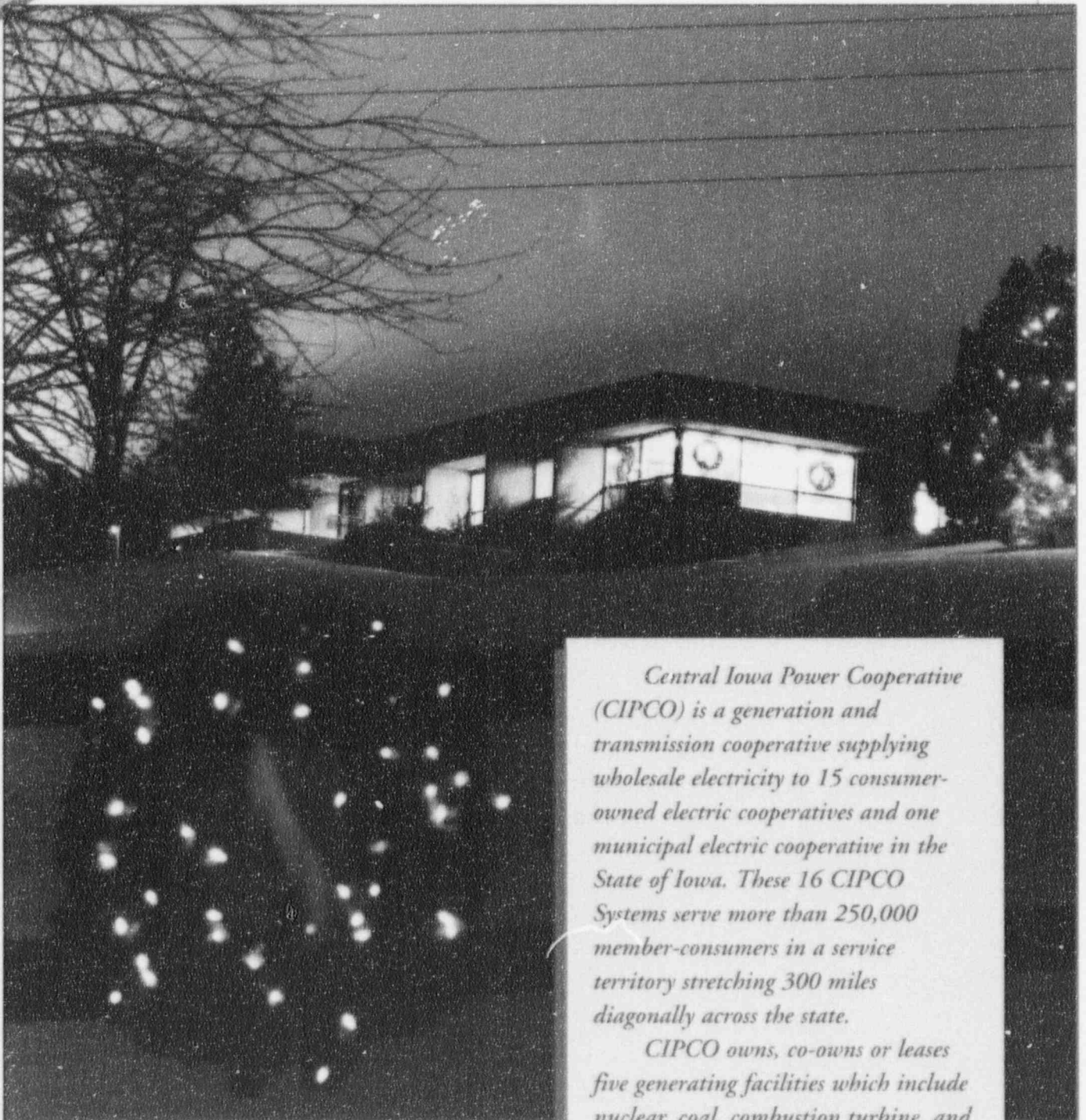




The CIPCO Systems
through utility of
purpose and
progressive leadership
will exceed the
competition in
service excellence,
product value
and resource
development.

1993 Annual Report
Central Iowa Power Cooperative

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Central Iowa Power Cooperative (CIPCO) is a generation and transmission cooperative supplying wholesale electricity to 15 consumer-owned electric cooperatives and one municipal electric cooperative in the State of Iowa. These 16 CIPCO Systems serve more than 250,000 member-consumers in a service territory stretching 300 miles diagonally across the state.

CIPCO owns, co-owns or leases five generating facilities which include nuclear, coal, combustion turbine, and diesel units. A small amount of CIPCO's capacity is purchased from or interchanged with other utilities. CIPCO's transmission system is integrated with other utilities in the State of Iowa to provide the most reliable, economical service possible to the members.



A Word From the President and General Manager

The CIPCO vision gives a clear, concise statement of the intent of CIPCO and the member systems to move into the future together.

The year just ended was marked with excitement. During 1993 we moved ahead with our Integrated Resource Planning (IRP) highlighted by four two-day sessions which involved the CIPCO board of directors, senior staff and a representative of the member systems. In the process we renewed our commitment to deliver the right service at the right price. We realize that in today's competitive market, we must provide a level of service that cannot be matched by the competition.

The CIPCO vision, which is the theme of this annual report, gives a clear, concise statement of the intent of CIPCO and the member systems to move into the future together. We will secure adequate, economical power sources and deliver that power in a manner that will allow the CIPCO Systems to enhance the quality of life of their members.

The development of the situational analysis summarizes our starting point. The issue papers drafted by the planning group will provide the focus and establish priority as we begin to craft solutions and review direction for business at the turn of the century. Developing goals and objectives and the criteria for measuring success will give us greater confidence in our decisions for the future.

We have already recorded several positive outcomes as a result of our planning process in that we were positioned to pursue opportunities in a timely manner. In 1993 we repriced \$33.6 million in FFB notes, reducing our rate to member systems by approximately 1.0 mill and will reprice an additional \$44.2 million in 1994. We expect the total savings of repricing this long-term debt to be 1.5 mills in the wholesale rate.

We have completed negotiations with SIMECA on a long-term power supply contract and are now in the process of memorializing this agreement. The contract will ensure a long-term working relationship between the SIMECA membership and CIPCO as we move into the future.

The CIPCO Investment Committee completed its work on a new policy. This policy was recommended by the Committee in March 1993 and was adopted by the board of directors at the April 1993 board meeting. This policy prioritizes investment options and will guarantee adequate funds are available to finance new plant requirements. Ultimately, the policy will help improve the debt to equity position and will direct our investment activity to maximize earnings with acceptable levels of risk.

The member systems are pursuing economic development and are experiencing growth to their systems as a result. We continue to support their ventures, knowing that small victories contribute to long-term load growth. At year end CIPCO was negotiating to become the power supplier of a Canadian company expressing an interest in locating a mini-steel mill in the service territory of Eastern Iowa Light and Power Cooperative at Wilton. Successful completion of this project will bring to the CIPCO Systems the largest single load in its history. CIPCO and Eastern are approaching this project together for the benefit of the total membership.

Financially it was a good year. Net margins of \$2.5 million reflect our goal to remain financially strong. Member equity is increasing. Kilowatt-hour sales increased in 1993, and the wholesale rate was reduced from the 1992 level.

CIPCO has built a solid, reliable power supply network. We continue to upgrade the transmission system to improve service reliability for the membership. Our marketing programs are paying dividends to the member systems in the form of rebates and power bill credits and are responsible for the retention of market share in several key segments. We are investigating new areas for investment that will give this electric utility the diversity necessary to control costs and minimize the effects of weather and agricultural business cycles which now



complicate our short-term planning. Our confidence in our planning process grows as we investigate new concepts and pursue opportunities. All of this will assist us in keeping our rates stable for the membership.

Our past success can be attributed to the strength of the membership and the leadership. We know that the key to future success is service. The CIPCO Systems serve over 250,000 Iowans with electricity. CIPCO is prepared to be the support system for the members in their endeavor to exceed the competition in service excellence, product value and resource development in providing a dependable, economical source of power and energy.

James P. Wendstrand

James P. Wendstrand
President

Dennis L. Murdock

Dennis L. Murdock
Executive Vice President
and General Manager

*Dennis Murdock, (front)
Executive Vice President
and General Manager,
has served CIPCO for over
25 years. James Wendstrand,
President, has been a member
of the CIPCO Board of
Directors for 14 years and
President for 8 years.*



The CIPCO Systems...

The 16
member systems
and CIPCO,
collectively

The process of developing an Integrated Resource Plan (IRP) has shown CIPCO that working as a team with the CIPCO member systems toward goals, joining forces to face emerging issues and planning for the future as a team will benefit all systems. It is no longer possible for member systems and the G&T to operate alone. With this in mind, CIPCO and the member systems collectively (CIPCO Systems) moved forward as one in the IRP process in 1993 by forming the Issue Assessment and Advisory Group (IAAG). Their task is to determine what issues need to be addressed and to develop an action plan to deal with these issues.

The IAAG is structured to include a representative from each of three groups at the member systems: the general manager, a member of the board of directors, and their representative on the CIPCO board of directors. The planning group also includes senior members of the CIPCO staff. This rather large planning group performs a great deal of their work in small group sessions moderated by industry professionals. Each participant plays an important role in the process, representing all facets of the organization and bringing different perspectives to the table. They are encouraged to openly discuss issues in the search for solutions in the best interest of all.

During 1993, the group analyzed the current situation and began the process of establishing major goals and objectives. As they continue this work, they will develop strategies and action plans for achieving the goals and objectives.

Four two-day sessions over the summer completed the 1993 commitment to integrated resource planning for the IAAG. One conclusion of the group was that a common vision is important, given the complexities of the issues faced by CIPCO, and more particularly, the way in which such issues will require coordinated action by all members of the CIPCO Systems.

Prior to the close of the 1993 planning sessions, the IAAG did begin preliminary development of specific measurement criteria. CIPCO management and staff will work on detailed measurement criteria and goals and objectives to be presented when IAAG resumes the planning process in 1994.

The IAAG has formulated and endorsed the following vision statement:

The CIPCO Systems, through unity of purpose and progressive leadership, will exceed the competition in service excellence, product value and resource development.

Unity of Purpose

Many examples of unity of purpose are part of CIPCO's annual agenda. CIPCO continues to annually update the power requirements study (PRS) for the CIPCO Systems. Input from each of the member systems results in a guide for CIPCO's planning process. An end-use survey was conducted in 1993 to support the load forecasting and marketing planning efforts.

