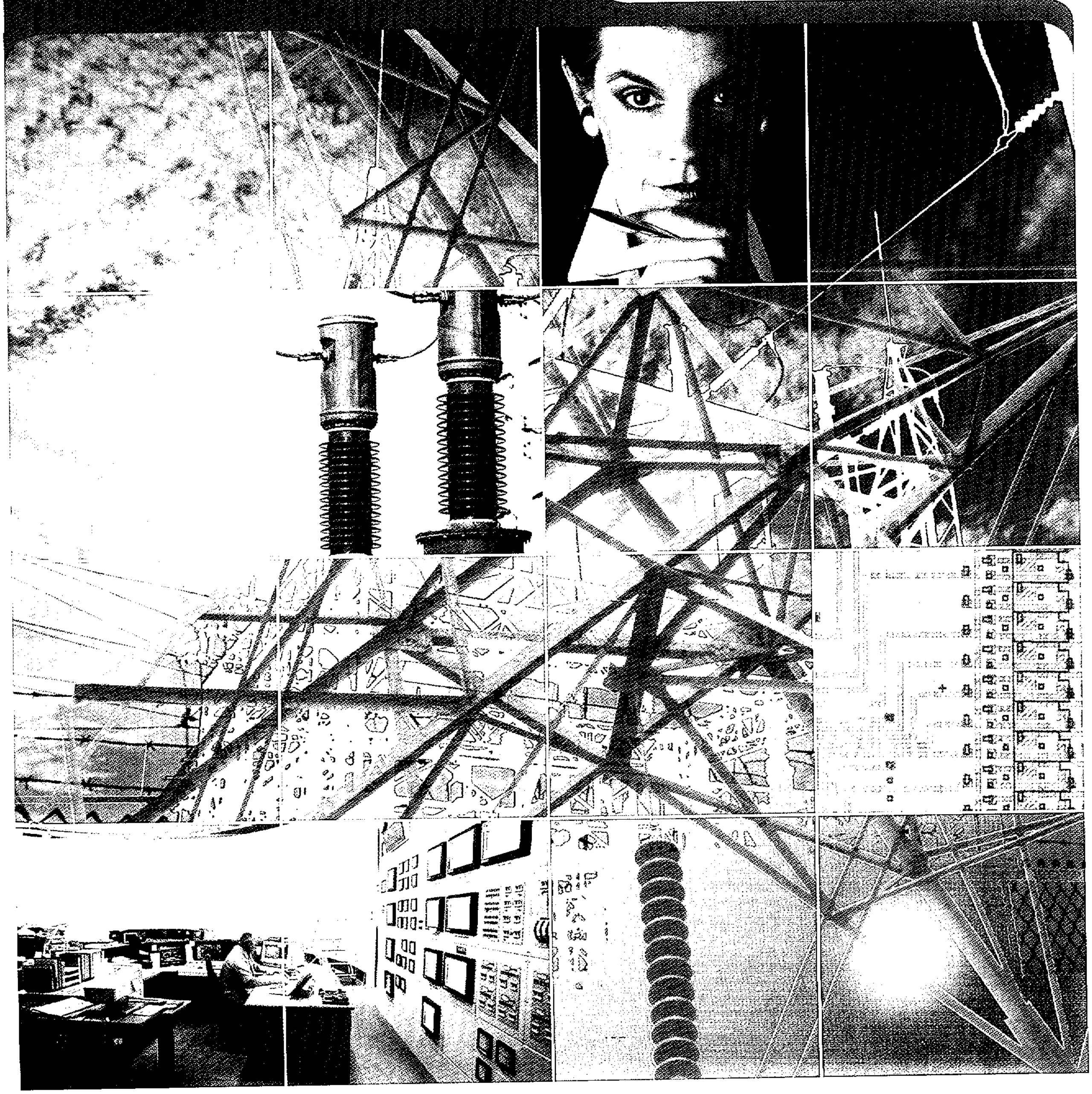
Taking Care of the Customer

2000 Annual Report



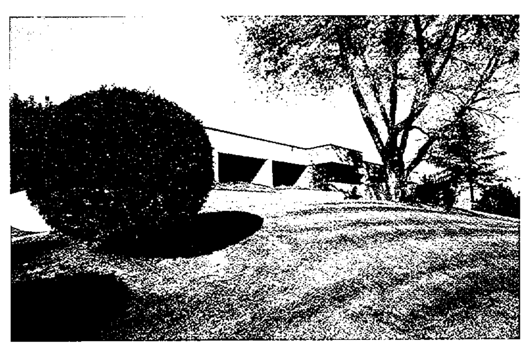
Taking Care of the Customer

TABLE OF CONTENTS

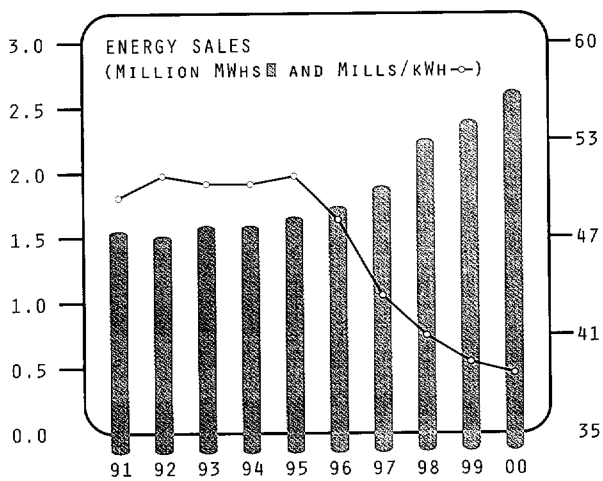
Introduction

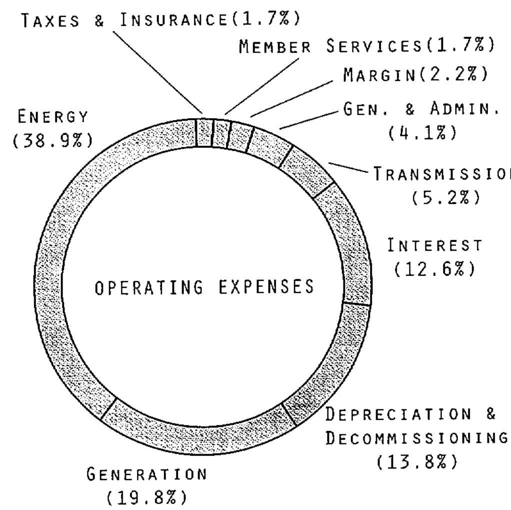
The customers of Central Iowa Power Cooperative's (CIPCO) member electric cooperatives represent a group of rural residents, farmsteads, manufacturers, high tech industries, precision tool installations, upscale urban residences, and small businesses. These customers demand high quality, reliable electrical service. The member cooperatives and CIPCO continuously work to anticipate the needs of the changing customer base of the member distribution cooperatives. Only by learning about the customer and responding to their wants and needs will CIPCO and its members remain the provider of choice.

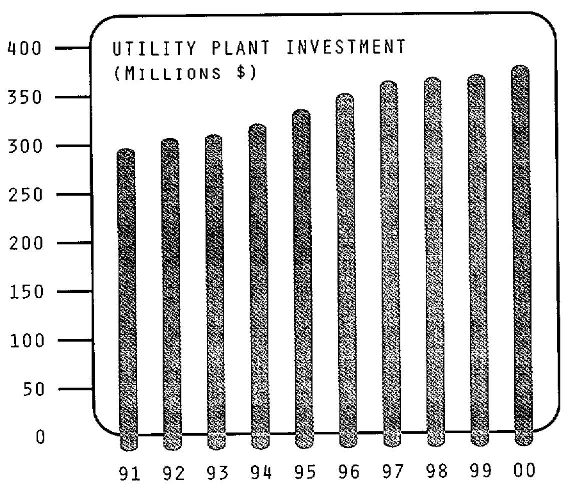
As a generation and transmission cooperative, CIPCO's infrastructure has responded by creating new services, building strategic partnerships, and providing competitively priced and reliable electricity for its fourteen member distribution cooperatives serving 250,000 rural Iowans.

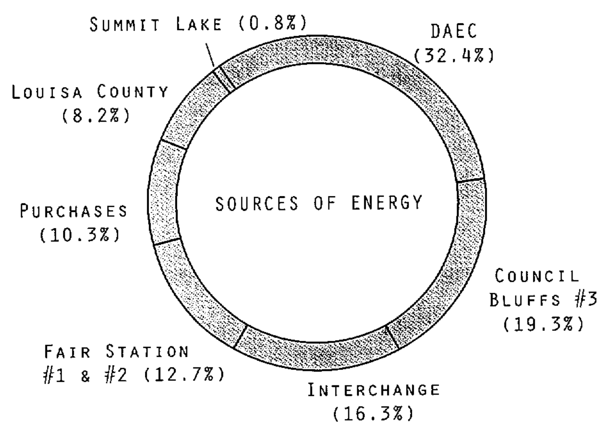


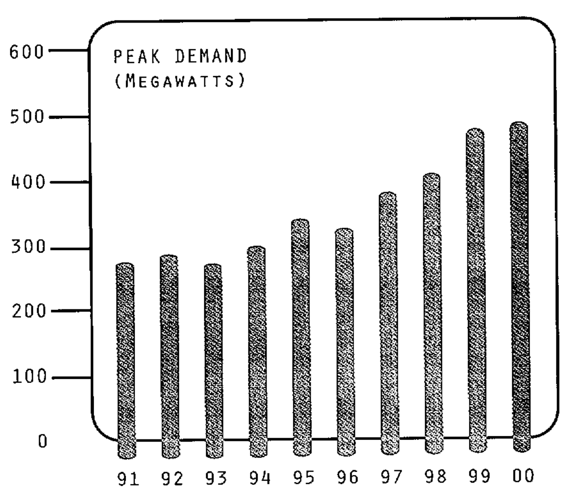
CIPCO AT A GLANCE
(AS OF DECEMBER 31, 2000)







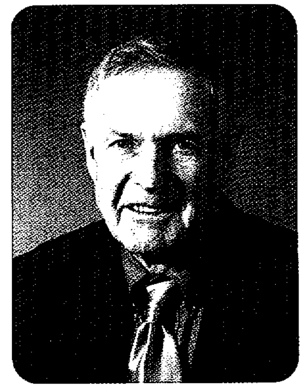




2000 Statistics

Energy Sales	2,690,609 MWh
Total Operating Revenue	$109,559,924
Net Margin	$2,534,042
Total Assets	$356,460,259
Average System Rate	38.51 Mills/kWh
Member Distribution Systems	14
Total Retail Consumers (approximate number of meters)	110,000
Approximate Population Served	250,000
2000 Peak Demand	536 MW
Miles of Transmission Line	2,000
Employees (including affiliated and subsidiary companies)	121

MESSAGE FROM THE PRESIDENT
AND CHIEF EXECUTIVE OFFICER


Keith Wirt


Dennis Murdock

We began the year 2000 concerned about the adequacy of the Y2K preparation across the state while looking forward to the legislative debate of the electric industry restructuring.

