10.9%
Phelps County Regional Medical Center	Medical	5.8%
Rolla Public Schools	Educational	2.5%
City of Rolla	Local Government	2.3%
Brewer Science	Research & Development	2.1%
Wal-Mart Store 01-101	Retail	1.9%
St. Johns Clinic, Inc.	Medical	1.7%
Missouri S & T –Student Affairs	Educational	1.5%
Rolla Municipal Utilities	Local Government	1.3%
Cantex(1)	Manufacturing	0.9%

⁽¹⁾ [Cantex has announced that it will be closing its operations in Rolla.]

F. LARGE UNIT POWER PURCHASERS UPDATE
(OFFICIAL STATEMENT - APPENDIX C)

CITY OF COLUMBIA MISSOURI

15 N. Seventh Street
Columbia, MO 65205
874-7325

Organization

The City of Columbia, Missouri (the “City”) was incorporated in 1826 and became a Constitutional Charter City in 1949. The City is located near the center of the state, and is joined by interstate with Kansas City, Missouri, to the west and St. Louis, Missouri, to the east. The City is located in Boone County. The City’s utility is Columbia Water & Light (“CWLD”), which was formed in 1904. The City is home to the University of Missouri, Columbia College and Stephens College.

The City is organized under the laws of the State of Missouri and operates under a Constitutional Charter approved by the citizenry in 1949. The City is governed according to a Council–Manager form of government. The Mayor and six council members are elected by the citizens of Columbia for three years with staggered terms of service. The City Council appoints a City Manager to implement its policies and direct operations of City departments, including CWLD.

All decisions concerning CWLD are made by the City Council. Recommendations are made to the Council by the Water and Light Advisory Board (the “Board”). The Board is a five member advisory board created by the City Charter. Board members serve overlapping four year terms. The Board’s powers and duties are solely advisory. The Board performs duties according to the City Charter and Code of Ordinances of the City of Columbia, Missouri, and reports its findings and recommendations at least annually to the residents of Columbia and the City Council.

Service Territory, Transmission and Distribution System

CWLD serves retail customers inside and outside the limits of the City. The City limits consist of a 60 square mile area. CWLD serves over 45,000 retail customers for both electric and water service.

CWLD’s transmission system is comprised of approximately 70 miles of 161 kV lines and 69 kV lines. CWLD’s transmission system is interconnected to transmission facilities owned by Associated Electric Cooperative, Ameren, City of Fulton, and the University of Missouri.

As of September 30, 2010, CWLD’s distribution system consisted of approximately 788 circuit miles of overhead and underground lines. The City maintains nine distribution substations.

Power Supply

The City provides power and energy to its customers from a combination of owned generating resources and purchased power. See “Operating Statistics” below for certain historical information regarding CWLD’s demand and energy requirements.

CWLD owns and operates the Columbia Municipal Power Plant which has two coal boilers, one natural gas boiler and one gas turbine. The plant has a net rated capacity of 86 MW and the last unit was placed in service in 1970. The plant is used primarily for load following and contributed approximately 10.5% of system energy during the previous year.

CWLD also owns nine distributed generators, totaling 12.5MW, located at five customer sites around Columbia. The generation, which runs on diesel oil, was installed primarily for reliability and peaking purposes. The customers pay a monthly standby power charge. CWLD also owns 2MW of

landfill gas generation. This facility began operation in June 2009. The facility was built to allow the addition of another 2MW of generation as the landfill gas supply develops. In 2010, CWLD purchased a 25% (36 MW) interest in the 144 MW natural gas fired Columbia Energy Center peaking facility. The remaining 75% is owned by Ameren and they continue to operate the facility.