A current issue that utilities must face together is the question of the effect of electromagnetic fields (EMF), associated with the flow of electricity, on humans and the environment. There is conflicting data on the subject resulting from studies completed to date. The courts have tried several cases and again the results have not been conclusive. CIPCO continues to monitor the EMF issue and will stay abreast of further developments. As new



information becomes available, CIPCO provides updates to the member systems on a regular basis. Upon request, on-site monitoring for member-consumers is coordinated by the member system and performed by CIPCO staff.

Working together goes beyond the CIPCO Systems. CIPCO, on behalf of its member systems, participates in the Iowa Environmental Group with other G&Ts in the state to keep abreast of issues, rules and regulations that affect daily operations, and the Iowa Marketing Group (IMG) to develop statewide marketing programs.

Progressive Leadership

CIPCO has always been on the forefront of developments in the electric industry. Leaders of the Cooperative are well-informed and dedicated. They must be risk takers who know how to leverage growth, change and economies. Linked with the progressive leadership at the member system level, CIPCO and the member systems have accomplished many things. Looking to the future with an even greater commitment will ensure continued success.

On-going training is provided for CIPCO's directors and staff. New board members receive the Board of Directors Resource Guide along with in-house training

CIPCO's board of directors convenes monthly to conduct the business of the Cooperative. Member system managers have a voice in the proceedings, but only directors may vote.

through unity of purpose...

Working as a team
toward goals

Collective success

Common goals

Common understanding
of member/customer
needs/wants

Needs to benefit the
CIPCO Systems
as a whole

to acquaint them with CIPCO. The Resource Guide is updated each year for existing directors. CIPCO also encourages directors and staff to attend industry seminars and workshops to increase their knowledge and keep them informed of new developments.

Each year an information meeting is held for CIPCO directors and member system managers and presidents. This meeting is intended to keep the leadership at the member systems up-to-date on CIPCO activities.

Progressive leadership includes the ability to recognize the need for change and to act as a catalyst for that change. This was demonstrated in 1993 with the Iowa Capital Corporation (ICC), a venture capital fund financed by three investors; CIPCO, Corn Belt Power Cooperative in Humboldt, and the State of Iowa. The primary purpose of ICC is to provide its investors with a reasonable return through investments in companies located in areas served by CIPCO and Corn Belt. Currently, ICC's total investment in four businesses is \$600,000.

CIPCO saw the value of taking this venture one step further. Capital Management Associates, Inc. (CMA) was formed and November 1, 1993, became operational as a subsidiary of Central Iowa Energy Cooperative (CIECO), a majority owned subsidiary of CIPCO. Its primary purpose is to manage the ICC fund in which CIPCO is a major investor. CMA also provides financial and general consulting to businesses and institutional clients. During the first two months of existence CMA provided consulting services to three clients and on December 1st assumed the responsibility as investment advisor for ICC previously held by Allied Group Merchant Banking Corporation.

Service Excellence

Customer expectation and perceived quality of service determine the members'

interpretation of service excellence. A well-maintained transmission system, reliable power sources, and excellence in customer relations, communications and education guarantee the CIPCO Systems' ability to improve the standard of living of their residential membership and the profitability of their commercial, industrial and farm consumers. Each year millions of dollars are spent in carrying out these responsibilities.

During the year, 37.52 miles of new transmission line were completed and put into service as part of the new-to-replace-old (NTRO) program. The goal is to rebuild approximately 3% of the CIPCO unshielded 34.5 kV line each year. Using 69 kV specifications will allow for an overhead ground wire and T2 conductor. Both of these design features are very beneficial in improving reliability and quality of service.



CIPCO's Executive Committee includes, left front, General Manager Dennis Murdock and President James Wenstrand, and left back, Vice President Dale Newman, Assistant Secretary/Treasurer Franklin Walter, and Secretary/Treasurer Eldo Meyer.



Franklin G. Walter
Adams County
Cooperative Electric Co.



Eldo H. Meyer
Benton County Electric
Cooperative Association



Melvin W. Neil
Buchanan County Rural
Electric Cooperative, Inc.



E. Wayne Hornocker
Clarke Electric
Cooperative, Inc.



Lawrence L. Quinn
Eastern Iowa Light and
Power Cooperative



Ray Hitchcock
Farmers Electric
Cooperative, Inc.



Keith D. Wirt
Guthrie County Rural
Electric Cooperative



Phyllis J. Hoge
Linn County Rural
Electric Cooperative



Dale R. Newman
Maquoketa Valley
Rural Electric Cooperative



James B. Paper
Marshall County
Rural Electric Cooperative



Alvin D. Lund
Midland Power
Cooperative



James P. Wenstrand
Nyman Electric
Cooperative, Inc.



Norman L. Van Zante
Pella Cooperative
Electric Association



Richard G. Mickelson
Riden Electric
Cooperative, Inc.



Duane R. Armstead
South Iowa Municipal Electric
Cooperative Association



Wayne R. Wilcox
T.I.P. Rural
Electric Cooperative

Embrace change
Vision of achievement
over the long term
Leveraging resources
and expertise
Organizational and
operational efficiency

A program for installation of motor-operated line switches was introduced several years ago as a method of expediting switching during service restoration. With many of CIPCO's lines located in remote areas away from crew headquarters, these supervisory controlled switches help in sectionalizing a faulted line. During 1993, five switches in the Creston area were completed utilizing the IN-trac radio system as the control method. Six motor-operators were installed in the Wilton area and are controlled via the SCADA system. Additionally, the IES/CIPCO engineering and planning group works together to select switching points that would be of mutual benefit for auto switching in the IES/CIPCO Integrated Area.

CIPCO is continuing an aggressive maintenance program. Crews in the Creston and Wilton operating areas are continually monitoring lines and substations to ensure that all are in good condition. Thorough annual inspections on transmission lines and monthly and annual inspections on transmission substations are routine. Each year approximately 1,500 poles are examined and treated. Line switches are checked and maintained, and hardware in all operating areas is tightened in conjunction with the ground line inspection program. Over 40 miles of this type of maintenance was completed this year by the CIPCO crews. In the Integrated Area, private contractors were used for hardware tightening on 93 miles of line.

Substation and relay crews execute routine maintenance on circuit breakers and transformers. Doble and oil testing of substation equipment is performed annually. Relays are tested on a three-year cycle. Substation crews also test and maintain all substation and interconnection metering.

All meters will be changed to electronic recorders by 1996. Crews are in the last phase of the magnetic tape changeout program.

Through ownership, purchase, lease and interchange CIPCO has sufficient generating capacity to supply the demand and energy needs of the CIPCO Systems. Base load units include the Duane Arnold Energy Center (DAEC), Council Bluffs Unit No. 3, Fair Station Unit No. 2, and the Western Area Power Administration's (WAPA) hydroelectric allotment. Due to more costly operation, intermediate units, Louisa Generating Station and Fair Station No. 1, are run at minimum output or taken off line on weekends and during times of light load. The units at Summit Lake and all diesel capacity owned by the SIMECA municipals are used only during peak periods or in case of emergency.

Operation and maintenance of CIPCO's generating stations constitute a large percentage of its annual expenditures but ensure the reliability of power supply that is expected from the member-consumers. The DAEC nuclear plant had its third best year of production in 1993. The plant was taken off line for its twelfth refueling since it went into commercial operation in 1974. The shutdown offered an opportunity to perform testing, inspections, preventive maintenance, and corrective action items required at the nuclear facility. Numerous design change packages were also installed.

Refueling and associated projects are very labor intensive with approximately 1,300 workers on site during the peak of the outage which lasted 76 days. The target was for a 59-day outage, but there were so many positive accomplishments during the outage that it was considered very successful. Even with the 17-day extension, the project came in only slightly over budget.



CIPCO's leadership includes, front, Richard Anderson, Director of Utility Operations; Craig Fricke, left, Director of Business Operations; and Dwayne Augspurger, Director of Corporate Operations.



James Fogg, left, and Jude Conway staff the newly formed Capital Management Associates, Inc. CMA manages the ICC fund and provides general consulting to business and institutional clients.

will exceed...

Measure quantitatively
and qualitatively

Doing a better
job as perceived by
the customer

Going one-step
further

CIPCO supports and promotes service excellence among the CIPCO Systems in many ways. Several bulletins are published monthly by CIPCO with timely, useful information for the CIPCO Systems personnel.

The Technical Bulletin and the *Engineering and Operations Bulletin* provide technical support, news of industry developments, status of key issues, updates on regulatory matters and other pertinent data to assist the member system personnel. *Words at Work* is a tool for the communicators at the member systems. This publication includes tips for writing newsletters, ads, and brochures, and reminders on language and grammar usage. Sample newsletter articles of local and national interest, industry updates and other communication information is sent with this bulletin. Each of these publications is assembled solely to help the member systems better serve their member-consumers.

Monthly detailed reports give CIPCO Systems' management and staff current data about their system and the CIPCO Systems as a whole. Reports reflect demand and energy statistics, marketing details, and operating data. CIPCO assists the member systems in developing annual marketing work plans. An end-use survey conducted in 1993 gave the CIPCO Systems valuable information about their member-consumers and their attitudes and expectations.

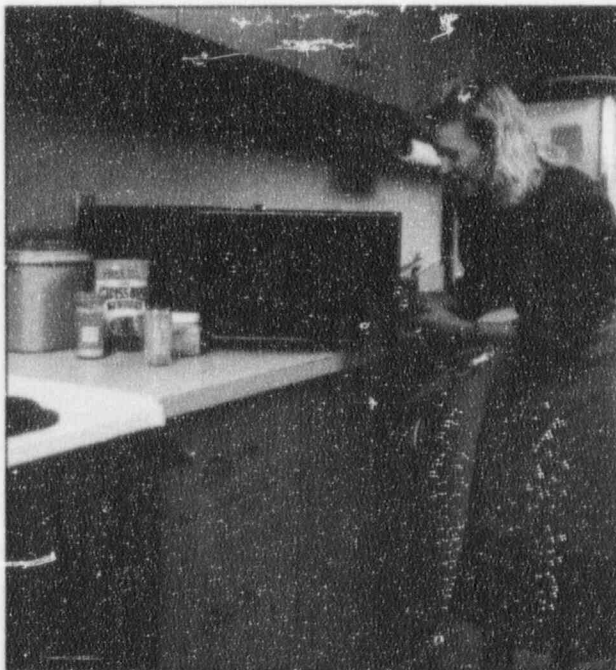
To further enhance the technical skills and knowledge of the member system representatives, a great deal of training is provided by CIPCO. An annual

Marketing/Communication Workshop allows a forum for developing specific skills and technical training for the CIPCO Systems member service and communications personnel. Quarterly meetings keep them updated on CIPCO projects and offer round table discussions for sharing programs, problems and future project ideas.