We quickly learned that our systems transitioned smoothly and without incident as the electronic clocks moved beyond 1999. Most recognized Y2K as a non-event. Indeed, it did not fulfill its promise to wreak havoc across the nation.

Many shared CIPCO's anticipation that the Iowa Legislature would face the challenge of reshaping the electric industry in our state. The coalition of business partners and associations, which had worked closely with state agency representatives and labor leaders in designing the template for this debate, began the year with enthusiasm. All were engaged in a series of meetings facilitated by Governor Vilsack's staff. The expectation was that these sessions would result in a coalition bill, which would be supported by the Governor and position Iowa to assume a leadership role in setting energy policy.

As the first quarter passed it became evident that our coalition was becoming fragmented and the political interests of our elected officials would win out over substantive debate. We regrouped and are now focused on the development of regulatory change resulting from national policy initiatives.

Although we cannot be certain of either the specifics of form or the timing for implementation, CIPCO does expect and is preparing for the business opportunities that will be presented by the restructuring of our industry.

The board of directors has focused its attention to understanding the culture of a rapidly changing business environment. The board has devoted time and effort throughout the year toward enabling discussion of the many issues and is evaluating established decision making processes in light of their commitment to the continued success of CIPCO and its member owners.

The management and staff priorities were redirected from a rapid response and implementation mode to a more methodical and planning approach to the demands of operating in a

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

reformatted electric industry. These efforts involve review not only of our existing talent and skill sets but also an assessment of the organizational aptitude for dealing with significant change. We have expanded our capability with the addition of strategically selected staff members and with targeted use of consulting expertise.

Evidence of the success of these efforts is demonstrated by some of the notable accomplishments in 2000. Our goal to secure low cost power and energy beyond the current purchase contract periods was realized in 2000, with new contracts now being finalized. CIPCO was successful in negotiating the release of member system loan guarantees with the Rural Utilities Service.

A third objective was met when we received notice of an investment grade credit rating from two separate rating agencies. These milestones are noteworthy as a statement of achievement toward developing our competitive position; but we should also acknowledge the continued decrease in average revenue per kWh sales. This decreased from an average of 39.5 mills/kWh in 1999 to 38.5 mills/kWh in 2000.

Our vision of future opportunity is bright. We believe that CIPCO and its member systems have the resources and the determination to design, produce and deliver electric energy products to all cooperative member owners throughout the service territory. We also believe that these same products and the cooperative business platform will be attractive to customers beyond our current borders when these markets are opened.

I am confident that we will maintain the level of operating superiority our members have come to enjoy. We are well positioned to take on what unknown variables the energy market may present and succeed where thoughtful and prudent business decisions need to be made.

Keith Wirt
President

Dennis L. Murdock
Executive Vice President
& Chief Executive Officer

CARING FOR THE CUSTOMER

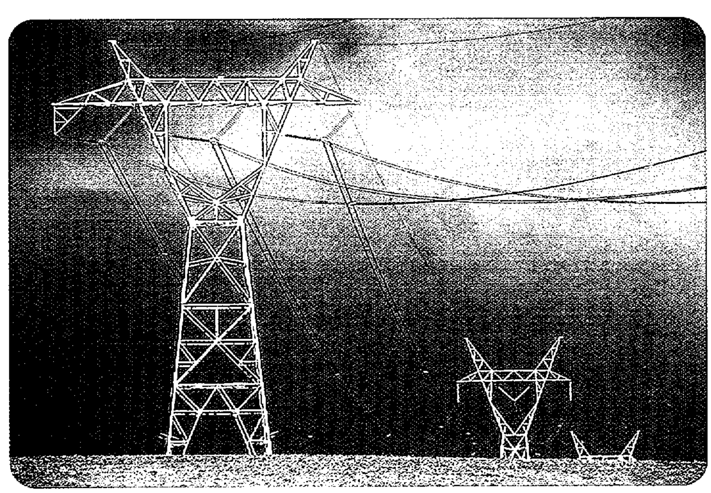
Not so many years ago, daily life in rural America started at dawn and ended at dusk. The kerosene lamp and the wood burning stove were the common sources of light and heat. There was little time for relaxation as life was controlled by long hours and strenuous manual labor.

As the development of modern conveniences began to reach out to Americans there was both an economic and social need for rural electrification. Rural Americans were beginning to see how their quality of life could improve with the opportunities offered by electricity. It was at that time that communities rallied to bring electrification to small town America and its surrounding areas. Such was the case in Iowa when farmers banded together to create rural electric cooperatives that would provide them with the privileges and benefits of electricity. Some of the greatest moments in America's history have got to be when those light bulbs went on in kitchens and barns where the only source of light had been a kerosene lamp.

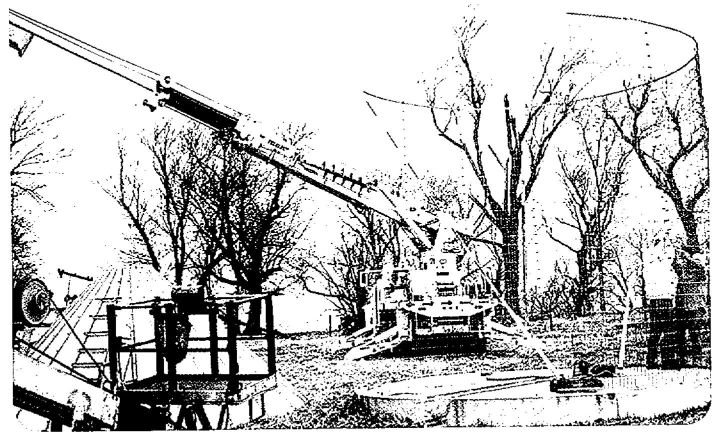
Those were the "good old days." The wants and needs of rural Americans have grown today to equal those of the most cosmopolitan cities. Today's customer demands high quality, reliable electrical service. Any change or interruption in their electrical service causes distress whether it is a homeowner whose VCR is blinking or a manufacturer whose process has been compromised.

Rural electrification has changed the quality of life in rural America. It is the challenge of electric cooperatives today to know their customers, create new services to meet the requirements of the changing customer base, and remain the provider of choice.

The responsibility of supplying power in a competitive marketplace emphasizes the importance of gaining more in-depth knowledge concerning present and potential customers. An understanding of these groups will provide decision-makers with important information to create service and product offerings expected by a growing more diverse customer base.

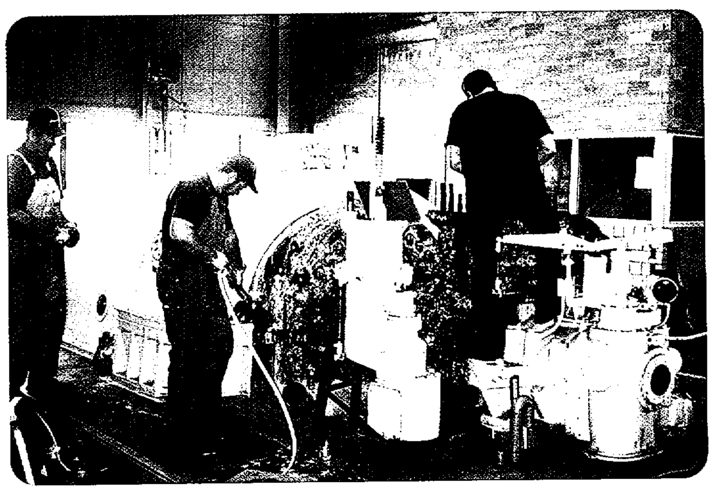


The marketplace can no longer be viewed as one in which loyalty alone will guide future purchase decisions. However, more than half of the membership appreciates the opportunity to deal with people who know them and support their communities. They assign value to the relationship created by their electric cooperative affiliation.



Tim Root (left) and Dave Leiser assist in clearing a corncrib for the location of a new line on the Bridgewater to Anita Phase II new-to-replace-old project.

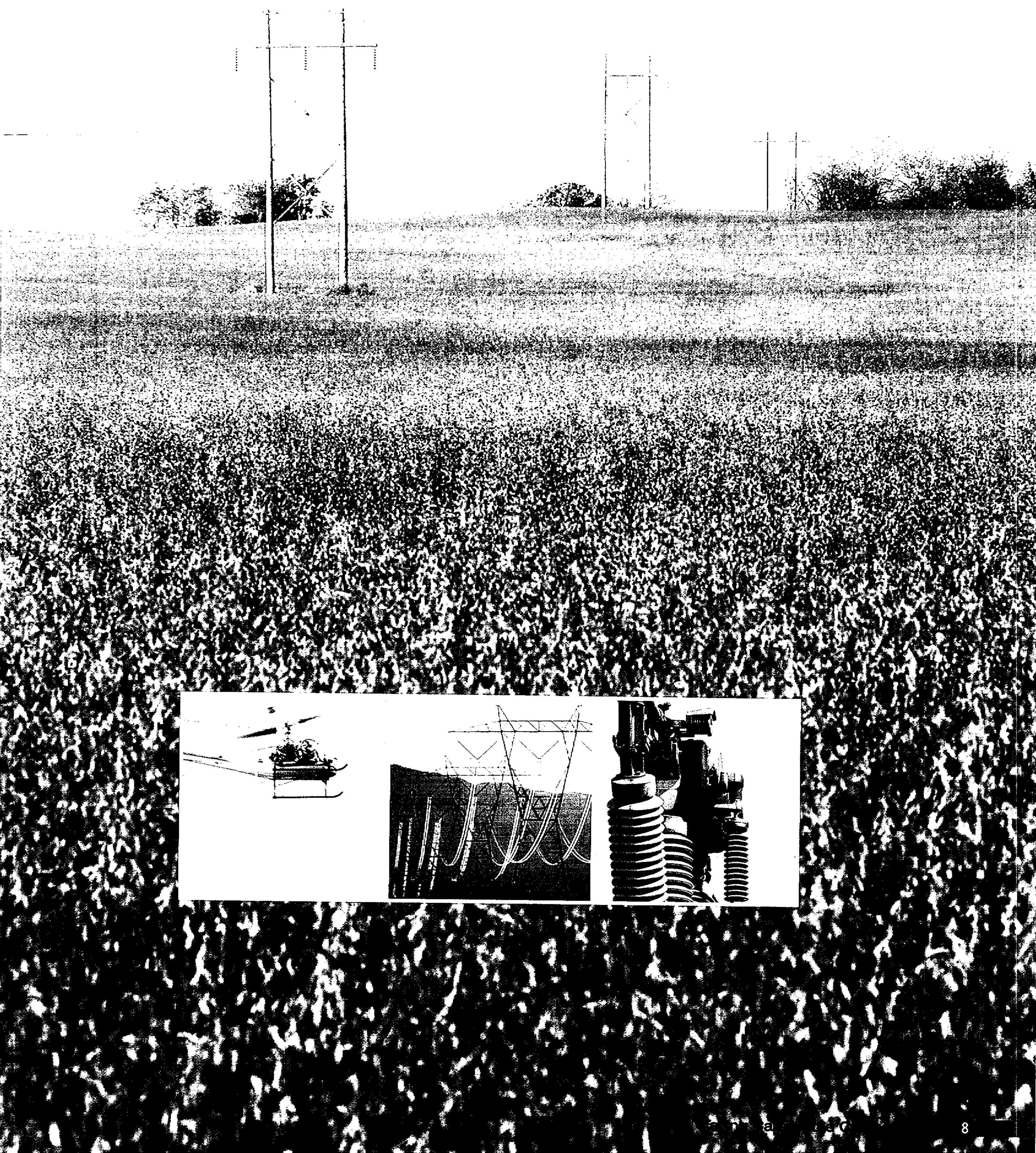
Turning to electricity pricing, studies show that about 4 in 10 cooperative members place more importance on reliability than on price. As greater focus is placed on price, reliability–a hallmark of electricity providers–may be taken for granted.



