



Annual Report 1987

-NOTICE-

THE ATTACHED FILES ARE OFFICIAL RECORDS OF THE RECORDS & REPORTS MANAGEMENT BRANCH. THEY HAVE BEEN CHARGED TO YOU FOR A LIMITED TIME PERIOD AND MUST BE RETURNED TO THE RECORDS & ARCHIVES SERVICES SECTION P1-122 WHITE FLINT. PLEASE DO NOT SEND DOCUMENTS CHARGED OUT THROUGH THE MAIL. REMOVAL OF ANY PAGE(S) FROM DOCUMENT FOR REPRODUCTION MUST BE REFERRED TO FILE PERSONNEL.

Docket #~~50-331~~
Control #~~8806060143~~
Date ~~26/01/88~~ of Document
REGULATORY DOCKET FILE

-NOTICE-

We put value on the line.

E

lectricity. It's a product we work hard to provide. It begins with dedicated people at our generation plants. Their loyalty, sweat and mechanical knowledge make the tons of metal machinery do its job. They work around the clock. Thousands of miles of power lines bring it to our substations, then to your homes, to your factories, to your businesses, to your schools — to your fingertips. But not without the watchful eye of our linemen and dispatchers who keep it coming, and coming.

Electricity. It's a good value. It's safe. It's dependable. It's a superior technology and a superior method of home heating. Electricity *is* a good value. *And WE put it on the line . . .*

... We are the people at CIPCO



Central Iowa Power Cooperative (CIPCO) is an electric generation and transmission cooperative formed in 1946. CIPCO sells wholesale power to fifteen rural electric distribution cooperatives and one municipal cooperative. The distribution cooperatives in turn distribute the power to 80,000 members throughout fifty-one Iowa counties. South Iowa Municipal Electric Cooperative Association (SIMECA) is member-owned by twenty Iowa municipals. Today CIPCO has ownership in the Duane Arnold Energy Center, Louisa Generating Station, Council Bluffs #3 and Summit Lake Generation Station. CIPCO leases Fair Station from Eastern Iowa Light & Power Cooperative. CIPCO is a member of the Midcontinent Area Power Pool (MAPP) and the North American Reliability Council.



1987

"The electric business, just as other businesses, can no longer confine itself to the interest of electricity alone."

During 1987 the Board of Directors of Central Iowa Power Cooperative (CIPCO) continued to support improvements of the system in order to increase reliability of service to the members. This has been done by adding to the engineering staff and by approving projects to accomplish continued system reliability. Since new generation is not an immediate need, it is a good time to make system improvements our priority.

Time has been spent by staff reviewing joint ownership of facilities, both in the areas of transmission and generation, to see what improvements can be made. They have also been looking at the changing loads.

Construction of a new facility in the Wilton area has been approved for housing equipment and people in that area who work for CIPCO at one location with the hope of improving service and efficiency.

The need still exists for new load to increase the sales of kilowatt-hours. Economic development and marketing programs help accomplish this and positive results are being experienced. Funding for these programs continues by Board approval and has been expanded in the area of economic development. Cooperation by all members is necessary to keep these programs current and in balance.

We continue to review on a system-wide basis (CIPCO and all its members) the advisability of implementing peak management systems versus encouraging additional off-peak sales with marketing programs and rate incentives.

James P. Wenstrand
President of the Board of Directors
Nyman Electric Cooperative



Directors

It is important to understand the interests and needs of our members, for only as they are successful will we be successful. We must be aware of and contribute to opportunities to attract new members and loads.

The electric business, just as other businesses, can no longer confine itself to the interest of electricity alone. It has to be concerned and take interest in several areas. Many things affect us at the local, state, national and worldwide level. Since we operate on low equity, it means we borrow most of the money needed for generation and transmission improvements. When you borrow money, you pay interest. Since this is a large part of your indebtedness, the rate of interest is always a concern. We hear and read about write-downs on loans, but we don't seem to qualify for these programs. It is often difficult to understand why we cannot share in the financial advantages of such programs.

1988 is an election year and no doubt the harvest of promises will again be a bumper crop. Time spent in the political process can be advantageous to you as a director of your cooperative, as well as CIPCO.

The annual report and the annual meeting is intended to give information of the workings and financial condition of CIPCO. We appreciate your support and encourage you to ask questions and make suggestions for the good of us all.

Thank you. ■



John Heineman, Jr.
Vice President
Greene County Rural
Electric Cooperative



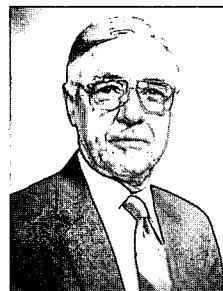
Richard G. Mickelson
Secretary/Treasurer
Rideta Electric
Cooperative, Inc.



Carl D. Horman
Assistant Secretary
Treasurer
Pella Cooperative
Electric Association



G. Franklin Walter
Adams County
Cooperative Electric
Company



M. Dean Flickinger
Benton County Electric
Cooperative Association



Melvin W. Neil
Buchanan County Rural
Electric Cooperative



James W. Van Ryswyk
Clarke Electric
Cooperative, Inc.



Robert C. Schroeder
Eastern Iowa Light and
Power Cooperative



Daryl M. Scott
Farmers Electric
Cooperative, Inc.



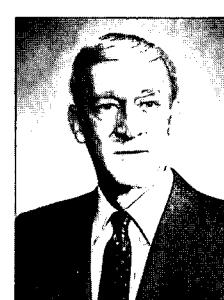
Joe O. Rohner
Guthrie County Rural
Electric Cooperative



James D. Jordan
Linn County Rural
Electric Cooperative



James B. Paper
Marshall County Rural
Electric Cooperative



Dale R. Newman
Maquoketa Valley Rural
Electric Cooperative



Dale E. Hawkins
South Iowa Municipal
Electric Cooperative
Association



Robert W. Fontinel
T.J.P. Rural Electric
Cooperative

General Manager's Report

"By working together closely, CIPCO and its members will continue to preserve and enhance the benefits of the cooperative for the common good."

Richard L. Arnold

**Richard L. Arnold
General Manager**

One year ago, Central Iowa Power Cooperative was celebrating its 40th anniversary. CIPCO's annual report and a special historical document were dedicated in honor of all those responsible for its past accomplishments.

Today, we recount with pride the progress made in 1987 as we meet new challenges in changing times. In the rush of everyday activities it is easy to forget how much is accomplished. It is important, therefore, to pause occasionally to rediscover what the CIPCO team has achieved.

One of the less glorious but more important projects in 1987 was the revision and updating of a large number of corporate policies. Initial steps were also taken to develop a revised mission statement for CIPCO and to identify new goals and objectives. Work on this project will continue in the future.

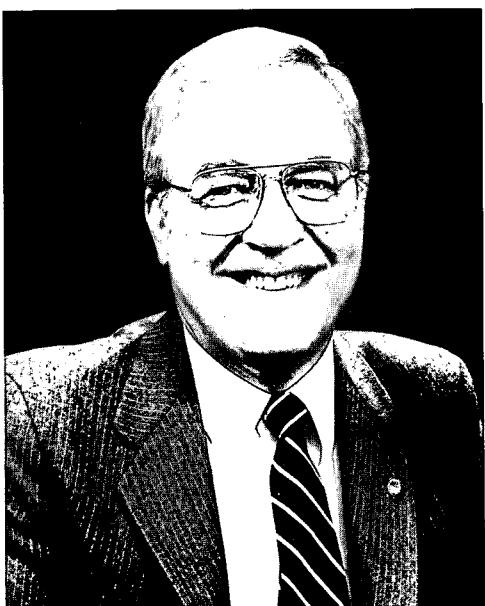
Positive steps were also taken to fill personnel vacancies which arose during the course of CIPCO's joint operations with Corn Belt Power Cooperative. With the addition of capable engineers and other support personnel, staff is near the same level that existed prior to the proposed merger. Because of its heavy reliance on joint operations with Iowa Electric and other utilities, CIPCO continues to operate with a small, highly

skilled staff. Special studies and other projects require the extensive use of consultants and contractors.

In the areas of marketing and economic development CIPCO continues to provide leadership for its member cooperatives. The Iowa Area Development Group supported by CIPCO and other consumer-owned utilities in Iowa, is widely recognized for its vigorous new initiatives in economic development. CIPCO is determined to find the means to offset the lack of jobs and loss of farms and businesses in rural Iowa. New and expanded marketing plans have been developed to increase sales. Together with its members, CIPCO will continue to find innovative ways of increasing the efficiency of its generation and transmission system.

Another area in which CIPCO has been heavily engaged is the improvement of its computer department. Recognized as a leader in the past, CIPCO is again on the leading edge of computer technology through the use of PageMaker software in its communication program. Developmental work is also proceeding on an electronic filing system; a proposal which offers a quantum leap in data storage and retrieval. CIPCO has also begun the process of converting its present tape translation system and worked with members in 1987 to establish communication with their personal computers. In addition, a number of steps were taken to improve office computing capabilities and reliability.

Included in this annual report is a detailed description of CIPCO's efforts to upgrade its transmission system. Significant resources have been dedicated to assure service reliability and adequate transmission capacity for member cooperatives. Preventative maintenance of transmission and substation facilities and extensive tree trimming activities are beginning to show positive results. By year end, approximately 15 major projects approved by the Board of Directors were in various stages of planning and construction. CIPCO's commitment to improved service is exemplified by the new Wilton Operations Center to be constructed near the



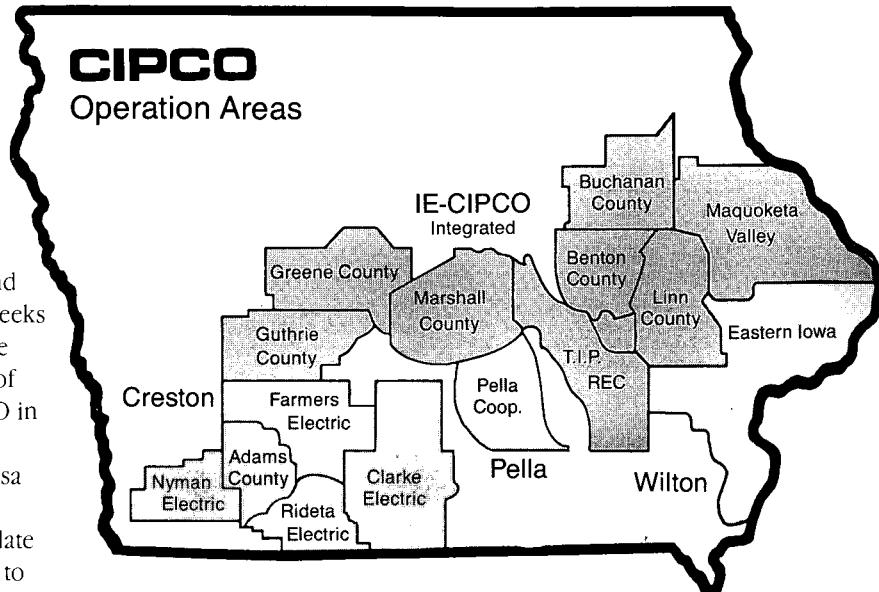


intersection of Interstate 80 and U.S. Highway 6.