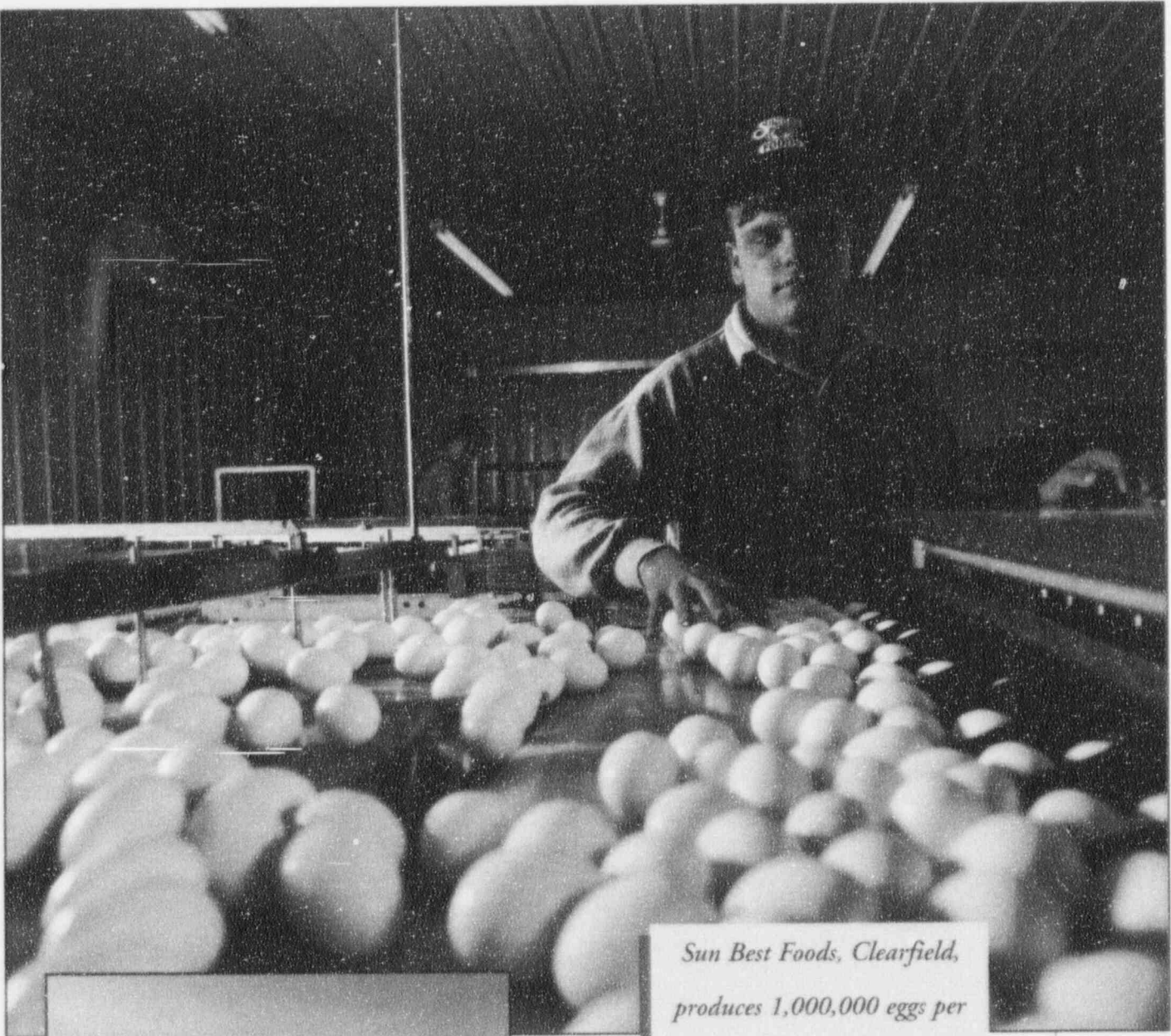
In cooperation with WAPA, CIPCO sponsored a workshop, "Residential Energy Management", for the member systems. CIPCO also offered assistance to the member systems by offering instruction in completing Energy Efficiency Plans mandated by the Iowa Utilities Board and the Electric Utility Report required by the Department of Energy.

When a utility is committed to service excellence, the safety of its employees is also a concern. CIPCO formed an internal safety committee in 1989. This group represents all areas of the organization, including operations, generation, engineering and administration. The committee produced the CIPCO General Safety Procedures manual which is updated annually.

Safety meetings are held monthly at CIPCO operating offices, generating plants and with its Utility Operations personnel. Mini meetings for IOSH training are held with its Business and Corporate Operations personnel to review safety procedures.



Norma Vogt conducted the 1993 Home Economist Programs for the CIPCO Systems. She traveled over 3,000 miles giving 22 demonstrations. The CIPCO cookbook, "A Dash of Seasoning" was available to all attending the programs.



Sun Best Foods, Clearfield, produces 1,000,000 eggs per day for Papetti Foods. This operation uses nearly 1,000,000 bushels of corn and 39,000 tons of feed per year. Sun Best Foods is a member-consumer of Rideta Electric Cooperative, Mount Ayr.

the competition...

Retail wheeling

Other electric utilities

Alternate fuel sources

Product Value

In 1993, CIPCO played an important role in forming local chapters of the Iowa Heat Pump Association for dealers, contractors and installers. These chapters will provide the vehicle for certifying qualified installers and guaranteeing competent workmanship through continuing education.

CIPCO's marketing programs continued to provide incentive dollars to the member systems in 1993. The CIPCO Systems divided over \$1,320,000 in power bill credits and marketing program rebates. Marketing and economic development programs generated sales of nearly 90,000,000 kWhs, and sales contributed over \$1,300,000 net toward CIPCO's fixed costs. The Model Housing Program supported the addition of 22 new all-electric homes to the CIPCO Systems during the year. Overall program benefits include stabilized rates, increased load factor and improved member satisfaction.

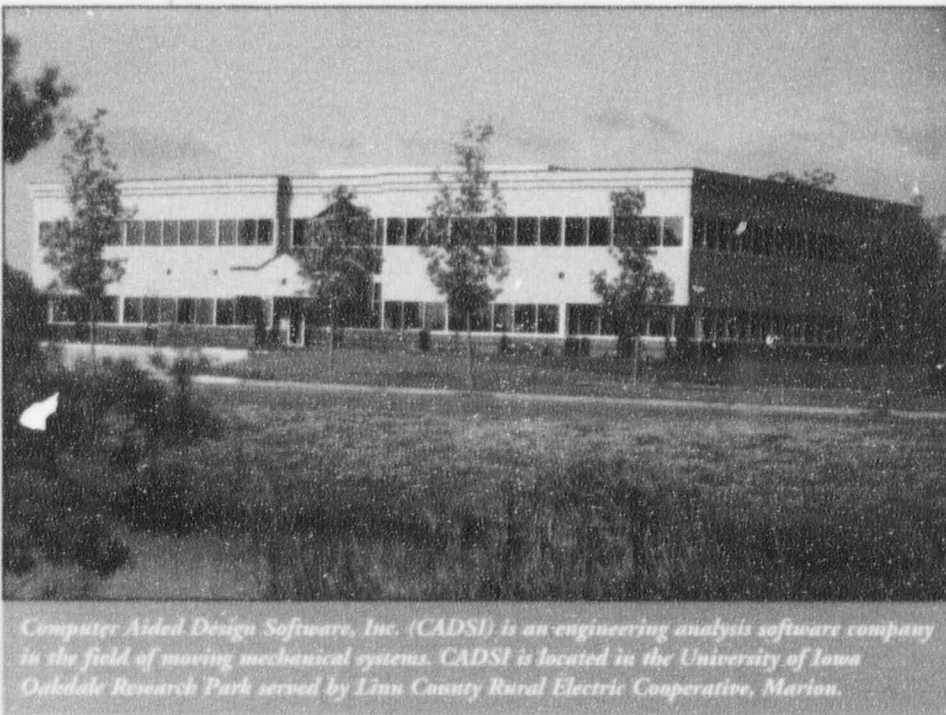
The CIPCO Systems used the Technical Assistance Program more than 100 times this year. The 800 phone number gives them and their area contractors immediate access to an expert in ground source heat pumps. This consultant will come on-site for particularly difficult problems. CIPCO also offers the service of a mechanical engineer on staff as a consultant and certified instructor to CIPCO Systems' member service personnel on space conditioning and energy related problems.

CIPCO equips its employees with state-of-the-art technology to support their goals in service excellence. Product value is also enhanced by this technology. The fifth generation of micro computers has recently been introduced at CIPCO. In general these Pentium processing units perform 4-8% faster than many of the computers currently in use and 164% faster than the last updated processors. High capability, high resolution printers with multiple font choices