The majority of CWLD's energy is purchased from market participants under long-term contracts. The City has long term purchase agreements in place with the City of Sikeston, Missouri, the Kansas City, Kansas, Board of Public Utilities, AEM, Associated Electric Cooperative and Ameresco. The amount and term of these contracts is as follows:

**Columbia Water & Power
Long Term Power Supply Contracts**

	Capacity (MW)	Contract Expiration
City of Sikeston, Missouri	66	Plant Life
Kansas City, Kansas, Board of Public Utilities	20	Plant Life
AEM	Rising to 70	May 31, 2011
Ameren (Columbia Energy Center)	72	2017 with Purchase Option
Associated Electric Cooperative (Wind)	6.3	20 Years
Ameresco	3	20 Years

CWLD is obligated to purchase approximately 20 MW of MJMEUC's interest in the Iatan Unit 2 Project under a long-term take-or-pay contract. CWLD expects to use this Iatan Unit 2 capacity, together with its 50 MW participation in the Prairie State Project, to replace the AmerenIL contract that expires in 2011. CWLD expects to arrange additional power supply contracts to provide sufficient capacity and energy to meet customer loads for the foreseeable future.

The City has contracted with The Energy Authority ("TEA") to act as the MISO market participant for the City. All purchased power arrangements are handled by TEA, with prior approval by the CWLD. In addition, the CWLD has contracted with TEA for power supply risk management services. CWLD's portfolio is modeled and monthly status updates are held to review current status and future options.

Environmental and Regulatory Factors

The Columbia Municipal Power Plant has the capability to burn coal, gas, oil and wood. Low sulfur coal is used to reduce air emissions. Other measures have also been installed at the plant to accurately measure and reduce air emissions. The system is in full compliance with air quality standards set forth by the Missouri Air Conservation Commission and approved by the Federal Environmental Protection Agency. During 2008, CWLD received a temporary permit to test burn wood as a fuel source. Missouri Department of Natural Resources subsequently informed CWLD that no further permitting would be required in order to continue burning wood as a fuel source.

Projected Capital Additions

Current estimates indicate that CWLD will invest up to \$90 million in capital improvements over the next 5 years. Planned capital improvements include an executed purchase option for 72MW of the Columbia Energy Center natural gas peaking plant; additions to the transmission system; and improvements and updates to the distribution system. CWLD expects to finance the improvements with a combination of previously issued revenue bonds, cash from operations, and a bond election in 2011.

Electric Rates

The City Council has sole authority to establish electric rates. The City reviews these rates and charges annually. The City Council has also granted CWLD the authority to automatically adjust energy rates included in its electric class rate schedules in accordance with a fuel adjustment rider (the “Fuel Adjustment Rider”).

As provided in its bond indentures, the City covenants to charge and collect rates for the electric power and energy supplied by CWLD’s electric system as shall be required to provide the greater of (i) net revenues sufficient to cover 110% of CWLD’s aggregate debt service, or (ii) revenues and income sufficient to pay operating expenses, 100% of aggregate debt service on all bonds of the City and any other charges required to be paid out of revenues of CWLD’s electric system. Other charges to be paid out of revenues are generally defined by the City to include payments of in lieu of taxes to the City, capital improvements and replacements that are not bond financed and system working capital requirements. In addition, the City covenants to review the sufficiency of its rates for electric service annually.

In September 2010, the City Council approved average rate increases of 2.0% effective October 1, 2010. This increase followed a previous rate increase of 5.0% which was effective on October 1, 2009. While CWLD has the authority to use a Fuel Adjustment Rider, every effort is made to maintain a zero fuel adjustment. The last time the Fuel Adjustment Rider was utilized was for three months in the summer of 2004.

The City’s electric service rate schedules are designed to encourage energy conservation and the efficient use of energy. All customer classes are subject to seasonal rates that increase during peak summer months.

Energy Sales and Customer Information

With the exception of 2008 and 2009, the City continues to experience growth in its energy requirements. Both summers were some of the mildest on record. Due to the national economic situation, CWLD’s customer growth has slowed from a 3%-4% annual growth to a 1%-2% growth. Forecasts of peak loads and annual energy requirements have been adjusted. CWLD recently completed an Integrated Resource Plan (“IRP”). The IRP recommends an aggressive Demand Side Management (“DSM”) program as an important least-cost option to meeting future requirements. CWLD is taking steps to ramp-up existing DSM programs to assist customers in becoming more energy efficient.