Randy Hensley (left), Lynn Kruse and Pat Madison inspect the #1 steam turbine at the Summit Lake Generating Plant.

The changing nature of communication is an area that may give electric cooperatives greater access to their customers. The presence of home computers and Internet access is more and more prevalent in homes and busi-

member distribution cooperatives, serving 250,000 Iowans, with the most economical, highest quality and consistently reliable wholesale electric power possible.



Generation

CIPCO's responsibility to provide competitively priced electricity to its member systems requires that CIPCO consistently maintain adequate levels of electric power supply and a reliable transmission system to move the power to the members' distribution points.

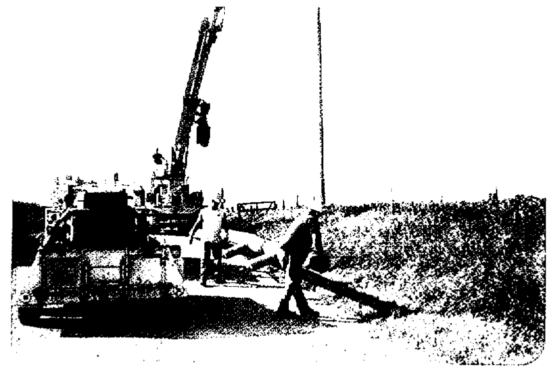
CIPCO has a percentage of ownership in the Duane Arnold Energy Center (DAEC) at Palo, Iowa, a nuclear-fueled facility; and two coal-fired plants, the Council Bluffs Unit No. 3, Council Bluffs, Iowa, and the Louisa Generating Station, Muscatine, Iowa. Fair Generating Station, Montpelier, Iowa, is a wholly-owned CIPCO coal-fired plant. The Summit Lake Station at Creston, Iowa, is also wholly-owned by CIPCO and is fueled by oil and natural gas. CIPCO also purchases small amounts of power from hydroelectric systems of the Western Area Power Administration and capacity and interchange energy from other utilities.

The 250,000 consumers who purchase retail electric service from CIPCO's 14 member distribution cooperatives are largely shielded from wildly fluctuating electricity prices due to CIPCO's minimal exposure to the open market. CIPCO's owned power supply facilities, plus small amounts of economical energy bought and sold on an hourly or daily basis, provide for about 90% of members' requirements. A small proportion of power is also purchased from other regional utilities on a contractual basis. During the next two to three years, these contract power purchases will provide about 10% of all member power requirements.

CIPCO's generating facilities set record totals for megawatt hours generated at DAEC and Fair Station. The DAEC performance was influenced by no refueling outage being scheduled in 2000. Fair Station improved upon last year's outstanding record, and both the Council Bluffs Unit #3 and Louisa Generating Station had an excellent production record.

Completed maintenance projects included the overhaul of four coal mills at Fair Station, followed by emission testing to assure legal limits of pollutant emissions. New control and monitoring equipment was also installed. At Summit Lake Generating Station, all the boiler tubes in the #2 waste heat boiler were replaced, as well as the control system for the combustion turbines and waste heat boilers.

To adequately provide the power supply needs of its members, CIPCO's system is integrated across the state of Iowa with other utilities. These partnerships allow CIPCO the economy of sharing some of the costs of serving its nearly 250,000 consumers. CIPCO is ideally positioned to couple its economically sound and reliable generating assets with



minimal amounts of reasonably priced purchased power. This combination will provide for stability and flexibility during these times of profound industry changes and business environment uncertainties.

Transmission

CIPCO's integrity and responsibility to its members is tested every day in the delivery of reliable and quality electric service. In the year 2000, CIPCO rebuilt over 15 miles of aging line in the service territories of Guthrie County Rural Electric Cooperative, Guthrie Center, and Farmers Electric Cooperative, Greenfield. CIPCO's new-to-replace-old commitment is ongoing, with older line sections being rebuilt each year to uphold the promise of reliable energy to its members and their consumers.

Transmission lines for CIPCO's member distribution cooperatives are constructed to serve new and expanding loads. Northland Tap was added to serve a new substation for Eastern Iowa Light & Power (EIL&P), Wilton. This project was scheduled for completion in January 2001 at the request of EIL&P.

Another system improvement in the service territory of Maquoketa Valley Electric Cooperative, Anamosa, included the Cascade Bypass, a reconstruction project to accommodate the Highway 151 four-lane bypass around Cascade.

A re-sagging project on the 161 kV line in the Grand Mound area of EIL&P's service territory allows for increased flows of electricity in the region. CIPCO also installed an additional 5.1 MVAR capacitor bank at their Grand Mound 161/69 kV Substation. The capacitor bank provides voltage support for the 69 kV system. CIPCO crews performed this work in cooperation with personnel from Maquoketa Valley Electric Cooperative.

A request for higher frequency equipment resulted in the negotiation of two agreements for the relocation of four microwave radio communication paths to other frequencies for a new personal communications services (PCS) cellular phone company, Telecorp. These towers are located across the CIPCO service territory.

A lightning strike damaged the Newport 161,000 Volt transformer (right page), which was removed and sent to a repair facility in Oklahoma. A spare unit owned by Alliant Energy was brought in to supply power to the transmission system north and west of Burlington.

Regional Reliability
CIPCO has been a member of the Mid-Continent Area Power Pool (MAPP) since it's inception in 1972. MAPP is one of the 10 North America Reliability Council (NERC) regions and is charged with coordinating reliable electric service through it's 90 plus members operating in the Upper Midwest and two Provinces in Canada.

In May 2000, CIPCO also became a member of the Mid-America Interconnected Network (MAIN), which also operates as a NERC reliability region.The MAIN reliability region lies directly east of the MAPP region and includes utilities from eastern Iowa to the west side of the Great Lakes. CIPCO's MAIN membership complements Alliant Energy's MAIN participation and facilitates the joint generation dispatch pool CIPCO and Alliant enjoy.

Many standards and measurements are continually under review.The objective is to demonstrate that the electric utilities of the nation are working together on a consistent basis to plan and operate their electrical networks.

Safety
In September 2000, CIPCO reached another milestone in terms of safety and reduced injuries by working over three years without a lost-time injury. During the same three-year period CIPCO has experienced only 16 days of restricted duty, and its employees have worked over 700,000 man-hours without a lost-time injury.

The Workers Compensation Experience Modifier (WCEM) is a calculation used by the insurance industry to determine rates for Workers Compensation insurance coverage. An average insured has a WCEM of 1.0. During the same three-year period, CIPCO's WCEM has dropped from 0.97 to 0.84. CIPCO has consistently received a rating often substantially less than 1.0. This is reflected in lowered cost for Workers Compensation Insurance Coverage.

For the past three years, CIPCO has participated in the Iowa/Illinois Safety Council Safety Awards Program. Awards are given to employers who are equal to or less than the national incident rate for injuries.The incidence rate used is from the Bureau of Labor Standards that calculates the rate based on Lost-Work days and cases without Lost-Work days.The national incidence rate is reported by Standard Industry Codes (SIC).The incidence rate was 5.1 for 2000 and 4.92 for 1999, respectively, per 100 employees. CIPCO's rate was 0.93 for 2000 and 0.95 for 1999, respectively. This is the third consecutive drop in the incidence rate for CIPCO.

An annual review of the accomplishments of the marketing and member services activities indicates that the members participated to a great extent in the programs offered by CIPCO. Water heater installations increased and included new and replacement units. Rebates for dual fuel and interruptible heating rates decreased in 2000 except in the installation of new dual fuel units. New construction and conversions from fossil fuel continue to provide new heating loads. Most of these installations were geothermal systems.

CIPCO returned nearly $2,000,000 to its members in the form of rebates and space heating credits. Rebates and model home incentives paid back $986,000 to the members while space heating credits totaled nearly $995,000. These figures do not include economic development support in the form of low interest loans, grants and rate discounts.

