

Soyland Power Cooperative, Inc.

1982 Annual Report



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Clay Electric Co-operative, Inc.
Flora, Illinois
James E. Campbell, Manager

Clinton County Electric Cooperative, Inc.
Breese, Illinois
Robert W. Vander Pluym, Manager

Coles-Moultrie Electric Cooperative
Mattoon, Illinois
C. E. Ferguson, Manager

Corn Belt Electric Cooperative, Inc.
Bloomington, Illinois
Jeffrey D. Reeves, Manager

Eastern Illinois Power Cooperative
Paxton, Illinois
David A. Fricke, Manager

Edgar Electric Co-operative Association
Paris, Illinois
Maurice C. Johnson, Manager

Farmers Mutual Electric Company
Geneseo, Illinois
Edgar G. Arnn, Manager

Illini Electric Cooperative
Champaign, Illinois
Walter R. Smith, Manager

Illinois Valley Electric Cooperative, Inc.
Princeton, Illinois
Timothy L. Christensen, Manager

McDonough Power Cooperative
Macomb, Illinois
Robert E. Pendell, Manager

Monroe County Electric Co-Operative, Inc.
Waterloo, Illinois
Joseph J. Fellin, Manager

Shelby Electric Cooperative
Shelbyville, Illinois
William E. LeCrone, Manager

Southwestern Electric Cooperative, Inc.
Greenville, Illinois
Robert H. Neece, Manager

Tri-County Electric Cooperative, Inc.
Mt. Vernon, Illinois
Allen Sisk, Manager

Wayne-White Counties Electric Cooperative
Fairfield, Illinois
Bill Endicott, Manager

Member-cooperatives

Soyland Power Cooperative, Inc., was organized in September 1963 under provisions of the General Not-For-Profit Corporation Act of the State of Illinois. The organizers were six electric distribution cooperatives whose leaders saw Soyland as the means to gaining self-owned electric energy generation at a time when wholesale bulk power supplies were not assured and costs were an increasing burden on cooperative memberships.

With just six member-systems, feasibility studies determined that Soyland could not economically develop self-owned generation. All that changed when, on April 23, 1975, nine additional electric distribution cooperatives joined the original six, and plans were launched for a long-term power generation mix to meet the needs of the 15 cooperatives and their member-owners.

It was against a background of high bulk power costs that Soyland entered into an agreement to purchase a 10½ percent ownership share in the nuclear Clinton Power Station, located in DeWitt County, Illinois. The Clinton Power Station will provide Soyland with approximately 100 megawatts of generating capacity to help meet the electricity demands of its 15 member-systems.

Soyland is exploring options for long-term bulk power supply for its 15 distribution cooperatives. When long-term arrangements are agreed upon, all member-cooperatives will benefit by lower bulk power costs than would otherwise be obtainable, and members will exercise full control over their bulk power supply.

As a generation and transmission cooperative, Soyland is owned by the 15 member-systems that joined to provide their own electric generation. Its owners are also cooperatives, owned by the more than 100,000 consumers who depend on the cooperatives for their electric energy requirements. The distribution cooperatives are governed by a board of directors elected from among their memberships. Each member-cooperative board of directors annually elects two from its number to serve on the board of directors of Soyland. It is Soyland's 30 elected directors who set the policies that govern the operations of the cooperative.

Soyland is dedicated to the true cooperative spirit, working as one for the benefit of all to secure a long-term, reliable electric power supply.



Working as One for the Benefit of All



Officers and directors seated from left: Timothy L. Christensen, Joe Danielson, C. E. Ferguson, Allen Sisk, Lyndall Pigg, David A. Fricke, William D. Champion and Maurice C. Johnson. Second row: Jack Ludwig, D. E. Hanes, John W. H. Tompkins, Walter R. Smith, Jeffrey D. Reeves, James F. Beatty, James E. Campbell, William E. LeCrone, William L. Stanford, Donald F. Sanders and Edgar G. Arnn. Top row: Joseph J. Fellin, Byron G. McCoy, Irvin W. Wessel, Robert W. Vander Pluym, Larry Hosselton, L. Eugene Boldt, Robert E. Pendell, Bill Endicott, Thomas W. Rosenberg (alternate) and Robert H. Neece. Absent: Paul Mallinson and Preston Mosbacher.

Board of directors

President
C. E. Ferguson
P.O. Box 709
Mattoon, Illinois 61938

Vice President
Allen Sisk
P.O. Drawer 309
Mt. Vernon, Illinois 62864

Secretary-Treasurer
David A. Fricke
P.O. Box 96
Paxton, Illinois 60957

Assistant Secretary
Lyndall Pigg
RFD 1
Bushnell, Illinois 61422

Edgar G. Arnn
P.O. Box 43
Geneseo, Illinois 61254

D. E. Hanes
RFD 6
Mt. Vernon, Illinois 62864

Robert H. Neece
P.O. Box 409
Greenville, Illinois 62246

James F. Beatty
RFD 1, Box 120
Philo, Illinois 61864

Larry L. Hosselton
RFD 2
Clay City, Illinois 62824

Robert E. Pendell
P.O. Box 352
Macomb, Illinois 61455

L. Eugene Boldt
RFD 1
Stewardson, Illinois 62463

Maurice C. Johnson
P.O. Box 190
Paris, Illinois 61944

Jeff Reeves
P.O. Box 816
Bloomington, Illinois 61701

James Campbell
P.O. Box 517
Flora, Illinois 62839

William E. LeCrone
P.O. Box 166
Shelbyville, Illinois 62565

Donald F. Sanders
RFD 2
Ramsey, Illinois 62080

William D. Champion
RFD 1, Box 66
Gays, Illinois 61928

Jack Ludwig
RFD 1
Fithian, Illinois 61844

Walter R. Smith
P.O. Box 637
Champaign, Illinois 61820

Timothy L. Christensen
P.O. Box 70
Princeton, Illinois 61356

Paul Mallinson
RFD 2
Geneseo, Illinois 61254

William L. Stanford
RFD 1
Flora, Illinois 62839

Joe Danielson
RFD 5
Princeton, Illinois 61356

Syron C. McCoy
RFD 3
Paris, Illinois 61944

John W. H. Tompkins
RFD 1
LeRoy, Illinois 61752

Bill Endicott
P.O. Drawer E
Fairfield, Illinois 62837

Preston A. Mosbacher
P.O. Box 5
Fults, Illinois 62244

Robert W. Vander Pluym
P.O. Box 40
Breese, Illinois 62230

Joseph J. Fellin
P.O. Box 128
Waterloo, Illinois 62298

Irvin W. Wessel
RFD 4
Centralia, Illinois 62801

Officers and directors



During the past year, the Board of Directors re-examined the direction of Soyland Power Cooperative. This re-examination has resulted in a change in direction but not a change in Soyland's basic philosophy of providing reliable and economical electric power to our more than 100,000 member-consumers.