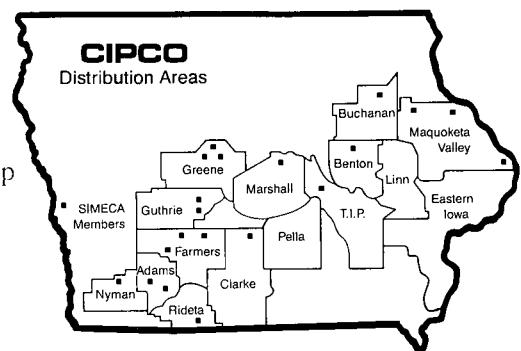
CIPCO's generation units performed well throughout 1987, and despite unusually hot weather in July and August, the cooperative met its obligations to members with adequate reserves. The Duane Arnold Energy Center (DAEC) was down for refueling and scheduled maintenance for just over 15 weeks but operated well throughout the balance of the year. Fair Station had its best year of operation since it was acquired by CIPCO in 1982 by setting records for kilowatt-hour generation and tons of coal burned. Louisa and Council Bluffs #3 also enjoyed high availability and operated successfully. In late 1987 CIPCO established an internal fund to meet its future obligations in decommissioning the DAEC nuclear plant.

Progress was made during the year in several other areas to meet changing needs. Amendments to update the Operating and Transmission Agreement between CIPCO and Iowa Electric Light & Power Company have been agreed upon in principle. The agreement between South Iowa Municipal Electric Cooperative Association (SIMECA), formally executed in late 1986, provided the basis under which CIPCO continued to provide electric power and energy to SIMECA's participating members. Several agreements were reached throughout the year with other utilities regarding joint facilities and interconnections.

CIPCO took steps during the year to respond to some of the uncertainties confronting the cooperative. A proposed power requirements work plan was approved by CIPCO and its distribution members, and a consultant was retained to prepare the initial Power Requirements Study. Preliminary discussions were also held with consultants regarding a load management study. Other studies will be required to develop comprehensive planning strategies.



As CIPCO looks to the future, it is helpful to reflect on what brought the cooperative to this point in time. Quite clearly CIPCO exists to meet the needs of its members. Its future role will be dictated, just as it was in the past, by those collective needs. However, CIPCO will continue to provide its leadership in identifying new opportunities for service to rural Iowa by its members. While CIPCO must not become involved in matters inconsistent with its members' needs, each of its members has an obligation to make certain that their actions do not harm others in the CIPCO family. By working together closely, CIPCO and its members will continue to preserve and enhance the benefits of the cooperative for the common good. ■





Member Service Director Rich Peterson from Buchanan REC is shown with the company van he utilizes in his job. Peterson has built several displays which fit into the back of the van. When the van doors are open in the back, he can explain various methods of farm wiring to a member — on the spot. When he is out visiting members about marketing programs, a simple invitation into the rear of the van where Rich and the member can sit and discuss the programs with the aid of a Dual Fuel Display is in order. Rich says it is "very handy." It is "so much easier to explain how the programs work and their benefits when I have the equipment right here to show them. I can take along my small computer so that I can do an energy analysis right there if need be. So far it has helped save me time and made it easier for our members to understand what I needed to do to help them." Marketing programs for home heating and water heating, along with education about service and sales to our members have been the major emphasis for the marketing department during 1987.

The past year has certainly challenged CIPCO's marketing team due to low competitive energy prices and a sluggish economic recovery in the agricultural sector. Although progress has slowed a bit on the marketing front during the past twelve months, numbers of space heating and water heating installations are increasing and there is an improved REC/member relationship. During the past twenty-four months, CIPCO and its fifteen distribution cooperatives have accomplished the following.

OBJECTIVE 1 — Stabilize Power Costs/Increase Energy Sales by 3% Annually

Programs which relate to this objective include the Water Heater Program, Dual Fuel Heating Program and the Interruptible Heating Program.

CIPCO's water heater replacement program was launched in January 1985 to offset mounting competitive pressure caused by depressed propane prices. The intent of this program is to maintain current water heater market share at the current level of approximately 67%.

By the end of 1987, almost 2,500 water heaters had been replaced under this program.

Some 93% of the water heaters installed have replaced old, inefficient electric models while the remaining 7% have replaced propane or fuel oil water heaters or have been installed in new home construction.

The Dual Fuel Program was developed to provide a competitive space heating alternative for members and afford CIPCO an opportunity to maintain and increase space heating market share.

CIPCO's member co-ops began publicizing the availability of the Dual Fuel Program to their members early in 1986. During the first two years of this program, a total of 850 dual fuel systems were installed.

In 1987, a special Dual Fuel rebate was offered to stimulate additional program participation. Members who had been heating their home with oil or propane were eligible to receive an additional 200 dollar rebate — a total of 400 dollars — when they signed up

for the Dual Fuel Program. This promotion produced 80 additional dual fuel installations which represent 100% new load.

Thus far, the Dual Fuel Program has certainly made great inroads toward reversing the trend of decreasing electric heating energy sales.

The Interruptible Program was established to provide a means of maintaining current electric heating market share. This program is primarily intended for those members who currently have an electric heating system and do not want to participate in the Dual Fuel Program. A total of 365 interruptible systems were installed through 1987.

The Interruptible Program has afforded an opportunity to obtain increased energy sales from under-utilized electric heating equipment. In addition, it has had a very positive impact on member relations. It offers an affordable alternative to those long-time electric heat users who are not in a position to invest in a secondary heating system.

OBJECTIVE 2 — Encourage Off-Peak Sales

As dual fuel, interruptible and water heater loads are added to the system, CIPCO is building a block of controllable load which can be utilized to increase system efficiency in the future. The magnitude of this load based on installations reported through December 1987 is approximately 12 MW. This represents about 4% of CIPCO's peak demand. The energy associated with this load accounts for some 30 million kilowatt-hours annually.

Promoting water source heat pumps is another excellent means of providing additional off-peak energy sales. Water source heat pumps exhibit relatively low electrical demands during extremely cold or hot weather because they use the earth as a heat source rather than ambient outdoor air. Operating demands are minimized to an even greater extent when water source heat pumps are used to supply a portion of a family's hot water needs.

CIPCO's Water Source Heat Pump Rebate Program has produced about 50 installations within the past two years. In late 1987, CIPCO



took steps to begin marketing this efficient equipment in a more aggressive manner. CIPCO is working with the manufacturer and distributor of Command-Aire equipment to develop a comprehensive marketing program. Objectives of this program, which is slated for implementation in Spring '88, are to achieve reduced installation costs and improve member confidence and acceptance of water source heat pump technology.

OBJECTIVE 3 — Maintain and Improve Member Credibility and Satisfaction

Advertising is one means by which distribution cooperatives can communicate to members the value of their product and encourage them to participate in marketing programs for the benefit of all concerned.

In 1987, CIPCO continued the Shared Dollars Advertising Program to encourage member co-ops to enhance their promotional programs by allowing them to double their advertising strength. These funds are used for such things as newsletter, newspaper and radio advertising, as well as direct mailings and bill stuffers.

The credibility of CIPCO's marketing efforts was enhanced by developing advertising campaigns geared for rural members. Testimonial ads have been used with great success during the past two years. Including children in print ads and radio spots is also a great way to attract attention to the member benefits associated with our marketing programs.

OBJECTIVE 4 — Strengthen Marketing Capabilities of REC Personnel

CIPCO continued to provide high quality marketing training programs to meet the on-going educational needs of its member cooperative's directors and staff. In past years, CIPCO funded a series of on-site workshops for directors and staff which were presented by Mary Harding. A sales seminar was also developed and presented to meet the specific needs of member service personnel.

In 1987, CIPCO conducted a PC computer workshop for member service applications.

Workshop participants learned how to use LOTUS for residential heating and cooling equipment design applications. In addition, a water source heat pump closed loop design program was introduced.

More recently, CIPCO sponsored a heating and air-conditioning workshop for member service personnel. The purpose of the workshop was to provide participants with a better understanding of the mechanical and electrical characteristics of residential heating and air conditioning equipment. Ultimately the knowledge gained from this training includes improved relationships between the REC, the member and the installing contractor.

OBJECTIVE 5 — Determine Potential for Additional and More Efficient Uses of Electricity in Agriculture

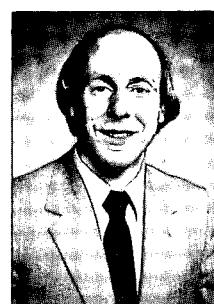
Marketing Committee members realized during the strategic planning process that very little detail was known about how energy is being used in the ag market sector. In an effort to fill this data void, CIPCO and Corn Belt Power Cooperative jointly applied for and received a \$40,000 research grant from the Exxon Overcharge Restitution Program administered by the State of Iowa. Results of this research project, which was completed in September 1987, will enable CIPCO to quantify market potentials for programs that may apply to crop drying, heating for livestock confinement facilities, high efficiency outdoor lighting or home heating or water heating.

Results of the Farm Energy-use Survey conducted by Eastern Iowa Light and Power Cooperative have certainly provided greater insight into the energy use patterns and attitudes of Iowa farmers. For example, survey respondents indicated a high level of interest in programs which would promote the use of high efficiency motors and high efficiency lighting as well as off peak rates for specific farmstead operations. In contrast, they showed very little interest in off peak water heating for swine or dairy operations.

Ultimately, results of this farmstead energy-use study will allow CIPCO and its member cooperatives to evaluate and implement improved energy service programs in the agricultural sector.

In order to further strengthen its marketing capabilities in the agricultural sector, CIPCO strengthened its relationship with the National Food and Energy Council (NFEC) by participating under the group membership option. By electing this option, all CIPCO cooperatives became members of the NFEC. This progressive move will allow the CIPCO system to make better use of NFEC information programs and staff expertise to better serve the needs of farmer members.

Collectively, the progressive marketing efforts of CIPCO's member cooperatives have produced many benefits for members and the RECs alike. By moving ahead, CIPCO and its member cooperatives will strive to meet the needs of members in a manner that is beneficial to all concerned parties. In 1988, the overall marketing programs will continue to be enhanced by launching additional energy use programs and services geared to meet the long term needs of members. ■



**Craig Fricke
Manager of Marketing**

Iowa Area Development Group Report

The Iowa Area Development Group (IADG), now just completing its second year, has several successful programs and 38 project announcements to report.

