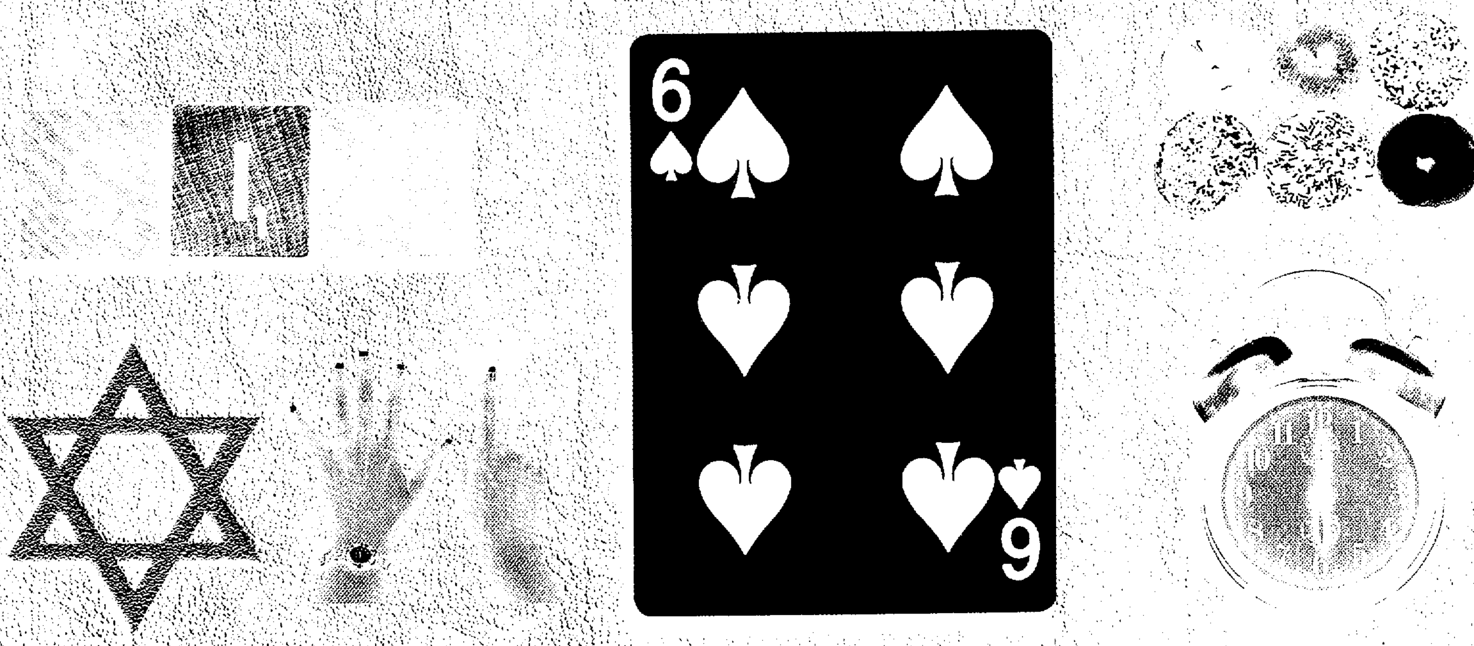
Corn Belt Power Cooperative

6th Principle: Cooperation among Cooperatives

1999 Annual Report



The 7 Cooperative Principles

1st Principle: Voluntary and Open Membership

2nd Principle: Democratic Member Control

3rd Principle: Members' Economic Participation

4th Principle: Autonomy and Independence

5th Principle: Education, Training, and Information

6th Principle: Cooperation among Cooperatives

7th Principle: Concern for Community

The 6th Cooperative Principle:
Cooperation among Cooperatives

This concept can be communicated in a number of ways:

- The whole is greater than the sum of its parts
- United we stand, divided we fall
- Safety in numbers
- Economies of scale
- One for all, all for one

No matter how you express it, this value is the very essence of our history. It must also be our unwavering method for operating in a changing world.

At Corn Belt Power Cooperative, cooperation among members has never been stronger. In 1999, new alliances were developed while existing partnerships held fast:

- The new Touchstone Energy® brand creates the largest utility network in the country
- A new alliance with EnPower offers regional power marketing opportunities
- New programs developed within the Corn Belt Power system allow for sharing resources

Practicing the Cooperative Principles made Corn Belt Power Cooperative strong for over 50 years. Holding fast to those ideals will make it succeed in the 21st century.

6th Principle

Executive Report

At the close of the 20th century, activities at Corn Belt Power actively demonstrated the sixth cooperative principle, "Cooperation among Cooperatives."

1999 was a year of developing new alliances and continuing strong partnerships. Joining EnPower Services, Inc., allows Corn Belt Power to participate in a regional marketing group to strengthen its position in a competitive environment. This partnership gives Corn Belt Power access to specialized resources for serving our distribution cooperatives' needs. It also helps position our cooperatives for marketing outside their boundaries in a deregulated marketplace.

In 1999, Corn Belt Power also developed its relationship with GEN~SYS Energy, buying capacity and joining the cooperative as a new member. Corn Belt Power continues to explore other marketing potentials, positioning AmeriChoice Energy, its alliance with Northwest Iowa Power Cooperative, for future competitive markets.

Cooperation among Corn Belt Power member cooperatives has never been stronger. Our members continue to develop sharing opportunities and have created alliances that allow them to take advantage of strengths and reduce duplication of efforts. Sharing resources allows co-ops to specialize employee tasks and get "bigger" without merging or sacrificing their local presence.

The atmosphere in the Corn Belt Power boardroom echoes this spirit of cooperation among cooperatives. For over 50 years, it has been the goal of Corn Belt Power Cooperative members to accomplish together what we can't do individually. This culture continues to be carried on today and will exist well into the new millennium, regardless of what changes come our way.

And indeed changes are coming. Immediate challenges will be experienced dealing with summer capacity concerns because of our tremendous growth over the past five years. Even though the weather and grain drying have not significantly increased energy sales, we still see record sales each year, due primarily to growth in commercial and industrial loads. We will continue to look for the best ways to meet our capacity needs. Options include repowering the Wisdom Station in Spencer by adding a combustion turbine and making it a combined-cycle unit, increasing purchases from neighboring utilities, installing small localized generators, and taking advantage of capacity increases such as the one underway at Duane Arnold Energy Center.

The challenges of a growing system are good for a cooperative. The growth we have realized has resulted in lower rates to our members and has enabled us to build a strong reserve fund to cover expenses that might keep us from being competitive in an uncertain future marketplace.

Our margins in 1999 also allowed us to return significant marketing rebates and $1 million in patronage to our members.

1999 marked the beginning of the end for a generating plant that has served Corn Belt Power well. In December, the board of directors voted to begin demolition of the Humboldt Station. The 50-year-old plant is not conducive to repowering. The plant site is still valuable, however, and could serve as the location of a new simple-cycle generating unit in the future.

Corn Belt Power will face one of its biggest challenges with the restructuring of our industry in Iowa. The board of directors, united in its agreement that soon we will be operating in a competitive environment, has actively helped to develop consensus legislation. Directors, managers and key staff have attended the Iowa Association of Electric Cooperative's training modules to understand the many complex issues involved in restructuring our industry. We continue to emphasize to legislators that it is vital for us to maintain local control and have the freedom to operate as cooperatives.

Our preparation for competition has extended to our marketing program. We see great value in the Touchstone Energy® brand for having national identification while maintaining our local presence. Through adherence to the program's standards, Touchstone Energy co-ops nationwide will be consistently strong for all customers. The many volunteer hours contributed by our employees to community organizations reinforce the value of co-ops being located in the communities they serve.

Efforts to develop the economies of our communities also demonstrate our commitment to those we serve. We will need to continue to counteract the loss of farms and farm revenue with sales to commercial and industrial members. The board of directors has agreed to fund a new key accounts program to continue to strengthen vital relationships with commercial and industrial customers.

Also in the 21st century, we will continue to maintain another strength of Corn Belt Power, its transmission system. Reconductoring of lines began in earnest in 1999 and will continue through the next several years, replacing original conductor for increased reliability. A new supervisory control and data acquisition (SCADA) system will be installed this coming year that, when combined with automated meter reading (AMR) technology, will allow us and our member systems to pinpoint outages quickly and restore service faster.

Dale M. Arends, Executive Vice President & General Manager — Donald Feldman, President

With changes in new technology and newly written laws, there are some things that will remain the same for Corn Belt Power Cooperative. We will continue to consider service to our members as our primary purpose. We will continue to strengthen our members' positions with reliable, reasonably priced power. And we will continue to foster cooperation among cooperatives to accomplish together what we can't do alone.

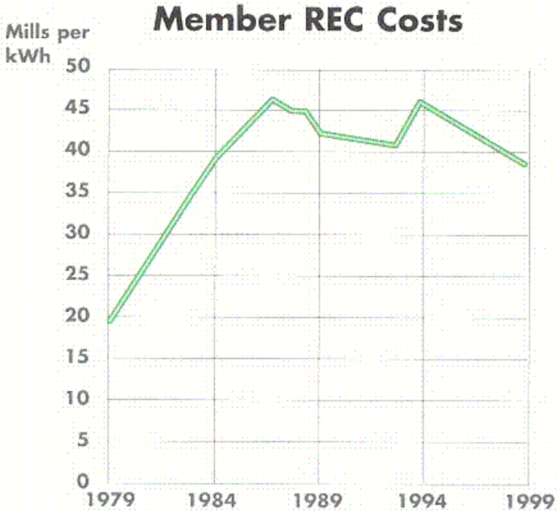
Throughout Corn Belt Power's 50-plus year history, boards of directors faced many critical decisions. They decided to build the first REA-financed diesel plants. They built the $6 million Humboldt Station in 1950. And they cooperated to build Iowa's only nuclear plant in 1972. All of those decisions likely caused many sleepless nights.