Technology

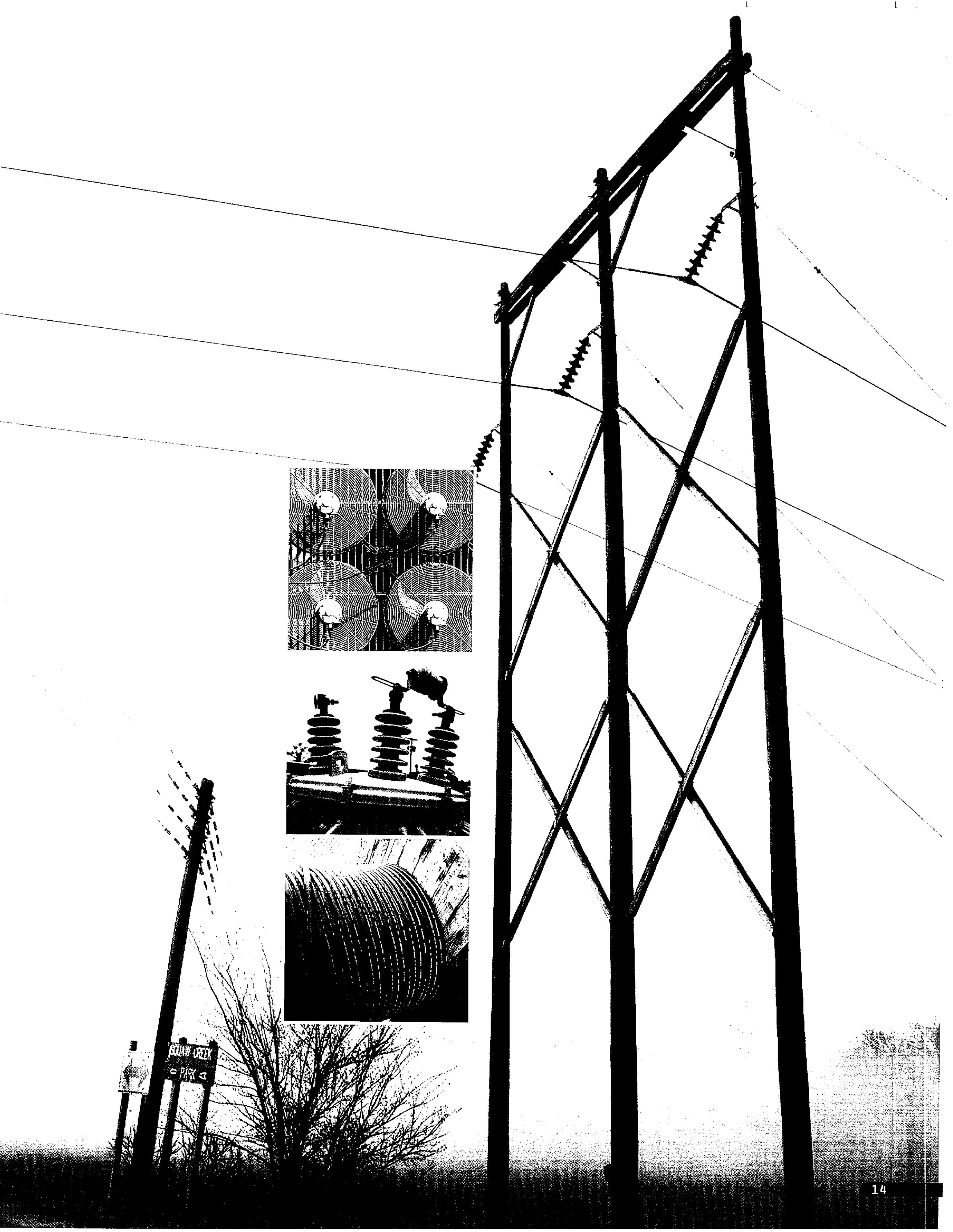
CIPCO continues to upgrade its technology and provide its employees and members with the most efficient and competent tools for performing their daily tasks. Office automation is allowing the conversion of as much paper as possible to the electronic medium. New products are always investigated for their value in providing better ways to communicate in the workplace. CIPCO experimented with "Net Meeting," a Microsoft product that sets up an internal forum for meetings. The conference server, scheduled for release in early 2001, will allow CIPCO to work with its business partners in a secure environment.

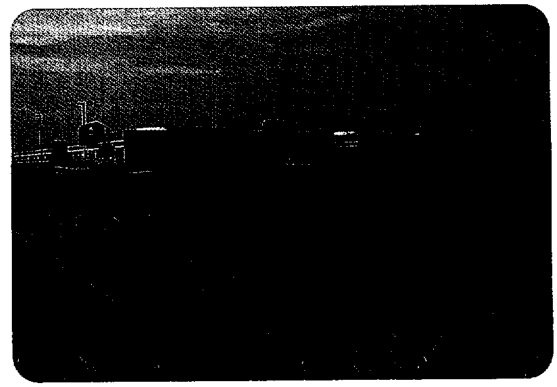
Through CIPCO's Intranet a great deal of information is now available on-line for employees, directors and member system personnel. CIPCO's web site, www.cipco.org, is a resource for safety and educational materials, as well as a corporate profile and direct links to its member cooperatives.

The Load Profile Library has been improved by the addition of graphic and tabular information with CIPCO's load research tool. These new features make the Library a useful tool for the member systems to analyze loads and their impact on the system, as well as create what-if situations.

This past year CIPCO conceptualized a refined business model for the member systems to demonstrate customer/retailer relationships in a potential retail choice environment. This helps CIPCO and its members understand the development and progress of a successful relationship that could have long-term advantages.

During 2000 CIPCO became the Internet Service Provider for Maquoketa Valley Electric Cooperative, Anamosa, and engineered their T1 static connection.



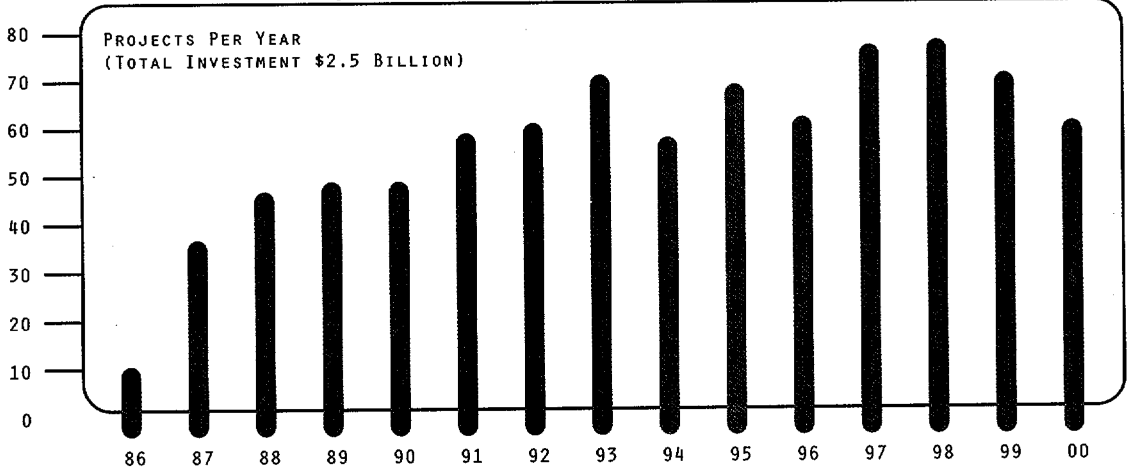


CIPCO supports economic growth in rural Iowa in several ways. Joining with local member cooperatives in the construction of spec buildings is one effort. Recently, a spec building that emerged from a joint venture of the Community Development Corporation of Greenfield and CIPCO was sold to the Greater Greenfield Community Foundation. This site is now the Andrews Memorial Center and offers such community services as congregate meals, an indoor walking track, a gymnasium and a wellness center. Future additions to the Center may include a racquetball court and preschool.

The Myriad Technology Plaza (above right) is a professional four-building complex located at the University of Iowa Research Park at Coralville. This project is jointly owned by CIPCO and Linn County Rural Electric Cooperative, Marion. Currently the complex is occupied with engineering, software development and high tech companies that specialize in discovery research. Several incubated at the University of Iowa and now have moved into the professional marketplace.

The Iowa Area Development Group (IADG) is an economic development organization supported by CIPCO and other electric cooperatives in Iowa. In 2000 IADG celebrated 15 years of service to Iowa's electric cooperatives and was responsible for more than 850 projects with $2.5 billion in IADG-assisted investment and the creation of 27,000 new jobs in Iowa. IADG also assisted in securing 58 loans and grants from the USDA Rural Economic Development Loan and Grant Program which meant $15.3 million in awards and $103 million in loans for Iowa development projects.

IADG 15 Year Project History



CIPCO believes that a competitive marketplace is in its future. Until the rules are clear it is difficult to know exactly which decisions will allow CIPCO and its members to be successful in a restructured industry. This is an opportunity for change, and CIPCO will develop new business models. It indicates that Iowa's electric cooperatives must communicate to the existing and potential membership that they can compete in price and value of electric service. To ensure the message is clear, CIPCO and its member systems embarked on a name recognition campaign focusing on the local cooperatives whose integrity, accountability, innovation and commitment to community have sustained them for over 60 years. While electric cooperatives have been doing their job very well for these many years, they have been doing it very quietly.

During 2000 CIPCO supported the member systems in a program developed by KCCI-TV in Des Moines. The project installs weather sensoring equipment in selected schools. During the daily newscasts in the weather segment, the electric cooperative is recognized as the sponsor of the school project. Their name and a direct web page connection also appears on the web site (www.kcci.com) from the school weather station they have sponsored. The response from schools in the KCCI-TV viewing area has been overwhelming. Many of these installations are going into rural schools where administrators, teachers, students and parents are developing a stronger link with their local electric cooperative.

CIPCO partnered with its member systems in the sponsorship of the Toys for Tots projects in Iowa. Over 100,000 toys were collected and distributed in 27 counties across the service territory. Cash donations of over $150,000 supplemented the toy donations and allowed additional purchases for age groups often neglected in the collection. The response of the communities served by participating member cooperatives boosted this year's collections significantly.

Member cooperatives of CIPCO also participated in a "Celebrate Iowa" project of WHO-TV in Des Moines during the summer of 2000. Live broadcasts by the news department from numerous towns in central Iowa promoted the member cooperative and their contributions to their unique communities. Cooperative managers were spotlighted on the broadcast as was the community itself with local flavor.

BOARD OF DIRECTORS
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BOB COLLINS


ALLAN DUFFE


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MELVIN NEIL
ASSISTANT SECRETARY/TREASURER


DENISE GUY-HIMES
EXECUTIVE ASSISTANT

EXECUTIVE STAFF
CIPCO SYSTEM MANAGERS

Executive Staff

Richard Anderson
VP of Utility Operations

James Fogt
VP of Corporate Operations

Craig Fricke
VP of Corporate Planning and Business Development

Patrick Murphy
Assistant VP of Business Development

CIPCO System Managers

1. Kim Colberg

2. Duane Dinsville

3. Martin Gardner

4. Darrel Heetland

5. Brian Heithoff

6. Tom Killebrew

7. Melvin Nicholas

8. Dorothy Postel

9. Don Severson

10. John Smith

11. Tim Stewart

12. Darrel Heetland

1. Linn County Rural Electric Cooperative, Marion.
2. Southwest Iowa Service Cooperative (SWISCO), Corning.
3. East-Central Iowa Rural Electric Cooperative, Urbana.
4. T.I.P. Rural Electric Cooperative, Brooklyn.
5. Consumers Energy, Marshalltown.
6. Clarke Electric Cooperative, Inc., Osceola.
7. Eastern Iowa Light and Power Cooperative, Wilton.
8. Maquoketa Valley Electric Cooperative, Anamosa.
9. Midland Power Cooperative, Jefferson.
10. Pella Cooperative Electric Association, Pella.
11. Rideta Electric Cooperative, Inc., Mount Ayr, and Guthrie County Rural Electric Cooperative, Guthrie Center.
12. Farmers Electric Cooperative, Inc., Greenfield.

Financial Highlights

Financial Profile

The year 2000 was not without challenges for CIPCO. Purchased power costs continued to increase, rising nearly 36 percent for the year to a total of $29 million. Although some of this increase is attributable to increased MWh sales, the average cost of purchased power rose significantly from 25.01 mills/kWh in 1999 to 34.20 mills/kWh in 2000. While the cost of purchasing power is increasing, the cost of energy generated by CIPCO facilities has decreased to 27.90 mills/kWh in 2000 due to continued cost containment and increasing output at the facilities.