The list of 1987 project announcements in the CIPCO area include:

1987 PROJECT ANNOUNCEMENTS

Company	Type Project	City	Power Supplier
Lehigh Brick	start-up	Lehigh	Greene County REC
Benchmark Plastics	new	Manchester	Maquoketa Valley REC
Precision Pulley	new	Corning	Adams Electric
Burke & Sons	expansion	Swisher	Linn County REC
Rose Acre II	new	Guthrie Center	Guthrie County REC
Cedar Valley Egg	expansion	Mt. Auburn	Benton County REC
LeAnn Mfg.	expansion	Osceola	Clarke Electric
Rose Acre III	new	Stuart/Menlo	Farmers Electric
Industrial Hardfacing	expansion	Lamoni	Lamoni Municipal
Cardinal Industries	expansion	Greenfield	Greenfield Muni
Iowa Ham Canning	expansion	Independence	Independence Muni
Bloom Mfg.	expansion	Independence	Buchanan County REC
Pella Plastics	new	Pella	Pella Cooperative Elec.

CIPCO is proud of these business developments in Iowa due to the efforts of the IADG and the efforts of the local rural electric cooperatives and associated groups.

IADG staff seek to match agricultural resources with economic development. In this way, agricultural production and development can be brought together to capture traditional markets or serve the new "growth markets" of agriculture.

Of particular interest is the siting of three Rose Acre Farms in the CIPCO area — two in the Farmers Electric Cooperative service area and one on Guthrie County REC lines. When completed the plants will add approximately 250 permanent jobs, create a new market for 5 million bushels of corn annually and add around 18.5 million kWh of new electric load.

The IADG has spent the year targeting various industries such as poultry, food, fabricated metal products, machinery, rubber, plastics, electronics and communications.

Furtherance of its efforts to refine methodology to target business and industry best suited for rural environments, IADG in cooperation with CIPCO has retained Battelle Research, North America's largest research firm headquartered in Columbus, Ohio.

Battelle, working with the IADG, is conducting systematic and realistic assessment of the development potential in selected geographical subregions of Iowa and the CIPCO/IADG service areas. The analysis is designed to clarify strengths, comparative advantages and potential problems, and to identify new types of industrial and service activities. Battelle will also provide general guidance in preparing a promotional strategy for using the results of the target industry analysis.

The IADG continues to sponsor a yearly Iowa Economic Development Seminar in cooperation with the University of Northern Iowa. This seminar draws development professionals from all over Iowa to hear the latest information on emerging issues. The workshop features nationally recognized speakers on topics critical to the development field.

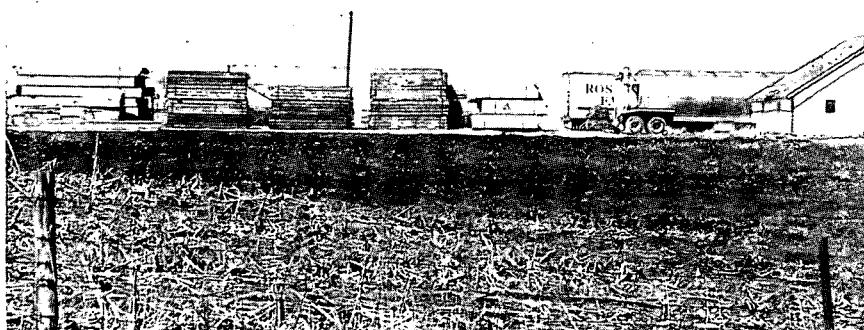


In addition, the IADG has created a rural economic development seminar entitled "Training Your Team." It is an 8-hour course designed specifically for rural areas. Taught by economic development professionals, the session is designed to assist in building an effective local team or serve as a catalyst for action for existing development organizations. The IADG plans to hold at least one seminar in each REC service area served by CIPCO.

In the following year the IADG staff will continue to focus their efforts in these areas, as well as to pay increased attention to new business efforts in Iowa. ■



Lehigh Clay Products, Ltd., of Lehigh reopened its doors early in 1987 after being closed for more than twelve months. The IADG and Greene County REC were instrumental in helping plant officials reopen this plant which was at one time the REC's largest electric power user and the community's largest employer. Shown above are owner-operators Don McHose, Dick Mills and Dick McHose.



When Rose Acre Farms began to build their new farm in Winterset it was a pile of lumber, a Rose Acre Farm truck and farmland. When all construction is complete and production in full swing, it will mean over 100 new jobs. The farm will house 1.6 million hens and 500,000 pullets for their egg-laying operation. These layers will need approximately one-half million bushels of Iowa corn per year.



Jack Bailey
Director of Economic
Development



A satellite receiving dish was installed at the CIPCO main office during May, following announcement of a nationwide program sponsored by the Rural Electric Cooperative Network (RECNET). CIPCO is participating in a two-year pilot project to help evaluate the educational and informational importance of satellite communications. Actual programs, usually monthly, are produced and broadcast from Washington, D.C. Each session consists of formal presentations by experts in the subject being discussed. This is followed by a question and answer period where participants can call in questions during the live broadcast. This picture shows Don Ellingsworth, Wilton Serviceman Technician and Craig Fricke, Marketing Manager from Cedar Rapids, installing the dish.

This past year the Manager of Personnel Services position was established in an effort to meet the escalating demands placed on the personnel function. These demands emanate from sources both internal and external to the organization, namely heightened staffing levels resulting from the addition of the Wilton area and the Iowa Area Development Group, and ever increasing governmental regulation and intervention in personnel-related activities.

Janel Cerwick joined CIPCO during the last quarter of 1987 to accept responsibility for personnel activities. During the first several months, Janel's attention and energies have primarily been dedicated to becoming acquainted with the benefit and insurance programs, and reviewing the established policies and practices. In addition, Janel made visits to each of CIPCO's facilities for the purpose of meeting the employees and establishing a rapport conducive to a trusting and productive working relationship.

Staffing

Nine positions were filled in 1987, resulting in a year-end employee total of 90. This activity was solely the result of attrition and subsequent promotions which had been occurring during the previous few years.

Affirmative Action

In accord with governmental mandates and CIPCO's desire to comply with nondiscriminatory employment practices, an affirmative action and equal employment opportunity program was developed. The program asserts the cooperative's commitment to conducting employment practices such as recruiting, hiring, promoting, training, etc. without regard for an individual's race, religion, sex, age, handicap, etc. Goals and timetables for achieving equal employment opportunity objectives have been set forth and continue to be monitored for compliance. The program's contents will be reviewed and updated annually to reflect law revisions and re-establish goals and timetables.

New Challenges in '88

The needs of employees are in constant flux. New challenges will face the personnel department in 1988. The employee of the '80's is concerned with not only knowing and understanding the issues facing management but also wishes to be afforded the opportunity to voice their opinions regarding decisions which may ultimately affect them personally. Employees of today also expect their employer to take an interest in their personal lives and provide solutions to the unique situations facing them. It is the responsibility of the personnel function to assess the work force and respond by developing programs customized to accommodate these ever changing requirements. ■



Janel Cerwick
Manager of
Personnel Services

Public Information Report

I

In 1987 the Public Information Department completed the following projects:

CIPCO Fortieth Anniversary Annual Report and historical companion piece

These publications focused on CIPCO's Fortieth Anniversary and the people involved in creating the history of CIPCO — directors, management and staff. The update of CIPCO's history was a tremendous project. Mary Harding from Rockwell City was hired to author the historical publication which covered from 1947 to 1987.

Certified Rural Electric Communicator Certification

In October Kathy Staskal was named a Certified Rural Electric Communicator. She joined 13 others who were certified nationally in 1987. To earn the distinction, she was required to submit a portfolio of mass communications work samples for favorable review by a panel of judges and pass a four-hour comprehensive written examination. There are now 81 certified rural electric communicators in the nation.

CIPCO Communication/Member Service Conference

In response to member requests, this conference was held at Panora during the summer for communicators and member service personnel. The two-day conference focused on members' needs and how the participants can better provide services. Two of the workshops gave all participants hands-on experience with how to give better presentations and how to write for REC members. It was a tremendous success for those participating and they wish it to be held again the following summer.

Farm Progress Show

At the Farm Progress Show held in September of 1987, Kathy Staskal chaired responsibility for the REC tent. Marshall County REC provided electric service to the show site and made space available so that Iowa RECs could reach their members

attending the show. Show participants were invited to the REC tent for free ice water, entertainment, prizes and information about heating, cooling, water heating, and electrical safety. They were greeted at the door by Louie The Lightning Bug.

Louie The Lightning Bug Educational Safety Program

Although this is not a new program to CIPCO, the results of this program deserve to be reported. Distribution cooperatives in the CIPCO area continue to use the Louie program in a big way. CIPCO now has 3 videos, 1 film and 2 Louie costumes in its AV Library for loan out purposes — and they are on loan most of the time. This electrical safety program aimed at pre-school through 6th grade, has been a very effective educational and public relations program for CIPCO's rural electric cooperatives. This is the type of program which helps give members and the general public a positive perception about RECs. The program was featured by KGAN Channel 2 TV and a group of RECs (led by Linn County REC) placed the Louie TV spots on KCRG TV 9 for a two month flight early last fall. The Louie program was also introduced to teachers statewide at their Energy Education Day.

Desk Top Publishing

The Public Information Department installed a Desk Top Publishing System in June. It has been very valuable in publishing the "*Transmitter*" and many publications the last six months. CIPCO's utilization of the system was featured at an Entre' Computer Company Desk Top Publishing Seminar in the fall.

Distribution Cooperative Projects

The Public Information Department has frequently assisted CIPCO's distribution cooperatives with various projects throughout the year. Some of them are: cooperative profile slide shows, aid in preparation for annual meetings, calendars, newsletter articles, etc.

These projects, in addition to many other services the department provides (*Transmitter*, publications, slides, information materials, advertising materials, AV Library, displays, etc.), made it a challenging year. ■



Kathy Staskal
Manager of Public
Information



A CIPCO Communications/Member Service Conference was held this past summer at Panora in response to requests by distribution cooperative staff members in communications and member services. The two-day conference focused on providing information about CIPCO, our members' needs and how we can better provide services.

Generation Report

T

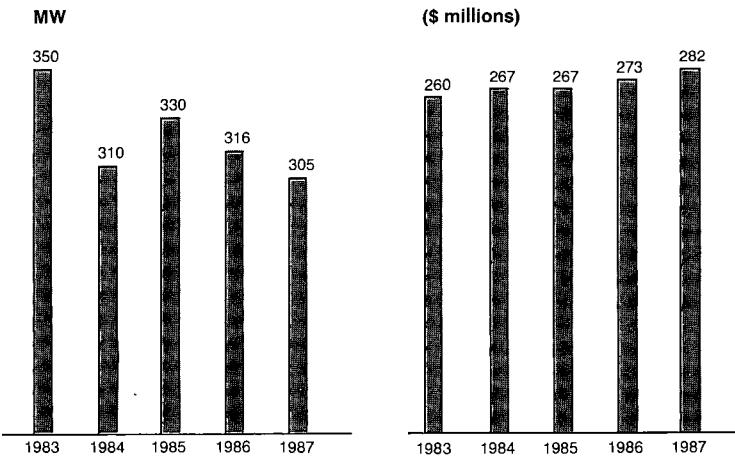
he CIPCO generation units performed very well during 1987 with no major problems at any of the power plants.