We, as a cooperative in the new century, will have to continue to make difficult decisions. We will look to others as partners and allies to make it possible not only to survive, but thrive in this new environment called competition.

Donald Feldman
President

Dale M. Arends
Executive Vice President
& General Manager

Member REC Costs



Average REC member system cost, including substation charge; calculated average REC rate reflects power sold to municipals and others served by RECs.

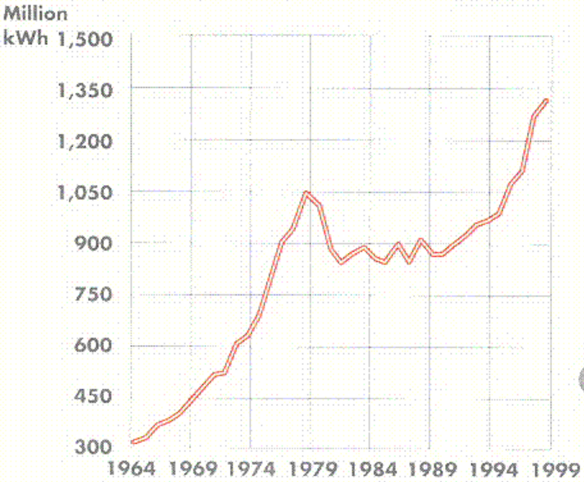
1999 Cooperative Highlights

	1998	1999
Total Energy Sales:	1,268,910,790 kWh	1,312,388,566 kWh
REC Peak Demand: (no losses)	187,792 kW	171,420 kW
System Peak:	227,011 kW	228,864 kW
Miles of Transmission Lines:	1,614	1,623
Distribution Substations:	125	125
Employees:	85	89

	1999 kWh Billed by Corn Belt Power	Miles of Line	# of Meters Served	# of Employees
Boone Valley Electric Co-op	8,026,933	55.00	131	1
Butler County REC	144,438,725	1,785.52	5,591	35
Calhoun County Electric Co-op	29,397,147	768.46	1,736	10
Franklin REC	48,755,217	820.11	1,813	13
Glidden REC	40,301,499	755.31	1,725	14
Grundy County REC	81,100,338	918.00	2,286	15
Hancock County REC	45,173,982	922.33	1,893	15
Humboldt County REC	46,816,699	938.27	1,846	14
Iowa Lakes Electric Co-op*	241,001,286	4,622.00	9,829	65
Midland Power Co-op*	112,448,655	2,817	3,021	34
Sac County REC	21,167,652	487.00	1,258	9
Wright County REC	173,210,559	1,087.00	2,667	18

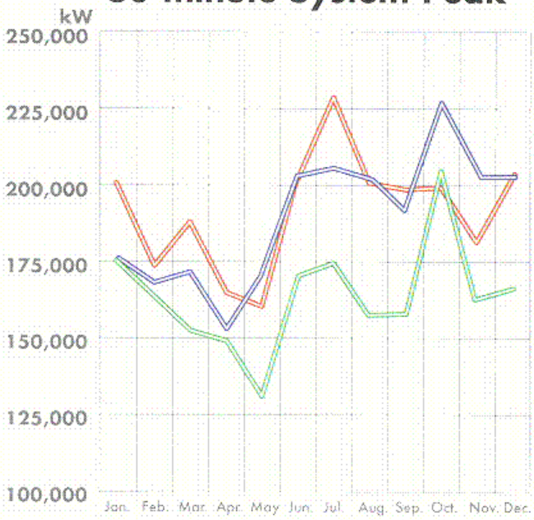
*Corn Belt Power service territory only

Total Corn Belt kWh Sales



Includes RECs, NIMECA, Webster City & Sales to Others

Corn Belt Monthly 60-minute System Peak



Corn Belt System Peak = REC + Webster City x 1.06 at time of CBPC/WC 60-minute System Peak

1999 1998 1997

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1999

Year in review

Five Touchstone Energy cooperatives - Hancock County REC, Franklin REC, Wright County REC, Humboldt County REC, and Heartland Power Cooperative - sponsored the Sparrow Farms Hitch at the Britt Draft Horse Show Sept. 3-5.

Don Larsen, line foreman, Emmetsburg, assembles a guy wire as part of the reconductoring project.

Cooperation among Cooperatives

Preparing for future competition among electric utilities, Corn Belt Power Cooperative focused on alliances with other cooperatives to strengthen its position to better serve its members during 1999.

The Sixth Cooperative Principle — "Cooperation among Cooperatives" — was a constant theme throughout the year. Corn Belt Power joined EnPower Services to have access to additional marketing and customer-related services for its members. Corn Belt Power also joined the power marketing arm of EnPower to enable its member cooperatives to make competitive bids to off-system customers in a deregulated environment.

Corn Belt Power developed an alliance by joining GEN~SYS Energy, a wholesale marketing unit that provides power trading, dispatch and schedule services for generation. This membership will give Corn Belt Power the opportunity to participate in several different services in the future.

Corporate Relations

With all of its distribution members, Corn Belt Power actively promoted the Touchstone Energy® brand, emphasizing the importance of integrity, accountability, innovation and commitment to the communities served. Marketing programs recognized employees who volunteered their time and talents in community activities ranging from Scout leader, school volunteer and 4-H leader to senior citizen meal delivery, church choir, and service club participation. In 1999, the Touchstone Energy advertising campaign continued to promote electric cooperatives as the "power supplier of choice" when competition comes to Iowa.

Nationally, Touchstone Energy sponsored several events to strengthen recognition of the Touchstone Energy brand. The Touchstone Energy Tucson Open held Feb. 25-28 in Arizona allowed cooperatives to target their commercial and industrial customers while participating in an event that funds a non-profit organization promoting amateur athletics for young people. The Touchstone Energy 300, a NASCAR Busch Series event at the Talladega Superspeedway in Alabama, was held April 24 and brought national exposure to the Touchstone Energy brand. In St. Paul, Minnesota, a new convention center was christened the Touchstone Energy Place at RiverCentre, offering the region 74,000 square feet of exhibition space, a 27,000-square-foot ballroom and 26 meeting rooms.

In other corporate relations activities, Corn Belt Power unveiled a newly formatted version of the 50-year-old *Watts Watt* newsletter, offering readers a color format that includes more features stories, news briefs and information about the people of Corn Belt Power and its member systems. Another publication, the cooperative's 50th anniversary booklet, received national recognition with an Award of Excellence in the Best Special Publication category in the 1999 Spotlight on Excellence.

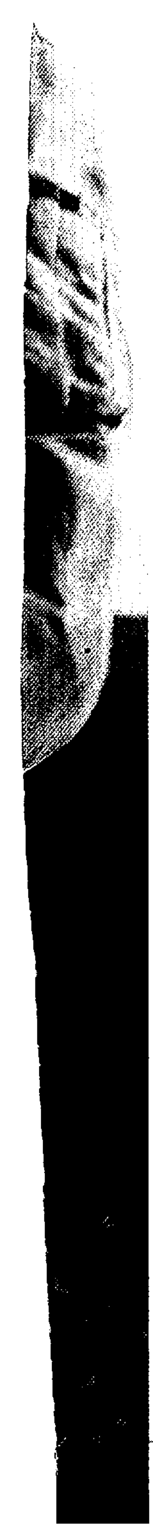
Record Peak, Record Sales

Corn Belt Power set a new record peak in July 1999, delivering 229 megawatts of power to member cooperatives, Estherville and Webster City. During the time of this peak, Corn Belt Power also had approximately six megawatts of load reduced or interrupted by select customers participating in the interruptible rate program. Normally a fall peaking utility, Corn Belt Power experienced record sales in July due to increased commercial and industrial load, high summer temperatures and high humidity levels. Total energy sales for the year to RECs, NIMECA, Webster City and others also set a new record, reaching over 1.3 billion kilowatt-hours sold, which is 3.4 percent over the previous record set in 1998.