As you are well aware, external conditions resulting during the past year or two, in addition to the American economy overall, made such a re-evaluation by the Board necessary. I would like to review with you the power supply situation and actions taken by Soyland beginning in 1975 when the 15 cooperatives united in search of a reliable and economical power supply.

Soyland was originally conceived to develop self-owned generation and, in light of projected shortages, embarked on an ambitious course to do just that. This was a reasonable, prudent and responsible action. At that time the Illinois cooperatives were experiencing an average load growth in the 8 percent range and an economy that reflected significant growth.

During the last few years we have witnessed economic

stagnation and a recession resulting in minimal load growths of only a few percent. We have experienced extremely high interest rates — 16 percent or more — double-digit inflation, and increased regulatory requirements, which all contributed to high costs associated with construction of generating plants. After an in-depth review of the costs associated with construction of the Pike County Generating Plant, in addition to Soyland's participation in the nuclear Clinton Power Station and the resultant impact it would have on rates, the Board of Directors elected to defer the Pike County project.

The decision to defer construction was not an easy one and was made only after considerable review and exhaustive economic feasibility studies were completed. The decision was made in the best interest of the member-consumer and is reflective of Soyland's basic purpose of providing reliable and economical electric power for our members. As part of the Board's consideration in arriving at this decision, Soyland has available to it, on an ownership basis, capacity from existing power plants. This ownership participation will result in significantly lower power costs than had we proceeded with the Pike County project alone.

We are pursuing joint participation and/or ownership in various plants, which will allow a wider distribution of risk. Although the decision of the Board in these serious matters affecting your cooperative was not unanimous, the Board has accepted the decision made by the majority and is supporting the activities under way such that Soyland can and will accept full utility responsibility now and in the future. Soyland will become a power cooperative that its members can be proud of.

Soyland is an organization of dedicated individuals who are working as one for the benefit of all. Men like Walter R. Smith, manager of Illini Electric Cooperative, exemplify this spirit. He served as president of Soyland for 20 years since the cooperative was organized with six charter members in 1963. Although Walt approaches retirement this year and has stepped aside from his position as president, he remains a leader in the eyes of all of us who worked with him throughout the history of Soyland. Walt's dedication to the rural electrification program is an inspiration to all of us to remain united in serving our members.

I wish to thank each of you for your support given to me in these important matters and express my appreciation to the Board of Directors and staff for their cooperation.

C. E. Ferguson

C. E. Ferguson

President's report



In conjunction with decisions made by the Board of Directors of Soyland Power Cooperative, I came on board as general manager on April 1, 1983, to help in the endeavors of your Board. In reviewing the situation at Soyland, there were two courses of action that required immediate attention: (1) establishing an ongoing utility operation, and (2) deferring the Pike project.

Soyland's 400-plus megawatt load is primarily being served by Illinois Power Company and Central Illinois Public Service Company. We utilize the generation and transmission facilities of both companies for service to our members. We have been working since April with these companies in negotiations that will provide for Soyland's future as an independent power supplier. To reach this point, Soyland must have generation, transmission rights, and dispatching of power and energy to its delivery points. Due to the present excess capacity of most major utilities in our area and surrounding states, we have available to us capacity for ownership or purchase as required. From negotiations that have gone on, we fully expect to reach fair and equitable agreements with our utility neighbors, such that Soyland can pro-

vide a dependable source of electric power in the most economical fashion.

There has been and perhaps will continue to be real concern over deferral of the Pike project. When the Pike project was initiated, Soyland was experiencing average load growths in the 8 percent range and long-term interest costs were in the 8 percent to 9 percent range. At that time these figures looked realistic and, based on projected load growth of 7 percent to 7.5 percent, the decision was made to construct Pike.

We all know what happened next. Through conservation and changing economic conditions, costs associated with this project nearly doubled. At the time your Board of Directors took action to defer, we were looking at capital costs in the area of \$900 million for the Pike plant alone, resulting in an annual revenue requirement to be paid by the members of \$135 million for ownership costs only. In addition, the cooperative is committed to 100 MW of ownership in the nuclear Clinton Power Station that is now estimated to require a capital investment of approximately \$450 million, or \$70 million annual revenue to be paid by the members. Had Soyland's load growth remained in the 8 percent annual increase range, these costs could have been absorbed with reasonable increases in wholesale power costs. When we are experiencing minimal load growth in the 2 percent to 3 percent range, it is evident that costs to the consumers would have increased very significantly.

The Pike generating site is a valuable asset of Soyland and will be utilized in the future as a generating site to meet Soyland's requirements. In the interim we are proceeding to obtain ownership in existing generating plants, such that these lower costs can be blended with the high costs associated with the Clinton ownership and provide a dependable source of electric power to our members at reasonable rates. With your continued cooperation, these goals are attainable.

I wish to express my appreciation to the Board of Directors and staff in their support of these endeavors and through continued cooperation we will all make Soyland a generation and transmission cooperative of which we can be proud.

E. H. Williams

General manager's report



The 950-megawatt Clinton Power Station is scheduled for commercial operation in November 1986. Illinois Power Company, with its 80 percent interest, is the operating partner of the Clinton Power Station. Western Illinois Power Cooperative, Inc., a federation of seven Illinois electric distribution cooperatives, owns 9.5 percent of the Clinton plant. Soyland owns 10.5 percent — approximately 100 megawatts of generating capacity.

Two major changes in management of construction at the Clinton nuclear power station site were made during 1982. In September, a new Illinois Power Company vice president, Donald P. Hall, was given responsibility for the Clinton Power Station quality assurance activities. Hall is also responsible for start-up and operations of the plant, and for Illinois Power Company's nuclear station engineering department. Hall is a retired U.S. Navy rear admiral with experience in management of the Defense Department's largest weapons program and civilian experience in management of nuclear energy programs.