The longest outage occurred at the Duane Arnold Energy Center (CIPCO share 20%) when the unit was brought down for refueling and scheduled maintenance on March 12th. The plant returned to service June 30th for a total outage length of just over fifteen (15) weeks. After the refueling outage, the plant had only two outages the balance of the year and operated well enough to supply 35.3% of CIPCO's energy requirements for the year.

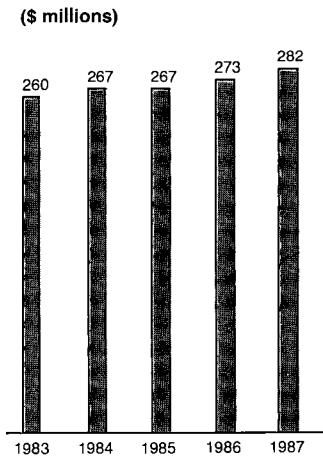
Louisa Station (CIPCO share 4.6%) is the cooperative's newest generation source,

Capacity Summary

Unit	Fuel	MW	% of Total
DAEC	Nuclear	108.0	24.6%
Council Bluffs #3	Coal	77.6	17.7%
Louisa	Coal	29.9	6.8%
Fair	Coal	66.0	15.0%
Summit Lake	Oil/Gas	95.5	21.7%
Total Owned Capacity		377.0	85.8%
WAPA Purchase	Hydro	17.0	3.9%
Coggon, Durant, Wilton	Oil	7.9	1.8%
SIMECA (as of 11-1-87)	Oil	37.5	8.5%
Total Capacity		439.4	100.0%



Peak Demand



Electric Plant Investment

having gone on line in late 1983. During 1987, Louisa set a plant record for kilowatt-hour generation and supplied 9.5% of energy needs. This unit was on line most of the time and off line only a very low 2.3% forced outage rate.

Fair Station had its best year of operation since it was acquired by CIPCO in 1982. Fair Station personnel set records for kilowatt-hour generation (285,441,000) and tons of coal burned (150,849) at the plant during the year. The generation was 20% of CIPCO's total requirements for 1987. The forced outage rates of the two units were very low with No. 1 unit at 2.0% and No. 2 unit at 1.0%.

Again, as in the past few years, Summit Lake, CIPCO's oil and natural gas-fired peaking plant, was called upon very little to operate. It supplied only 0.1% of energy requirements but accounted for 23.8% of total capacity. Summit Lake is a valuable asset

Sources of Kilowatt-Hours

Duane Arnold Energy Center
35.3%

Council Bluffs Unit #3
27.6%

Fair Station
20.0%

Summit Lake
0.1%

Louisa
9.5%

WAPA Purchase
5.5%

Interchange (other purchases) 2.0%

Operations Report

to CIPCO because of its peaking capacity credit even though it is operated only a few hours each year.

Council Bluffs #3 (CIPCO share 11.5%) had a good year of generation and supplied 27.6% of CIPCO's kilowatt-hours for the year. Its forced outage rate of 8.3% is about average for a unit of this vintage (1978) and size (675 MW). The single major outage occurred in the spring and involved some damage to the top of the boiler. This was caused by the refractory falling away and subsequent overheating of the roof tubes.

As in the past, the most economical source of kilowatt-hours during the year was the Western Area Power Administration (WAPA), the federal agency responsible for the operation of hydroelectric generating units on the Missouri River. WAPA supplied 5.5% of CIPCO's total energy needs at an average cost of 6.73 mills per kilowatt-hour.

Two percent of CIPCO's kilowatt-hours came from interchanges with other member utilities in the Mid-Continent Area Power Pool (MAPP). This pool is composed of interconnected power suppliers in the Midwest who share reserves and work together to coordinate planning for achieving greater reliability and economy.

Late in 1986, South Iowa Municipal Electric Cooperative Association (SIMECA) became a wholesale power member of CIPCO. In November of 1987, the SIMECA diesels were added to the accredited capacity of CIPCO resulting in an additional availability of 37.5 megawatts.

In summary, 1987 was a good year for the generation facilities of the Cooperative and provides the basis for anticipating continued successful operations in 1988. ■

Gary Sharp
Manager of Production

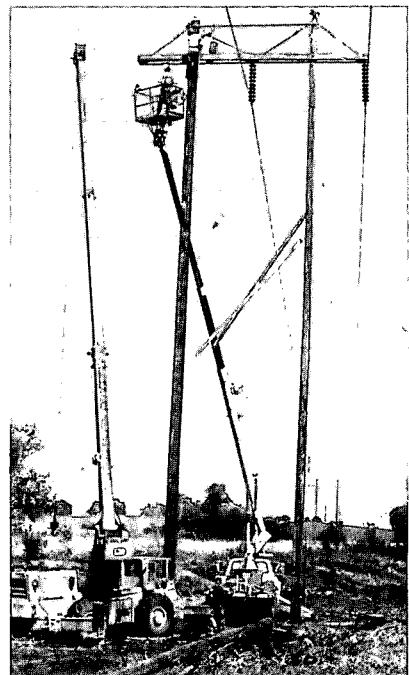


T

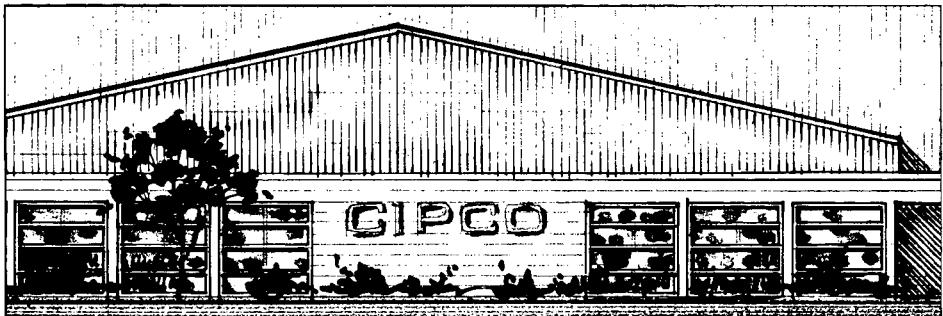
he reliability of electric energy has become increasingly important to CIPCO member co-ops and their members in recent years. Whether it is a farm member with sensitive crop-drying equipment, a residential member with solid-state entertainment equipment, a commercial member with electronic cash registers, or an industrial member with high-pressure sodium lighting and high temperature molding equipment, even momentary service interruptions are costly and inconvenient. Future economic development of agricultural, commercial and industrial loads is dependent upon the availability of reliable electric power.

Weather is, of course, the biggest obstacle affecting service reliability. With 2,000 miles of transmission line and 32 transmission substations located in a largely rural area, CIPCO is much more prone to the elements of weather than are its urban neighbors with short lines serving large loads and protected from wind and lightning by trees and tall buildings. The CIPCO system traverses over 350 miles diagonally across the state of Iowa, and very few storms pass through the state without at least some effect on its operation.

This was the case during the summer of 1987 when severe rain, wind and lightning storms passed through the southwest corner of the CIPCO Creston System causing numerous outages. This can also be the case with the major wind and ice storms which typically cross the state during the months of November through March. In 1987 major wind and ice storms, which are defined as ice and wind loading on the lines which exceeds the basic design criteria of one-half inch thickness of ice and a 40-mile per hour wind, were a significant cause of outages for rural members. The first was the major wind and ice storm of February 28-March 1, 1987. That one two-day ice storm, which spread across the service areas of Clarke Electric, Pella, T.I.P. and Marshall County, accounted for 22% of CIPCO's total outage-hours in 1987, or nearly 16,000 outage-hours. The second was the major wind and ice storm of December 28, 1987, which hit the northwest corner of the Wilton System. That storm was



CIPCO Contractor, J.B. Construction, changing-out pole and tightening hardware on the Bertram-Wyoming 161 kV line in the IE-CIPCO Integrated Operating Area. Over 103 miles of major line maintenance was performed by CIPCO crews and contractors in the Integrated Area in 1987.



The twelve member CIPCO Wilton Operations crew will have a permanent new home sometime in 1988 if plans go smoothly. Currently they are operating out of rented facilities, with supplies and staff in two locations. A move to this building will put both in one location — and a real home. According to CIPCO's Manager of System Operations, Richard Anderson, "This indicates a long term commitment for a Wilton Operations Center." The Center will be located right off I-80 on Highway 38 south providing easy access to all locations in that area. Wilton crews also support the Integrated Area. Another important feature of this building is that it will house the new Wilton Dispatch Center.

not nearly as widespread as the earlier storm but still resulted in 6,300 outage-hours.

To combat mother nature and to serve consumer members better, CIPCO has undertaken an extensive system improvement program to assure its new commercial and industrial members, as well as long-term farm members, of reliable service.

Two main groups have been assigned the task of improving system operation. First, CIPCO's own operating staff and crews at Wilton, Creston and Cedar Rapids, and second, the Iowa Electric/CIPCO Operations Practice Committee working under the direction of the Iowa Electric/CIPCO Administrative Committee.

CIPCO's own small operating crews at Creston and Wilton annually perform many routine maintenance tasks. In 1987 this included the inspection of over 900 miles of line, moving five miles of line for road construction, building a new 69 kV tap to Rose Acres, testing 166 billing and interconnection meters, repairing 130 mag tape meter units, changing-out 230 crossarms, adding remote control to the Arispe 69/34 kV Sub, clearing 48 miles of right-of-way, changing-out 167 bad poles, testing 177 relays, pulling major maintenance on 19 circuit breakers, performing annual maintenance on 24 power transformers, as well as many other routine jobs.

However, in 1987 these same crews, without additional manpower, performed a considerable amount of additional work. The extra work was a result of many new preventative maintenance programs developed by the Operating staff at the first Annual

Maintenance Meeting held in September, 1986. In the first year of implementation, CIPCO crews at Wilton and Creston completed over 70 miles of major line maintenance, performed maintenance on 66 sectionalizing switches, tested 43 power transformers for combustible gases, changed-out 85 extra poles rejected by the pole inspection program, Doble power factor tested 230 bushings on transformers and breakers, tested 92 transformers and breakers for PCB contaminated oil, changed-out 87 lightning arresters, and performed many other activities which will improve service reliability in years to come. Accomplishing this large amount of additional work is not only an indication of the high efficiency and productivity of CIPCO's crews, it's also an example of their strong "service first" philosophy.