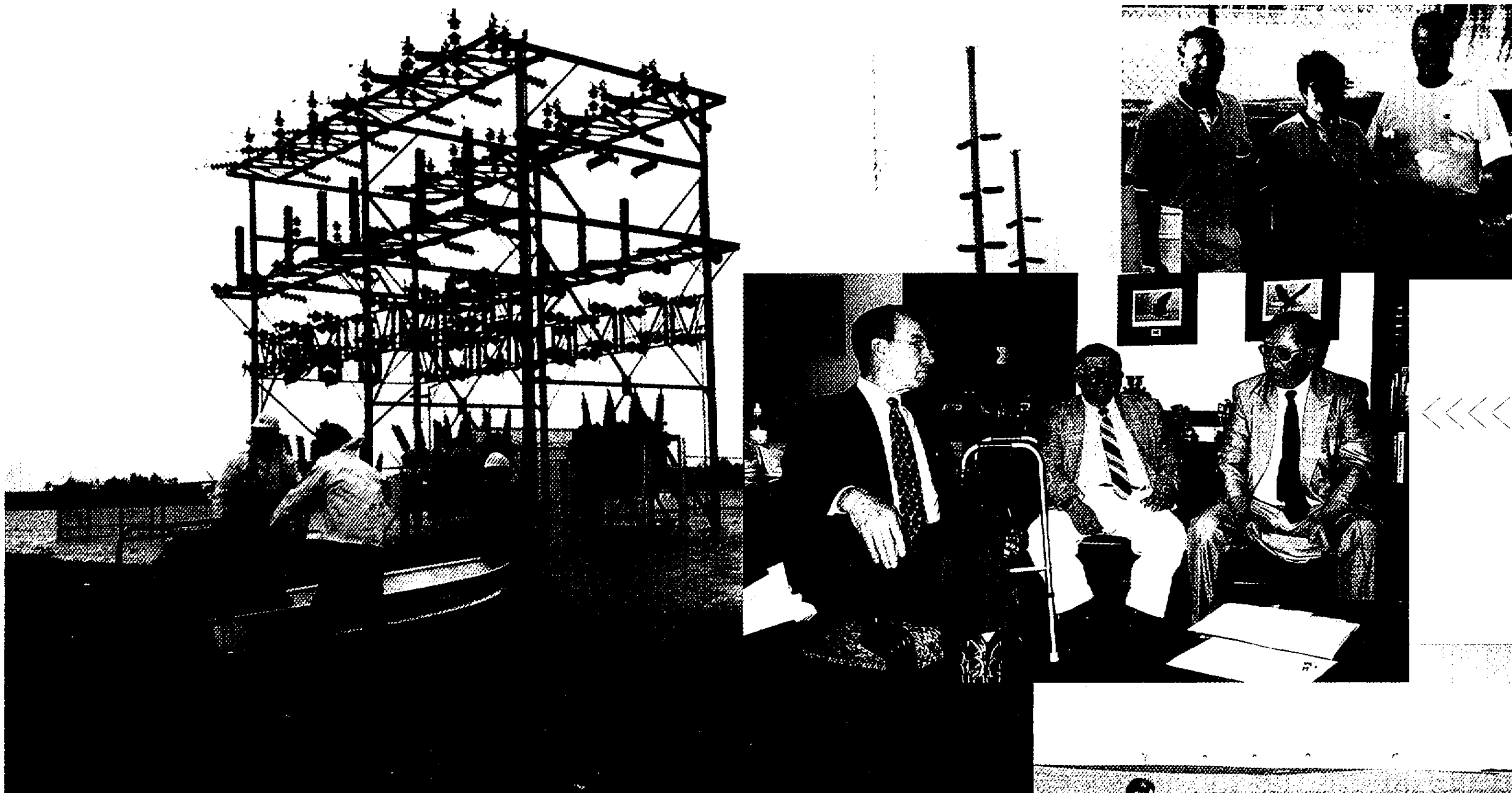
Successful economic development efforts resulted in increased sales and demand for capacity in Corn Belt Power's system. During 1999, additional peaking capacity was purchased from Algona Municipal Utilities and MidAmerican Energy Company. Additional sales and reduced expenses enabled Corn Belt Power to return almost $2 million of special property tax and marketing rebates to its members during the latter half of the year.

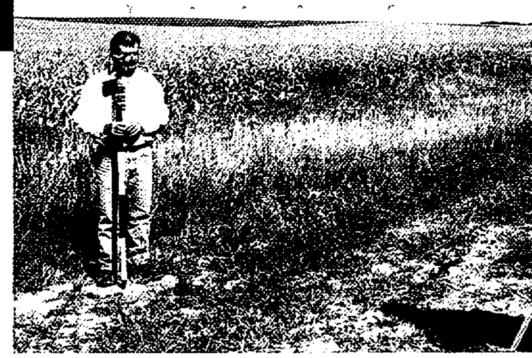
Marketing

Power Olympics, a program that encourages goal setting and increased REC employee participation in marketing, customer service and community involvement, had another successful year in 1999. Cooperatives achieved record numbers of points for sales of electric heating and cooling systems and electric water heaters, and for promotion of customer service and community involvement. Member system



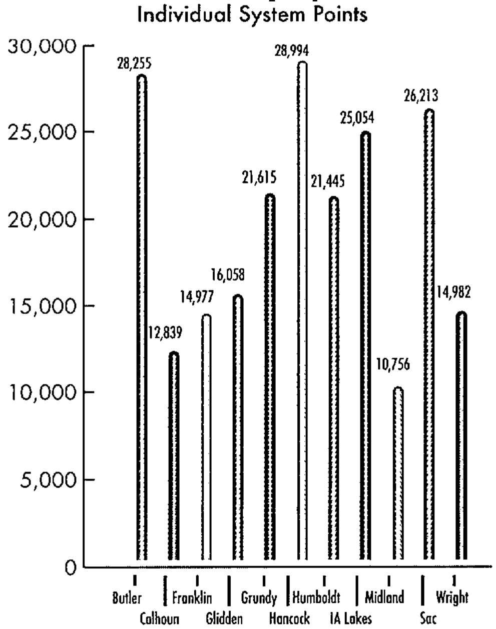
Touchdown = 6 points. Over 34 years, 1,092 points have been scored in the Super Bowl.





Electrical maintenance personnel prepare to launch a boat to take a generator out to the microwave building at the Parkersburg Switching Station. Heavy rain from a May 16 storm flooded the area around the switching station.

1999 Power Olympics Totals
Individual System Points



directors and employees and Corn Belt Power employees reported almost 15,000 hours of voluntary community service.

Year-end award winners were:

- **Total points - Hancock County REC and Butler County REC**
- **Growth (total points) - Grundy County REC and Humboldt County REC**
- **Growth (heating and cooling kWh) - Iowa Lakes Electric Cooperative and Butler County REC**
- **Growth (system kWh) - Grundy County REC and Wright County REC**

During 1999, Corn Belt Power's member systems sold or installed 939 electric water heaters, 2,590 kW of electric heat and 420 tons of heat pumps. Rate incentives were provided for over 44 million kWh of electric heating and cooling by member system customers. Corn Belt Power and its member systems paid over $500,000 in marketing incentives to customers to install electric space heating or water heating systems.

In January, Corn Belt Power hosted the eighth annual Power Olympics training, featuring consultant Bryan Singletary who discussed several areas where co-ops will need to adapt to the changing environment in the electric utility industry.

With Iowa's other generation and transmission cooperatives, Corn Belt Power sponsored the seventh annual Momentum is Building Contractors Conference in February, hosting builders, plumbers, electricians and HVAC contractors to learn more about energy-efficient building techniques and products.

Also in 1999, Corn Belt Power launched a new targeted marketing program with its members. The program enables co-ops to expand customer databases, conduct targeted campaigns for electric products and services, and customize communication strategies for various types of customers. Through EnPower, Corn Belt Power's members now make available several surge protection and uninterrupted power supply (UPS) products for their members.

Corn Belt Power employees who participated in the American Cancer Society's Relay for Life in Humboldt Aug. 14 were Dan Watnem, transmission superintendent, Eileen Hanson, payroll accountant, and Kevin Bornhoft, engineering assistant.

Lawrence Witty, center, Corn Belt Power director, and Christian Nygaard, right, director of Humboldt County REC, discuss electric utility restructuring with Sen. Charles Grassley in Washington, D.C.

Dan Shiflett, right-of-way and land supervisor, left, and Kevin Bornhoft, engineering assistant, test out electronic surveying equipment at the site of the new Hanover Substation. The new equipment allows two people to do the work previously done by a crew of five.

Generation & Power Supply

In 1999, Corn Belt Power helped celebrate the 25th anniversary of the Duane Arnold Energy Center (DAEC), Iowa's only nuclear plant. As a joint owner of the plant along with other utilities, Corn Belt Power agreed to the creation of a nuclear operating company that will improve efficiencies of operation by joining forces with other utilities that own nuclear plants. DAEC also began a capacity upgrade that will eventually increase the output of the plant by approximately 10 percent.

At the Wisdom Station near Spencer, crews began the installation of new pollution-control fuel burners to make the plant burn even cleaner. In other environmental procedures, personnel at the Wisdom Station filed a Toxic Release Inventory (TRI) report with the Environmental Protection Agency (EPA). The report showed that the plant's emissions were low compared to other coal-fired plants throughout the country.

While exploring new power supplies, the Corn Belt Power board of directors decided to dismantle the Humboldt Station and clear the site for future capacity needs. Built in 1950, the Humboldt Station went into extended outage several years ago and the board had considered repowering the four-unit plant with existing facilities. A power supply study, however, determined that the age of the equipment would not allow for the needed efficiencies. Also at the Humboldt Station, the ash storage site was closed and capped with an earthen berm in accordance with the Iowa Department of Natural Resources' regulations.

Transmission & Electrical Maintenance

One of Corn Belt Power Cooperative's major strengths is its reliable transmission system, including its 125 substations. New technology was implemented throughout the system to ensure reliability. Transmission crews began replacing aging conductor to accommodate load growth. This reconductoring project will increase line load capacity by more than 100 percent, revitalizing the infrastructure to serve expanded loads on Corn Belt Power's members' lines. Electricians installed state-of-the-art control houses in select substations and the board of directors approved a new supervisory control and data acquisition (SCADA) system.

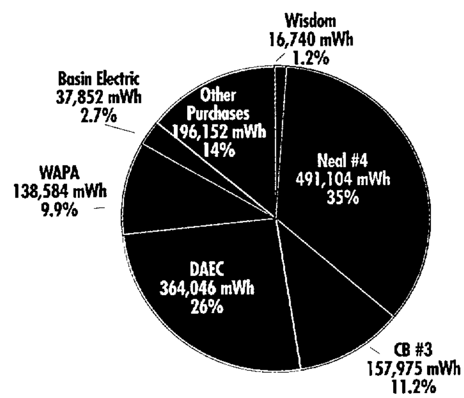
Also, a new electronic surveying tool purchased in 1999 allows two people to do the work previously done by a crew of five, replacing a 50-year-old manual system.

The six system supervisors who operate Corn Belt Power's control center were among the first in the seven-state Mid-Continent Area Power Pool (MAPP) region to be certified by the North American Electric Reliability Council (NERC). In response to deregulation efforts affecting the electric utility industry nationwide, NERC created the new certification process to ensure that reliability of service will be maintained.

In 1999, Mother Nature once again played havoc with lines and poles, sending high winds and heavy rains ripping through the system. In the spring, electricians waded out in waist-high water to repair substations, and transmission crews plowed through extremely muddy fields to repair downed lines.