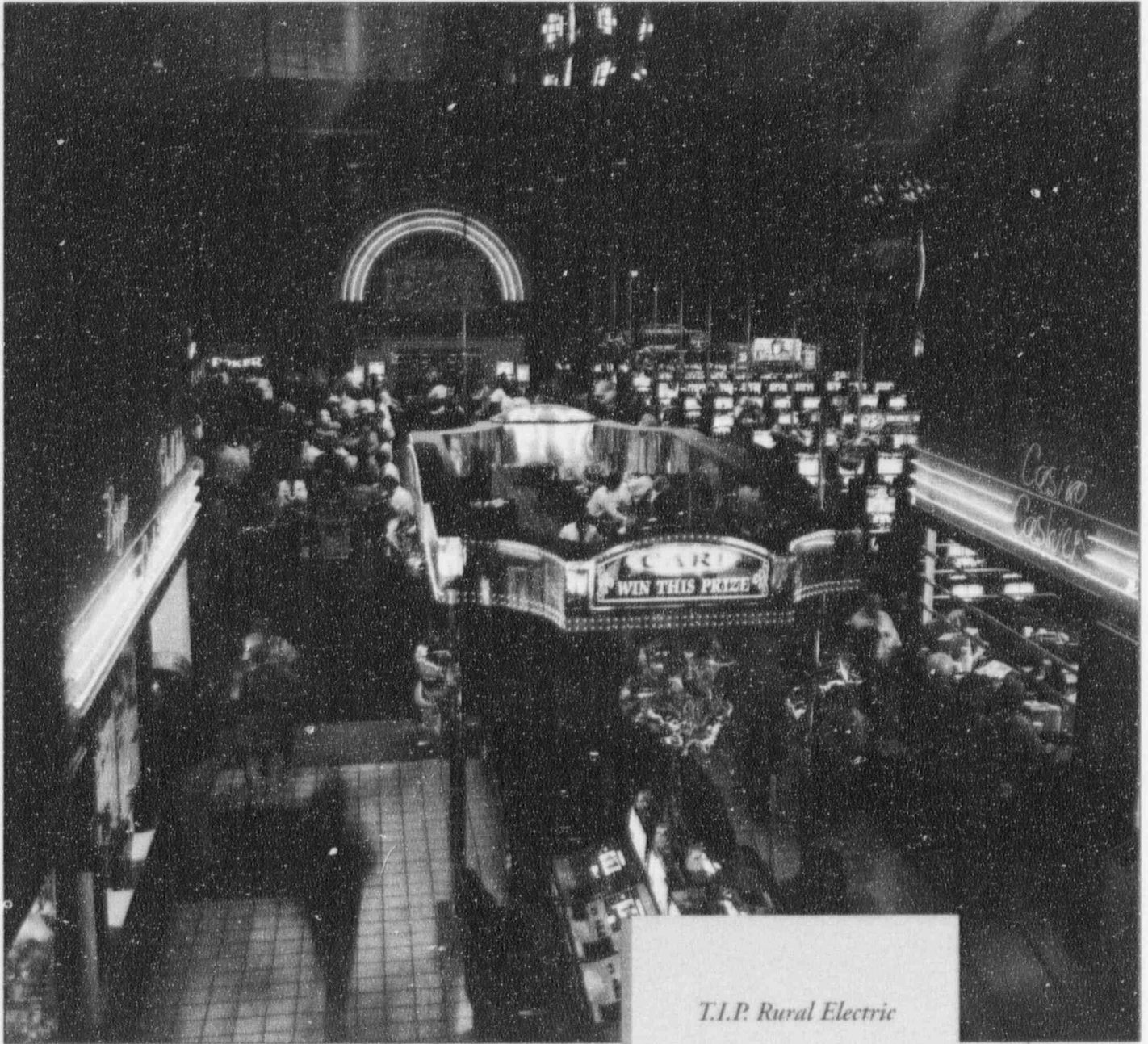
allow staff to create more attractive publications and presentations in less time.

The portable computer is growing within the corporate structure. The Notebook and/or Notebook/Docking station have proven to be reliable, powerful tools both in the office and in the field. As Corporate America moves into the "Windows" environment of computing, CIPCO is also making the transition.

CIPCO's system of data collection, MV90/MVLT, is proving to be very valuable to the member systems. CIPCO has purchased and installed these systems for the member systems and has trained the member systems' personnel in the use of this software. This gives them the capability of collecting load data from multiple sources and transforming it into a common



Computer Aided Design Software, Inc. (CADSI) is an engineering analysis software company in the field of moving mechanical systems. CADSI is located in the University of Iowa Oakdale Research Park served by Linn County Rural Electric Cooperative, Marion.



format. Many are gathering data from industrial sites. The software allows them greater knowledge in designing rates that are beneficial to both parties.

The Computer Aided Drafting System (CAD) places high-tech tools in the hands of CIPCO employees. The system allows them to produce transmission line routing and franchise maps, along with substation physical and electrical circuit drawings. Production of drawings and maps in short time frames is a very important aspect of the CAD and increases CIPCO's ability to provide better service to its member systems.

*T.I.P. Rural Electric
Cooperative, Brooklyn, serves
Mesquaki Bingo and Casino
near Tama. The Casino
employs over 800 people
and is open 24 hours a day,
seven days a week.*

Quality service

Reliability

Reasonable cost

Excellent customer
relations, communication
and education

Improved standard
of living and/or
profitability for
member-consumers

CIPCO's obligation to provide reliable, economical power and energy to its member systems must not compromise its responsibility to protect the environment. New rules and regulations that impact CIPCO's operations are frequently put into effect. These rules often require changes in operation or modifications to equipment that increase the cost of doing business. It is CIPCO's intent to comply with all requirements in a manner that will be most cost effective and consistent with being a good neighbor.

The Clean Air Act Amendments of 1990, while having the admirable goal of helping to improve the environment for everyone, have increased the cost of generating electricity. Some of the impact of that far-reaching legislation has not yet been felt, but many of the mandates have resulted in heavy financial commitments by utilities.

Updates at CIPCO's generating facilities will improve air quality. A continuous emission monitor for Fair Station Unit No. 2 has been placed on order and will be installed during mid-1994. The unit will be fully operational by the end of next year and will cost approximately \$365,000. Similar units will be installed at Council Bluffs Unit No. 3 and Louisa Generating Station. CIPCO's share of this cost for these two units is approximately \$60,000. Annual operating, maintenance and calibration costs are estimated to be around \$50,000 for each monitor.

Further environmental upgrades were made during 1993 to the precipitator at Council Bluffs No. 3. When the unit was designed and built in the 1970's, the installation incorporated the latest precipitator technology for removing flyash from the combustion process. However, time and experience have proven that there is a better way to complete the process. After four months, the conversion was finished at a cost of approximately \$17,000,000. CIPCO's share of the cost is approximately \$2,000,000. Many positive benefits will come from this conversion. One of the most significant is that it will no longer be necessary to shut the unit down every three months to clean the precipitator. Overall plant production will be greatly enhanced.

Resource Development

CIPCO is interested in strengthening the relationship with trade allies who work in the communities of the member systems. The Iowa Marketing Group, on behalf of Iowa's electric cooperatives, hosts an annual conference for HVAC contractors, electricians, home builders and other trade professionals. It allows the member systems to build and reinforce strong working relationships with trade professionals. The "Momentum is Building" conference offers valuable technical information while it builds confidence in the electric product.

The CIPCO Systems have channeled resources and expertise into many joint efforts over the past several years. The Iowa Area Development Group (IADG) is a prime example of a successful joint venture with other RECs in the state that is paying dividends to all Iowans. In 1993, IADG announced 72 projects to place new industry or expand existing industry in Iowa. Of these, 36 are served by the CIPCO Systems. Existing customer expansion accounts for 18 of the 36 projects.

This year marked the beginning of a joint project between Linn County Rural Electric Cooperative, Marion, and CIECO. They joined forces to create Myriad Developers, a



*Woodmarc, Inc., is served by
Winterset Municipal, a
SIMECA member-consumer.
The company manufactures
fine quality oak furniture
and has an international
market for its products. Over
100 people are employed by
Woodmarc in Winterset.*

What the member
needs/wants

Continuity of service

Dependable service
at least cost

Energy efficiency

Diversification

for-profit company to develop a complex at the University of Iowa Oakdale Research Park. The Oakdale Research Park is a 173-acre parcel of land located in Coralville which is already the corporate headquarters of several high-tech companies. Myriad's planned unit development will include four buildings ranging in size from 8,000 to 15,000 square feet of moderately-priced, speculative rental space. The buildings will be financed and constructed sequentially as market or financial circumstances dictate. A letter of intent provides that the Park will furnish the land and Myriad will build the structures.

IADG participated in several statewide marketing programs with the Iowa Department of Economic Development and the CIPCO Systems. These cooperative efforts will help IADG's marketing dollars go further to benefit RECs in the state of Iowa.

The Sixth Annual Venture Awards included two member-consumers served by the CIPCO Systems: Epley Marketing Services served by Linn County Rural Electric Cooperative, Marion, and ProCom served by Rideta Electric Cooperative, Mount Ayr.

CIPCO encourages its employees to become active in their communities. Building relationships within the service area is important if CIPCO and the member systems are to retain the confidence of the membership. During 1993 CIPCO supported United Way, the Governor's Charity Steer Show for the Ronald McDonald Houses in Iowa, the Farm Progress Show, the Child Protection Center, the Science Station in Cedar Rapids, the Electric Information Council and Paul Harvey radio broadcasts, and the Foundation for American

Communicators. Many economic development efforts get CIPCO's support in various ways, such as the Foreign Ambassadors Tour, the Kirkwood New Business Center, the Iowa Open and the Iowa Senior Open golf tournaments, and many economic development groups of the member systems.

The board of directors and staff are committed to keeping CIPCO in a strong financial position. Net margins of \$2.5 million in 1993 reflect a continuing history of positive operating results for CIPCO. Member equity stands at \$37.7 million, which represents 13.1% of total assets.

Kilowatt-hour sales increased 5.1% in 1993 from the previous year. Revenue from the sale of electricity to CIPCO's 16 member systems was \$83.2 million. Revenue per kilowatt-hour averaged 50.95 mills as compared to 51.47 mills in 1992.

Total assets as of December 31, 1993 were \$288.7 million, with net utility plant standing at \$215.8 million. Net investments of \$14.1 million, including purchases of nuclear fuel, were made in utility plant during the year.



Computers and software enhance CIPCO's ability to serve the members. In addition to producing many presentation materials for staff, Gayle McDonald, computer programmer/operator, provides software support to the CIPCO staff and member system personnel.