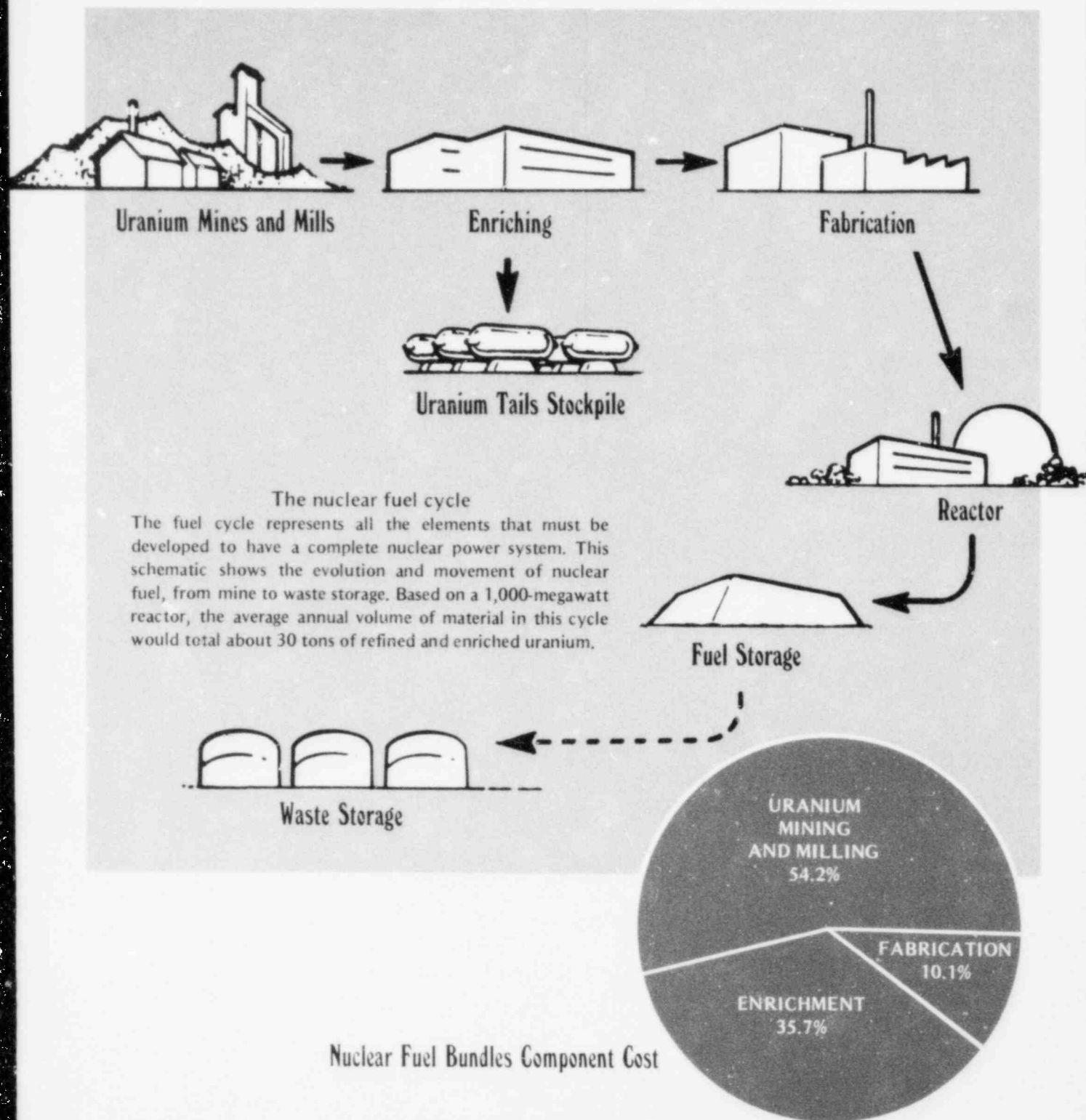
In October, Illinois Power obtained the services of Stone and Webster Engineering Corporation to augment project management at the construction site during the critical later phases of construction and preparation for operation of the plant. Stone and Webster has completed 10 nuclear plants for seven utilities and is working on five other nuclear plants.

Construction at the site proceeded at a reduced rate in several areas during much of the year because of several stop-work orders affecting specific jobs. The stop work orders resulted from concern that, in general, inspection and documentation of completed work was not adequately keeping pace with construction. The craft work force at the plant was reduced by about one-fourth because of the stop-work orders. However work is being resumed, with the Nuclear Regulatory Commission's approval, on an incremental basis in each of the areas affected by the orders.

Two major licensing milestones were reached in 1982: the issuance of the Safety Evaluation Report by the NRC, followed by reviews and a favorable letter by the Advisory Committee on Reactor Safeguards. Each concluded that the Clinton Power Station can be operated without undue risk to the health and safety of the public.

Another milestone, fuel loading and testing, will mark the beginning of the end of construction at Clinton Power Station. Because of the significance of this procedure in the start-up of the plant, the nuclear fuel cycle is explained on the following pages of this report.

Clinton Power Station



The Nuclear Fuel Cycle

Uranium required for the Clinton Power Station through 1995 will be provided by Kerr-McGee Nuclear Corporation. Fuel enrichment requirements will be provided by the U.S. Department of Energy. The final step of preparing uranium for reactor fuel, the fuel fabrication stage, will be provided by General Electric Company.

Mining uranium ore is the first step in the fuel cycle for light water reactors. Mining is the physical removal of uranium ore from the ground. Most of the domestic uranium reserves are in the Colorado Plateau, the Wyoming Basins, and the Coastal Plain of Texas. Ore obtained from mines in the United States averages .25 percent uranium oxide.

After being mined, uranium is sent to a mill to be crushed and ground. The milling process concentrates the uranium from the ore. The mill produces "yellowcake," which has a large concentration of the uranium compound U_3O_8 . Natural uranium contains less than 1 percent of uranium 235, which naturally possesses the tendency to split apart, or fission. Fission results in the release of energy as heat. The remaining 99 percent of natural uranium is uranium 238, which is very difficult to fission.

The concentration of U-235 can be increased by converting the yellowcake to another chemical form and then processing it in an enrichment plant. The enrichment process increases the content of fissionable U-235 from 0.7 percent as it occurs in natural uranium to the 2 to 4 percent level needed to fuel light water reactors. This minimal level of enrichment enables the fuel to be handled without any danger or hazard to the public.

After uranium is enriched enough to be used in a reactor it is fabricated into nuclear fuel pellets. The fuel pellets are grouped into fuel assemblies and placed in the core of the reactor.