1999 GENERATION SUMMARY

represents input from major resources and 100% ownership shares



Several of Corn Belt Power's member cooperatives received grants and loans through USDA's REDLG program. The City of Garner will receive a loan from Hancock County REC to help purchase a new fire truck to replace the 1976 model in this photo. From left are Mike Hagen and Freeman Fox, Hancock County REC, and Howard Parrot and Ivan Dodd, City of Garner.

6 ball = Billiards: World Professional Championship was first held in 1870.

Retiring President Eugene Drager and his wife Lorraine accept a gift from Dale Arends, executive vice president and general manager, in recognition of Drager's 31 years of service as a Corn Belt Power director.

Economic Development

In 1999, the Corn Belt Power Cooperative Board of Directors continued to support numerous economic development projects, investing in speculative buildings and making low-interest loans to new and expanding businesses. Projects supported by the Corn Belt Power economic development program included:

- **Development of Touchstone Energy Park at Garner**
- **Relocation and expansion of Conductive Circuits, Garner**
- **Purchase and marketing of the Ag Technology Site at Goldfield**
- **Development of the Greene Industrial Park**
- **Relocation and expansion of American Tool, Greene**
- **Construction of a speculative building in the Hampton Industrial Park**
- **Sale of a building to American Float Glass, Hampton**
- **Expansion and relocation of Ag Parts in the Humboldt Industrial Park**
- **Assistance with construction of building for Nokomis Machine, Humboldt**
- **Addition of new business line at Eaton Manufacturing, Spencer**
- **Expansion of GKN-Armstrong Wheels, Estherville**
- **Purchase of building for expansion by Simonsen Iron Works, Spencer**
- **Lease of speculative building to DVM veterinary wholesaler, Spencer**
- **Construction of building by Skyjack in Emmetsburg**
- **Expansion of Rosenboom Machine and Tool in the Lakes Business Park, Spirit Lake**
- **Construction of speculative building in Lakes Business Park, Spirit Lake**
- **Construction and sale of speculative building in Estherville**

In 1999, Corn Belt Power was the only recipient in Iowa of an Intermediary Relending Program (IRP) loan from the Unites States Department of Agriculture (USDA). This money will be used to create a revolving loan fund to make low-interest monies available for community projects. Several member cooperatives also received grants and loans through the USDA's Rural Economic Development Loan and Grant (REDLG) program that will create revolving loan funds to assist community and economic development projects.

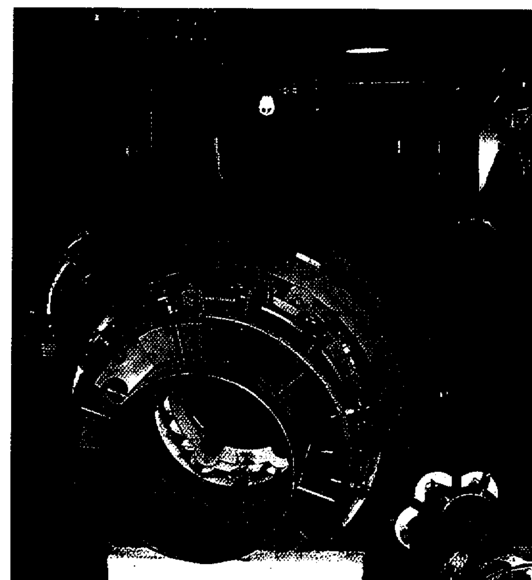
Government Relations

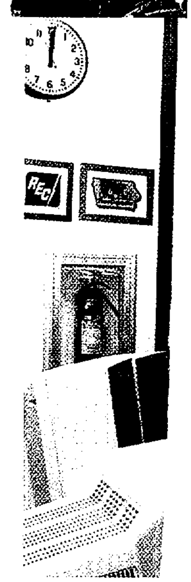
During 1999, representatives from Corn Belt Power and its member cooperatives voiced their opinions to legislators about deregulation legislation that may be acted upon in 2000. Co-op representatives continued to stress that restructuring must benefit all Iowans, provide a choice of suppliers, and maintain reliability and safety. REC representatives also reminded legislators that cooperatives are different from investor-owned utilities, offering numerous examples of RECs' involvement in their communities and detailing co-ops' economic development efforts throughout the state.

Y2K

Thorough evaluation of the entire Corn Belt Power system led to an uneventful New Year's Eve with no Y2K problems. All computer and date-sensitive devices rolled over into the new century without a glitch. A dress rehearsal drill held Sept. 9 - a date identified as having potential problems - cleared the way for smooth operation Dec. 31.

New fuel burners were installed at the Wisdom Station, Spencer, to keep the plant in compliance with the Clean Air Act. A representative with Advanced Burner Technology, left, discusses the project with Mike Thatcher, plant engineer.





The Corn Belt Power control center was fully staffed as the date rolled over to Jan. 1, 2000. A drill was held Sept. 9 as a dress rehearsal for the event. From left, Ken Kuyper, senior vice president, engineering and system operations, Richard Hegna, chief system supervisor, and Bob Burgett, system supervisor, discuss the next step in the drill coordinated by the Mid-Continent Area Power Pool.

Retirements, Service Awards, Hires

At its annual meeting in April, Corn Belt Power passed the baton of leadership as Eugene Drager retired from the board after serving 31 years as a director and the past 18 years as president. Drager was honored with the NRECA Regional Award for Outstanding Service. At the reorganizational meeting following the annual meeting, Corn Belt Power directors elected Donald Feldman president, Ronald Deiber vice president, Carrol Boehnke treasurer, Keith Gelder secretary and Donald O'Tool assistant secretary/treasurer.

Corn Belt Power honored many long-time employees with service awards in 1999. Those recognized were:

20 years: Charles Carrier, shift operator; Dennis Ernst, mechanic first class; Dave Heyden, journeyman electrician; Kent Paeper, maintenance and inventory assistant; Dan Shiflett, right-of-way and land supervisor; Dan Watnem, transmission superintendent; Diane Wempen, executive assistant; and Mike Zabel, system supervisor

25 years: Al Becker, communications superintendent; and Joe Hanrahan, system supervisor

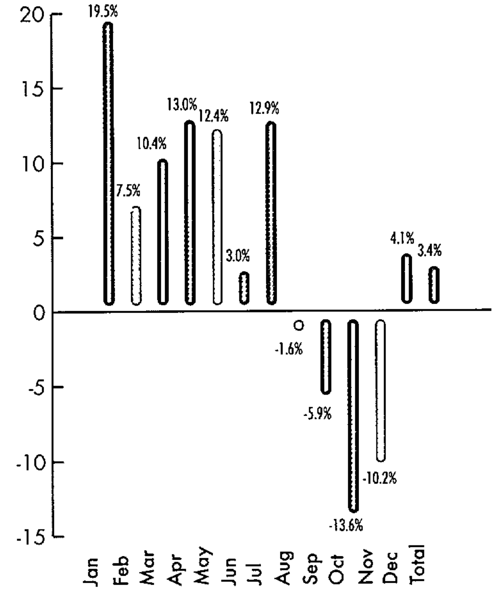
30 years: Paul Clay, system supervisor; Bill Fort, journeyman electrician; and Norman Moffitt, control operator

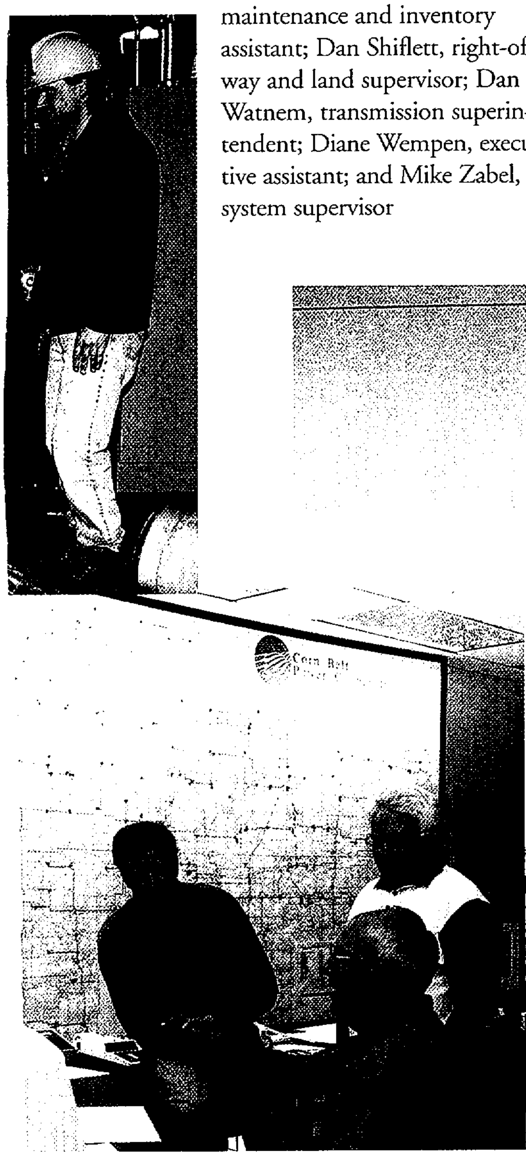
35 years: Ron Davis, communications technician