Increased effort by CIPCO's Operating people, alone, will not improve service to the level its members demand. This is when the Transmission Engineering group of the CIPCO Operating Department is called upon. Historically, the main responsibility of this group has been to design, engineer and construct transmission lines for new loads. In the past year, this two-man group has performed engineering or construction work on such new transmission projects as the Pfeiler 69 kV Tap for Maquoketa Valley, the Oxford-Tiffin Tie Line for Linn County REC, the Industrial 34 kV Tap for Guthrie County REC, the Menlo Tap for Farmers Electric, the Dundee-Masonville 161-69 kV Conversion and the Prairie 69 kV Conversion. However, in 1987 the scope of this group's work changed. In an effort to replace much of its 40-year old line, CIPCO established a New-To-Replace-Old (NTRO) program for existing transmission lines. The program essentially involves replacing 2% of the existing unshielded 34 kV lines each year with new shielded 69 kV construction. To move more quickly on this project, the first year will involve replacing approximately 4% of CIPCO's 34 kV system or 40 miles of line. The Transmission Engineering group has been assigned this task and is currently involved in engineering



activities to replace 39.25 circuit miles in 1988.

As mentioned, the second group responsible for improved service reliability in the CIPCO system is the Operating Practices Committee (OPC) of the IE/CIPCO O&T Administrative Committee. This group, made up of system planning, engineering and operating people from Iowa Electric Light and Power Company and CIPCO, is primarily responsible for developing and implementing sound maintenance and operating practices in the IE/CIPCO Integrated Transmission System.

The group, which was initially formed in July, 1986, and formalized as the OPC in July, 1987, spent the first 18 months of its existence identifying operating problems and developing solutions. Implementation of the solutions offered by the OPC will take time and continual monitoring to insure effective results; however, some recommendations have already been put in place and are now improving service in the Integrated System.

One example is the "Emergency REC Switching" program which was implemented in the fall of 1987. Early in the group's work, CIPCO analyzed average outage times between its operations at Creston, Wilton, Pella and the Integrated Systems. Indications were that outages were 20 minutes longer in the Integrated System than in other operating areas. One reason for the longer outage time was that local REC crews were assisting in emergency switching of the 34 kV and 69 kV systems at Wilton, Creston and Pella, but not in CIPCO's Integrated System. When an "individual outage" can involve 1,000 members, and with an average of 70 outages per year, reducing individual outage time by as little as 20 minutes can reduce outage-hours significantly.

Other recommendations from this committee which will improve future service reliability include use of contract maintenance crews, a switch maintenance program to insure the availability of emergency sectionalizing equipment, improved personnel training programs to give new staff the expertise and confidence to operate the

system properly, the Maintenance Planning Worklist to allow managers and supervisors to schedule repair work more efficiently, and improved right-of-way clearing practices to reduce momentary service interruption due to line-to-tree contact.

Iowa Electric personnel, who are basically responsible for maintenance and operation of CIPCO facilities in the Integrated System, completed much additional maintenance work in 1987. To supplement Iowa Electric's effort, CIPCO personnel and contractors also performed considerable maintenance work to improve power supply reliability in the Integrated System. Over 103 miles of major line maintenance was done, 112 additional poles were changed out, 195 relays at stations in the Integrated System were tested by the Wilton relay technician, 80 miles of line were pole ground-line inspected and treated, 185 bad crossarms were changed out, along with the replacement or addition of many insulators, arresters, vibration dampers, etc.

To test the effectiveness of programs, the operating report is evaluated monthly to determine if staff has focused on the right problems. At year end 1987, the operating report indicated the following:

- Power supply outage-hours had been reduced by 20% from 90,316 in 1986 to 72,146 in 1987. The '87 figures include over 22,000 hours accumulated during the major storms. Twenty-four percent of the outage-hours accumulated in 1987 were due to these major storms.
- Average power supply outage time per consumer member was reduced from 68 minutes per consumer member in 1986 to 54 minutes in 1987. Without major storms, this figure is only 38 minutes for 1987 compared to the 68 minutes for 1986, a year with no major storms.

- The number of outages experienced by the system had been reduced by 8% in 1987.
- The month of November, 1987, was the first one-month period since January, 1983, that the Integrated System did not experience an outage.
- Average system-wide outage time, which indicates crews response time when an outage does occur, had been reduced by 15 minutes from a year ago.

As the electronic industry continues its rapid growth and makes more sophisticated high tech equipment affordable for the home, the farm and the factory, CIPCO will continue to be called upon to provide more reliable electric service. CIPCO's staff looks forward to that challenge and the opportunity to serve the cooperative's members even better in 1988. ■



Dick Anderson
Manager of Operations



T

he pattern of staff reductions which occurred during the proposed merger with Corn Belt Power Cooperative was reversed in 1987 with the addition of Dale Krohse, Manager of Engineering; Steve Towe, Protection Engineer; and Vikki Irish, Draftsman/Technician. This brought department staffing to the 1985 level.

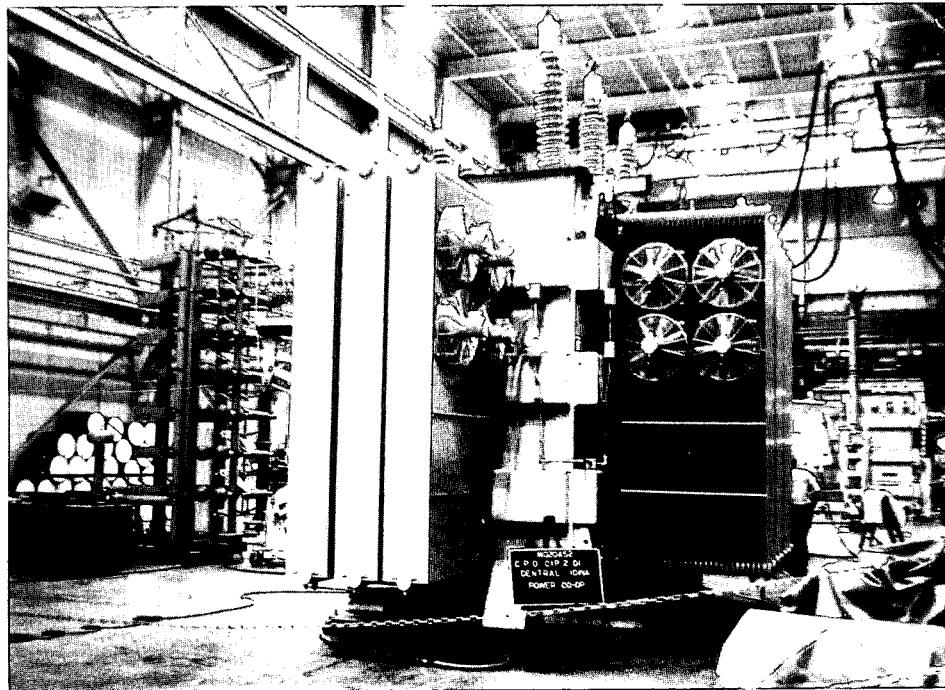
Substantial progress was made on the Liberty 161/69 kV Substation from the agreement stage at the beginning of the year to site construction. We specified, bid, and contracted for the large power transformer which arrived on the site at the end of December. The department was challenged to implement the agreement and move into design and construction. Project justification and an environmental report, which were necessary to satisfy REA's concerns, were high priority items in 1987.

Related somewhat to the work at Liberty Substation is a major upgrade of the Dundee Substation. The transformer, protective relay panels and circuit breakers were ordered in accord with the design developed in-house. Construction will take place in 1988.

A number of smaller projects also required the attention of the Engineering Department in 1987. Several years had passed since engineers were available to do CIPCO's design work. A protective relaying system was designed for Murray Junction Substation at a considerable savings to the Cooperative compared to what was initially proposed. Changes to the existing Arispe Substation control circuits were designed in-house and the supervisory control equipment was installed in the fall. Replacement microwave radio equipment at Guthrie Junction, Greenfield, Creston, Villisca and Carbon Junction Substations was purchased to improve the performance of the existing old equipment.

The relationships between CIPCO and the six investor-owned companies, with which it is interconnected or integrated, have been reviewed by new staff members. Changes have been made or are contemplated to several existing agreements.

Department staff has participated in or are currently involved in at least seven planning studies with neighboring utilities. The areas of interest range from Dyersville, Manchester, Coralville, Burlington, Brooklyn, Winterset, Le Clair, Pella, Alleman, to Lone Tree. ■



The transformer for the new Liberty sub was built by ASEA Electric; shown here in their plant prior to delivery.



Dale Krohse
Manager of Engineering

Computer Department Report

In the past several years there have been many changes in the computer industry. CIPCO has kept pace with the changes and is constantly striving to provide quality, efficient and economical computing services to the CIPCO organization. The CIPCO computer department made significant strides in 1987 and is anticipating several innovative changes in the year ahead.

Priorities include multiple goals of getting an accurate and speedy translation of the billing information; providing support services to members; and developing the ever-expanding use of personal computers.

One of the most significant programs being undertaken within the department is to change translation systems. CIPCO has begun the process of converting its present translation system from a large mini-computer based system to a system utilizing a series of personal computers.

In working with the member cooperatives, staff has been able to accomplish some major advances for the CIPCO organization. Nine member cooperatives have installed modems in their personal computers. This allows communication to the outside world and to CIPCO with their personal computer through phone lines. These modems are used to send or receive disk files, communicate with electronic bulletin boards or simply used as auto-dialers for convenience.

In addition to working with its member cooperatives on modem installations, CIPCO has also set up five beta sites testing the use of WLT-80 translation software. Since a personal computer based translation system will be utilized in the future, this experience has been of value in determining the practical use of a new system.

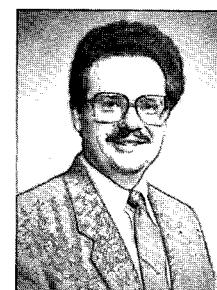
CIPCO also publishes a series of articles in the *Transmitter* designed to maintain and enhance computer literacy organization wide. The intent of the articles is to inform the novice user of capabilities of which he or she may not be aware and to remind the expert user of a feature forgotten or overlooked.

At CIPCO's Cedar Rapids headquarters, several work station based systems have been installed. One of the newest stations is the Desk Top Publishing system being utilized by the Public Information department. Another recent work station system is the General Parametrics system. This system is capable of producing presentation graphics as slides or in video format.