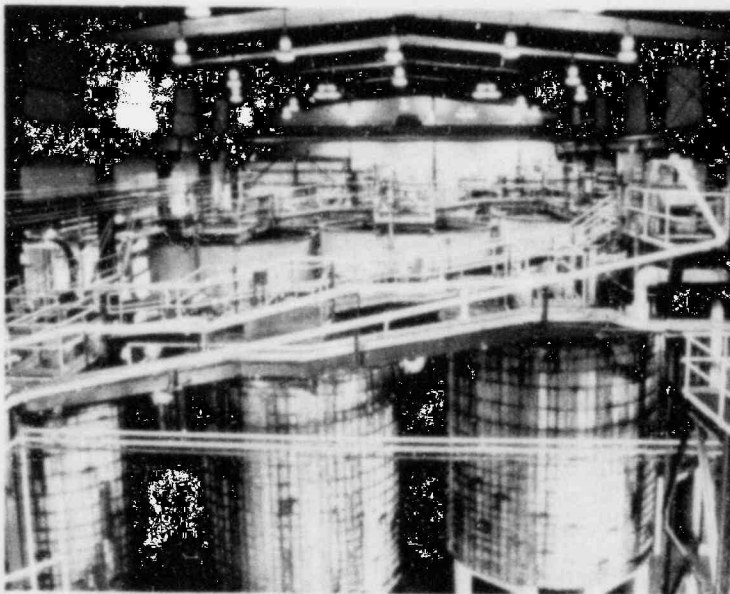
Exploration

Core samples taken from a prospective uranium ore deposit are readied for the lab. Analysis will determine the grade of ore and the extent of the deposit, among other things.



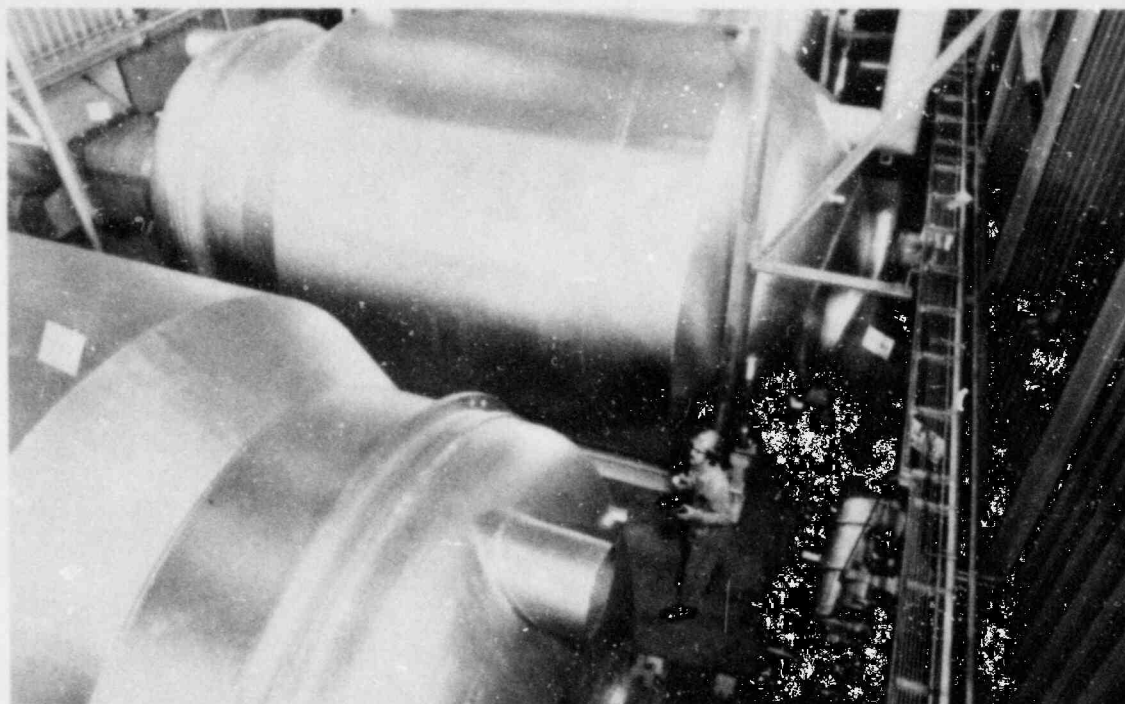
Mining

A miner operates a remote-controlled front-end loader at a uranium mine in New Mexico. The loader is being used in a section of the mine where access by mining personnel is difficult.



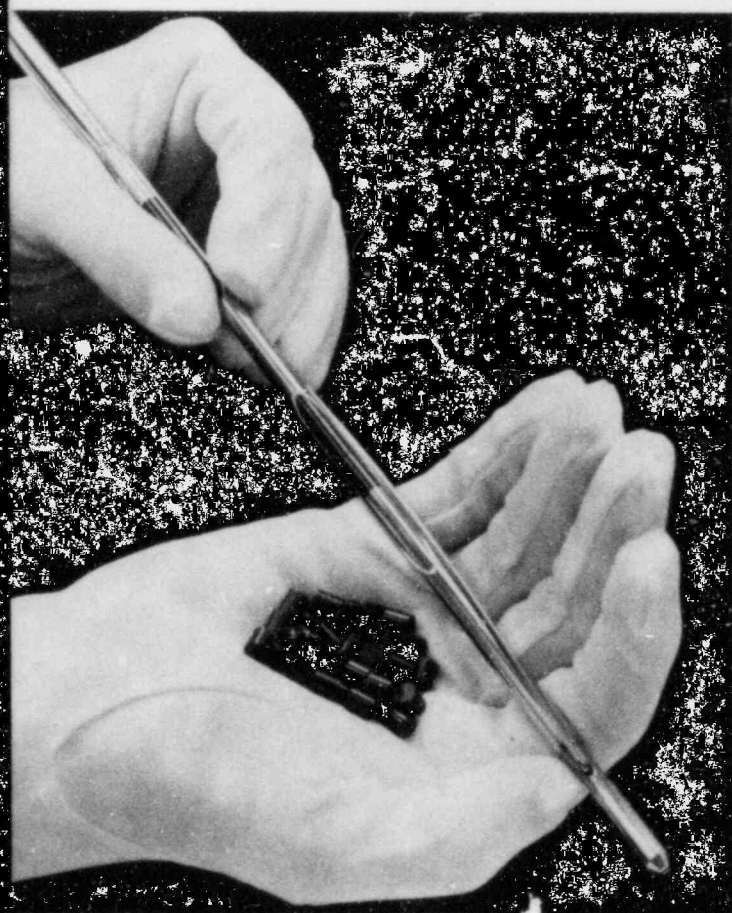
Milling

Leaching tanks are used in the milling process to dissolve the uranium from its host rock.



Enrichment

The uranium, in the form of a gas, is pumped through various compressors, diffusers and pipes to achieve the desired enrichment for ultimate use in a nuclear power plant.