40 years: Myron Card, line foreman

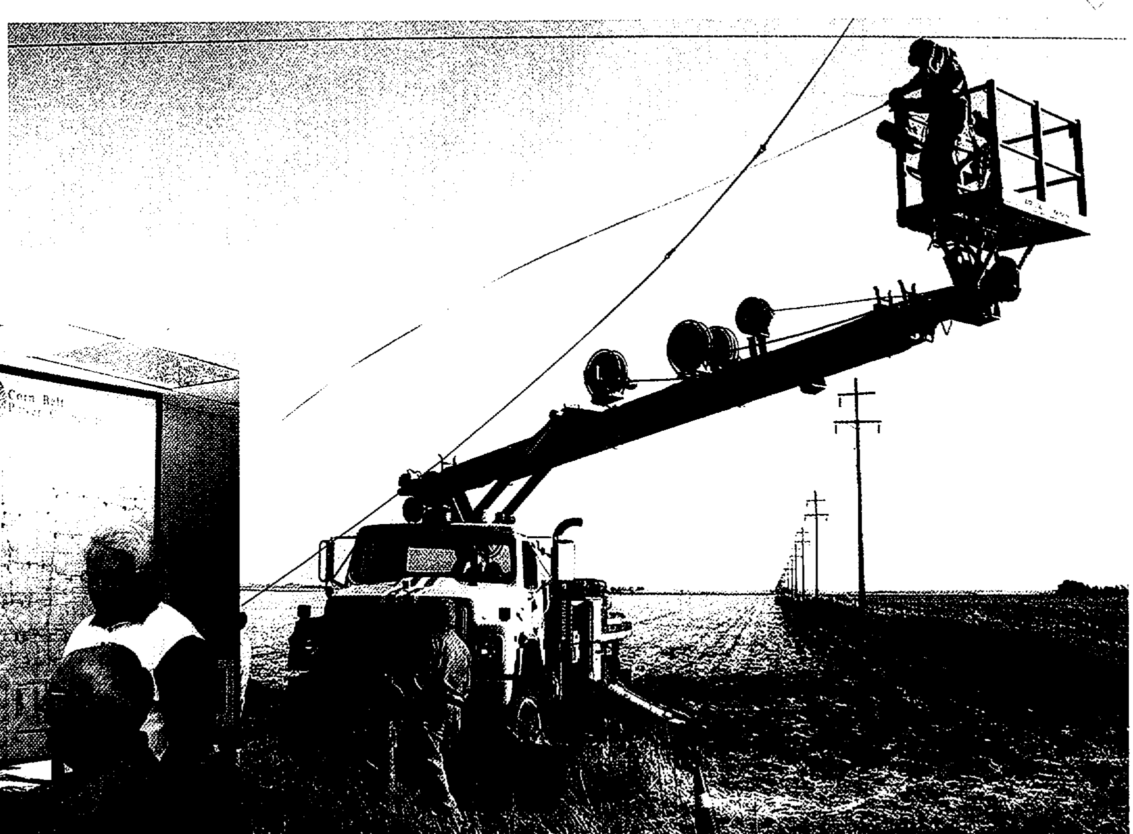
Seven new employees were hired in 1999: Anthony Borkowski, machinist welder certified, Wisdom Station; Shane Darr, apprentice lineman, Hampton; Scott Gilderhus, general plant worker, Wisdom Station; Jon Girres, apprentice electrician, Hampton; Joel Haynes, apprentice mechanic, Humboldt; Chris Shillington, communications technician, Humboldt; and Robert Wassom, general plant worker, Wisdom Station.

Corn Belt Monthly kWh Sales Percent Change 1999/1998





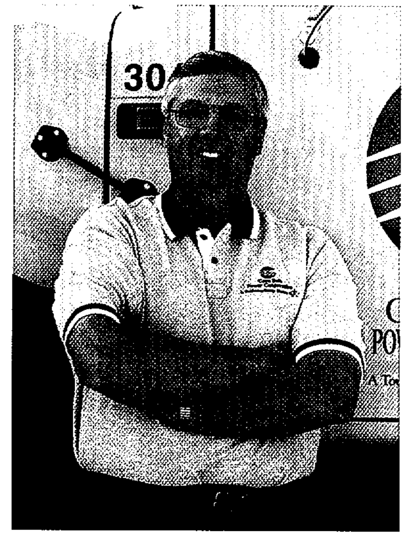
The Emmetsburg transmission crew determines length of a down guy wire for a pole on the Dickens-Ayrshire line. Installing larger conductor in the original sections of Corn Belt Power's transmission lines will increase capacity by more than 100 percent.



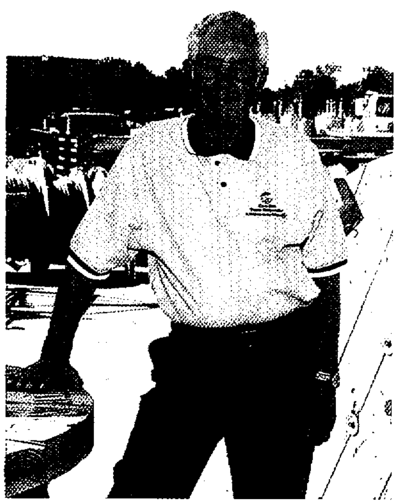
Half dozen doughnuts = 6 doughnuts.

6th Principle

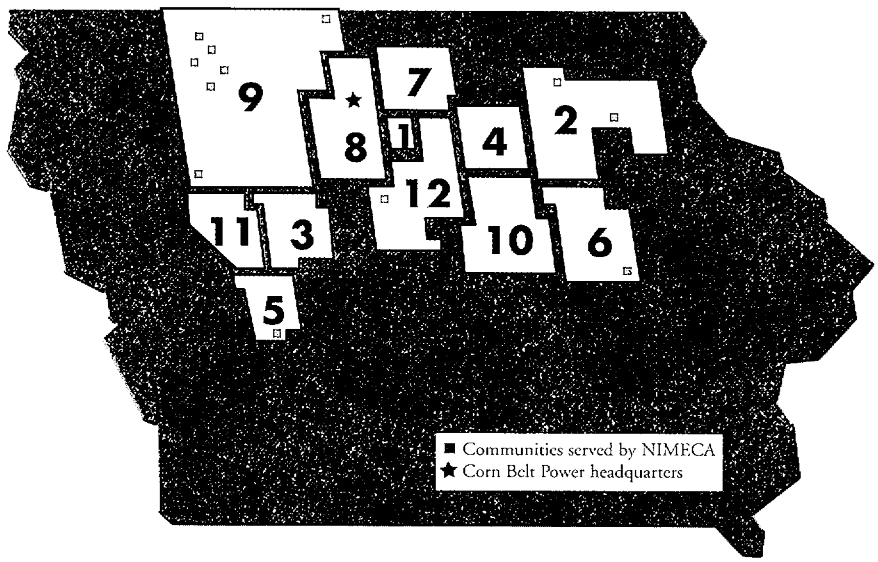
Board of Directors

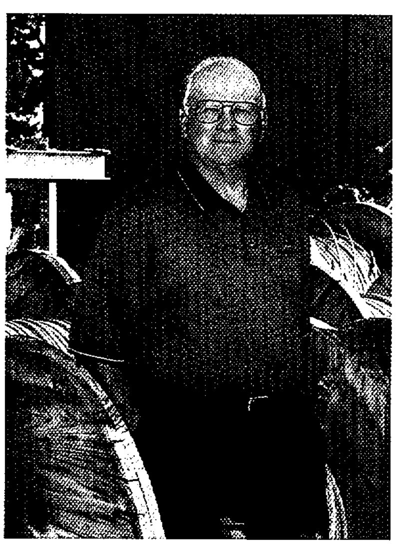


Donald Feldman, Butler County REC, President

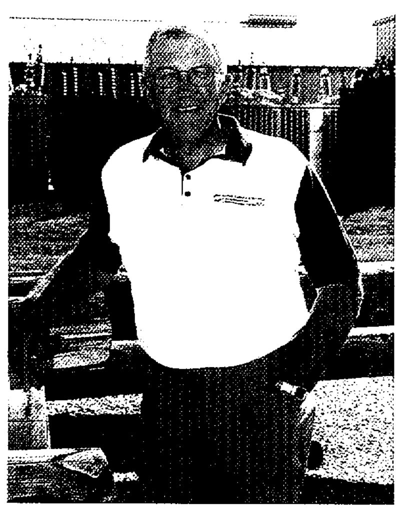


Russell Krog, Wright County REC

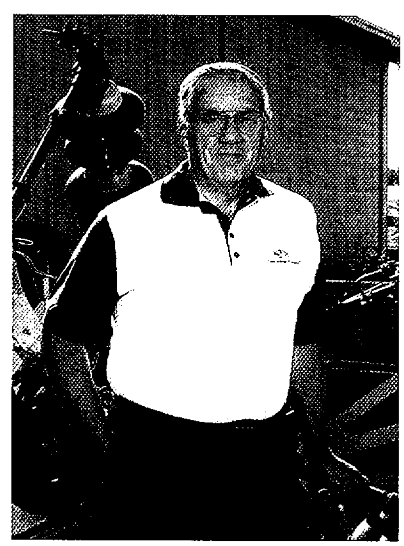




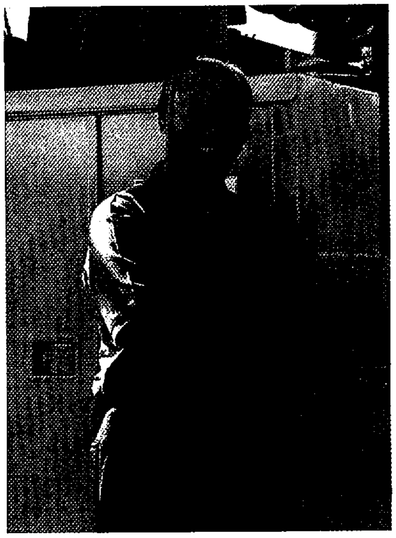
Norman Kolbe, Sac County REC



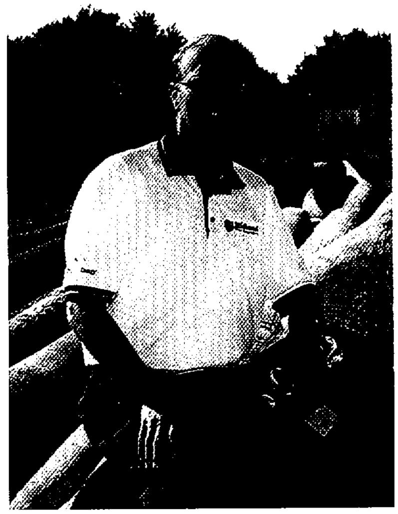
L. Kirby Range, Iowa Lakes Electric Cooperative