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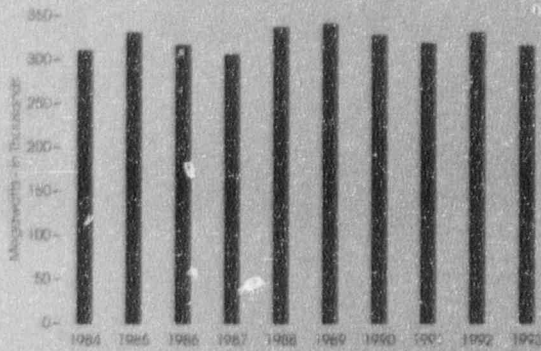
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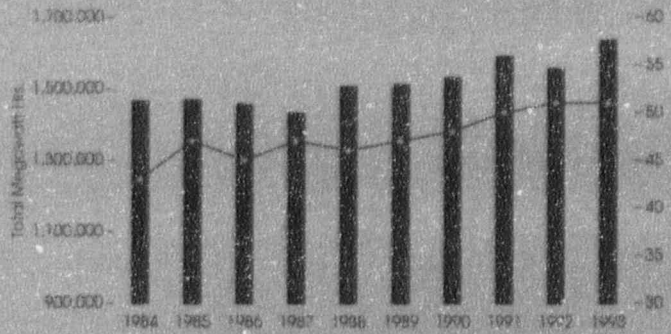


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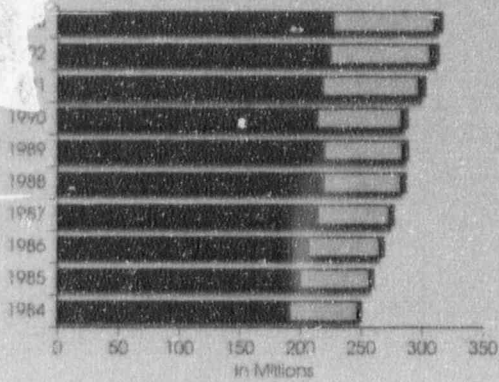
Peak Demand



Energy Sales

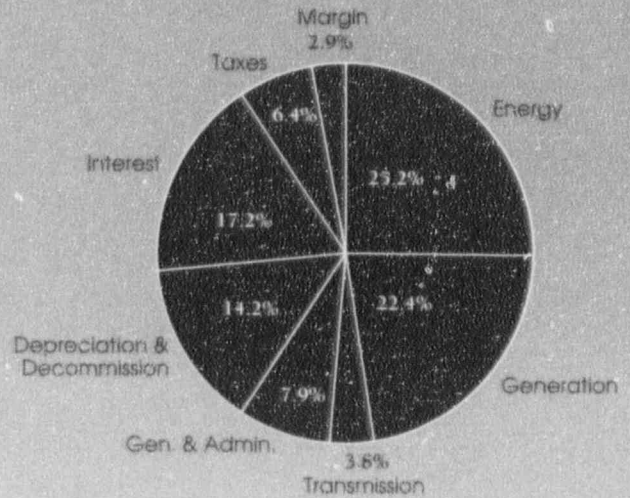


Plant Investment

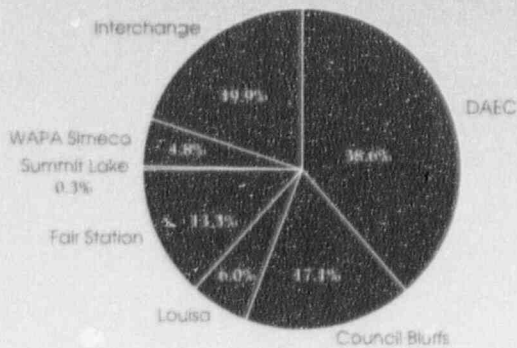


Operating Expenses

(As a percentage of revenue)



Sources of Energy



*CIPCO at a glance . . .
Energy sales increased over
5.1% while kW demand
decreased 4.5%. Cost of
energy to the member systems
was down slightly in 1993.*

and resource development.

Financial/Business/
Government Network

Human Resources

Training and education

Growth of sales

Asset optimization

Community service

Economic development

In 1993, CIPCO received \$20.4 million in guaranteed loan fund advances from the Federal Financing Bank (FFB). CIPCO's total long-term debt grew from \$202.5 million in 1992 to \$215.4 million in 1993.

CIPCO refinanced \$33.6 million in FFB notes in 1993, which reduced the average interest rate from 9.33% to 5.75%. This will result in a savings to CIPCO of approximately \$1.1 million in interest costs in 1994. CIPCO has \$44.2 million of FFB notes that are eligible for refinancing in 1994, which will produce further savings in interest costs for the cooperative. The composite interest rate on CIPCO's total outstanding debt is expected to decrease from 7.5% in 1993 to an estimated 6.35% in 1994.

CIPCO refunded pollution control revenue bonds of \$2.9 million, carrying an average interest rate of 10.5% and financed the refund with the sale of new pollution control revenue bonds with an interest rate ranging from 3% to 4.65%.

CIPCO must prepare for the eventual decommissioning of its nuclear facility, the DAEC. A nuclear decommissioning fund has been established for this purpose. Investments in this fund had a book value of \$9.9 million at December 31, 1993 and a market value of \$11.5 million.

Under a mutually beneficial power bill prepayment program, member systems had advanced prepayments of \$2.4 million to CIPCO as of December 31, 1993.

CIPCO's property taxes on utility property in 49 counties in Iowa decreased slightly to \$5.1 million in 1993.

No short-term debt was outstanding at year end under a \$12 million line of credit with the National Rural Utilities Cooperative Finance Corporation (CFC).


The times interest earned ratio (TIER) was 1.16 while the debt service coverage (DSC) was 1.30, both of which exceed the mortgage requirements of the Rural Electrification Administration and CFC.

CIPCO's cash position improved dramatically in 1993 with the advance of construction loan funds and the subsequent reimbursement of internally generated funds, which were being used to finance new construction projects pending long-term loan approval.

1993 was a good year. Many challenges faced the utility, but each was met with confidence. Planning has given CIPCO and the member systems the knowledge that together there is strength. CIPCO and the member systems share a common vision, "through unity of purpose and progressive leadership, (they) will exceed the competition in service excellence, product value and resource development", and look to a future that ensures success.



As part of CIPCO's program to improve service reliability, motor-operated switches are being installed across the system. Above, Wilton crews work to complete the '93 project.

 **Peat Marwick**

Certified Public Accountants

2500 Ruan Center
P.O. Box 772
Des Moines, IA 50303

The Board of Directors
Central Iowa Power Cooperative

We have audited the accompanying consolidated balance sheets of Central Iowa Power Cooperative and subsidiary as of December 31, 1993 and 1992, 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 generally accepted auditing standards. 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 subsidiary as of December 31, 1993 and 1992, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick

February 25, 1994



Member Firm of
Klynveld Peat Marwick Goerdeler

Central Iowa Power Cooperative and Subsidiary

Consolidated Balance Sheets

December 31, 1993 and 1992

Assets (Note 4)

	1993	1992
Electric utility plant, at cost (notes 2 and 8) :		
In service	\$ 316,416,467	313,043,924
Less accumulated depreciation	124,731,927	116,254,751
	191,684,540	196,789,173
Construction work in progress	9,721,459	4,680,598
Nuclear fuel, at cost less accumulated amortization of \$43,909,905 in 1993 and \$40,675,447 in 1992	14,409,580	13,482,134
Net electric utility plant	215,815,579	214,951,905
Non-utility property, at cost less accumulated depreciation of \$1,139,027 in 1993 and \$864,677 in 1992 (Note 3)	8,760,331	8,882,261
Investments:		
Investments in associated organizations	9,790,651	9,851,757
Marketable securities-decommissioning fund	9,949,036	7,886,949
Other investments	1,767,874	1,731,061
Total investments	21,507,561	19,469,767
Current assets:		
Cash equivalents:		
general	4,583,061	776,852
construction	72,607	72,607
Temporary investments	14,052,113	1,623,987
Accounts receivable, members	7,404,324	7,621,611
Other receivables	563,141	184,406
Fossil fuel, materials and supplies	4,165,669	5,481,598
Prepaid expenses	832,056	537,067
Interest receivable	69,066	56,924
Deferred charges	4,442,270	2,394,095
Total current assets	36,184,307	18,749,147
Deferred charges	6,442,156	5,197,969
	\$ 288,709,934	267,251,049
Capitalization:		
Members' equity:		
Membership fees	\$ 1,700	1,700
Patronage capital	16,724,266	14,724,266
Other equities (note 4)	21,019,707	20,554,028
Total members' equity	37,745,673	35,279,994
Long-term debt, less current maturities (note 5)	215,429,551	202,507,475
Total capitalization	253,175,224	237,787,469
Current Liabilities:		
Current maturities of long-term debt (note 5)	7,294,479	5,935,335
Accounts payable	5,024,996	4,033,986
Accrued property taxes	5,131,313	5,106,848
Accrued interest	2,553,450	33,809
Other accrued expenses	243,109	235,857
Advances from members	2,400,000	2,947,064
Special assessment	81,130	118,330
Total current liabilities	22,728,477	18,411,229
Other liabilities:		
Decommissioning reserves	10,325,365	8,554,640
Special assessment	2,413,952	2,435,066
Other	66,916	62,645
Total other liabilities	12,806,233	11,052,351
Commitments and contingent liabilities (note 9)	\$ 288,709,934	267,251,049

Capitalization and Liabilities

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Revenue and Expenses

Years Ended December 31, 1993 and 1992

	1993	1992
Operating revenue:		
Electric:		
Energy sales	\$ 83,213,839	80,002,781
Rent of property	609,425	743,442
Miscellaneous	575,471	435,100
Other	1,830,006	1,568,768
Total operating revenue	86,228,741	82,750,091
Operating expenses:		
Purchased power	9,492,228	6,238,944
Operations:		
Production plant - fuel	12,128,164	13,682,452
Production plant - other	13,059,581	13,227,509
Transmission plant	1,553,621	1,475,996
Maintenance:		
Production plant	5,542,947	5,505,267
Transmission plant	1,613,044	1,229,561
Administrative and general	7,216,098	7,027,555
Depreciation and amortization	10,799,746	10,205,712
Decommissioning provision	1,770,725	1,204,770
Property and other taxes	5,544,600	5,533,611
Other	1,963,244	1,598,021
Total operating expenses	70,683,998	66,929,398
Net operating margin	15,544,743	15,820,693
Other revenue:		
Interest income	1,256,945	1,165,905
Patronage capital allocations	183,394	184,791
Miscellaneous income	541,727	650,047
Total other revenue	1,982,066	2,000,743
Net margin before interest charges	17,526,809	17,821,436
Interest charges:		
Interest on long-term debt	15,377,566	15,838,805
Allowance for borrowed funds used during construction	(316,436)	(356,751)
Net interest charges	15,061,130	15,482,054
Net margin	\$ 2,465,679	2,339,382

See Accompanying Notes to Consolidated Financial Statements.