Uranium fuel fabrication

After enrichment, uranium oxide powder is formed into half-inch-long pellets. The energy content of each fuel pellet is about the same as one ton of coal, four barrels of crude oil, or 157 gallons of regular gasoline.

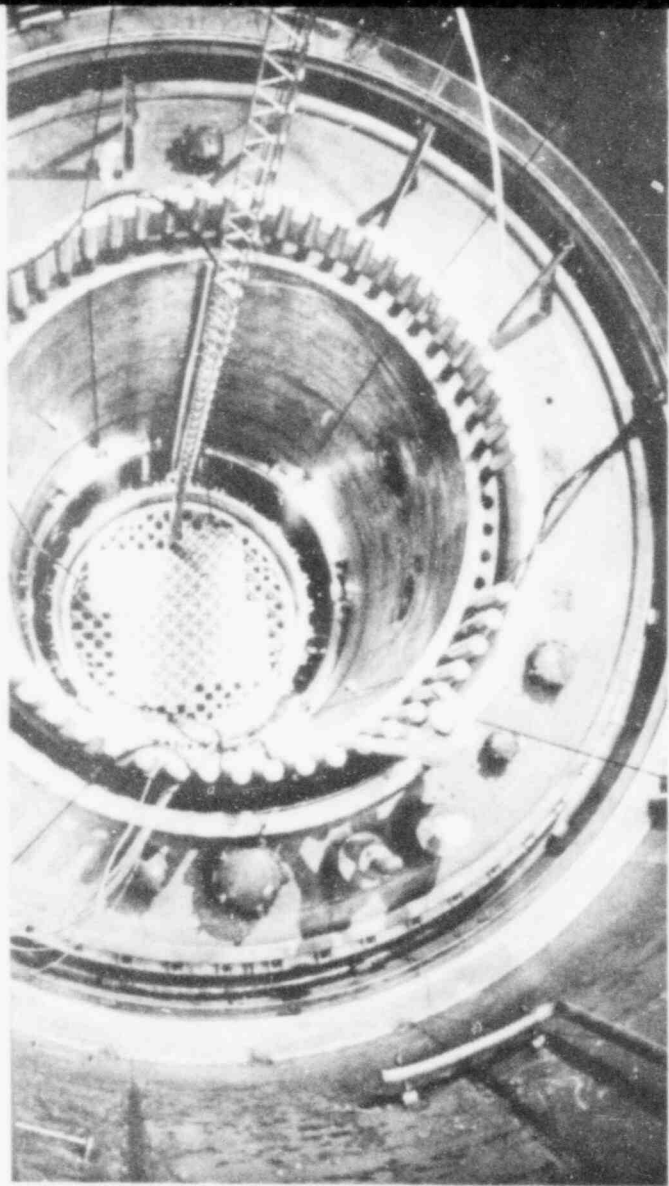
The first step in fabricating the fuel assemblies is to reduce the raw uranium oxide to the desired particle size by compaction, crushing, and screening. It is then pelletized at high pressures. The pellets are finally heated into a coherent mass at a high temperature in a reducing atmosphere and ground to proper diameter. They are then arranged in proper stack lengths and checked for uranium content. The proper stack length and weight is inserted into a zircaloy tube, which has one end capped and welded. Helium is then injected into the tube and the other end of the tube is capped and welded.

Fuel tubes are positioned into the desired array in a grid structure. The assembly is then equipped with end fittings for handling and placement and for guiding the coolant as it enters and leaves the assembly. Each fuel assembly is approximately 14 feet long and 5½ inches square in section.

Nuclear power inherently offers enormous savings in fuel costs. The costs of coal, oil, and gas have risen greatly because of supply limitations, the difficulty of getting them out of the ground and the costs of transportation. Instead of the steady stream of fuel deliveries (2 million tons or 20,000 railcars of coal, or 10 million barrels of oil a year for comparable fossil plants), nuclear fuel is delivered to a plant site once each year or two. Nuclear fuel accounts for less than 15 percent of the total electricity production costs in a nuclear power plant. The fuel costs for a nuclear plant is only half that of a comparably sized coal-fired generating plant.

Nuclear reactors are made safe through good engineering, careful construction, thorough inspection and quality assurance, and comprehensive operator training. To make certain that radioactive materials, the by-products of fission, are retained within the reactor system, they are enveloped by a series of physical barriers.

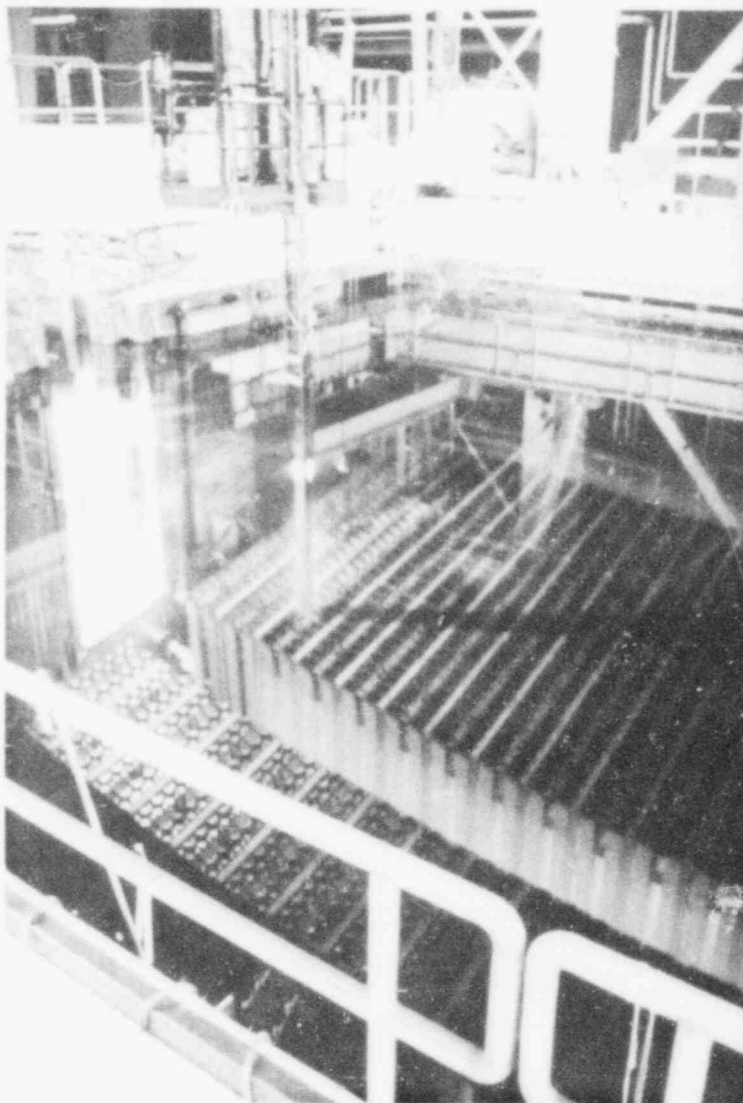
First is the nuclear fuel itself: dense ceramic pellets inside