The financial markets also provided a challenge during 2000. Investments and notes receivable totaled $114.2 million at the end of 2000, down from $124.5 million in 1999. The unrealized gains on investment securities decreased from $17.8 million for the prior year to $6.2 million at the end of 2000. This $11.6 million decrease resulted in a year-end member equity of $69.8 million. Consolidated total assets decreased to $356.5 million from $375.4 million a year ago. Investment income also declined, from $13.5 million in 1999 to $11.1 million in 2000.

Despite the challenges, CIPCO maintained a trend of positive margins with a net margin of $2.5 million for the year ended December 31, 2000. Patronage dividends of $2.6 million for the years 1979, 1981, and 1982 were returned to the members. Energy sales continued to increase with 2000 sales totaling $103.6 million after marketing rebates. MWh sales increased 9.55 percent in 2000 to a total of 2,690,609 MWh. The revenue per kilowatt-hour averaged 38.51 mills/kWh, a decrease from 39.53 mills/kWh in 1999.

Rates and Ratios

CIPCO's directors and staff remain committed to strategic planning in order to remain a competitive power supplier in today's increasingly challenging market. As part of this effort the Budget/Rate committee reviews CIPCO's rate structure and recommends to the board appropriate billing arrangements and rate structure changes.

CIPCO's Times Interest Earned Ratio (TIER) for 2000 was 1.17, compared to 1.35 in 1999. The Debt Service Coverage (DSC) was 1.15 for 2000 and 1.28 for 1999. CIPCO's ratios continue to be in excess of the minimum requirements for debt compliance, which are 1.05 for TIER and 1.00 for DSC. CIPCO's equity to asset ratio decreased from 21.7 percent in 1999 to 19.6 percent in 2000.

Independent Auditors' Report

KPMG

2500 Ruan Center
666 Grand Avenue
Des Moines, IA 50309

The Board of Directors
Central Iowa Power Cooperative

We have audited the accompanying consolidated balance sheets of Central Iowa Power Cooperative and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of revenue and expenses, members' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Iowa Power Cooperative and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

February 16, 2001

	2000	1999
Assets (Note 6)		
Electric utility plant, at cost (Notes 2 and 9):		
In service	$ 381,541,733	376,585,219
Less accumulated depreciation	193,983,962	182,991,637
	187,557,771	193,593,582
Construction work in progress	7,218,981	4,408,692
Nuclear fuel, at cost less accumulated amortization of $72,320,167 in 2000 and $68,365,995 in 1999	12,727,037	11,235,770
Net electric utility plant	207,503,789	209,238,044
Non-utility property, at cost less accumulated depreciation of $328,412 in 2000 and $277,183 in 1999 (Note 3)	659,309	892,416
Investments and notes receivable:		
Investments in associated and other organizations	16,718,163	13,274,783
Investments-decommissioning trust fund (Note 4)	19,270,961	19,912,151
Other investments (Note 4)	74,928,917	87,808,090
Notes receivable (Note 1 (l))	3,269,489	3,519,117
Total investments and notes receivable	114,187,530	124,514,141
Current assets:		
Cash and cash equivalents	14,758,389	20,067,783
Accounts receivable, members	9,666,715	8,544,803
Other receivables	1,007,808	1,235,499
Fossil fuel, materials and supplies	4,895,288	5,189,480
Prepaid expenses	217,950	169,963
Interest receivable	151,535	196,407
Deferred charges	1,738,281	3,371,199
Total current assets	32,435,966	38,775,134
Deferred charges	1,673,665	2,006,332
Total assets	$ 356,460,259	375,426,067
Capitalization and Liabilities		
Capitalization:		
Members' equity:		
Membership fees	$ 1,500	1,500
Patronage capital	25,574,194	28,194,642
Accumulated other comprehensive income	6,211,055	17,751,162
Other equities (Note 5)	37,981,684	35,447,642
Total members' equity	69,768,433	81,394,946
Long-term debt, less current maturities (Note 6)	225,669,647	233,417,244
Total capitalization	295,438,080	314,812,190
Current liabilities:		
Current maturities of long-term debt (Note 6)	11,326,145	10,744,980
Accounts payable	6,876,966	4,780,671
Accrued property taxes	2,769,025	3,936,154
Other accrued expenses	1,122,647	2,092,183
Total current liabilities	22,094,783	21,553,988
Other liabilities:		
Decommissioning reserves	29,445,255	25,269,663
Special assessment	1,673,665	2,006,332
Deferred taxes (Note 8)	7,724,665	11,701,790
Other	83,811	82,104
Total other liabilities	38,927,396	39,059,889
Commitments and contingent liabilities (Note 10)		
Total capitalization and liabilities	$ 356,460,259	375,426,067

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF REVENUE & EXPENSES DECEMBER 31, 2000 AND 1999

CENTRAL IOWA POWER COOPERATIVE AND SUBSIDIARIES

	2000	1999
Operating revenue:		
Electric:		
Energy sales	$ 103,615,493	97,079,407
Rent of property	4,512,918	4,082,065
Miscellaneous	602,069	569,287
Other	829,444	807,500
Total operating revenue	109,559,924	102,538,259
Operating expenses:		
Purchased power	29,043,582	21,381,342
Operations:		
Production plant - fuel	16,807,977	15,969,507
Production plant - other	16,882,424	16,382,099
Transmission plant	4,704,459	4,466,763
Maintenance:		
Production plant	6,482,902	7,102,445
Transmission plant	1,435,580	1,578,039
Member services	2,052,334	2,225,602
Administrative and general (Note 1(k))	4,807,670	10,345,072
Depreciation and amortization	12,045,902	11,616,967
Decommissioning provision	4,175,592	3,696,936
Property and other taxes and insurance	768,854	683,723
Other	353,257	356,246
Total operating expenses	99,560,533	95,804,741
Net operating margin	9,999,391	6,733,518
Other revenue:		
Investment income	11,130,535	13,452,062
Unrealized (loss) gain on investments of Iowa Capital Corporation (Note 1(i))	(2,629,638)	3,744,855
Patronage capital allocations	179,446	160,559
Miscellaneous income, net	33,024	897,549
Total other revenue	8,713,367	18,255,025
Net margin before interest charges and income taxes	18,712,758	24,988,543
Interest charges:		
Interest on long-term debt	15,029,097	15,776,534
Allowance for borrowed funds used during construction	(123,642)	(230,779)
Net interest charges	14,905,455	15,545,755
Net margin before income taxes	3,807,303	9,442,788
Income tax expense (Note 8):		
Current income tax expense	2,310,551	1,649,728
Deferred income tax (benefit) expense	(1,037,290)	2,275,642
Total income tax expense	1,273,261	3,925,370
Net margin	$ 2,534,042	5,517,418

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY DECEMBER 31, 2000 AND 1999

CENTRAL IOWA POWER COOPERATIVE AND SUBSIDIARIES

		Membership fees	Patronage capital	Accumulated other comprehensive income	Other equities	Total members' equity
Balance at December 31, 1998	$	1,500	24,394,642	12,527,436	33,730,224	70,653,802
Comprehensive income:						
Net margin		-	-	-	5,517,418	5,517,418
Investments held by Cooperative:						
Unrealized gains arising during the year on securities available-for-sale		-	-	5,741,665	-	5,741,665
Realized gains on securities available-for-sale		-	-	(517,939)	-	(517,939)
Total comprehensive income		-	-	5,223,726	5,517,418	10,741,144
Patronage capital allocated		-	3,800,000	-	(3,800,000)	-
Balance at December 31, 1999		1,500	28,194,642	17,751,162	35,447,642	81,394,946
Comprehensive income:						
Net margin		-	-	-	2,534,042	2,534,042
Investments held by Cooperative:						
Unrealized losses arising during the year on securities available-for-sale		-	-	(12,303,477)	-	(12,303,477)
Realized losses on securities available-for-sale		-	-	763,370	-	763,370
Total comprehensive income		-	-	(11,540,107)	2,534,042	(9,006,065)
Patronage capital paid		-	(2,620,448)	-	-	(2,620,448)
Balance at December 31, 2000	$	1,500	25,574,194	6,211,055	37,981,684	69,768,433

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS DECEMBER 31, 2000 AND 1999

CENTRAL IOWA POWER COOPERATIVE AND SUBSIDIARIES

		2000	1999
Cash flows from operating activities:			
Net margin	$	2,534,042	5,517,418
Adjustments to reconcile net margin to net cash provided by operating activities:			
Depreciation and amortization		12,240,083	11,891,746
Amortization of deferred charges		2,728,996	2,142,856
Amortization of nuclear fuel		3,954,173	3,219,843
Decommissioning provision		4,175,592	3,696,936
Patronage capital allocations not received in cash		(141,685)	(328,820)
Amortization and write-off of repricing costs		-	6,585,665
Loss on disposal of investments-decommissioning trust fund and other investments		7,130,670	6,264,461
Gain on disposal of investments-decommissioning trust fund and other investments		(9,357,454)	(14,955,174)
Unrealized loss (gain) on investments of Iowa Capital Corporation		2,629,638	(3,744,855)
Increase in receivables		(879,000)	(1,394,859)
Decrease (increase) in fossil fuel, materials and supplies		294,192	(571,578)
(Increase) decrease in prepayments and interest receivable		(8,345)	428,769
Refueling outage and other costs deferred		(763,411)	(3,313,999)
(Decrease) increase in accounts payable, accrued liabilities, and other liabilities		(38,664)	969,336
Deferred tax (benefit) expense		(1,052,290)	2,275,642
Other		(349,805)	(204,395)
Net cash provided by operating activities		23,096,732	18,478,992
Cash flows from investing activities:			
Additions to electric utility plant, net		(8,963,332)	(6,513,342)
Additions to non-utility property, net		(83,725)	(79,200)
Proceeds from sale of non-utility property		274,418	-
Purchases of investments-decommissioning trust fund and other investments		(175,898,437)	(119,650,440)
Sales of investments-decommissioning trust fund and other investments		178,294,128	114,169,946
Interest and dividend income reinvested		(3,808,247)	(2,558,980)
Purchases of nuclear fuel		(5,445,439)	(7,183,320)
Purchase of investments in associated and other organizations		(3,907,816)	(510,878)
Acquisition of Iowa Capital Corporation, net of cash acquired		-	976,990
Receipt of prior years' patronage capital allocation		204,049	235,880
Sales of investments in associated and other organizations		225,518	(502,079)
Decrease in notes receivable		489,637	109,524
Net cash used in investing activities		(18,619,246)	(21,505,899)
Cash flows from financing activities:			
Principal payments on long-term debt		(10,866,432)	(10,279,505)
Principal payments on notes payable		-	(5,000,000)
Proceeds from notes payable borrowings		-	5,000,000
Proceeds from long-term borrowings		3,700,000	1,652,936
Patronage capital paid		(2,620,448)	-
Net cash used in financing activities		(9,786,880)	(8,626,569)
Net decrease in cash and cash equivalents		(5,309,394)	(11,653,476)
Cash and cash equivalents at beginning of year		20,067,783	31,721,259
Cash and cash equivalents at end of year	$	14,758,389	20,067,783
Supplemental disclosure of cash flow information:			
Cash payments for interest	$	14,905,455	15,203,636
Supplemental disclosure of non-cash activities:			
Long-term debt assumed in exchange for note receivable	$	-	568,059

See Accompanying Notes to Consolidated Financial Statements.