LeRoy Weber, Humboldt County REC



Ronald Deiber, NIMECA, Vice President



Keith Gelder, Midland Power Cooperative, Secretary

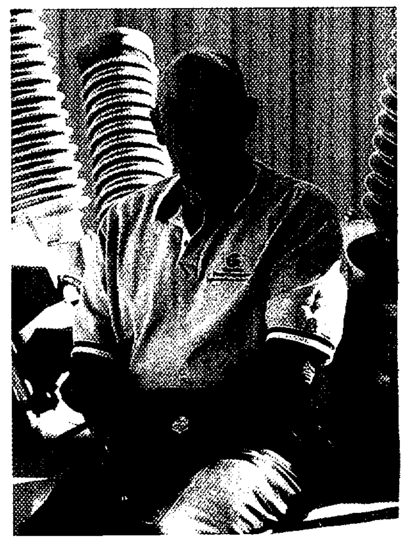
Carrol Boehnke, Hancock County REC, Treasurer

1. Boone Valley Electric Cooperative
2. Butler County REC
3. Calhoun County Electric Cooperative Association
4. Franklin REC
5. Glidden REC
6. Grundy County REC
7. Hancock County REC
8. Humboldt County REC
9. Iowa Lakes Electric Cooperative
10. Midland Power Cooperative
11. Sac County REC
12. Wright County REC

NIMECA

North Iowa Municipal Electric Cooperative Association includes electric utilities of:

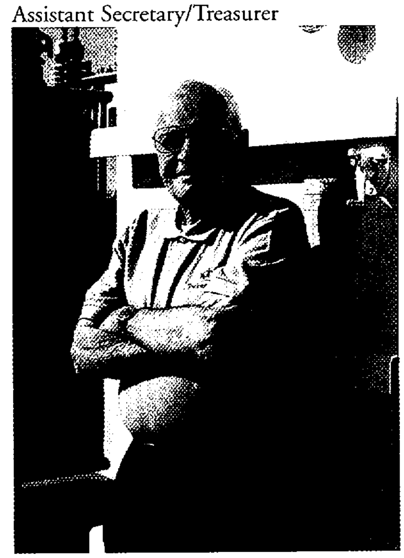
Alta
Bancroft
Coon Rapids
Graettinger
Grundy Center
Laurens
Milford
New Hampton
Spencer
Sumner
Webster City
West Bend



Donald O'Tool, Calhoun County Electric Cooperative Association, Assistant Secretary/Treasurer

Donald McLean, Grundy County REC

Lawrence Wittry, Glidden REC



Roger Rust, Franklin REC

Dice = 6 sides - A pair of dice from Las Vegas has a total of 12 sides.

Balance Sheets

December 31, 1999 and 1998

Assets	1999	1998
ELECTRIC PLANT (Notes 2 and 6):		
In service	$ 214,668,328	$ 214,809,849
Less-accumulated depreciation	120,754,701	117,648,885
	93,913,627	97,160,964
Construction work in progress	4,316,544	2,103,474
Nuclear fuel, net of amortization (Note 2)	5,597,319	3,608,186
	103,827,490	102,872,624
OTHER PROPERTY AND INVESTMENTS:		
Nonutility property	484,145	272,363
Investment in the National Rural Utilities Cooperative Finance Corporation (Note 2)	2,514,836	2,515,018
Land held for future use (Note 2)	2,963,060	2,963,060
Decommissioning fund (Note 2)	17,889,867	16,227,548
Other investments and receivables (Note 2)	3,778,168	4,212,336
	27,630,076	26,190,325
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	12,986,659	9,047,607
Member accounts receivable	3,420,353	3,908,053
Other receivables	141,513	237,956
Inventories -		
Fuel, primarily coal, at last-in, first-out cost	1,505,716	1,368,197
Materials and supplies, at average cost	2,912,287	2,988,950
Prepayments	347,356	294,016
	21,313,884	17,844,779
DEFERRED CHARGES:		
Deferred Department of Energy decommissioning costs (Note 10)	1,108,026	1,246,359
Deferred refueling costs (Note 2)	1,577,781	1,046,659
Other	35,977	11,450
	2,721,784	2,304,468
	$ 155,493,234	$ 149,212,196

The accompanying notes to the financial statements are an integral part of these statements.

Membership Capital & Liabilities

	1999	1998
MEMBERSHIP CAPITAL:		
Memberships, at $100 per membership	$ 1,400	$ 1,400
Deferred patronage dividends, per accompanying statements (payment restricted as indicated in Note 3)	9,192,504	8,777,682
Other equities, per accompanying statements	22,954,079	20,747,978
Unrealized gain in market value of investments (Note 2)	1,167,049	1,779,125
	33,315,032	31,306,185
LONG-TERM DEBT (Note 4):		
Rural Utilities Service	30,332,646	32,627,777
Federal Financing Bank	63,781,247	60,715,741
Capital lease obligations (Note 2)	1,682,101	2,190,076
Pollution control revenue bonds	1,830,000	2,005,000
	97,625,994	97,538,594
Less - Current maturities of long-term debt	6,007,978	5,371,631
	91,618,016	92,166,963
OTHER LONG-TERM LIABILITIES:		
Deferred Department of Energy decommissioning costs (Note 10)	872,646	1,017,543
DAEC decommissioning liability (Note 2)	16,722,818	14,448,424
Other	1,128,360	77,320
	18,723,824	15,543,287
CURRENT LIABILITIES:		
Current maturities of long-term debt	6,007,978	5,371,631
Accounts payable	3,366,293	2,208,729
Accrued property and other taxes	1,802,259	2,097,447
Accrued other	659,832	517,954
	11,836,362	10,195,761
	$ 155,493,234	$ 149,212,196

The accompanying notes to the financial statements are an integral part of these statements.

Baby Bottle = 6 ounces. More than 6 million gallons of milk are consumed in a year in the USA.

Statements of Revenues & Expenses

For the Years Ended December 31, 1999 and 1998

	1999	1998
OPERATING REVENUES:		
Sales of electric energy	$ 46,007,468	$ 45,208,268
Other	3,449,926	3,727,873
	49,457,394	48,936,141
OPERATING EXPENSES:		
Operation -		
Steam and other power generation	14,469,139	15,491,423
Purchased power, net	6,197,756	5,572,336
Transmission	3,196,590	2,750,812
Sales	1,288,942	900,814
Administrative and general	2,856,729	2,692,659
Maintenance -		
Steam and other power generation	3,821,844	4,069,554
Transmission	735,537	680,723
General plant	30,856	29,637
Depreciation and decommissioning (Note 2)	9,452,101	6,890,163
	42,049,494	39,078,121
Net Operating Revenues	7,407,900	9,858,020
INTEREST AND OTHER DEDUCTIONS:		
Interest on long-term debt	6,154,625	6,516,683
Interest during construction (Note 2)	(184,754)	(78,709)
Other deductions	28,820	39,110
	5,998,691	6,477,084
NET OPERATING MARGIN	1,409,209	3,380,936
NON-OPERATING MARGIN:		
Interest and dividend income	598,858	701,054
Other, net (Note 2)	1,107,215	356,186
	1,706,073	1,057,240
NET MARGIN BEFORE EXTRAORDINARY ITEM	3,115,282	4,438,176
Loss on refinancing of debt (Note 4)	...	459,375
NET MARGIN	$ 3,115,282	$ 3,978,801

The accompanying notes to the financial statements are an integral part of these statements.

Statements of Cash Flows

For the Years Ended December 31, 1999 and 1998 (NOTE 2)

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin	$ 3,115,282	$ 3,978,801
Adjustments to reconcile net margin to cash provided by operations:		
Depreciation and amortization	8,755,575	6,375,318
Amortization of nuclear fuel	1,595,857	1,742,407
Amortization of deferred refueling costs	1,259,959	1,201,315
Amortization of Department of Energy decommissioning costs	123,299	121,140
Changes in current assets and liabilities:		
Accounts receivable	584,143	852,333
Inventories	(60,856)	(690,072)
Prepayments	(53,340)	181,523
Accounts payable	417,964	152,733
Accrued property and other taxes	(295,188)	(95,037)
Accrued interest and other liabilities	139,751	(625)
Payment to Department of Energy for decommissioning	(125,380)	(122,605)
Other	(71,112)	78,508
Net cash provided by operating activities	$ 15,385,954	$ 13,775,739
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	5,470,000	–
Repayment of long-term debt	(5,382,600)	(5,132,343)
Deferred patronage dividends paid	(585,179)	(556,000)
Cash provided from CTS fund	1,012,204	–
Net cash provided/used in financing activities	514,425	(5,688,343)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to electric plant, net	(5,016,871)	(2,928,522)
Additions to nuclear fuel	(3,584,990)	(196,509)
Additions to deferred refueling costs	(1,791,081)	(1,997,488)
Sale (purchase) of non-utility plant, net	(211,782)	18,353
Additions to decommissioning fund	(900,909)	(719,069)
Change in other investments	(455,694)	302,651
Net cash used in investing activities	(11,961,327)	(5,520,584)
Net increase in cash and cash equivalents	3,939,052	2,566,812
CASH AND CASH EQUIVALENTS AT:		
Beginning of year	9,047,607	6,480,795
End of year	$ 12,986,659	$ 9,047,607

The accompanying notes to the financial statements are an integral part of these statements.