In addition, existing office computing capabilities and reliability were improved during the year. Among the improvements are:

- Uninterrupted Power Sources for personal computers
- Migration between 5.25 and 3.5 disk technology
- Printer sharing between two personal computers
- Upgrading the "main stream" software packages
- Developing Data Bases for previously manual records
- Translation Cartridge Verification Program
- Migration from the IBM36 to the personal computer

In 1988 and future years the computer department's goal is to continue to provide quality, efficient and economical computing services to the CIPCO organization. The billing translation segment's continuing evolution will be a major project for several years. In addition, CIPCO will be looking at Computer Aided Drafting, Electronic Filing, and an Electronic Bulletin Board. ■



Don Chaon
Supervisor of
Data Systems

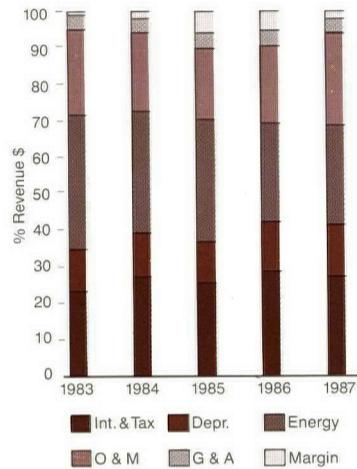
C

IPCO again experienced a decline in kWh sales during 1987. Total sales of electrical energy decreased by 1.8% from the 1986 period. A decrease of 2.15% of energy delivered to REC members was minimized, however, by a 3.7% increase in kWh sales to the municipal members of CIPCO. As indicated in the graph, CIPCO energy sales have declined slightly in each of the last five years. The 1987 mWh deliveries are approximately 5% less than the 1983 sales.

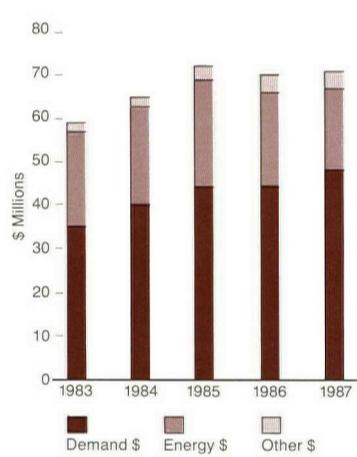
Notwithstanding this decline in energy consumption, CIPCO continued to show improvement in its financial condition

during 1987. Margins for the year exceeded \$1,667,000 from revenues of \$71 million. Members' equity equaled 9.3% of CIPCO assets at year end while the long term debt outstanding at December 31 of \$214 million represented 85% of assets. These long term mortgage obligations are nearly \$1.6 million less than the previous year. The annual composite interest rate associated with CIPCO's long term notes is 7.25%.

The 1987 demand charge revenues of \$48 million represented 3.3 cents of the 4.7 cents per kWh average annual rate. The remaining 1.4 cents per kWh energy charge recovered the annual fuel related costs of \$19 million. This average member charge was 1.6 mills per kWh greater than the 1986 member rate but is approximately one-half mill per kWh less than the 1985 annual average. A summary of operating and financial information is provided in the charts and graphs which

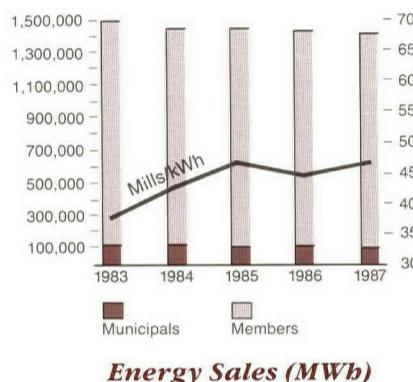


Expenses as a % of Revenue Dollars

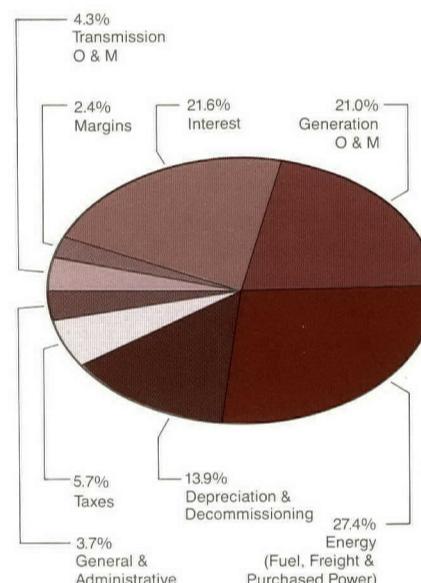


Operating Revenue

	REC Members	Municipals	Total
1,379	119	119	1,498
1,343	119	115	1,462
1,351	115	107	1,466
1,347	107	145	1,454
1,318	111	142	1,429



Energy Sales (MWh)



1987 Operating Expense (including interest)

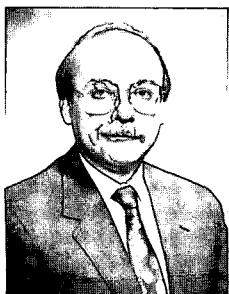


Accountants' Report

follow reflecting a decrease in fuel costs, stabilizing fixed costs and an increase in the resources dedicated to system operation and maintenance.

As indicated in the audited financial statements of the Cooperative, CIPCO has invested \$2.2 million for the purpose of funding the eventual decommissioning obligations at the DAEC. This investment is in U.S. Treasury Bonds which will mature in the year 2009 and will yield interest income of 9.3% annually. CIPCO began to generate these funds in 1984 through rates and adopted a policy during 1987 which directs that they be invested each year to insure that the Cooperative will have sufficient resources available to discharge the future obligations.

You are invited and encouraged to review the Audited Financial Statements for the years 1987 and 1986 including the Notes to these Statements, and to contact us with any questions you may have. ■



Dennis Murdock
Assistant General
Manager



Dwayne Augspurger
Manager of Accounting
and Finance



KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

1000 Davenport Bank Building
220 Main Street
Davenport, IA 52801

Telephone 319 324 5500

*The Board of Directors
Central Iowa Power Cooperative:*

We have examined the balance sheets of Central Iowa Power Cooperative as of December 31, 1987 and 1986 and the related statements of revenue and expense, members' equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Central Iowa Power Cooperative at December 31, 1987 and 1986 and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat Marwick Main & Co.

February 26, 1988



Member Firm of
Klynveld Peat Marwick Goerdeler

Balance Sheets



December 31, 1987 and 1986

	1987	1986
Assets (Note 4)		
Electric utility plant, at cost (notes 2 and 7):		
In service	\$277,057,744	269,007,844
Less accumulated depreciation	93,770,936	86,150,260
	183,286,808	182,857,584
Construction work in progress	5,354,048	4,280,390
Nuclear fuel, at cost less accumulated amortization of \$23,538,023 in 1987 and \$20,859,459 in 1986	9,346,422	11,545,772
Net electric utility plant	197,987,278	198,683,746
Investments, at cost:		
Investments in associated organizations	11,705,107	11,209,252
Marketable securities — decommissioning fund	2,230,027	—
Other investments	81,063	81,063
Total investments	14,016,197	11,290,315
Current assets:		
Cash, general	397,146	484,483
Cash, construction	171,444	11,183
Temporary investments, at cost, which approximates market	12,684,026	14,789,308
Accounts receivable, members	6,181,823	5,772,876
Other receivables, primarily from affiliate in 1987	817,829	391,057
Fuel, materials and supplies	4,925,308	5,095,061
Prepaid expenses	1,186,629	951,705
Interest receivable	120,165	106,350
Deferred charges	3,008,195	1,697,685
Total current assets	29,492,565	29,299,708
Deferred charges	10,335,627	11,591,849
	\$251,831,667	250,865,618
Capitalization and Liabilities		
Capitalization:		
Members' equity:		
Membership fees	\$ 1,700	1,700
Patronage capital	6,177,209	4,677,209
Other equities (note 3)	17,317,085	17,149,735
Total members' equity	23,495,994	21,828,644
Long-term debt, excluding current installments (note 4)	213,794,778	215,331,259
Total capitalization	237,290,772	237,159,903
Current liabilities:		
Current installments of long-term debt (note 4)	4,648,600	4,107,516
Accounts payable	2,258,534	3,666,737
Accrued property taxes	4,016,766	4,060,386
Other accrued expenses	193,316	177,357
Advances from members	900,000	100,000
Total current liabilities	12,017,216	12,111,996
Other liabilities — decommissioning reserves	2,523,679	1,593,719
Commitments and contingent liabilities (note 8)		
	\$251,831,667	250,865,618

See accompanying notes to financial statements.

Statements of Revenue and Expense

Years ended December 31, 1987 and 1986

	1987	1986
Operating revenue:		
Electric energy sales	\$66,583,789	65,424,442
Rent of electric property	2,008,854	2,012,483
Miscellaneous electric revenue	232,585	223,704
Total operating revenue	68,805,228	67,660,629
Operating expenses:		
Purchased power	4,511,217	3,228,972
Operations:		
Production plant — fuel	15,503,988	15,757,440
Production plant — other	8,601,341	7,705,348
Transmission plant	1,072,319	1,081,339
Maintenance:		
Production plant	4,029,803	4,151,077
Transmission plant	1,937,204	1,098,112
Administrative and general	3,787,341	3,231,141
Depreciation and amortization	8,910,470	8,546,967
Decommissioning provision	929,960	838,831
Property and other taxes	4,243,785	4,222,102
Total operating expenses	53,527,428	49,861,329
Net operating margin	15,277,800	17,799,300
Other revenue:		
Patronage capital allocations	140,128	152,057
Interest income	1,399,838	1,389,981
Miscellaneous income — principally from affiliated cooperative	173,472	184,570
Total other revenue	1,713,438	1,726,608
Net margin before interest charges	16,991,238	19,525,908
Interest charges:		
Interest on long-term debt	15,564,278	16,077,522
Allowance for borrowed funds used during construction	(240,390)	(308,391)
Net interest charges	15,323,888	15,769,131
Net margin	\$ 1,667,350	3,756,777

See accompanying notes to financial statements.

Statements of Members' Equity



Years ended December 31, 1987 and 1986

	Membership fees	Patronage capital	Other equities	Total members' equity
Balance at December 31, 1985	\$ 1,700	3,677,209	14,392,958	18,071,867
Net margin	—	—	3,756,777	3,756,777
Patronage capital allocated	—	1,000,000	(1,000,000)	—
Balance at December 31, 1986	1,700	4,677,209	17,149,735	21,828,644
Net margin	—	—	1,667,350	1,667,350
Patronage capital allocated	—	1,500,000	(1,500,000)	—
Balance at December 31, 1987	\$ 1,700	6,177,209	17,317,085	23,495,994

See accompanying notes to financial statements.