Note 1: Summary of Significant Accounting Policies

(a) Basis of Accounting

The consolidated financial statements include the accounts of Central Iowa Power Cooperative (the Cooperative) and its majority owned subsidiaries, Central Iowa Energy Cooperative (CIECO) and Iowa Capital Corporation (ICC).
The Cooperative is an electric generation and transmission cooperative providing wholesale electric service to its 14 members. CIECO invests in joint ventures primarily with members of the Cooperative. ICC is an investment company incorporated for the purpose of advancing economic development in the state of Iowa. All significant intercompany balances and transactions have been eliminated in consolidation.

The accounting records of the Cooperative are maintained in accordance with the Uniform System of Accounts prescribed by the Rural Utilities Service (RUS).The Cooperative is not subject to external regulation other than by the RUS.

Distribution of margins of the Cooperative, CIECO and ICC (collectively, the Company) are made in accordance with the provisions of the Code of Iowa.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

(c) Electric Utility Plant

Depreciation of electric utility plant in service is provided over the estimated useful lives of the respective assets on the straight-line basis. Maintenance and repair of property and replacement and renewal of items determined to be less than units of property are charged to expense. Replacement and renewal of items considered to be units of property are charged to the property accounts. At the time properties are disposed of, the original cost, plus cost of removal less salvage of such property, is charged to accumulated depreciation.

(d) Nuclear Decommissioning

Based upon the Nuclear Regulatory Commission (NRC) DECON option (which provides for the removal or decontamination of all equipment and structures necessary to permit release of the property for unrestricted use),
the Cooperative's share of the costs to decommission the Duane Arnold Energy Center (DAEC) is estimated at $101,508,000 in 1999 dollars.The Cooperative includes a provision for disposal of spent fuel in its nuclear fuel expense.

The NRC minimum formula estimate is being used as the basis for decommissioning funding. For purposes of developing a decommissioning funding plan, the Cooperative assumes decommissioning costs will escalate at an annual rate of 5 percent and the average return on investments will be approximately 12 percent.The funding plan assumes decommissioning will start in 2014, the anticipated plant shutdown date.The decommissioning costs are being recognized over the expected service life of the plant and are included in the Cooperative's service rates. At December 31, 2000, the Cooperative has $19,270,961 in investments set aside for decommissioning in a legally restricted external trust fund and has also designated $10,174,294 of other investments for decommissioning.

(e) Non-utility Property

Non-utility property is carried at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 10 years for equipment.

(f) Allowance for Funds Used During Construction

The allowance for funds used during construction represents the estimated cost, during the period of construction, of borrowed funds used for construction purposes.The composite rates used to calculate the allowance for 2000 and 1999 were approximately 8.0 percent and 6.6 percent, respectively.

(g) Nuclear Fuel

The cost of nuclear fuel, including capitalized interest and taxes, is being amortized to fuel expense on the basis of the number of units of thermal energy produced in relationship to the total thermal units expected to be produced over the life of the fuel. Nuclear fuel expense includes a provision for estimated spent nuclear fuel disposal cost which is being collected currently from members.

(h) Fossil Fuel, Materials and Supplies

Fossil fuel, materials and supplies are stated at moving average cost.

(i) Investments and Notes Receivable

Investments in associated organizations consist primarily of approximately $5,413,000 in capital term certificates issued by National Rural Utilities Cooperative Finance Corporation (CFC) and memberships in other cooperatives. These investments are stated at cost, adjusted for patronage capital allocations. Investments in other organizations consist primarily of investments in private equity funds which are accounted for using the cost method.

Investments - decommissioning trust fund is a legally restricted external trust fund and consists primarily of U.S. Treasury notes, other bonds and notes, common and preferred stock and money market funds, which are carried at market value with net unrealized gains and losses reported in members' equity until realized.

Other investments consist primarily of U.S. Treasury notes, other bonds and notes, common and preferred stock and money market funds which are carried at market value with net unrealized gains and losses reported in members' equity until realized. Also included in other investments are ICC's investments in common stock which are carried at market value or estimated fair value, with unrealized gains and losses reported in the statement of revenue and expenses in accordance with accounting principles generally accepted in the United States of America for investment companies.

Notes receivable include notes from an affiliated joint venture in the amount of $2,251,400 and $2,439,510 at December 31, 2000 and 1999, respectively. These notes bear interest at 6.45 percent to 8.80 percent, and are due in quarterly installments of $69,000 including interest through 2020. Other notes receivable include a non-interest bearing note with a balance of $900,000 with annual installments of $100,000 through 2009. The note was discounted using a 6.55 percent interest rate. Also included is a note receivable of $160,404 at December 31, 2000 which bears interest at 3.00 percent, and is due in monthly installments of $826 through 2023.

(j) Pension Plan

The Company's policy is to fund pension costs accrued.

(k) Deferred Charges

Deferred charges consist principally of a special assessment established by the Energy Policy Act of 1992 for decontamination and decommissioning of the Department of Energy enrichment facilities and repricing costs incurred to obtain lower interest rates on long-term debt. The special assessment costs are being recovered through rates over 15 years ending in 2007. The repricing costs were being amortized over 17-21 years until 1999, when the cooperative received RUS approval to expense the remaining asset of approximately $6.2 million (included in administrative and general expenses in accordance with RUS's approval.) The amount of these costs to be amortized in 2001 has been reflected as a current asset on the balance sheet.

(l) Cash Equivalents

Cash equivalents of $12,393,208 and $16,509,102 at December 31, 2000 and 1999, respectively, consist primarily of CFC commercial paper. For purposes of the statements of cash flows, the Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

(m) Comprehensive Income

The Company has adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income consists of net income and net unrealized gains (losses) on securities and is presented in the consolidated statements of members' equity. SFAS No. 130 requires only additional disclosures in the financial statements; it does not affect the Company's financial position or results of operations.

(n) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

The Company has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 121, Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. This Statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(o) Fair Value of Financial Instruments

Fair value estimates, methods, and assumptions are set forth below.

Cash and Cash Equivalents, Accounts and Other Receivables, Interest Receivable and Accounts Payable

The carrying amount approximates fair value because of the short-term nature of these instruments.

Investments and Notes Receivable

It was not practicable to estimate the fair value of investments in associated and other organizations. The investments in associated organizations are carried at their original cost, adjusted for patronage capital allocations. The untraded capital term certificates currently bear interest at 3 percent to 5 percent and primarily mature in 2020 through 2080. The patronage capital allocations are non interest-bearing and mature based upon the granting cooperatives' policies. The investments in untraded other organizations are accounted for on the equity method.

The fair value of investments-decommissioning trust fund and other investments are based on quoted market prices published in financial newspapers or quotations received from securities dealers. At December 31, 2000, the estimated fair value of investments-decommissioning trust fund and other investments were $19,270,961 and $74,928,917, respectively. The carrying value of the notes receivable approximates the fair value.

Long-Term Debt

The fair value of long-term debt is calculated by discounting scheduled cash flows through maturity using estimated market discount rates. The discount rate is estimated using the rates currently offered for long-term debt of similar remaining maturities. At December 31, 2000, the Company estimated the fair value of its long-term debt as $248,000,000.

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. Because no market exists for a portion of the Company's financial instruments, fair value estimates are based on judgments regarding current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 2: Electric Utility Plant in Service

The major classes of electric utility plant in service at December 31, 2000 and 1999 and depreciation and amortization for 2000 and 1999 are as follows:

	Cost		Depreciation and amortization		Composite rates
	2000	1999	2000	1999	%
Intangible plant	$ 1,376,167	1,564,277	331,943	27,644	4.00-10.00
Production plant	242,282,693	239,812,505	7,958,985	7,976,453	3.10
Transmission plant	129,184,144	126,509,059	3,320,718	3,256,153	2.75
Distribution plant	454,256	454,256	12,913	12,914	2.75
General plant	8,244,473	8,245,122	564,295	580,803	3.00-16.00
Electric utility plant in service	$ 381,541,733	376,585,219	12,188,854	11,853,967	

Note 3: Non-utility Property

At December 31, 2000, and 1999, non-utility property consists of the following:

	2000	1999
Equipment	$ 699,128	690,404
Other property	288,593	479,195
	$ 987,721	1,169,599

Note 4: Investments

At December 31, 2000 and 1999, investments-decommissioning trust fund and other investments were classified as available-for-sale and consisted of the following:

	Decommissioning Trust Fund				Other Investments			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Market Value
2000								
U.S. Treasury notes	$ 669,550	37,551	-	707,101	-	-	-	-
Other bonds and notes	2,009,949	35,814	20,942	2,024,821	24,708,982	383,176	2,031,019	23,061,139
Common and preferred stock*	12,631,794	4,004,251	1,445,204	15,190,841	37,258,779	18,877,060	6,341,910	49,793,929
Money market funds and other	1,348,198	-	-	1,348,198	2,073,849	-	-	2,073,849
Totals	$16,659,491	4,077,616	1,466,146	19,270,961	64,041,610	19,260,236	8,372,929	74,928,917
1999								
U.S. Treasury notes	$ 1,693,694	825	39,308	1,655,211	-	-	-	-
Other bonds and notes	2,088,274	1,659	96,063	1,993,870	31,569,593	2,203,244	2,023,232	31,749,605
Common and preferred stock*	9,960,180	4,996,930	318,861	14,638,249	29,103,271	28,250,206	1,870,701	55,482,776
Money market funds and other	1,624,821	-	-	1,624,821	575,709	-	-	575,709
Totals	$15,366,969	4,999,414	454,232	19,912,151	61,248,573	30,453,450	3,893,933	87,808,090

*Other investments at December 31, 2000 and 1999 include ICC's investment in common stock with a market value of approximately $7,025,000 and $9,396,000, respectively; in 2000 and 1999 approximately ($2,630,000) and $3,745,000, respectively, of unrealized (losses) gains have been included in the Statement of Revenue and Expenses in accordance with accounting principles generally accepted in the United States of America for investment companies.