Historical Peak Load and Energy Sales Fiscal Year Ending September 30

	Peak Load (in MW)	Total Energy Sold (MWh)
2004	240	1,037,604
2005	257	1,080,407
2006	272	1,114,473
2007	265	1,143,910
2008	257	1,126,418
2009	250	1,081,978
2010	265	1,142,702

CWLD's service area is primarily residential in nature. As of September 30, 2010, 86.3% of CWLDs customers were residential, 13.6% were commercial and less than 1% were industrial or other classifications.

**Customers by Class
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Average Number of Customers:			
Residential	37,849	38,793	39,024
Commercial	6,915	6,115	6,171
Industrial	<u>32</u>	<u>32</u>	<u>30</u>
Total Customers:	44,796	44,940	45,225

CWLD's sales are dispersed among all customer classes. As of September 30, 2010, 37.3% of CWLD's energy sales were made to residential customers, 41.0% were made to commercial customers and 21.7% were attributable to industrial and other customers. Large commercial and industrial customers represent the full spectrum of CWLD's business. Food processing, electronics, car parts, insurance, and health care represent major areas of the large customer base.

**Energy Sales (MWh) by Class
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	391,327	384,518	425,702
Commercial	463,139	448,242	468,691
Industrial	<u>271,952</u>	<u>249,217</u>	<u>248,309</u>
Total Retail Sales (MWh)	1,126,418	1,081,977	1,142,702

As of September 30, 2010, 42.6% of CWLD's revenues from the sale of energy were made to residential customers, 39.9% were made to commercial customers and 17.5% were attributable to industrial and other customers.

**Energy Revenues by Class
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	\$39,077,413	\$ 40,259,530	47,729,009
Commercial	40,859,340	41,400,295	44,694,810
Industrial	<u>19,708,608</u>	<u>19,091,055</u>	<u>19,526,553</u>
Total Retail Sales	\$99,645,361	\$100,750,880	\$111,950,372

Regional Transmission Organization ("RTO")

CWLD became a member of MISO in 2005. CWLD is a Transmission Owner ("TO") and has contracted with TEA for market participant services. CWLD receives revenue as a TO and by selling energy in the market when not needed for local requirements. CWLD has 86MW's of life-of-plant coal generation in the SPP RTO. SPP market prices have historically been higher than MISO market prices. With the assistance of TEA, CWLD has been able to sell SPP resources at a very favorable margin. CWLD only participates in low-risk transactions. TEA also provides energy risk management services

for CWLD. CWLD's portfolio is modeled and monthly telephone status update meetings are held to assess current and long-term positions. Energy sales are from existing supplies that are not needed for native load and benefit CWLD's customers by mitigating rate changes.

**Revenues from RTO Transactions
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Energy Revenues	\$2,593,674	\$5,940,915	\$5,364,906
Transmission Revenues	<u>4,390,961</u>	<u>2,565,070</u>	<u>1,620,718</u>
Total RTO Revenues	\$6,984,635	\$8,505,985	6,985,624

Financial Condition

The following Condensed Balance Sheet and Condensed Statement of Operations for the last fiscal year has been prepared by CWLD based upon unaudited financial statements. Copies of the City's audited financial statements may be obtained from City of Columbia, Finance Department, P. O. Box 6015, Columbia, MO 65205 or on the web at www.gocolumbiamo.com.