Statements of Changes in Financial Position

Years ended December 31, 1987 and 1986

	1987	1986
Sources of working capital:		
Net margin	\$ 1,667,350	3,756,777
Items that did not use (provide) working capital:		
Depreciation and amortization	8,044,675	7,721,144
Amortization of deferred charges	3,143,854	3,745,434
Amortization of nuclear fuel	2,678,564	3,301,069
Decommissioning provision	929,960	838,833
Patronage capital allocations not received in cash	(140,128)	(152,057)
Working capital provided by operations	16,324,275	19,211,200
Proceeds from long-term borrowings	3,493,370	6,758,631
Receipt of prior year's patronage capital allocations	185,290	172,341
	\$20,002,935	26,142,172
Uses of working capital:		
Additions to electric utility plant, net	9,547,557	7,249,864
Investment in nuclear fuel	479,214	3,818,399
Investments in associated organizations	541,017	1,969,490
Addition to deferred charges	1,887,632	2,815,157
Purchase of marketable securities — decommissioning fund	2,230,027	—
Current installments and repayment of long-term debt	5,029,851	4,736,990
Increase in working capital	287,637	5,552,272
	\$20,002,935	26,142,172
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash	72,924	326,060
Temporary investments	(2,105,282)	11,289,308
Accounts receivable, members	408,947	(1,454,143)
Other receivables	426,772	(2,888,499)
Fuel, materials and supplies	(169,753)	(1,125,793)
Prepaid expenses	234,924	215,125
Interest receivable	13,815	46,374
Deferred charges	1,310,510	(2,251,549)
	192,857	4,156,883
Increase (decrease) in current liabilities:		
Current installments of long-term debt	541,084	227,167
Accounts payable	(1,408,203)	(1,218,202)
Accrued property taxes	(43,620)	(145,435)
Other accrued expenses	15,959	(58,919)
Advances from members	800,000	(200,000)
	(94,780)	(1,395,389)
Increase in working capital	\$ 287,637	5,552,272

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 1987 and 1986

Note 1

Summary of Significant Accounting Policies

(a) Basis of Accounting

The accounting records of Central Iowa Power Cooperative (the Cooperative) are maintained in accordance with the Uniform System of Accounts prescribed by the Rural Electrification Administration. Central Iowa Power Cooperative is an electric generation and transmission cooperative providing wholesale electric service to its sixteen members. The Cooperative is not subject to external rate regulation other than by the Rural Electrification Administration. Distribution of margins of the Cooperative are made in accordance with the provisions of the Code of Iowa.

(b) 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.

During 1985, a study was performed to estimate the costs to decommission the Duane Arnold Energy Center (DAEC). Based on the results of the study, the Cooperative estimated that its portion of the costs to decommission the DAEC will be approximately \$31,000,000 (in 1985 dollars) which is projected to begin in 2011. The present value of the future decommissioning costs is being recovered over the remaining life of the DAEC using the sinking fund method.

Maintenance and repair of property and replacements and renewals of items determined to be less than units of property are charged to expense. Replacements and renewals 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.

(c) 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 approximated 7.7% for 1987 and 8.1% for 1986.

(d) 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.

(e) Fuel, Materials and Supplies

Fuel, materials and supplies are stated at moving average cost.

(f) Pension Plan

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

(g) Deferred Charges

Deferred charges consists principally of cancelled project costs, major maintenance and other fuel costs incurred during the refueling of the nuclear reactor and a one time fee for spent nuclear fuel used to generate electricity prior to April, 1983. These costs are being recovered through rates over various amortization periods.

(h) Reclassification

Certain accounts for 1986 have been reclassified to conform with the presentation for 1987.



Note 2
*Electric Utility Plant
in Service*

The major classes of electric utility plant in service at December 31, 1987 and 1986 and depreciation and amortization for 1987 and 1986 are as follows:

	Cost at December 31,		Depreciation and amortization		Composite rates (%)	
	1987	1986	1987	1986		
Intangible plant	\$ 271,087	267,093	9,612	9,648	3.10-	4.00
Production plant	213,885,070	206,546,801	6,279,556	5,998,204	3.10-	3.85
Transmission plant	58,595,926	58,098,905	1,485,648	1,463,823	2.75	
Distribution plant	454,256	454,256	12,914	12,914	2.75-	2.88
General plant	3,851,405	3,640,789	256,945	236,555	3.00-16.00	
Electric utility plant in service	\$277,057,744	269,007,844	8,044,675	7,721,144		

Note 3
Other Equities

Other equities consists of the following:

	December 31,	
	1987	1986
Unallocated margin	\$ 1,667,350	3,756,777
Reserve for contingent losses	12,789,980	11,283,203
Surplus	2,859,755	2,109,755
	\$17,317,085	17,149,735

Note 4
Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	1987	1986
Rural Electrification Administration (REA) — 2% and 5% mortgage notes payable, due in quarterly installments approximating \$1,480,000, including interest, maturing through June 2019	\$ 76,435,465	79,345,277
Federal Financing Bank (FFB) — 7.319%-14.043% mortgage notes payable, guaranteed by the Rural Electrification Administration (REA), maturing from December 2010 through 2020	104,202,954	101,206,437
National Rural Utilities Cooperative Finance Corporation (CFC) — 7% mortgage notes payable, due in quarterly installments approximating \$489,000, including interest, maturing from December 2006 through April 2009	12,580,330	12,870,476
National Rural Utilities Cooperative Finance Corporation (CFC) — 7.25% notes payable, due in quarterly installments approximating \$175,000, including interest, through March 31, 2020	8,951,701	9,000,199
Central Iowa Power Cooperative members — 7% unsecured notes payable, due in quarterly installments approximating \$56,000, including interest, until maturity on January 2, 2006	2,290,111	2,351,883
City of Council Bluffs, Iowa Pollution Control Revenue Bonds guaranteed by National Rural Utilities Cooperative Finance Corporation (CFC) — 4.70%-6.125%, due in annual installments through December 1, 2007	4,015,000	4,120,000

Notes to Financial Statements

(continued)

Note 4
Long-Term Debt,
Continued

	December 31, 1987	1986
Louisa County, Iowa Pollution Control Revenue Bonds guaranteed by National Rural Utilities Cooperative Finance Corporation (CFC) — 6.75%-10.625%, due in annual installments through December 15, 2003	3,770,000	3,875,000
Eastern Iowa Light and Power Cooperative — capital lease obligation, 2% and 5%, due in quarterly installments approximating \$170,000, including interest, through 2012	6,197,817	6,669,503
Total long-term debt	218,443,378	219,438,775
Less current installments, net of advance payments	4,648,600	4,107,516
Total long-term debt, excluding current installments	\$213,794,778	215,331,259

The aggregate maturities of long-term debt for the five years ending December 31, 1992 are as follows: 1988, \$4,648,600; 1989, \$5,230,639; 1990, \$5,549,227; 1991, \$5,612,933 and 1992, \$5,563,989.

At December 31, 1987, the Cooperative had \$14,828,677 of unadvanced funds available from long-term loans approved by REA, CFC and FFB. The Cooperative also had \$12,000,000 of unadvanced funds available under a short-term line of credit agreement with CFC which expires in November, 1988.

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

Note 5
Pension Plan

The Cooperative participates in a multi-employer pension plan (the plan) which covers substantially all employees. The accumulated plan benefits and plan net assets of the plan are not determined or allocated separately by individual employer. Pension expense amounted to \$192,000 in 1987 and \$177,000 in 1986.

Note 6
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.

Note 7
*Jointly-Owned
Electric Utility Plant*

The Cooperative's share of jointly owned generating facilities at December 31, 1987 is reflected in the following table. 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 statement of revenue and expense.

Unit	Percentage ownership	Capacity MW	Electric utility plant, net
Duane Arnold Energy Center	20.0%	108	\$71,670,281
Council Bluffs Unit #3	11.5%	78	29,129,541
Louisa Generating Station	4.6%	30	26,656,007



Note 8
*Commitments and
Contingent Liabilities*

The Cooperative has entered into an agreement to guarantee all costs associated with and payable to the National Rural Utilities Cooperative Finance Corporation for loans made to an associated cooperative. At December 31, 1987, the associated cooperative had outstanding loans of approximately \$4,012,000 (\$3,739,000 long-term, \$273,000 short-term) which are secured by real estate of the associated organization.

The Cooperative has entered into a five-year coal supply contract with a mining company through 1989. The terms of the agreement require the Cooperative to purchase annually a minimum of 75,000 tons at an estimated 1988 delivery price per ton of \$27. This is approximately 65% of the annual coal requirements of the Cooperative's 55 MW unit at the Fair Generating Station.

Under the Price-Anderson Act, all nuclear power station operators are subject to public liability for a nuclear incident which is currently limited to \$650 million per incident.

Coverage of the first \$160 million is provided by private insurance with the balance provided by retrospective premium assessments against each licensed nuclear unit in the United States. As a joint owner of the DAEC, the Cooperative is a party to the insurance policies covering such nuclear incidents which are maintained by Iowa Electric Light and Power Company (70% owner and operator of DAEC) and is charged for its proportionate share of such insurance costs. In the event of an incident at any nuclear plant in the United States in excess of \$160 million, the Cooperative could be assessed a maximum of \$1,000,000 per incident, with a maximum assessment of \$2,000,000 in one year.

Ten Year Financial Summary

	1987	1986	1985	1984	1983
Summary of Operations					
Operating revenue	\$ 68,805,228	67,660,629	71,132,939	64,242,148	58,643,81
Operating expenses and interest:					
Purchased power	4,511,217	3,228,972	10,651,421	9,310,487	5,354,11
Operations and maintenance	31,144,655	29,793,316	27,569,688	26,630,591	30,392,26
Administrative and general	3,787,341	3,231,141	3,073,865	2,592,445	2,602,14
Depreciation and amortization	8,910,470	8,546,967	7,253,123	7,698,875	6,484,11
Decommissioning provision	929,960	838,831	754,887	—	—
Property and other taxes	4,243,785	4,222,102	3,994,490	4,206,417	3,815,46
Net interest charges	15,323,888	15,769,131	14,500,285	13,496,875	9,873,77
Total operating expenses and interest	68,851,316	65,630,460	67,797,759	63,935,690	58,521,87
Operating margin	(46,088)	2,030,169	3,335,180	306,458	121,92
Other revenue	1,713,438	1,726,608	1,034,308	809,938	534,42
Net margin (deficit)	\$ 1,667,350	3,756,777	4,369,488	1,116,396	656,36
Assets					
Electric utility plant	\$315,296,237	305,693,465	295,189,519	293,659,876	280,635,04
Less accumulated depreciation and amortization	117,308,959	107,009,719	96,551,822	87,457,382	77,433,94
Net electric utility plant	197,987,278	198,683,746	198,637,697	206,202,494	203,201,09
Investments	14,016,197	11,290,315	9,341,109	9,290,756	8,730,58
Current assets	29,492,565	29,299,708	25,142,825	15,022,757	17,319,46
Deferred charges	10,335,627	11,591,849	12,522,126	6,835,981	7,978,29
Total assets	\$251,831,667	250,865,618	245,643,757	237,351,988	237,229,42
Capitalization and Liabilities					
Members' equity	\$ 23,495,994	21,828,644	18,071,867	13,702,379	13,126,58
Long-term debt	213,794,778	215,331,259	213,309,618	202,731,539	203,720,61
Spent nuclear fuel disposal liability	—	—	—	4,735,981	4,735,98
Current liabilities	12,017,216	12,111,996	13,507,385	16,182,089	15,646,26
Deferred credits	—	—	—	—	—
Decommissioning reserves	2,523,679	1,593,719	754,887	—	—
Total capitalization and liabilities	\$251,831,667	250,865,618	245,643,757	237,351,988	237,229,42