Reactor core reloading

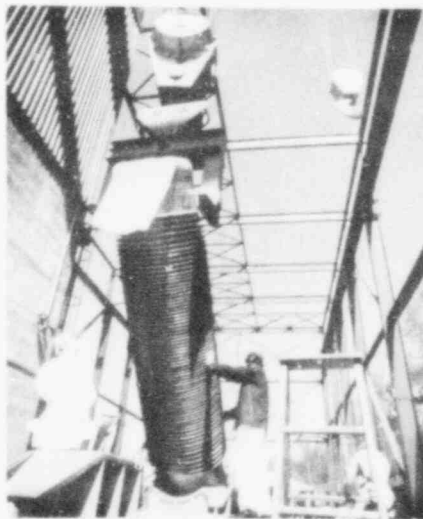
With the reactor head removed, used fuel can be withdrawn from the reactor core and replaced with new assemblies of uranium dioxide fuel. A typical boiling water reactor undergoes one such refueling every 12 or 18 months, at which time approximately one-fourth to one-third of the fuel inventory is replaced.

which most of the fission products remain bound. The pellets are then sealed into the zirconium alloy fuel rods which add an additional safety layer. The next layer is the steel reactor pressure vessel surrounding 38,688 fuel rods. Enclosing the reactor and coolant systems is the drywell, a concrete structure designed to channel steam released during an unlikely loss of coolant accident to the suppression pool where the steam would condense. The suppression pool is at the bottom of the primary containment: a huge, leak-tight shell of steel and reinforced concrete. Surrounding all of this is the shield building, a reinforced concrete structure with walls three or more feet thick. The next layer is a standby gas treatment layer of sealed metal sheeting and the Clinton Power Station's final external layer is a protective blue metal sheeting. To reach the environment, radioactive fission products would have to penetrate each of these layers in succession.



Spent fuel pool

After removal from the reactor core, the spent fuel assemblies are stored in pools of water at the plant site to allow some of the radioactive fission products to decay.



Spent nuclear fuel shipping cask
Spent fuel assemblies are shipped from the power plant in specially designed casks.

BENNETT & MIDDENDORF, LTD.

901 York Street
Quincy, Illinois 62301

217 / 222-1142

The Board of Trustees
Soyland Power Cooperative, Inc.
Decatur, Illinois

We have examined the balance sheet of the Soyland Power Cooperative, Inc. as of December 31, 1982, and the related statements of operations and changes in financial position for the period from June 1, 1963 to December 31, 1982. Our examination was made in accordance with generally accepted auditing standards for a development stage enterprise, and included such other auditing procedures as we considered necessary in the circumstances.

As discussed in Note 6 to the financial statements, the Board of Directors, at its February 24, 1983 board meeting adopted a resolution stating that all work on the Soyland Generating Facility cease immediately. The ultimate outcome of financial obligations relating to the suspension of this facility including contract cancellation charges cannot presently be determined.

In our opinion, subject to the effects of the uncertainty referred to in the preceding paragraph, the financial statements referred to in the first paragraph present fairly the financial position of Soyland Power Cooperative, Inc. as of December 31, 1982 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Quincy, Illinois
March 3, 1983
August 1, 1983

Bennett + Middendorf, Ltd.
Certified Public Accountants

Balance Sheet

DECEMBER 31, 1982

ASSETS

UTILITY PLANT

Construction work in progress.		\$280,537,180.02
General plant.	\$ 103,105.98	
Less: Accumulated depreciation	<u>26,527.86</u>	<u>76,578.12</u>

INVESTMENTS

Patronage capital from associated organization	\$ 668,341.00	
Other investment in associated organization	<u>1,000.00</u>	<u>669,341.00</u>

CURRENT ASSETS

Cash — general.	\$ 100,147.01	
Cash — construction funds — trustee.	42,914.80	
Temporary cash investment.	2,699,054.11	
Accounts receivable — customers	3,838,586.26	
Accounts receivable — employees	3,587.85	
Prepayments	<u>3,010.39</u>	<u>6,687,300.42</u>

DEFERRED DEBITS	<u>54,354.62</u>	
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Total Assets.		<u>\$288,024,754.18</u>
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LIABILITIES AND EQUITIES

EQUITIES

Memberships	\$ 1,500.00
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LONG-TERM DEBT

Mortgage notes payable.	249,130,000.00
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OTHER CURRENT LIABILITIES

Notes payable — CFC	\$16,651,724.19	
Notes payable — other.	1,078,296.71	
Accounts payable — purchased power. .	5,333,804.15	
Accounts payable — other.	11,784,631.95	
Accrued taxes — payroll	3,386.34	
Accrued interest	559,087.82	
Accrued expense.	<u>26,298.06</u>	<u>35,437,229.22</u>

DEFERRED CREDITS	<u>3,456,024.96</u>	
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Total Liabilities and Equities.		<u>\$288,024,754.18</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

Statement of operations

FOR THE YEAR ENDED DECEMBER 31, 1982, AND
FOR THE PERIOD FROM JUNE 1, 1963, TO DECEMBER 31, 1982

	Year ended December 31, 1982	June 1, 1963 to December 31, 1982
OPERATING REVENUE		
Electric energy revenue	\$36,923,215.21	\$36,923,215.21
Proceeds from assessments to Member Cooperatives ..	-0-	32,583.83
	<u>\$36,923,215.21</u>	<u>\$36,955,799.04</u>
OPERATING EXPENSES		
Purchased power:	\$36,518,343.31	\$36,518,343.31
General office salaries and expense	228,057.29	228,715.80
Special services	16,608.55	43,526.37
Insurance	3,235.25	3,235.25
Employee welfare expense and insurance	51,287.24	51,287.24
Directors' fees and mileage	32,226.39	33,291.39
Dues paid associated organizations	5,546.75	9,746.75
Miscellaneous general expense	35,645.41	35,645.41
Maintenance of general plant	4,113.96	4,113.96
Depreciation expense	6,640.32	6,640.32
Taxes — payroll	24,374.07	24,374.07
	<u>\$36,926,078.54</u>	<u>\$36,958,919.87</u>
Net Loss From Operations	(\$ 2,863.33)	(\$ 3,120.83)
NON-OPERATING INCOME		
Interest income	<u>2,863.33</u>	<u>3,120.83</u>
Net Income	<u>-0-</u>	<u>-0-</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1982

1. SUMMARY OF ACCOUNTING POLICIES

The Cooperative maintains its accounting records in accordance with the Uniform System of Accounts prescribed by the Rural Electrification Administration. As a result, the application of generally accepted accounting principles by the Cooperative differs in certain respects from the application of nonregulated enterprises and also differs due to being a development stage enterprise. The more significant policies of the Cooperative are described below.