One half foot = 6 inches.

Statements of Deferred Patronage Dividends & Other Equities

For the Years Ended December 31, 1999 and 1998

	1999	1998
DEFERRED PATRONAGE DIVIDENDS:		
Balance assigned beginning of year	$ 8,777,682	$ 8,333,683
Net margin	3,115,282	3,978,801
Revenue deferred patronage dividends	90,820	79,678
	11,983,784	12,392,162
Patronage dividends paid	(585,179)	(556,000)
Appropriation of margin -		
Reserve for contingent losses	(1,956,101)	(2,808,480)
Statutory surplus	(250,000)	(250,000)
Balance assigned end of year	$ 9,192,504	$ 8,777,682

OTHER EQUITIES:
(Appropriated Margins)

	Statutory Surplus	Reserve for Contingent Losses	Total
Balance December 31, 1997	$ 3,849,484	$ 13,840,014	$ 17,689,498
Appropriation of margin	250,000	2,808,480	3,058,480
Balance December 31, 1998	$ 4,099,484	$ 16,648,494	$ 20,747,978
Appropriation of margin	250,000	1,956,101	2,206,101
Balance December 31, 1999	$ 4,349,484	$ 18,604,595	$ 22,954,079

Statements of Comprehensive Income

For the Years Ended December 31, 1999 and 1998

	1999	1998
Net margin	$ 3,115,282	$ 3,978,801
Change in unrealized gain in market value of investments	(612,076)	740,638
Comprehensive income	$ 2,503,206	$ 4,719,439

The accompanying notes to the financial statements are an integral part of these statements.

Notes to Financial Statements

December 31, 1999 and 1998

NOTE (1) ORGANIZATION:

Corn Belt Power Cooperative (the Cooperative) is a Rural Utilities Service (RUS) financed generation and transmission cooperative created and owned by 12 distribution cooperatives and one municipal cooperative association. Electricity supplied by the Cooperative serves farms, small towns and commercial and industrial businesses across 27 counties in north central Iowa.

The Cooperative's Board of Directors is comprised of one representative from each member cooperative and is responsible for, among other things, establishing rates charged to the member cooperatives.

NOTE (2) SIGNIFICANT ACCOUNTING POLICIES:

The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts as prescribed by the RUS. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies are:

A. Electric Plant -

Electric plant is stated at original cost which includes payroll and related benefits, sales and use taxes, property taxes and interest during the period of construction.

Costs in connection with repairs of properties and replacement of items less than a unit of property are charged to maintenance expense. Additions to and replacements of units of property are charged to electric plant accounts.

In 1999, the Cooperative realized a gain of $920,000, included in the non-operating margin, on the sale of several rail cars used at the Neal #4 electric generating unit.

B. Depreciation and Decommissioning -

Depreciation is provided using straight-line methods and RUS-prescribed lives. These provisions, excluding nuclear facilities, were equivalent to a composite depreciation rate on gross plant of 2.96% and 2.73% for 1999 and 1998, respectively.

Under a joint-ownership agreement, the Cooperative has a 10% undivided interest in the Duane Arnold Energy Center (DAEC), a nuclear-fueled generating station, which was placed in service in 1974. The Cooperative is depreciating its interest in the DAEC and each year's property additions subsequent to 1984 on a straight-line basis over the remaining term of the initial Nuclear Regulatory Commission license for DAEC (2014). The composite depreciation rate on gross plant for DAEC was 3.42% and 3.41% for 1999 and 1998, respectively.

A Nuclear Regulatory Commission estimate of the decommissioning costs of DAEC was updated in 1999. This report estimated the Cooperative's share of the decommissioning costs of DAEC to be approximately $59,062,000 (in 1999 dollars). The Cooperative is providing for overall nuclear decommissioning costs using a funding method which assumes a 5% rate of inflation and 5% real rate of return. The method is designed to accumulate a decommissioning reserve sufficient to cover the Cooperative's share of decommissioning costs by the year 2014.

Six geese a laying = 6 eggs -Six geese a laying is a verse from the song "The 12 Days of Christmas."

Notes to Financial Statements

Decommissioning costs are included in depreciation and decommissioning expense, in the Statements of Revenues and Expenses. Such costs were $900,909 and $719,069, for 1999 and 1998, respectively. These decommissioning costs are being recovered in rates.

The total market value of the decommissioning funds accumulated at December 31, 1999, were $17,889,867, of which $11,110,088 has been placed in a fund legally restricted for use in decommisioning DAEC. The remaining $6,779,779, while not legally restricted, has been designated by the Cooperative for use in decommissioning DAEC.

Reflected in both 1999 and 1998 financial statements, the Cooperative has changed its method of reporting for the decommissioning fund. A DAEC decommissioning liability of $16,722,818 has been established for the same amount of the decommissioning fund less unrealized gains of $1,167,049 on these funds. Previously, the Cooperative accounted for this decommissioning liability in accumulated depreciation of in-service plant. There is no effect of the change to net margin.

During 1999, the Board of Directors of the Cooperative approved a plan to fully decommission the Humboldt plant. The decommissioning will take approximately 2 years and the total estimated cost of $1,837,225 was accrued in 1999.

C. Nuclear Fuel -

The cost of nuclear fuel is amortized to steam and other power generation expenses based on the quantity of heat produced for the generation of electric energy. Such amortization was $1,595,857 and $1,742,407 for 1999 and 1998, respectively.

D. Land Held for Future Use -

The Cooperative owns land held for a potential generation plant and related transmission facilities to provide for future power needs.

E. Deferred Refueling Costs -

The Cooperative defers extraordinary operation and maintenance expenses incurred during refueling outages of DAEC. These costs are being amortized to expense based on the expected generation of the next fuel cycle which corresponds with the period the Cooperative is recovering these costs in its rates. Such amortization was $1,259,959 and $1,201,135 for 1999 and 1998, respectively.

F. Interest During Construction -

Interest during construction represents the cost of funds used for construction and nuclear fuel refinement. The average rate was 7.3% and 4.5% for 1999 and 1998, respectively, and is based on the Cooperative's levels and costs of financing.

G. Capital Lease -

The Cooperative has a long-term lease agreement with the City of Webster City (Webster City) under which Webster City has agreed to provide certain generation and transmission facilities to the Cooperative. In return, the Cooperative will pay a minimum charge which approximates the debt service on these facilities. The Cooperative has capitalized this lease and reflected it in electric plant and has reflected the related obligation as a capital lease obligation.

H. Income Taxes -

The Cooperative is exempt from federal and state income taxes under section 501(c)(12) of the Internal Revenue Code.

I. Statements of Cash Flows -

For the purpose of reporting cash flows, the Cooperative considers temporary cash investments purchased with a maturity of three months or less to be cash equivalents. Cash paid for interest, net of interest capitalized, was $5,941,308 and $6,438,256 for 1999 and 1998, respectively.

J. Cash and Investments -

The Cooperative has cash and investments in the following:

	1999	1998
Obligations of the U.S. government and its agencies	$ 10,098,118	$ 7,209,198
Corporate bonds	658,168	2,764,965
Common and preferred stock	5,749,520	5,060,011
National Rural Utilities Cooperative Finance Corporation commercial paper	12,704,719	7,938,748
Cash and CDs deposited with federally insured financial institutions	287,570	1,115,479
Funds held in trust	2,060,265	2,723,162
Economic development investments	2,824,871	2,481,110
Other investments	271,463	194,818
	$ 34,654,694	$ 29,487,491

The above investments are included as follows in the accompanying balance sheets:

	1999	1998
Decommissioning fund	$ 17,889,867	$ 16,227,548
Other investments and receivables	3,778,168	4,212,336
Cash and cash equivalents	12,986,659	9,047,607
	$ 34,654,694	$ 29,487,491

The above amounts include $978,507 at December 31, 1998 which must be used to fund construction of electric plant.

The carrying amounts of cash and cash equivalents and short-term investments of $12,986,659 and $9,047,607 at December 31, 1999 and 1998, respectively, approximate the fair value because of the short maturity of these investments. The Cooperative's decommissioning fund investments, which include marketable debt and equity securities, are reported at fair value with unrealized gains and losses reported as a net amount in a separate component of membership capital until realized.

The fair value of the Cooperative's other investments and receivables are based on quoted market prices for those or similar investments, where available. The fair value and carrying costs of these investments are as follows:

	1999	1998
Other investments carrying value	$ 20,736	$ 1,022,190
Other investments fair value	$ 20,728	$ 1,022,200

6th month = June: "Named for Juno, wife of Jupiter."

For other investments and receivables of $3,757,432 and $3,190,146 at December 31, 1999 and 1998, respectively, for which there were no quoted market prices, a reasonable estimate of fair value could not be made without incurring excessive costs. These investments include $1,000,000 invested in the preferred stock of the Iowa Capital Corporation (ICC).

The ICC is a for-profit corporation established for the purpose of advancing economic development in the state of Iowa. After payment of operating costs and certain reserves, the net proceeds of ICC will be paid to the preferred stockholders, including the Cooperative, until the preferred stock investment plus a 15% cumulative return has been returned. After which, any remaining proceeds will be split 2/3 to the preferred stockholders and 1/3 to the common stockholders (the state of Iowa).

The Cooperative has an investment of $2,514,836 and $2,515,018 at December 31, 1999 and 1998, respectively, with the National Rural Utilities Cooperative Finance Corporation (CFC). This investment is required in order to allow the Cooperative to borrow funds from CFC. The investment earns interest of 5% on $2,195,507 which matures between 2070 and 2080 and 3% on $319,289 which matures between 2007 and 2025.