Central Iowa Power Cooperative and Subsidiary

Consolidated Statements of Members' Equity

Years Ended December 31, 1993 and 1992

	Membership fees	Patronage capital	Other equities	Total members' equity
Balance at December 31, 1991	\$ 1,700	12,724,266	20,214,646	32,940,612
Net margin	-	-	2,339,382	2,339,382
Patronage capital allocated	-	2,000,000	(2,000,000)	-
Balance at December 31, 1992	1,700	14,724,266	20,554,028	35,279,994
Net margin	-	-	2,465,679	2,465,679
Patronage capital allocated	-	2,000,000	(2,000,000)	-
Balance at December 31, 1993	\$ 1,700	16,724,266	21,019,707	37,745,673

See Accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

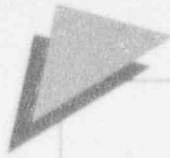
Years Ended December 31, 1993 and 1992

	1993	1992
Cash flows from operating activities:		
Net margin	\$ 2,465,679	2,339,382
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization of electric utility plant and non-utility property	10,294,114	9,706,149
Amortization of deferred charges	3,034,275	3,735,116
Amortization of nuclear fuel	3,234,458	3,373,169
Decommissioning provision	1,770,725	1,204,770
Patronage capital allocations not received in cash	(183,394)	(184,449)
Amortization of investment premium	15,840	15,840
Amortization of refinancing costs	33,532	-
Gain on disposal of investments in associated organizations	(270,936)	-
Interest income reinvested	(297,927)	(265,315)
Decrease (increase) in receivables	233,344	(507,417)
Decrease (increase) in fossil fuel, materials and supplies	1,315,929	(261,827)
(Increase) decrease in prepayments and interest receivable	(307,131)	446,310
Refueling outage and other costs deferred	(3,907,500)	(6,315,162)
Increase in accounts payable, accrued liabilities, and other liabilities	3,645,607	852,008
Increase in special assessment	-	2,553,396
Net cash provided by operating activities	21,076,615	16,691,970
Cash flows from investing activities:		
Additions to electric utility plant, net	(9,895,454)	(10,522,383)
Additions to non-utility property, net	(212,958)	(1,236,097)
Purchases of nuclear fuel	(4,161,904)	(535,298)
Increase in decommissioning fund	(1,780,000)	(400,000)
Purchase of investments in associated organizations and other investments	(585,864)	-
Receipt of prior years' patronage capital allocation	183,887	209,489
Proceeds from disposal of investments in associated organizations	840,469	-
Net cash used in investing activities	(15,611,824)	(12,484,289)
Cash flows from financing activities:		
Decrease in advances from members	(547,064)	(1,566,968)
Principal payments on long-term debt	(9,159,409)	(5,664,729)
Proceeds from long-term borrowings	22,987,000	-
Refinancing costs	(2,510,983)	-
Net cash provided by (used in) financing activities	10,769,544	(7,231,697)
Net increase (decrease) in cash and cash equivalents	16,234,335	(3,024,016)
Cash and cash equivalents at beginning of year	2,473,446	5,497,462
Cash and cash equivalents at end of year	\$ 18,707,781	2,473,446

Supplemental disclosure of cash flow information:

Cash payments for interest (net of allowance for borrowed funds used during construction)	\$ 12,899,716	15,654,588
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See Accompanying Notes to Consolidated Financial Statements.



Central Iowa Power Cooperative and Subsidiary

Notes to Consolidated Financial Statements

December 31, 1993 and 1992

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 subsidiary, Central Iowa Energy Cooperative (CIECO). The Cooperative is an electric generation and transmission cooperative providing wholesale electric service to its 16 members. CIECO owns certain power plant sites, including a lake and dam suitable for construction and operation of an electric generating plant. CIECO also operates a golf course and conference center. 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 Electrification Administration (REA). The Cooperative is not subject to external regulation other than by the REA.

Distribution of margins of the Cooperative and CIECO (collectively, the Company) 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.

The Cooperative is recovering its portion of the present value of the estimated future costs to decommission the Duane Arnold Energy Center (DAEC) over the remaining life of the DAEC using the sinking fund method. The estimated costs of decommissioning DAEC, which is projected to begin in 2008, is based on studies performed in 1985, 1989, and 1993. Based on the most recent study, the Cooperative estimates that its portion of the costs to decommission DAEC will be approximately \$64,000,000 in 1992 dollars.

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) 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, and 33 to 40 years for the dam, operation center, and conference center. The golf course land lease is being amortized on the straight-line method over the term of the lease, approximately 41 years.

(d) 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 1993 and 1992 were approximately 4.7 percent and 5.7 percent, respectively.

(e) 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.

(f) Fossil Fuel, Materials and Supplies

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

(g) Investments

Investments in associated organizations consist primarily of approximately \$5,600,000 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.

Marketable securities and temporary investments consist of U.S. Government securities, money market funds and CFC commercial paper. These investments are stated at cost.

Other investments consist primarily of an investment in a venture capital corporation in which the Cooperative owns approximately 31 percent of the voting shares and is accounted for on the equity method.

(h) Pension Plan

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

(i) Deferred Charges

Deferred charges consist principally of cancelled project costs; a one-time fee for spent nuclear fuel used to generate electricity prior to April, 1983; a special assessment established by the Energy Policy Act of 1992 for decontamination and decommissioning of the Department of Energy enrichment facilities; and refinancing costs incurred to obtain lower interest rates on long-term debt. These costs are being recovered through rates over various amortization periods as follows: cancelled project costs, 10 years ending in 1995; the one-time fee for spent nuclear fuel, 13 years ending in 1998; the special assessment, 15 years ending in 2007; and the refinancing costs, 17-21 years ending 2014. The amount of these costs to be amortized in 1994 has been reflected as a current asset in the balance sheet.

(j) Cash Equivalents

Cash equivalents of \$14,052,113 and \$1,623,987 at December 31, 1993 and 1992, respectively, consist of CFC commercial paper and principal payments on mortgage notes paid in advance of the due date. For

purposes of the statements of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

(k) Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107 (SFAS No. 107), "Disclosures about Fair Value of Financial Instruments," requires that the Company disclose estimated fair values for its financial instruments. Fair value estimates, methods, and assumptions are set forth below:

Cash and Cash Equivalents, Accounts and Other Receivables, Interest Receivable, Accounts Payable and Advances from Members

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

Investments

It was not practicable to estimate the fair value of investments in associated organizations. The investments 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 noninterest-bearing and mature based upon the granting cooperatives' policies.

The fair value of marketable securities-decommissioning fund is based on quoted market prices published in financial newspapers or quotations received from securities dealers. At December 31, 1993, the estimated market value of marketable securities-decommissioning fund was \$11,500,000.

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, 1993, the Company estimated the fair value of its long-term debt as \$233,000,000.

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.

(l) Restatement and Reclassifications

The financial statements for the year ended December 31, 1992, have been restated to reflect the consolidation of the Cooperative's majority owned subsidiary which was previously reported on the cost method. The impact of the restatement on the financial statements was not material.

Certain amounts have been reclassified to conform to the 1993 presentation.

The major classes of electric utility plant in service at December 31, 1993 and 1992 and depreciation and amortization for 1993 and 1992 are as follows:

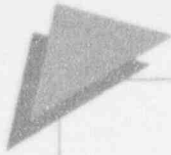
	Cost		Depreciation and amortization		Composite rates
	1993	1992	1993	1992	%
Intangible plant	\$ 287,176	281,647	6,643	7,721	4.00
Production plant	226,643,018	224,159,881	7,295,770	6,970,453	3.10
Transmission plant	82,397,943	81,584,063	2,187,771	2,051,302	2.75
Distribution plant	454,256	454,256	12,915	12,914	2.75
General plant	6,634,074	6,564,077	456,127	412,573	3.00-16.0
Electric utility plant in service	\$ 316,416,467	313,043,924	9,959,226	9,454,963	

**Note 2
Electric Utility Plant
in Service**

At December 31, 1993, and 1992, non-utility property consists of the following:

	December 31,	
	1993	1992
Plant sites held for future use:		
Guthrie County	\$ 2,687,809	2,687,809
Missouri River	1,845,251	1,845,251
Lake and dam - Guthrie County	1,228,609	1,269,609
Wilton operation center	650,000	650,000
Equipment	1,427,869	1,325,194
Golf course property and equipment	1,507,510	1,532,259
Other property	552,310	436,816
	\$ 9,899,358	9,746,938

**Note 3
Non-utility Property**



Central Iowa Power Cooperative and Subsidiary

Notes to Consolidated Financial Statements

December 31, 1993 and 1992

Note 4 Other Equities

	December 31,	
	1993	1992
At December 31, 1993, and 1992, other equities consist of the following:		
Unallocated margin	\$ 2,465,679	2,339,382
Reserve for contingent losses	12,727,630	12,727,630
Surplus	5,826,398	5,487,016
	\$ 21,019,707	20,554,028

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

Note 5 Long-Term Debt

	December 31,	
	1993	1992
Long-term debt consists of the following:		
REA, 2% and 5% mortgage notes payable, due in quarterly installments approximating \$1,337,000, including interest, maturing through June 2019	\$ 58,648,041	61,173,647
Federal Financing Bank (FFB), 5.418% to 14.043% mortgage notes payable, guaranteed by the REA, due in quarterly installments approximating \$3,038,000, including interest, maturing from December 2010 through 2021	130,989,282	111,756,109
CFC, 7.00% mortgage notes payable, due in quarterly installments approximating \$297,000, including interest, maturing from December 2006 through December 2015	10,476,456	10,784,529
CFC, variable interest rate (4.25% at December 31, 1993) notes payable, due in quarterly installments approximating \$112,000, including interest, maturing on March 31, 2020	8,553,433	8,634,954
CFC, variable interest rate (4.25% at December 31, 1993), notes payable, due in quarterly installments approximating \$27,000, including interest, maturing through September 1999	600,665	677,550
CFC, 9.00% mortgage notes payable, due in quarterly installments approximating \$70,800, including interest, maturing through March 2014	2,626,959	2,671,138
CFC, 9.75% mortgage note payable, due in quarterly installments approximating \$19,700, including interest, maturing through December 2008	619,961	637,524
Cooperative members, 4.35% unsecured notes payable, due in quarterly installments approximating \$31,000, including interest, maturing on December 31, 2005	1,138,841	1,907,975
City of Council Bluffs, Iowa 5.650% to 6.125% Pollution Control Revenue Bonds guaranteed by CFC, due in semi-annual installments ranging from \$75,000 to \$165,000, maturing on December 1, 2007	3,240,000	3,390,000
Lousa County, Iowa, 3.00% - 4.65% Pollution Control Revenue Bonds guaranteed by CFC, due in annual installments ranging from \$215,000 to \$305,000, maturing on December 15, 2003	2,560,000	3,110,000
Eastern Iowa Light and Power Cooperative, 4% - 7% capital lease obligations, due in quarterly installments, including interest, approximating \$109,000 through 1998, and \$50,000 thereafter through 2013	3,245,319	3,667,063
Note payable, 9.5%, due in annual installments approximating \$6,500, including interest, maturing January 1999	25,073	32,321
Total long-term debt	222,724,030	208,442,810
Less current maturities	7,294,479	5,935,335
Total long-term debt, less current maturities	\$ 215,429,551	202,507,475

The aggregate maturities of long-term debt for each of the five years subsequent to December 31, 1993 are as follows: 1994, \$7,294,479; 1995, \$7,128,180; 1996, \$7,502,776; 1997, \$7,889,650, and 1998, \$8,168,464.