Property and Plant

The Cooperative has entered into a purchase agreement with Illinois Power Company for the purchase of 10.5% of the Clinton Nuclear Power Plant for a cost currently estimated at \$275,000,000. This plant is currently under construction and the Cooperative has contributed \$173,404,953 to Illinois Power Company for its 10.5% of the construction cost through December 31, 1982.

The Cooperative has also committed themselves to contracts as follows: (1) 1987 Coal-Fired Generating Facility, \$439,047,322; (2) CAES Plant, \$223,105,031; (3) Transmission Plant, \$2,403,683; (4) Headquarters Building \$954,339. Approximately \$35,922,893 has been either disbursed or recorded as a liability as of December 31, 1982.

The Cooperative is capitalizing all expenditures for these projects during this development and construction stage.

2. LONG-TERM DEBT — FFB

The Federal Financing Bank (FFB) has committed itself to a loan in the amount of \$338,770,000 to Soyland Power Cooperative, Inc. with such loan being guaranteed by the Rural Electrification Administration (REA) for the purchase of 10.5% of the Clinton Nuclear Power Plant. During the current year, advances on this note have been received in the amount of \$66,411.00. The interest rate for each advance is established at the time of such advance and varied from 9.668% to 16.725% on the advances that have been received. These advances are secured by all the assets of the Cooperative and mature in 34 years from the end of the year in which the advances are made. Quarterly payments to service the

debt within the next twelve months will aggregate approximately \$30,767,999, all of which will apply to interest.

3. PENSION PLAN

Pension benefits for substantially all employees are provided through participation in the Pension Trust & Group Pension Plan with Massachusetts Mutual Insurance Company.

The Cooperative makes monthly contributions to the plan equal to the amounts accrued for pension expense. In this master multiple-employer plan, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The total pension expense for 1982 and 1981 was \$34,346 and \$26,710, respectively, for this Cooperative.

4. LITIGATION

The Cooperative's attorney stated that there are no pending lawsuits, unsatisfied judgments or outstanding claims against the Cooperative of which he is aware.

5. CONTINGENT LIABILITIES

The Cooperative has entered into a number of contracts with various suppliers and manufacturers for engineering, design and production of a proposed new generation facility. At December 31, 1982, the contract cancellation charges were estimated at \$50,509,525 on contracts that have been signed by the Cooperative. As noted herein below, under Subsequent Events, construction on the Soyland Generating Facility ceased as of February 24, 1983. At that time, the Cooperative had one conditional coal contract outstanding. Management has advised the Accountant for the Cooperative that any contingent liability associated with that contract is unknown at this time.

6. SUBSEQUENT EVENTS

The Soyland Board of Directors at its February 24, 1983, Board Meeting adopted a resolution stating that all work on the Soyland Generating Facility cease immediately and that all vendors be advised that the Soyland Generating Facility is deferred. As of the date of this report, with the exception of the contract cancellation charges of \$50,509,525, we have been unable to determine the ultimate result of the suspension of all work and deferment of the 1987 Coal-Fired Generating Facility. It could be months before final settlement can be reached on the numerous contracts in process at February 24, 1983.

Statement of changes in financial position

FOR THE YEAR ENDED DECEMBER 31, 1982, AND
FOR THE PERIOD FROM JUNE 1, 1963, to DECEMBER 31, 1982

	Year Ended December 31, 1982	June 1, 1963 to December 31, 1982
FUNDS PROVIDED		
Depreciation provision	\$ 6,640.32	\$ 6,640.32
Depreciation redistributed	2,998.70	19,887.54
Loan advance from CFC	-0-	64,504,883.38
Loan advance from FFB	66,411,000.00	249,130,000.00
Memberships	-0-	1,500.00
Increase in deferred credits	1,479,919.96	3,456,024.96
Decrease in working capital	19,845,480.05	28,749,928.80
	<u>\$87,746,039.03</u>	<u>\$345,868,865.00</u>
FUNDS APPLIED		
Plant construction	\$87,518,370.72	\$280,537,180.02
General plant	30,596.69	103,105.98
Principal payment on CFC debt	-0-	64,504,883.38
Investment in associated organization	142,717.00	669,341.00
Increase in deferred debits	54,354.62	54,354.62
	<u>\$87,746,039.03</u>	<u>\$345,868,865.00</u>
CHANGES IN WORKING CAPITAL		
Current Assets		
Cash — general	\$ 90,048.82	\$ 100,147.01
Cash — construction funds — trustee	(10,297.87)	42,914.80
Temporary cash investments	2,040,854.11	2,699,054.11
Accounts receivable — customers	3,838,586.26	3,838,586.26
Accounts receivable — employees	3,304.26	3,587.85
Prepayments	2,600.49	3,010.39
	<u>\$ 5,965,096.07</u>	<u>\$ 6,687,300.42</u>
Current Liabilities		
Notes payable — CFC	\$ 8,146,706.41	\$ 16,651,724.19
Notes payable — other	1,075,042.71	1,078,296.71
Accounts payable — purchased power	5,333,804.15	5,333,804.15
Accounts payable — other	10,689,098.19	11,784,631.95
Accrued taxes — payroll	(3,654.31)	3,386.34
Accrued interest	543,280.91	559,087.82
Accrued expenses	26,298.06	26,298.06
	<u>\$25,810,576.12</u>	<u>\$ 35,437,229.22</u>
Decrease in Working Capital	<u>(\$19,845,480.05)</u>	<u>(\$ 28,749,928.80)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Member Cooperatives' 1982 Operating Statistics

STATEMENT OF OPERATIONS:	Clay	Clinton County	Coles-Moultrie	Corn Belt
Operating Revenue	\$2,637,867	\$4,666,882	\$ 7,006,251	\$ 9,856,642
Purchased Power	\$1,711,229	\$3,336,914	\$ 4,352,264	\$ 5,718,156
Operating Expenses	612,348	708,255	1,496,008	1,942,921
Depreciation Expense	128,858	218,695	315,950	624,975
Tax Expense	45,788	42,179	105,928	161,794
Interest	20,077	211,870	268,498	1,057,673
Total Cost — Electric Service	\$2,518,300	\$4,517,913	\$ 6,538,648	\$ 9,505,519
Operating Margins	\$ 119,567	\$ 148,969	\$ 467,603	\$ 351,123
Non-Operating Margins and Capital Credits	29,028	42,903	123,130	202,243
Total Patronage Capital or Margins	\$ 148,595	\$ 191,872	\$ 590,733	\$ 553,366