Note 5: Other Equities

At December 31, 2000, and 1999, other equities consist of the following:

	2000	1999
Unallocated margin	$ 2,534,042	5,517,418
Reserve for contingent losses	27,947,642	22,852,059
Surplus	7,500,000	7,078,165
	$ 37,981,684	35,447,642

The reserve for contingent losses is a discretionary reserve established by the Company for unexpected future losses.

Note 6: Long-term Debt

At December 31, 2000, and 1999, long-term debt consists of the following:

	2000	1999
RUS, 2% and 5% mortgage notes payable, due in quarterly installments approximating $1,700,000 adjusted quarterly, including interest, maturing through June 2031	$ 60,914,674	63,130,998
Federal Financing Bank (FFB), 5.418% to 10.584% mortgage notes payable, guaranteed by the RUS, due in quarterly installments approximating $3,819,000, including interest, maturing from December 2010 through 2029	145,702,560	148,926,851
CFC, 5.90% to 6.05% mortgage notes payable, due in quarterly installments approximating $498,000 , including interest, maturing from December 2006, through March 2031	16,625,375	20,549,487
CFC, variable interest rate (8.30% at December 31, 2000) notes payable, due in quarterly installments approximating $245,000 adjusted quarterly, including interest, maturing in March 2031	9,055,413	6,232,238
Cooperative members, variable interest rate (8.30% at December 31, 2000) unsecured notes payable, due in quarterly installments approximating $10,600, including interest, maturing on December 31, 2006	172,844	201,132
City of Council Bluffs, Iowa 6.125% Pollution Control Revenue Bonds guaranteed by CFC, due in semi-annual installments ranging from $75,000 to $110,000, maturing on December 1, 2007	1,305,000	1,450,000
Louisa County, Iowa, 4.40% - 4.65% Pollution Control Revenue Bonds guaranteed by CFC, due in annual installments ranging from $280,000 to $305,000, maturing on December 15, 2003	880,000	1,150,000
National Cooperative Services Corporation, 6.80% to 8.65% mortgage notes payable, due in quarterly installments approximating $44,300, including interest, maturing through 2020	1,495,407	1,541,747
Other	844,519	979,771
Total long-term debt	236,995,792	244,162,224
Less current maturities	11,326,145	10,744,980
Total long-term debt, less current maturities	$ 225,669,647	233,417,244

The aggregate maturities of long-term debt for each of the five years subsequent to December 31, 2000 are as follows: 2001, $11,326,145; 2002, $11,923,073; 2003, $12,565,392; 2004, $12,928,765; and 2005, $13,507,337.

At December 31, 2000, the Cooperative had available a $10,000,000 short-term line of credit agreement with CFC and approximately $14,776,000 of unadvanced funds available for various construction projects. At December 31, 2000 and 1999 there were no borrowings outstanding under the line of credit agreement.

All assets of the Company are pledged to secure the long-term debt to RUS, FFB and CFC.

Note 7: Pension Plan

The Company participates in a multi-employer pension plan which covers substantially all employees. The accumulated plan benefits and net assets of the plan are not determined or allocated separately by individual employer. Pension expense for the years ended December 31, 2000 and 1999 amounted to $459,000 and $441,000, respectively.

Note 8: Income Tax Status

The Cooperative is a nonprofit corporation under the laws of Iowa and is exempt from federal and state income taxes under applicable tax laws.

CIECO is organized as a taxable cooperative under the laws of Iowa and ICC is a for-profit corporation under the laws of Iowa.

Deferred tax liabilities related to temporary differences between the financial statement bases and income tax bases of assets and liabilities at December 31, 2000 and 1999 are as follows:

	2000	1999
Deferred tax liability:		
Financial statement gain on transfer of investment	$ 777,700	777,700
Unrealized gains in market value of investments	6,946,965	10,924,090
Total deferred tax liability	$ 7,724,665	11,701,790

At December 31, 2000 and 1999, CIECO had established a deferred tax liability of $5,752,955 and $8,677,790, respectively against the unrealized gain in market value of investments recorded in accumulated other comprehensive income.

Income taxes for 2000 and 1999 differ from the expense completed using the statutory rate as follows:

	2000	1999
Income taxes at the statutory rate	$ 1,294,483	3,210,548
State taxes, net of federal benefit	359,262	665,228
Income loss of the Cooperative - tax exempt	(104,188)	1,006,153
Net operating loss carryforward of CIECO	-	(901,173)
Other	(276,296)	(55,386)
	$ 1,273,261	3,925,370

Note 9: Jointly owned Electric Utility Plant

The Cooperative's share of jointly owned generating facilities as of December 31, 2000, is reflected in the following table. These facilities provide approximately 60% of the Cooperative's total generating capacity. The Cooperative is required to provide financing for its share of the units. The Cooperative's share of expenses associated with these units is included with the appropriate operating expenses in the statements of revenue and expenses. The following table provides the net balance recorded in the Electric-Utility Plant by facility, at December 31, 2000.

Facility	Percentage Ownership	Capacity MW	Electric Utility Plant, Net
DAEC	20.0%	107	$ 61,463,348
Council Bluffs Unit No. 3	11.5%	78	18,386,075
Louisa Generating Station	4.6%	32	14,870,679

Note 10: Commitments and Contingent Liabilities

The Cooperative's operations and activities with respect to its coal-fired facilities are subject to developing environmental legislation and regulations by Federal and State authorities. Recent amendments to the Federal Clean Air Act require utilities, including the Cooperative, to comply with more restrictive emissions standards commencing in 1996. The Cooperative is recovering any increased costs resulting from compliance with the environmental legislation through increased rates.

The Price-Anderson Amendments Act of 1988 (1988 Act) sets a statutory limit of $9.5 billion for liability to the public for a single nuclear power plant incident and requires nuclear power plant operators to provide financial protection for this amount. The DAEC provides this financial protection through a combination of $200 million of insurance and $9.3 billion of industry-wide retrospective payment plans. Under the industry-wide plans, DAEC could be assessed a maximum of $88.1 million per nuclear incident, with a maximum of $10 million per year (of which the Cooperative's 20 percent ownership portion would be $17.6 million and $2 million, respectively), if losses relating to the accidents exceeded $200 million.

The Cooperative, as 20 percent owner of DAEC is a member of Nuclear Electric Insurance Limited (NEIL). NEIL provides $540 million of insurance coverage for the Cooperative on certain property damage, decontamination and premature decommissioning. The proceeds from this insurance, however, must first be used for reactor stabilization and site decontamination before the insurance can be used for plant repair and premature decommissioning. NEIL further provides separate coverage for additional expense incurred during certain outages. Owners of nuclear generating stations insured through NEIL are subject to retroactive premium adjustments if losses exceed accumulated reserve funds. NEIL's accumulated reserve funds are currently sufficient to cover its exposure in the event of a single incident under the primary and excess property damage or additional expense coverages. However, the Cooperative could be assessed annually a maximum of $0.43 million for NEIL primary property, $0.8 million for NEIL excess property and $0.34 million for NEIL additional expenses if losses exceed the accumulated reserve funds. The Cooperative is not aware of any losses that they believe 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 DAEC owners and could have a material adverse effect on the Company's financial position and results of operations.

		2000	1999	1998
SUMMARY OF OPERATIONS				
Operating revenue	$	109,559,924	102,538,259	100,809,254
Operating expenses and interest:				
Purchased power		29,043,582	21,381,342	16,789,263
Operations, maintenance and other		46,666,599	45,855,099	46,752,390
Member services		2,052,334	2,225,602	1,452,306
Administrative and general(2)		4,807,670	10,345,072	3,578,046
Depreciation and amortization		12,045,902	11,616,967	11,561,393
Decommissioning provision		4,175,592	3,696,936	3,219,840
Property and other taxes and insurance		768,854	683,723	602,289
Net interest charges		14,905,455	15,545,755	15,991,060
Total operating expenses and interest		114,465,988	111,350,496	99,946,587
Operating margin (deficit)		(4,906,064)	(8,812,237)	862,667
Other revenue		8,713,367	18,255,025	4,847,371
Income taxes		(1,273,261)	(3,925,370)	-
Net margin	$	2,534,042	5,517,418	5,710,038
ASSETS				
Electric utility plant	$	473,807,918	460,595,676	448,048,533
Less accumulated depreciation and amortization		266,304,129	251,357,632	237,433,340
Net electric utility plant		207,503,789	209,238,044	210,615,193
Net non-utility plant, investments, and notes receivable		114,846,839	125,406,557	93,530,915
Current assets		32,435,966	38,775,134	48,216,714
Deferred charges		1,673,665	2,006,332	8,417,290
Total assets	$	356,460,259	375,426,067	360,780,112
CAPITALIZATION AND LIABILITIES				
Members' equity	$	69,768,433	81,394,946	70,653,802
Long-term debt		225,669,647	233,417,244	242,583,793
Current liabilities		22,094,783	21,553,988	20,223,123
Decommissioning reserves		29,445,255	25,269,663	21,572,727
Special assessment and other liabilities		9,482,141	13,790,226	5,746,667
Total capitalization and liabilities	$	356,460,259	375,426,067	360,780,112

(1) Not restated to reflect consolidation of majority owned subsidiary, CIECO.

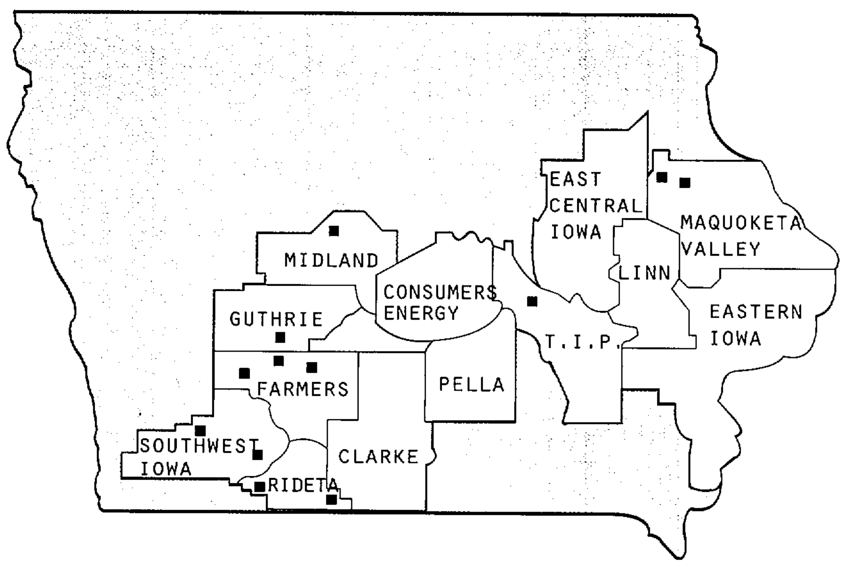
(2) Beginning in 1994, certain salaries, benefits, and other costs previously classified as administrative and general have been reclassified as member services or operations, maintenance and other to be more reflective of the services provided. Years 1993 through 1991 have not been reclassified on a comparative basis as it was not practical. In 1999, approximately $6.2 million relates to debt repricing costs written off in accordance with RUS' approval.