At December 31, 1993, the Cooperative had \$12,000,000 of unadvanced funds available under a short-term line of credit agreement with CFC which expires in November, 1994.

All assets of the Company are pledged to secure the long-term debt to REA, FFB and CFC. Subsequent to December 31, 1993, the Cooperative refinanced approximately \$20,200,000 of FFB mortgage notes payable at a cost of approximately \$2,000,000 to reduce interest rates ranging from 7.735% - 10.714% to 6.210% - 6.248%.

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, 1993 and 1992 amounted to \$319,000 and \$298,000, respectively.

Note 6
Pension Plan

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. At December 31, 1993, CIECO had net operating loss carryforwards of approximately \$1,700,000 for federal income tax purposes and \$1,900,000 for financial reporting purposes available to reduce future federal taxable income through 2008. CIECO also has unused investment tax credits of approximately \$44,000 available to reduce future income taxes through 2000. For financial reporting purposes, a portion of the tax loss carryforward and unused investment tax credits have been applied to eliminate net deferred tax credits. To the extent the tax loss carryforward and investment tax credits are used to offset income taxes for tax purposes, net deferred tax credits will be restored at the then current rates.

Note 7
Income Tax Status

The Cooperative's share of jointly owned generating facilities as of December 31, 1993, is reflected in the following table. These facilities provide approximately 50% 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.

Note 8
Jointly-Owned Electric Utility Plant

Unit	Percentage Ownership	Capacity MW	Electric Utility Plant, Net
DAEC	20.0%	108	\$81,737,079
Council Bluffs Unit No. 3	11.5	78	23,888,224
Louisa Generating Station	4.6	30	21,226,790

The Cooperative is committed under a subscription agreement with an affiliated venture capital corporation to purchase the remaining one-half of their subscribed preferred shares at a price of \$1,650,000 upon 60 days notice from the corporation's officers.

The Cooperative has entered into a coal supply contract that requires the annual purchase of 85,000 tons of coal (at \$24 per ton) through 1995.

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 1995. The Cooperative will recover any increased costs resulting from compliance with the environmental legislation through increased rates.

The Price-Anderson Amendments Act of 1988 (1988 Act) provides DAEC with the benefit of \$7.4 billion of public liability coverage consisting of \$200 million of insurance and \$7.2 billion of potential retroactive assessments from the owners of nuclear power plants. Under the 1988 Act, DAEC could be assessed a maximum of \$63 million per nuclear incident, with a maximum of \$10 million per year (of which the Cooperative's 20 percent ownership portion would be \$12.6 million and \$2 million, respectively), if losses relating to the accidents exceeded \$200 million. Pursuant to provisions in various nuclear insurance policies, DAEC could be assessed retroactive premiums in connection with a future accident at a nuclear facility owned by a utility participating in the particular insurance plan. With respect to excess property damage and replacement power coverages, DAEC could be assessed a maximum of \$4.5 million and \$1.0 million, respectively, if the insurer's losses relating to an accident exceeded its reserves.

Note 9
Commitments and Contingent Liabilities

Central Iowa Power Cooperative and Subsidiary

Ten Year Financial Summary

Unaudited

	1993	1992	1991 ⁽¹⁾
SUMMARY OF OPERATIONS			
Operating revenue	\$ 86,228,741	82,750,091	80,783,023
Operating expenses and interest:			
Purchased power	9,492,228	6,238,944	5,093,377
Operations, maintenance and other	35,860,601	36,718,806	37,160,245
Administrative and general	7,216,098	7,027,555	6,775,318
Depreciation and amortization	10,799,746	10,205,712	9,398,207
Decommissioning provision	1,770,725	1,204,770	1,069,870
Property and other taxes	5,544,600	5,533,611	5,211,472
Net interest charges	15,061,130	15,482,054	15,453,492
Total operating expenses and interest	85,745,128	82,411,452	80,161,981
Margin (loss) before other revenue	483,613	338,639	621,042
Other revenue	1,982,066	2,000,743	2,090,006
Net margin	\$ 2,465,679	2,339,382	2,711,048
ASSETS			
Electric utility plant	\$ 384,457,411	371,882,103	361,894,125
Less accumulated depreciation and amortization	168,641,832	156,930,198	145,171,769
Net electric utility plant	215,815,579	214,951,905	216,722,356
Net non-utility property and investments	30,267,892	28,352,028	23,142,382
Current assets	36,184,307	18,749,147	19,900,184
Deferred charges	6,442,156	5,197,969	3,986,348
Total assets	\$ 288,709,934	267,251,049	263,751,270
CAPITALIZATION AND LIABILITIES			
Members' equity	\$ 37,745,673	35,279,994	33,418,329
Long-term debt	215,429,551	202,507,475	204,381,424
Spent nuclear fuel disposal liability	-	-	-
Current liabilities	22,728,477	18,411,229	18,601,647
Decommissioning reserves	10,325,365	8,554,640	7,349,870
Special assessment and other liabilities	2,480,868	2,497,711	-
Total capitalization and liabilities	\$ 288,709,934	267,251,049	263,751,270

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

1990 ⁽¹⁾	1989 ⁽¹⁾	1988 ⁽¹⁾	1987 ⁽¹⁾	1986 ⁽¹⁾	1985 ⁽¹⁾	1984 ⁽¹⁾
76,062,827	74,003,293	73,190,171	68,805,228	67,660,629	71,132,939	64,242,148
6,994,000	4,596,355	3,549,839	4,511,217	3,228,972	10,651,421	9,310,487
32,720,503	33,383,176	34,725,741	31,144,655	29,793,316	27,569,688	26,630,591
5,758,753	5,140,751	4,357,809	3,787,341	3,231,141	3,073,865	2,592,445
10,788,846	9,400,390	9,377,277	8,910,470	8,546,967	7,253,123	7,698,875
1,725,699	1,001,790	1,028,832	929,960	838,831	754,887	-
4,971,856	4,710,889	4,364,878	4,243,785	4,222,102	3,994,490	4,206,417
15,237,629	15,283,640	14,830,577	15,323,888	15,769,131	14,500,285	13,496,875
78,197,286	73,516,991	72,234,953	68,851,316	65,630,460	67,797,759	63,935,690
(2,134,459)	486,302	955,218	(46,088)	2,030,169	3,335,180	306,458
4,098,528	2,093,041	1,744,943	1,713,438	1,726,608	1,034,308	809,938
1,964,069	2,579,343	2,700,161	1,667,350	3,756,777	4,369,488	1,116,396
348,703,621	351,945,766	339,859,546	315,296,237	305,693,465	295,189,519	293,659,876
133,099,805	137,980,323	127,792,910	117,308,959	107,009,719	96,551,822	87,457,382
215,603,816	213,965,443	212,066,636	197,987,278	198,683,746	198,637,697	206,202,494
18,448,543	16,234,231	16,301,544	14,016,197	11,290,315	9,341,109	9,290,756
23,024,779	22,686,762	19,708,998	29,492,565	29,299,708	25,142,825	15,022,757
5,012,018	7,537,685	9,343,599	10,335,627	11,591,849	12,522,126	6,835,981
262,089,156	260,424,121	257,420,777	251,831,667	250,865,618	245,643,757	237,351,988
30,707,281	28,743,212	26,163,869	23,495,994	21,828,644	18,071,867	13,702,379
209,197,377	213,767,922	212,957,991	213,794,778	215,331,259	213,309,618	202,731,539
15,904,498	13,358,686	14,746,407	12,017,216	12,111,996	13,507,385	4,735,981
6,280,000	4,554,301	3,552,510	2,523,679	1,593,719	754,887	16,182,089
-	-	-	-	-	-	-
262,089,156	260,424,121	257,420,777	251,831,667	250,865,618	245,643,757	237,351,988

Member Cooperative Operating Statistics

Unaudited

	Adams	Benton	Buchanan	Clarke	Eastern
SUMMARY OF OPERATIONS:					
Operating Revenue	\$ 2,453,525	4,616,913	6,160,676	5,253,918	25,807,276
Purchased Power	1,375,214	3,115,831	4,203,062	2,742,039	16,750,878
Operating Expenses	577,522	924,527	917,961	1,272,704	4,028,769
Depreciation	181,312	201,040	311,851	408,254	1,556,182
Tax Expense	59,190	109,407	131,463	169,371	571,992
Interest Expense	179,833	262,293	455,736	401,047	1,239,003
Total Cost -					
Electric Service	\$ 2,373,071	4,613,098	6,020,073	4,993,415	24,146,824
Operating Margins	80,454	3,815	140,603	260,503	1,660,446
Non-operating Margins & Capital Credits	85,773	119,049	211,475	142,141	879,805
Patronage Capital or Margins	\$ 166,227	122,864	352,078	402,644	2,540,251

ASSETS AND OTHER DEBITS:

Total Utility Plant	6,089,036	9,603,149	12,578,154	14,764,346	53,809,018
Accumulated Depreciation & Amortization	1,884,032	2,330,747	3,185,068	4,901,412	15,148,911
Net Utility Plant	4,205,004	7,272,402	9,393,086	9,862,934	38,660,107
Property & Investments	985,894	1,422,924	1,723,272	1,680,735	8,984,487
Current & Accrued Assets	854,555	525,123	1,968,241	1,812,874	10,222,069
Deferred Debits	10,246	1,029	44,293	3,143	106,710
Total Assets & Other Debits	\$ 6,055,699	9,221,478	13,128,892	13,359,686	57,973,373

LIABILITIES AND OTHER CREDITS:

Margins & Equities	2,025,448	4,186,179	5,277,881	4,150,803	27,338,637
Long Term Debt	3,790,651	3,978,183	7,520,424	8,617,812	27,864,258
Current & Accrued Liabilities	229,116	1,047,532	310,908	542,888	2,635,939
Deferred Credits & Misc. Oper. Reserves	10,484	9,584	19,679	48,183	134,539
Total Liabilities & Other Credits	\$ 6,055,699	9,221,478	13,128,892	13,359,686	57,973,373

OTHER STATISTICS:

Miles of Line	787	944	1,218	1,742	4,422
Consumers Served	1,690	3,481	3,506	4,193	19,630
Consumers Per Mile	2.1	3.7	2.9	2.4	4.4
kWhs sold per consumer	15,063	16,635	22,571	11,879	15,654
MWh Sales	25,457	57,906	79,134	49,809	307,291
Annual Revenue per Consumer	\$1,452	\$1,326	\$1,757	\$1,253	\$1,315
Plant Investment per Consumer	\$3,603	\$2,759	\$3,588	\$3,521	\$2,741

* This data represents the combined service territories of Green County Rural Electric Cooperatives.