**Columbia Water & Light
Condensed Balance Sheet
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Assets:</u>			
Net Plant in Service	\$194,177,163	\$197,107,127	\$217,346,086
Cash and Marketable Securities	35,958,288	43,938,121	27,978,533
Other Assets	<u>91,196,627</u>	<u>99,614,820</u>	<u>97,777,044</u>
Total Assets	\$320,332,078	\$340,660,068	343,101,663
<u>Liabilities and Equity :</u>			
Retained Earnings	\$166,953,199	\$175,165,489	180,482,700
Revenue Bonds Payable, Noncurrent	132,002,071	143,930,599	139,201,611
Current Liabilities from Restricted	10,902,293	10,400,304	11,280,667
Current Liabilities	<u>10,474,515</u>	<u>11,163,676</u>	<u>12,136,685</u>
Total Liabilities and Retained Earnings	\$320,332,078	\$340,660,068	343,101,663

**Columbia Water & Light
Condensed Statement of Operations
Fiscal Year Ending September 30**

	2008⁽¹⁾	2009	2010
<u>Revenues</u>			
Sale of Electricity Retail	\$ 98,826,911	\$101,408,819	\$112,259,981
Other Revenues ⁽¹⁾	<u>29,582,320</u>	<u>29,866,960</u>	<u>32,705,985</u>
Total Revenues	\$128,409,231	\$131,275,779	\$144,965,966
<u>Operating Expenses</u>			
Fuel and Purchased Power	\$62,337,258	\$66,517,782	\$73,284,556
Other Electric Production Expenses	4,045,520	4,406,956	4,506,466
Electric Distribution & Transmission	9,120,759	10,092,812	11,368,196
Other Operating Expenses ⁽²⁾	<u>15,220,058</u>	<u>16,288,912</u>	<u>15,801,134</u>
Total Operating Expenses	\$90,723,058	\$97,295,462	\$104,960,352
<u>Other Expenses</u>			
Depreciation	\$ 9,606,527	\$10,324,043	\$10,997,082
Interest Expense	5,621,734	5,940,890	6,384,864
Other	<u>11,408,370</u>	<u>11,292,823</u>	<u>12,798,100</u>
Total Other Expenses	\$26,636,631	\$27,557,756	\$30,179,996
Contributed Capital	\$719,869	\$268,382	\$327,405
Net Earnings	\$11,768,874	\$6,690,943	\$10,153,023

⁽¹⁾ Does not include unrealized gains.

⁽²⁾ Includes operating revenues or expenses associated with the operation of the City's water system

**Columbia Water & Light
Net Revenues Available for Debt Service⁽¹⁾
Fiscal Year Ending September 30**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Gross Revenue	\$128,409,231	\$131,275,779	\$144,965,966
Operating Expenses	<u>(90,723,595)</u>	<u>(97,295,462)</u>	<u>(104,960,352)</u>
Net Revenue Available for Coverage	\$ 37,685,636	\$ 33,980,317	\$ 40,005,614
Principal and Interest Payments	\$8,834,238	\$10,000,758	\$10,404,864
Debt Service Coverage	4.3	3.4	3.8

⁽¹⁾ Calculation may differ from specifics of City ordinances.

Litigation

There is no material pending litigation relating to CWLD or its operations.

CITY OF INDEPENDENCE, MISSOURI

21500 E. Truman Road
Independence, MO 64056
(816) 325-7500

**Historical Peak Load and Energy Sales
Fiscal Year Ending June 30**

	Peak Load (in MW)	Total Energy Requirements (MWh)	Summer Cooling Degree Days (May – Oct.)
2004	314.9	1,128,378	1,416
2005	289.7	1,105,068	1,184
2006	296.2	1,158,504	1,570
2007	314.4	1,163,574	1,475
2008	308.4	1,187,360	1,582
2009	298.5	1,119,075	1,258
2010	271.8	1,099,236	1,135

**Customers by Class
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Average Number of Customers:				
Residential	51,372	51,649	51,593	51,458
Commercial	5,047	5,072	5,072	5,054
Industrial	12	11	11	10
Other	<u>58</u>	<u>58</u>	<u>58</u>	<u>63</u>
Total Retail Sales	56,489	56,790	56,734	56,585