K. Prior Year Reclassification -

In order to consistently state the financial results of the Cooperative during the reporting periods, certain reclassifications were made to December 31, 1998 financial statements.

NOTE (3) DEFERRED PATRONAGE DIVIDENDS AND OTHER EQUITIES:

In accordance with the Iowa Code, the Board of Directors is required to allocate a portion of the current year's net margin to statutory surplus until the statutory surplus equals 30% of total equity. No additions can be made to statutory surplus whenever it exceeds 50% of total equity. The Board of Directors appropriated $250,000 of both the 1999 and 1998 net margins to statutory surplus.

The equity designated "Reserve for contingent losses" in the Statements of Deferred Patronage Dividends and Other Equities is an appropriation of equity by the Board of Directors. The Board of Directors appropriated $1,956,101 and $2,808,480 of the 1999 and 1998 net margins to reserve for contingent losses. There is no statutory restriction of this equity.

The Board of Directors is permitted by the Iowa Code to allocate the current year's net margin to deferred patronage dividends upon meeting certain requirements and is required to make such allocations if the net margin for the year exceeds specified maximums. The Board of Directors has appropriated $1,000,000 of both the 1999 and 1998 net margins to deferred patronage dividends. Deferred patronage dividends are to be paid in the future as determined by the Board of Directors.

Under the conditions of the Cooperative's mortgages, deferred patronage dividends cannot be retired without approval of the RUS and the CFC unless the remaining equity meets certain tests. The Cooperative does not meet these tests at December 31, 1999. However, the Cooperative received permission and retired $77,683 of the 1986, $500,000 of the 1987 and $7,496 of the 1988 patronage dividends during 1999. During 1998, $272,317 of the 1986 and $283,683 of the 1985 patronage dividends were retired.

NOTE (4) LONG-TERM DEBT:

Long-term debt consists of mortgage notes payable to the United States of America acting through the RUS and the Federal Financing Bank (FFB), capital lease obligations, and notes issued in conjunction with the issuance of pollution control revenue bonds. Substantially all the assets and all rent, income, revenue and net margin of the Cooperative are pledged as collateral for the long-term debt of the Cooperative. Long-term debt is comprised of:

	1999	1998
Mortgage notes due in quarterly installments:		
RUS 2%, due 2000-2008	$ 8,604,299	$ 9,835,443
RUS 5%, due 2000-2019	21,728,347	22,792,334
FFB 5.5%-10.7%, due 2000-2019	63,781,247	60,715,741
	94,113,893	93,343,518
Capital lease obligations -		
Webster City revenue bonds		
5.9%, due 2000-2002	1,682,101	2,190,076
Pollution control revenue bonds -		
6.125%, due 2000-2007	1,830,000	2,005,000
	$ 97,625,994	$ 97,538,594

Maturities of long-term debt for the next five years are as follows:

Year	Maturity
2000	$ 6,007,978
2001	6,305,675
2002	6,483,754
2003	6,180,960
2004	6,423,472
Thereafter	66,224,155
	$97,625,994

The Cooperative had available at December 31, 1999, an unused $12,000,000 line of credit with CFC of which $1,000,000 is available only in the event of a nuclear incident.

Based on the borrowing rates currently available to the Cooperative for debt with similar terms and maturities, the fair value of the long-term debt was $102,802,652 and $106,813,365 at December 31, 1999 and 1998, respectively.

The Cooperative paid the FFB in 1998 $459,375 to reduce the interest rate on a number of its FFB debt issues. The present value savings as a result of the interest rate reduction, less the fees, was $1,668,986 for the 1998 transactions.

The # 6 = Seis. En Español the word for six is seis.

Notes to Financial Statements

December 31, 1999 and 1998

NOTE (5) CONSTRUCTION COMMITMENTS:

Total construction expenditures for 2000, including expenditures for the jointly-owned units, are estimated to be $11,311,920, of which $1,977,140 is for the purchase of nuclear fuel at DAEC.

NOTE (6) JOINT PLANT OWNERSHIP:

Under joint-ownership agreements with other Iowa utilities, the Cooperative had undivided interests at December 31, 1999 in three electric generating units as shown below:

	Neal #4	Council Bluffs #3	DAEC
Total electric plant	$ 43,238,762	$ 14,328,325	$ 69,245,330
Accumulated depreciation	$ 25,468,594	$ 8,067,739	$ 34,975,822
Unit accredited capacity (mW)	624	675	530
Cooperative's share (%)	11.3%	3.8%	10.0%

Each participant provided its own financing for its share of the unit. The Cooperative's share of direct expenses of the jointly-owned units is included in the operating and maintenance expenses on the Statements of Revenues and Expenses.

During 1991, the Cooperative, one of its members, North Iowa Municipal Electric Cooperative Association (NIMECA), and the City of Grundy Center (the City), a NIMECA member, entered into a long-term lease agreement for the use by the City of two megawatts of the Cooperative's capacity in the Neal #4 generation facilities. The Cooperative will continue to act as the Neal #4 partner on behalf of the City. The above plant statistics have been reduced to reflect the agreement.

NOTE (7) BENEFIT PLANS:

The Cooperative participates in the National Rural Electric Cooperative Association (NRECA) Retirement & Security Program (the Program). The Program is a defined benefit pension plan qualified under Section 401 and tax exempt under Section 501 (a) of the Internal Revenue Code. The Cooperative recorded a total current period service cost to the Program of $362,135 and $343,945 for 1999 and 1998, respectively. In this multi-employer plan, which is available to all NRECA member cooperatives, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The Cooperative also provides a 401(k) plan, available to all employees with the Cooperative matching 25% of the employees' contributions up to 5% of the employees' wages. The maximum Cooperative match increased on July 1, 1999, from 4% to 5%.

NOTE (8) NIMECA COMBINED TRANSMISSION SYSTEM:

In 1989, the Cooperative and one of its members, NIMECA, entered into a joint transmission agreement which allows several members of NIMECA an individual undivided ownership interest in and access to the Cooperative's transmission system. The Cooperative will continue to operate and maintain the system. NIMECA members will reimburse the Cooperative for the proportionate share of operating expenses of the system and will contribute proportionately for all future capital additions of the system. The reimbursements of the 1999 and 1998 operating expenses were $435,887 and $484,991, respectively, and were recorded as operating revenues. Additionally, the Cooperative and NIMECA entered into a capacity sharing agreement which provides for the sharing of generating resources through at least 2009.

NOTE (9) CLEAN AIR ACT:

The Clean Air Act (Act), as amended, made significant changes in the nation's clean air laws. The Act's specific amendments to acid deposition control (acid rain) make significant reductions in the amounts of sulfur dioxide and nitrous oxide emissions allowed on an annual basis nationwide. The Cooperative's coal-fired generating stations are in compliance with the standards established by Phase I of the Act and management has begun implementing the program necessary to meet the compliance requirements of Phase II. The Cooperative is currently seeking an alternate emissions limit to the existing Phase II compliance requirements for nitrous oxide emissions.

NOTE (10) NATIONAL ENERGY POLICY ACT:

The Federal National Energy Policy Act of 1992 requires owners of nuclear power plants to pay a special assessment into a "Uranium Enrichment Decontamination and Decommissioning Fund." The assessment is based upon prior nuclear fuel purchases and for the DAEC averages approximately $1,433,094 annually through 2007, of which the Cooperative's 10% share is $143,309. The Cooperative's total assessment of $1,978,529, which will be recovered in rates, has been recorded as a liability, net of payments, in the balance sheets. This liability, totaling $1,003,166 including its long- and short-term portion on December 31, 1999, has been recorded with a corresponding deferred charge amortized over a 15-year period, beginning in 1992.

NOTE (11) NUCLEAR INSURANCE PROGRAM:

The Cooperative, under the provisions of the Price-Anderson Amendments Act of 1988 (the 1988 Act), has the benefit of $9.5 billion of public liability coverage. The coverage consists of $200,000,000 of insurance and $9.3 billion of potential retroactive assessments from the owners of each commercial nuclear power plant. Under the 1988 Act for losses relating to nuclear accidents in excess of $200,000,000, each nuclear reactor may be assessed a maximum of $88,100,000 per nuclear incident, payable in annual installments of not more than $10,000,000. The Cooperative's assessment on its 10% ownership in DAEC may be up to $8,810,000 per nuclear incident with a maximum of $1,000,000 per year. These limits are subject to adjustments for inflation in future years.

6-iron – Golf: The U.S. Open was first held at Newport, Rhode Island, in 1895 and won by Horace Rawlins.

Notes to Financial Statements

December 31, 1999 and 1998

Pursuant to provisions in various nuclear insurance policies, the Cooperative could be assessed retroactive premiums in connection with future accidents at a nuclear facility owned by a utility participating in the particular insurance plan. In addition, the Cooperative could be assessed annually $520,000 related to coverages for excess property damage if the insurer's losses relating to an accident exceed its reserves. While assessment may also be made for losses in certain prior years, the Cooperative is not aware of any losses in such years that it believes are likely to result in an assessment.

In the unlikely event of a catastrophic loss at DAEC, the amount of insurance available may not be adequate to cover property damage, decontamination and premature decommissioning. Uninsured losses, to the extent not recovered through rates, would be borne by the Cooperative and could have a material adverse effect on the Cooperative's financial position and results of operations.

Report of Independent Public Accountants

TO THE BOARD OF DIRECTORS OF CORN BELT POWER COOPERATIVE:

We have audited the accompanying balance sheets of Corn Belt Power Cooperative (a cooperative association incorporated in Iowa) as of December 31, 1999 and 1998, and the related statements of revenues and expenses, cash flows, deferred patronage dividends and other equities, and comprehensive income for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corn Belt Power Cooperative as of December 31, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Kansas City, Missouri

February 18, 2000

Corn Belt
Power Cooperative
A Touchstone Energy® Cooperative

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