1982	1981	1980	1979	1978
53,224,842	37,733,578	33,749,010	36,604,784	30,281,103
1,728,760	4,131,037	5,298,884	7,306,095	8,174,164
28,190,534	15,491,146	14,213,687	14,022,867	12,601,322
2,597,290	1,828,824	1,650,805	1,507,885	1,152,099
6,998,930	5,039,075	4,874,488	4,502,641	3,260,306
—	—	—	—	—
3,589,478	3,035,812	2,924,455	2,586,880	2,047,973
9,177,792	6,773,875	6,525,146	5,561,903	3,339,456
52,282,784	36,299,769	35,487,465	35,488,271	30,575,320
942,058	1,433,809	(1,738,455)	1,116,513	(294,217)
783,548	421,782	815,199	2,431,305	456,773
1,725,606	1,855,591	(923,256)	3,547,818	162,556
265,446,255	190,095,722	178,875,852	164,970,687	155,352,308
68,916,957	51,084,244	44,908,794	39,088,078	33,775,484
196,529,298	139,011,478	133,967,058	125,882,609	121,576,824
7,713,720	7,207,594	7,294,751	6,835,697	4,503,454
17,293,393	8,928,450	9,175,865	8,989,909	8,051,135
—	804,883	2,691,693	3,149,271	5,451,099
221,536,411	155,952,405	153,129,367	144,857,486	139,582,512
12,470,218	11,631,927	10,081,007	11,004,263	7,876,700
198,030,109	136,224,533	135,780,781	126,069,401	122,854,823
—	—	—	—	—
11,036,084	8,069,202	7,238,931	7,753,454	8,812,807
—	26,743	28,648	30,368	38,182
—	—	—	—	—
221,536,411	155,952,405	153,129,367	144,857,486	139,582,512

1987 Member Cooperative Operating Statistics

	Adams	Benton	Buchanan	Clarke	Eastern	Farmers
Summary of Operations						
Operating Revenue	\$1,998,141	3,937,252	5,203,386	3,909,901	20,863,792	5,864,152
Purchased Power	1,250,855	2,532,236	3,551,152	2,528,997	13,652,612	4,088,624
Operating Expenses	485,893	681,610	799,007	1,051,199	3,167,814	918,915
Depreciation	137,543	165,515	260,681	296,609	1,198,077	306,831
Tax Expense	51,664	69,304	76,415	116,765	348,353	93,647
Interest Expense	170,891	297,798	378,280	326,753	1,219,996	378,283
Total Cost — Electric Service	2,096,845	3,746,463	5,065,535	4,320,323	19,586,852	5,786,307
Operating Margins	(98,704)	190,789	137,851	(410,421)	1,276,940	77,845
Non-operating Margins and Capital Credits	69,881	115,808	138,993	47,112	816,283	99,211
Patronage Capital or Margins	\$ (28,823)	306,597	276,844	(363,309)	2,093,223	177,056
Assets and Other Debits						
Total Utility Plant	5,433,266	7,417,984	10,494,705	11,810,158	42,636,183	11,742,081
Accumulated Depreciation and Amortization	1,475,753	2,028,881	2,422,953	3,679,636	10,315,874	3,199,504
Net Utility Plant	3,957,514	5,389,103	8,071,752	8,130,522	32,320,309	8,542,577
Property and Investments	889,200	880,181	1,090,568	866,825	9,680,604	1,263,668
Current and Accrued Assets	433,716	862,939	1,160,224	1,016,128	9,728,174	1,169,831
Deferred Debits	28,540	7,994	36,593	22,064	565,812	9,902
Total Assets	\$5,308,970	7,140,217	10,359,137	10,035,539	52,294,899	10,985,979
Liabilities and Other Credits						
Margins and Equities	1,467,994	3,015,269	3,354,804	2,637,170	17,524,683	3,664,816
Long Term Debt	3,539,694	3,970,753	6,838,843	6,374,952	32,383,139	6,644,912
Current and Accrued Liabilities	283,939	138,047	139,033	984,412	2,184,862	668,631
Deferred Credits and Miscellaneous Reserves	17,344	16,148	26,456	39,005	202,215	7,620
Total Liabilities	\$5,308,970	7,140,217	10,359,137	10,035,539	52,294,899	10,985,979
Other Statistics						
Miles of Line	799	937	1,228	1,745	4,360	1,751
Members Served	1,756	3,284	3,416	4,184	18,825	465
Members per Mile	2.2	3.5	2.8	2.4	4.3	2.6
kWHS Sold per Member	14,016	15,302	21,712	11,463	14,468	19,641
MWh Sales	24,612	50,250	74,167	47,961	272,366	91,351
Annual Revenue per Member (\$)	1,138	1,199	1,523	934	1,108	1,261
Plant Investment per Member (\$)	3,094	2,259	3,072	2,823	2,265	2,528



Stanley Roberts
Adams County
Cooperative Electric
Cooperative



Martin Gardner
Benton County Electric
Cooperative Association



Glenn Maynard
Buchanan County Rural
Electric Cooperative



Gary Stuva
Clarke Electric
Cooperative



Melvin Nicholas
Eastern Iowa Light and
Power Cooperative



Patrick Murphy
Guthrie County Rural
Electric Cooperative



Kim Colberg
Linn County Rural
Electric Cooperative



Dorothy Postle
Maquoketa Valley Rural
Electric Cooperative



Greene	Guthrie	Linn	Maquoketa	Marshall	Nyman	Pella	Rideta	T.I.P.	Total
,772,527	4,091,769	10,126,994	13,968,147	4,467,278	1,575,129	2,349,749	2,363,673	5,988,138	\$ 93,480,028
,417,454	2,374,625	6,801,073	10,369,022	2,968,530	969,671	1,537,585	1,409,321	3,795,358	62,247,114
,224,463	815,741	1,771,937	1,959,989	853,302	413,752	466,492	524,579	1,209,268	16,343,964
457,282	234,429	393,230	577,626	271,968	86,583	107,730	171,748	279,488	4,945,343
143,700	82,228	179,353	214,347	78,911	33,908	44,155	65,941	97,195	1,695,886
357,505	318,540	519,690	562,971	248,994	100,669	108,853	141,647	476,310	5,607,180
600,404	3,825,563	9,665,283	13,683,955	4,421,704	1,604,583	2,264,815	2,313,236	5,857,618	90,839,487
172,122	266,206	461,711	284,192	45,574	(29,454)	84,934	50,437	130,520	2,640,542
177,699	143,471	208,860	477,346	116,916	98,082	61,499	61,391	252,349	2,884,901
349,821	409,677	670,571	761,538	162,490	68,628	146,433	111,828	382,869	\$ 5,525,443
803,224	9,431,310	15,777,762	21,794,494	8,436,495	3,424,048	4,183,730	6,447,482	11,109,233	185,942,155
398,328	3,083,848	4,480,112	7,065,859	2,645,972	1,106,877	1,506,801	2,197,468	3,107,874	52,715,740
404,896	6,347,462	11,297,650	14,728,635	5,790,522	2,317,171	2,676,929	4,250,014	8,001,358	133,226,414
459,346	906,597	1,977,579	2,886,948	937,424	384,631	498,385	621,438	1,346,746	25,690,138
.088,491	1,802,577	2,199,998	4,515,946	1,360,057	525,996	670,361	667,597	2,790,567	29,992,605
24,367	9,892	48,648	16,102	18,835	19,287	6,120	74,975	10,412	899,542
.977,100	9,066,528	15,523,875	22,147,631	8,106,838	3,247,085	3,851,795	5,614,024	12,149,082	\$189,808,700
.918,717	3,064,021	5,004,685	12,250,783	3,266,139	1,036,543	1,818,790	1,796,846	4,849,116	70,670,376
433,605	5,576,119	9,479,244	9,414,174	4,379,836	2,008,617	1,803,687	3,503,592	6,620,132	109,971,298
622,678	422,567	950,851	429,203	456,070	199,703	221,460	236,850	659,689	8,597,996
2,100	3,821	89,095	53,471	4,793	2,222	7,858	76,736	20,146	569,030
977,100	9,066,528	15,523,875	22,147,631	8,106,838	3,247,085	3,851,795	5,614,024	12,149,082	\$189,808,700
1,627	1,384	1,580	2,957	1,061	592	577	1,236	1,722	23,561
5,026	4,160	9,466	10,796	3,854	1,436	1,900	2,592	5,168	80,514
3.1	3.0	6.0	3.7	3.6	2.4	3.3	2.1	3.0	3.4
17,463	10,894	13,616	17,957	14,706	12,968	15,148	10,293	14,597	15,187
87,767	45,320	128,892	193,868	56,676	18,622	28,782	26,680	75,436	1,222,756
1,347	984	1,070	1,294	1,159	1,097	1,237	912	1,159	1,161
3,144	2,267	1,667	2,019	2,189	2,384	2,202	2,487	2,150	2,309

System Managers



David Weakland
Farmers Electric
Cooperative

Roger Wieck
Greene County Rural
Electric Cooperative



Daniel Bohlke
Marshall County Rural
Electric Cooperative

Kenneth Stone
Nyman Electric
Cooperative

Philip Visser
Pella Cooperative
Electric Company

Larry Hopkey
Rideta Electric
Cooperative

Darrel Heetland
T.I.P. Rural Electric
Cooperative



CIPCO

Member Cooperatives

Adams County Cooperative Electric Company ■ Corning
Benton County Electric Cooperative ■ Vinton
Buchanan County Rural Electric Cooperative ■ Independence
Clarke Electric Cooperative, Inc. ■ Osceola
Eastern Iowa Light and Power Cooperative ■ Wilton
Farmers Electric Cooperative, Inc. ■ Greenfield
Greene County Rural Electric Cooperative ■ Jefferson
Guthrie County Rural Electric Cooperative ■ Guthrie Center
Linn County Rural Electric Cooperative ■ Marion
Maquoketa Valley Rural Electric Cooperative ■ Anamosa
Marshall County Rural Electric Cooperative ■ Marshalltown
Nyman Electric Cooperative ■ Stanton
Pella Cooperative Electric Association ■ Pella
Rideta Electric Cooperative, Inc. ■ Mount Ayr
South Iowa Municipal Electric Cooperative Association (SIMECA)
Brooklyn, Cascade, Corning, Earlville, Fontanelle, Gowrie,
Grand Junction, Greenfield, Independence, Indianola, Lamoni,
LaPorte City, Lenox, Ogden, Panora, Preston, State Center,
Stuart, Villisca, Winterset
T.I.P. Rural Electric Cooperative ■ Brooklyn

Central Iowa Power Cooperative

P.O. Box 2517, Highway 13 and Bertram Road S.E. ■ Cedar Rapids, Iowa 52406 ■ 319-366-8011