Kenneth Stone
Adams County
Cooperative
Electric Co. and
Nyman Electric
Cooperative, Inc.



Martin Gardner
Benton County
Electric Cooperative
Association and
Buchanan County
Rural Electric
Cooperative, Inc.



Tom Killebrew
Clarke Electric
Cooperative, Inc.



Melvin Nicholas
Eastern Iowa
Light and Power
Cooperative



John Wietzke
Farmers Electric
Cooperative, Inc.



Frank Mains
Guthrie County Rural
Electric Cooperative



Kim Colberg
Linn County Rural
Electric Cooperative



Dorothy Postel
Maquoketa Valley
Rural Electric
Cooperative



Dan Bohlke
Marshall County
Rural Electric
Cooperative

Farmers	Guthrie	Linn	Maquoketa	Marshall	Midland*	Nyman	Pella	Rideta	T. I. P.	Total
7,627,574	5,140,915	13,967,507	16,707,984	5,659,127	13,269,919	1,940,601	3,060,447	3,070,854	7,875,152	122,612,382
4,886,312	2,985,250	9,228,474	12,180,065	3,663,669	8,475,438	1,092,159	1,930,881	1,655,019	4,972,152	79,256,443
1,177,905	1,385,615	2,804,492	2,377,527	1,128,517	2,368,256	560,772	627,161	718,605	1,657,414	22,527,747
493,916	322,551	623,101	722,010	319,331	892,661	105,678	135,427	270,446	372,581	6,916,341
159,097	111,532	304,872	310,029	121,875	289,237	53,215	77,179	95,736	160,188	2,724,383
455,332	339,109	829,912	555,586	276,879	829,622	119,131	130,648	253,512	508,860	6,836,503
7,172,562	5,144,057	13,790,851	16,145,217	5,510,271	12,855,214	1,930,955	2,901,296	2,993,318	7,671,195	118,261,417
455,012	(3,142)	176,656	562,767	148,856	414,705	9,646	159,151	77,536	203,957	4,350,967
150,816	185,460	370,043	506,276	174,427	270,823	46,431	74,718	70,546	300,584	3,588,367
605,828	182,318	546,699	1,069,043	323,283	685,528	56,077	233,869	148,082	504,541	7,939,334
16,125,603	11,789,811	26,244,147	26,993,261	10,765,117	31,884,337	4,062,043	5,538,726	9,004,093	14,625,619	253,876,460
4,509,662	4,400,800	5,972,869	9,897,249	4,011,557	8,818,627	1,380,369	2,028,707	2,754,082	4,277,411	75,501,503
11,615,941	7,389,011	20,271,278	17,096,012	6,753,560	23,065,710	2,681,674	3,510,019	6,250,011	10,348,208	17,374,957
1,873,367	1,335,506	3,071,561	4,654,220	1,697,306	3,354,193	545,460	1,261,489	770,421	1,972,967	35,333,802
1,869,309	3,224,688	2,932,005	3,934,796	1,627,117	3,267,407	410,813	880,562	649,224	3,618,426	37,797,209
(38,645)	27,845	227,500	56,091	17,238	67,777	35,283	11,701	2,303	18,071	590,585
15,319,972	11,977,050	26,502,344	25,741,119	10,095,221	29,755,087	3,673,230	5,663,771	7,671,959	15,957,672	252,096,553
5,988,281	4,720,417	7,956,261	15,270,661	4,539,396	11,177,151	1,251,849	2,741,145	2,314,744	7,512,866	106,451,719
8,328,949	6,628,572	15,092,712	9,781,083	4,967,742	15,865,218	1,982,779	2,602,927	4,908,234	7,648,422	129,577,966
967,493	627,975	3,440,117	581,127	565,946	2,691,597	436,722	310,556	421,491	802,841	15,612,248
35,249	86	13,254	108,248	22,137	21,121	1,880	9,143	27,490	(6,457)	454,620
15,319,972	11,977,050	26,502,344	25,741,119	10,095,221	29,755,087	3,673,230	5,663,771	7,671,959	15,957,672	252,096,553
1,751	1,385	1,694	2,983	1,068	2,781	592	583	1,248	1,723	24,921
4,672	4,516	11,606	11,623	3,975	8,128	1,428	2,030	2,590	5,393	88,461
2.7	3.3	6.9	3.9	3.7	2.9	2.4	3.5	2.1	3.1	3.5
21,057	12,186	13,833	18,328	16,675	19,861	14,807	17,016	11,964	16,952	16,418
98,379	55,032	160,545	213,027	66,285	161,434	21,145	34,543	30,987	91,422	1,452,396
\$1,633	\$1,138	\$1,203	\$1,437	\$1,424	\$1,633	\$1,359	\$1,508	\$1,186	\$1,460	\$1,386
\$3,452	\$2,611	\$2,261	\$2,322	\$2,708	\$3,923	\$2,845	\$2,728	\$3,476	\$2,712	\$2,870

nd Hardin County Rural Electric Cooperative



Don Severson
Midland Power
Cooperative



John Smith
Pella Cooperative
Electric Association



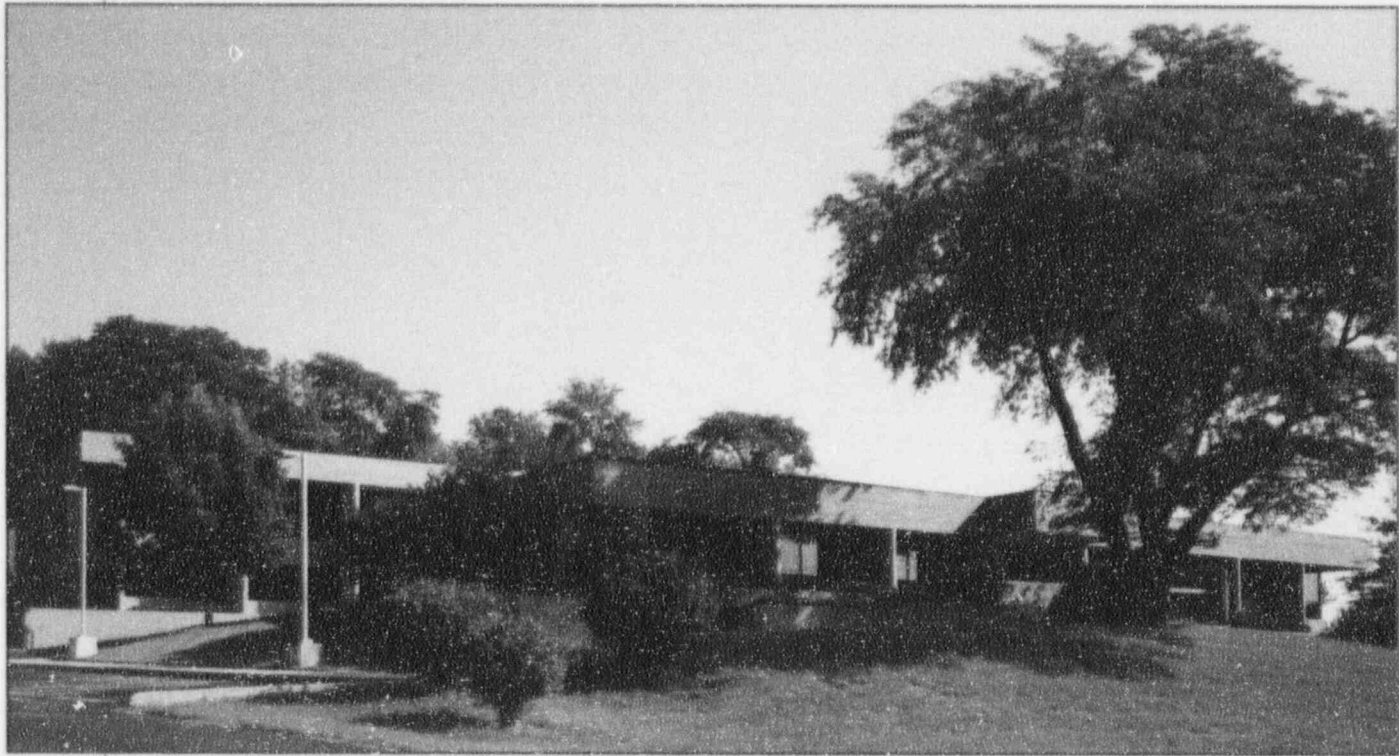
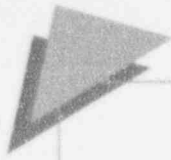
Timothy Stewart
Rideta Electric
Cooperative, Inc



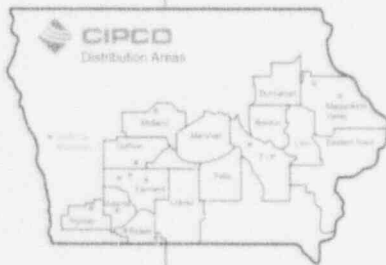
Dave Ferris
South Iowa Municipal
Electric Cooperative
Association



Darrel Heetland
T.I.P. Rural Electric
Cooperative



- Adams County Cooperative Electric Co. • Corning
- Benton County Electric Cooperative Association • Vinton
- Buchanan County Rural Electric Cooperative, Inc. • Independence
- Clarke Electric Cooperative, Inc. • Osceola
- 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 Rural Electric Cooperative • Anamosa
- Marshall County Rural Electric Cooperative • Marshalltown
- Midland Power Cooperative • Jefferson
- Nyman Electric Cooperative, Inc. • 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, Greenfield,
 - Lamoni, Lenox, Stuart, Villisca, Winterset
- T.I.P. Rural Electric Cooperative • Brooklyn



Central Iowa Power Cooperative

1400 Highway 13 S.E., P.O. Box 2517, Cedar Rapids, Iowa 52406 • 319-366-8011