1997	1996	1995	1994	1993	1992	1991[1]
91,200,299	91,732,592	89,037,508	85,028,734	85,785,058	82,376,927	80,491,877
12,844,702	8,519,525	6,606,936	6,118,306	9,492,228	6,238,944	5,093,377
45,026,208	47,860,033	50,991,054	48,633,354	43,099,230	43,664,579	44,075,995
1,344,865	1,214,659	1,420,792	1,082,301	1,086,483	728,473	691,385
3,709,180	3,134,472	2,936,127	3,039,463	3,795,594	4,404,458	3,629,407
11,757,936	11,476,590	10,449,639	11,375,564	10,799,746	10,205,712	9,398,207
2,476,040	2,132,340	1,824,330	1,594,812	1,770,725	1,204,770	1,009,870
664,729	678,479	756,618	113,741	102,099	109,298	459,102
15,218,091	14,470,081	14,786,377	14,097,906	15,061,130	15,482,054	15,453,492
93,041,751	89,486,179	89,771,873	86,055,447	85,207,235	82,038,288	79,810,835
(1,841,452)	2,246,413	(734,365)	(1,026,713)	577,823	338,639	681,042
6,855,843	4,220,667	3,043,818	2,936,268	1,887,856	2,000,743	2,090,006
-	-	-	-	-	-	-
5,014,391	6,467,080	2,309,453	1,909,555	2,465,679	2,339,382	2,771,048
444,800,113	435,847,094	413,216,505	397,021,724	384,457,411	371,882,103	361,894,125
224,256,871	209,131,696	194,007,022	180,772,357	168,641,832	156,930,198	145,171,769
220,543,242	226,715,398	219,209,483	216,249,367	215,815,579	214,951,905	216,722,356
76,809,728	54,619,045	36,957,633	33,248,839	30,267,892	28,352,028	23,142,382
42,677,841	42,287,705	51,290,287	37,169,726	36,184,307	18,749,147	19,900,184
8,809,531	9,342,892	9,803,040	11,001,268	6,442,156	5,197,969	3,986,348
348,840,342	332,965,040	317,260,443	297,669,200	288,709,934	267,251,049	263,751,270
64,424,325	56,870,129	43,282,394	39,465,790	37,745,673	35,279,994	33,418,329
239,854,400	231,480,716	235,124,252	221,732,790	215,429,551	202,507,475	204,381,424
20,400,913	22,993,410	22,346,204	21,758,749	22,728,477	18,411,229	18,601,647
18,352,887	15,876,847	13,744,507	11,920,177	10,325,365	8,554,640	7,349,870
5,807,817	5,743,938	2,763,086	2,791,694	2,480,868	2,497,711	-
348,840,342	332,965,040	317,260,443	297,669,200	288,709,934	267,251,049	263,751,270

2000	Clarke	Consumers	East-Central	Eastern	Farmers
SUMMARY OF OPERATIONS:					
Operating Revenue	$ 6,495,650	6,621,655	11,757,178	47,764,967	7,889,258
Purchased Power	3,141,858	3,744,239	6,961,538	37,621,113	4,708,607
Operating Expenses	1,998,135	1,781,087	2,847,832	5,635,840	1,830,745
Depreciation	520,423	436,042	866,671	2,077,027	522,281
Tax Expense	0	224,432	11,733	0	0
Interest Expense	594,307	436,723	764,429	1,360,294	595,914
Total Cost - Electric Service	$6,254,723	6,622,523	11,452,203	46,694,274	7,657,547
Operating Margins	240,927	(868)	304,975	1,070,693	231,711
Non-operating Margins & Capital Credits	143,411	120,012	449,619	1,058,410	167,996
Margins	$ 384,338	119,144	754,594	2,129,103	399,707
ASSETS AND OTHER DEBITS:					
Total Utility Plant	$20,839,548	16,052,153	30,828,697	75,688,891	20,002,879
Accumulated Depreciation & Amortization	7,280,194	5,364,960	7,684,182	23,204,467	5,459,529
Net Utility Plant	13,559,354	10,687,193	23,144,515	52,484,424	14,543,350
Property & Investments	2,039,451	1,734,236	4,137,142	8,814,389	3,342,811
Current & Accrued Assets	2,471,231	1,575,989	3,478,817	7,267,086	2,109,245
Deferred Debits	30,891	100,392	(6,892)	94,207	12,000
Total Assets & Other Debits	$18,100,927	14,097,810	30,753,582	68,660,106	20,007,406
LIABILITIES AND OTHER CREDITS:					
Margins & Equities	$ 6,086,040	5,290,353	14,518,807	36,249,060	7,562,350
Long Term Debt	10,930,289	6,821,198	14,901,797	26,896,361	11,045,493
Current & Accrued Liabilities	889,012	1,976,519	1,061,253	4,979,325	1,213,091
Deferred Credits & Misc. Oper. Reserves	195,586	9,740	271,725	535,360	186,472
Total Liabilities & Other Credits	$18,100,927	14,097,810	30,753,582	68,660,106	20,007,406
OTHER STATISTICS:					
Miles of Line	1,786	1,101	2,203	4,594	1,787
Consumers Served	4,733	4,653	7,652	21,456	4,634
Consumers Per Mile	2.7	4.2	3.5	4.7	2.6
kWhs Sold per Consumer	13,863	16,477	19,202	51,222	22,799
MWh Sales	65,612	76,667	146,930	1,099,029	105,651
Annual Revenue per Consumer	$1,372	$1,423	$1,536	$2,226	$1,702
Plant Investment per Consumer	$4,403	$3,450	$4,029	$3,528	$4,317

*These data represent the combined service territories of Greene County REC and Hardin County REC.

Guthrie	Linn	Maquoketa	Midland*	Pella	Rideta	SWISCO	T. I. P.	Total
6,430,308	19,452,922	17,783,635	15,703,028	4,018,347	3,770,252	4,375,212	9,048,358	161,110,770
3,592,952	11,950,434	11,318,542	9,133,050	2,280,659	1,796,298	2,212,940	5,239,748	103,701,978
1,591,974	3,888,210	3,540,893	3,194,694	901,150	1,027,053	1,402,495	2,261,191	31,901,299
354,501	1,039,368	1,049,205	1,271,927	185,620	389,704	343,165	508,295	9,564,229
6,145	528,003	508,657	14,729	139,325	3,765	4,242	264,532	1,705,563
445,699	2,111,591	807,853	1,051,706	251,886	339,986	338,464	448,423	9,547,275
5,991,271	19,517,606	17,225,150	14,666,106	3,758,640	3,556,806	4,301,306	8,722,189	156,420,344
439,037	(64,684)	558,485	1,036,922	259,707	213,446	73,906	326,169	4,690,426
(23,305)	509,218	442,009	414,220	79,281	122,118	100,275	521,708	4,104,972
415,732	444,534	1,000,494	1,451,142	338,988	335,564	174,181	847,877	8,795,398
14,607,036	45,484,689	38,326,312	40,796,242	8,378,470	12,224,738	12,443,856	19,720,182	355,393,693
6,019,112	8,398,919	14,404,548	11,856,401	2,746,108	3,838,653	4,381,382	5,898,697	106,537,152
8,587,924	37,085,770	23,921,764	28,939,841	5,632,362	8,386,085	8,062,474	13,821,485	248,856,541
2,103,016	4,657,952	6,010,566	4,654,104	1,231,981	1,180,029	1,618,014	2,630,179	44,153,870
2,904,945	3,054,095	4,593,542	4,768,746	2,355,223	1,612,640	971,626	7,560,454	44,723,639
22,204	(274,924)	(976)	23,569	6,623	8,431	14,043	37,737	67,305
13,618,089	44,522,893	34,524,896	38,386,260	9,226,189	11,187,185	10,666,157	24,049,855	337,801,355
5,881,457	10,256,780	16,897,074	16,898,566	4,001,913	3,621,307	3,945,707	11,520,073	142,729,487
6,500,110	24,131,575	15,203,818	19,753,355	4,430,997	7,040,694	6,159,486	10,823,012	164,638,185
836,034	9,336,538	1,965,548	1,683,297	448,626	420,166	530,068	1,235,523	26,575,000
400,488	798,000	458,456	51,042	344,653	105,018	30,896	471,247	3,858,683
13,618,089	44,522,893	34,524,896	38,386,260	9,226,189	11,187,185	10,666,157	24,049,855	337,801,355
1,382	1,879	3,080	2,831	607	1,211	1,365	1,748	25,574
4,423	16,118	13,112	8,633	2,522	2,674	3,050	5,760	99,420
3.2	8.6	4.3	3.0	4.2	2.2	2.2	3.3	3.9
18,217	15,352	16,957	24,118	19,272	14,527	14,765	19,395	25,112
80,575	247,440	222,336	208,213	48,605	38,844	45,034	111,718	2,496,654
$1,454	$1,207	$1,356	$1,819	$1,593	$1,410	$1,434	$1,571	$1,621
$3,303	$2,822	$2,923	$4,726	$3,322	$4,572	$4,080	$3,424	$3,575



Clarke Electric Cooperative, Inc.
(Osceola)

East-Central Iowa Rural Electric Cooperative (Urbana)

Eastern Iowa Light and Power Cooperative (Wilton)

Farmers Electric Cooperative, Inc.
(Greenfield)

Guthrie County Rural Electric Cooperative (Guthrie Center)

Linn County Rural Electric Cooperative (Marion)

Maquoketa Valley Electric Cooperative (Anamosa)

Consumers Energy
(Marshalltown)

Midland Power Cooperative
(Jefferson)

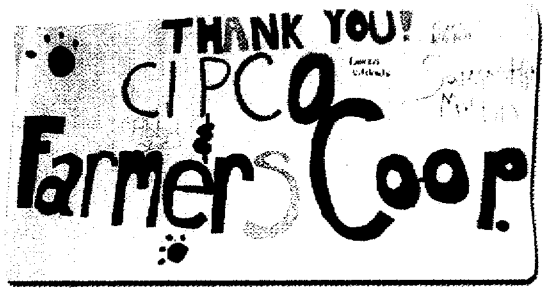
Pella Cooperative Electric Association (Pella)

Rideta Electric Cooperative, Inc.
(Mount Ayr)

South Iowa Municipal Electric Cooperative Association (SIMECA) (Brooklyn, Cascade, Corning, Earlville, Fontanelle, Gowrie, Greenfield, Lamoni, Lenox, Stuart, Villisca, Winterset)

Southwest Iowa Service Cooperative-SWISCO (Corning)

T.I.P. Rural Electric Cooperative
(Brooklyn)



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