**Energy Sales (MWh) by Class
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	532,935	545,808	512,725	503,508
Commercial	508,964	516,788	492,760	492,974
Industrial	45,353	44,911	42,815	42,754
Other	<u>9,521</u>	<u>9,763</u>	<u>9,827</u>	<u>9,982</u>
Total Retail Sales	1,096,773	1,117,270	1,058,127	1,049,218
Wholesale	<u>22,160</u>	<u>43,702</u>	<u>54,623</u>	<u>128,344</u>
Total Energy Sales	1,118,933	1,160,972	1,112,750	1,177,562

**Energy Revenues by Class
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	\$53,326,000	\$55,218,000	\$52,555,000	\$56,500,000
Commercial	43,673,000	44,708,000	45,171,000	48,273,000
Industrial	2,891,000	2,999,000	2,904,000	3,085,000
Other	<u>1,214,000</u>	<u>1,328,000</u>	<u>1,434,000</u>	<u>1,621,000</u>
Total Retail Sales	\$101,104,000	\$104,253,000	\$102,064,000	\$109,479,000
Wholesale	<u>796,000</u>	<u>2,081,000</u>	<u>1,765,000</u>	<u>4,039,000</u>
Total Energy Sales	\$101,900,000	\$106,334,000	\$103,829,000	\$113,518,000

**Condensed Balance Sheet
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Current Assets	\$54,284,767	\$39,991,623	\$35,995,866	\$41,310,513
Total Assets	209,728,136	204,915,520	229,395,820	232,790,837
Current Liabilities	13,333,931	12,285,255	10,655,918	14,278,809
Total Debt	15,943,778	15,749,856	46,551,741	46,435,641
Total Liabilities	29,632,158	28,397,173	57,629,555	61,311,850
Total Equity	\$180,095,978	\$176,518,347	\$171,241,565	\$171,478,987

**Condensed Statement of Operations
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Operating Revenue	\$103,133,249	\$107,619,947	\$105,064,847	\$114,744,814
Operating Revenue Deductions				
Fuel	13,835,233	17,900,397	12,866,864	6,795,158
Purchased Power	33,166,084	31,962,459	34,594,764	41,806,408
Production	10,513,325	14,264,646	14,239,231	13,655,940
Transmission & Distribution	10,247,780	11,425,578	12,444,477	14,039,156
Customer Service	2,966,584	3,017,211	3,029,850	3,250,364
General & Administrative	<u>8,804,290</u>	<u>12,193,191</u>	<u>12,108,388</u>	<u>12,714,003</u>
Total O&M	79,533,296	90,763,482	89,283,574	92,261,029
Total Operating Revenue	<u>99,803,233</u>	<u>112,866,877</u>	<u>111,981,668</u>	<u>115,806,737</u>
Deductions				
Net Operating Income	3,330,016	(5,246,930)	(6,916,821)	(1,061,923)
Total Non-Operating Deductions (net)	<u>1,058,328</u>	<u>358,431</u>	<u>840,741</u>	<u>(638,978)</u>
Net Income	4,388,344	(4,888,499)	(6,076,080)	(1,700,901)
Capital Contributions	<u>2,628,123</u>	<u>1,310,874</u>	<u>1,323,998</u>	<u>1,413,624</u>
Change in Net Assets	\$7,016,467	(\$3,577,625)	(\$4,752,082)	(287,277)

**Net Revenues Available for Debt Service
Fiscal Year Ending June 30**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Gross Revenue	\$105,313,797	\$109,358,222	\$106,810,460	\$115,265,625
Revenue Available for Coverage of	24,890,493	17,601,939	18,031,664	23,685,462
Electric Revenue Bonds				
Principal and Interest Payments	\$2,779,823	\$2,773,218	\$2,783,693	\$4,394,388
Debt Service Coverage	8.95	6.35	6.48	5.39

Litigation

There is no material pending litigation relating to the Department or its operations.

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