ASSETS AND OTHER DEBITS

Total Utility Plant	\$4,445,518	\$7,460,135	\$12,595,257	\$26,387,012
Accumulated Provision for Depreciation and Amortization.	1,641,518	1,984,446	3,220,971	4,468,439
Net Utility Plant	\$2,804,000	\$5,475,689	\$ 9,374,286	\$21,918,573
Total Other Property & Investments ...	\$ 459,627	\$ 294,193	\$ 548,247	\$ 1,151,809
Current & Accrued Assets	375,585	820,527	1,501,148	2,639,195
Deferred Debits	123,144	197,990	216,247	315,687
Total Assets	\$3,762,356	\$6,788,399	\$11,639,928	\$26,025,264

LIABILITIES & OTHER CREDITS

Margins & Equities	\$2,473,288	\$2,807,004	\$ 5,482,038	\$ 7,405,968
Long-Term Debt	1,063,222	3,866,382	5,611,457	17,631,693
Current & Accrued Liabilities	225,846	76,381	247,113	806,298
Deferred Credits	-0-	38,632	299,320	181,305
Total Liabilities	\$3,762,356	\$6,788,399	\$11,639,928	\$26,025,264

OTHER STATISTICS

Miles of Line	878	941	1,737	2,739
Consumers Served	3,146	4,605	7,880	10,826
Consumers Per Mile	3.65	4.89	4.54	3.95
KWH Sold Per Consumer	13,397	19,808	13,215	13,324
Total MWH Sales	42,147	91,216	104,133	144,248
Annual Revenue Per Consumer	838	1,013	889	910
Plant Investment Per Consumer	1,413	1,620	1,598	2,437

Eastern	Edgar	Farmers	Illini	Illinois Valley	McDonough	Monroe
\$ 8,160,212	\$4,087,377	\$ 996,212	\$ 4,811,958	\$ 5,830,469	\$4,184,813	\$3,164,371
\$ 5,049,965	\$2,653,252	\$ 593,233	\$ 2,589,414	\$ 2,298,092	\$2,463,837	\$2,067,698
1,642,098	734,323	185,796	1,076,470	1,347,634	791,848	553,570
408,632	169,144	65,442	356,438	501,547	187,885	187,864
177,242	64,900	18,426	64,684	79,829	57,362	51,533
311,211	129,430	66,443	397,580	1,232,577	117,823	181,131
\$ 7,589,148	\$3,751,049	\$ 929,340	\$ 4,484,586	\$ 5,459,679	\$3,618,755	\$3,041,796
\$ 571,064	\$ 336,328	\$ 66,872	\$ 327,372	\$ 370,790	\$ 266,058	\$ 122,575
159,687	53,314	32,561	44,496	35,114	73,493	74,541
\$ 730,751	\$ 389,642	\$ 99,433	\$ 371,868	\$ 405,904	\$ 339,551	\$ 197,116
\$16,189,872	\$7,740,558	\$2,540,383	\$13,335,488	\$23,525,683	\$6,664,965	\$7,222,258
5,194,863	2,387,630	758,390	2,460,559	2,085,227	2,675,960	2,145,702
\$10,995,009	\$5,352,928	\$1,781,993	\$10,874,929	\$21,440,456	\$3,989,005	\$5,076,556
\$ 823,240	\$ 348,887	\$ 154,227	\$ 602,414	\$ 702,692	\$ 994,934	\$ 326,318
1,770,179	1,178,589	296,027	1,746,005	1,534,488	613,720	677,080
329,250	125,086	46,435	159,624	374,164	409,007	149,045
\$13,917,678	\$7,005,490	\$2,278,682	\$13,382,972	\$24,051,800	\$6,006,666	\$6,228,999
\$ 6,940,448	\$3,332,319	\$ 910,238	\$ 2,775,556	\$ 857,636	\$2,703,331	\$1,724,264
6,072,379	3,129,787	1,326,637	10,223,930	22,588,734	2,778,406	4,206,417
749,475	167,178	41,481	373,751	590,197	381,793	295,138
155,376	376,206	326	9,735	15,233	143,136	3,180
\$13,917,678	\$7,005,490	\$2,278,682	\$13,382,972	\$24,051,800	\$6,006,666	\$6,228,999
2,937	1,464	332	1,592	1,629	1,379	934
8,806	5,393	1,322	4,474	6,121	5,088	4,432
3.00	3.68	3.98	2.81	3.76	3.69	4.75
13,888	11,513	11,425	13,913	9,884	12,787	12,089
122,299	62,088	15,104	62,248	60,501	65,063	53,578
927	758	754	1,076	952	822	714
1,839	1,435	1,922	2,981	3,843	1,310	1,630

Shelby	Southwestern	Tri-County	Wayne-White	Total	Average
<u>\$ 8,097,937</u>	<u>\$12,168,560</u>	<u>\$10,820,268</u>	<u>\$13,868,312</u>	<u>\$100,358,131</u>	<u>\$ 6,690,542</u>

\$ 5,390,999	\$ 7,410,471	\$ 7,371,869	\$10,463,543	\$ 63,770,936	\$ 4,251,396
1,371,902	2,028,923	1,906,912	1,851,852	18,250,860	1,216,724
353,352	757,949	563,218	608,617	5,448,566	353,238
517,321	175,165	147,328	170,655	1,880,134	125,342
11,249	760,993	570,402	360,845	5,697,802	379,853

<u>\$ 7,644,823</u>	<u>\$11,133,501</u>	<u>\$10,559,729</u>	<u>\$13,455,512</u>	<u>\$ 95,048,298</u>	<u>\$ 6,336,553</u>
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\$ 453,114	\$ 1,035,059	\$ 260,539	\$ 412,800	\$ 5,309,833	\$ 353,989
359,713	73,154	88,776	129,886	1,522,039	101,469

<u>\$ 812,827</u>	<u>\$ 1,108,213</u>	<u>\$ 349,315</u>	<u>\$ 542,686</u>	<u>\$ 6,831,872</u>	<u>\$ 455,458</u>
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\$11,130,429	\$26,771,140	\$20,217,232	\$21,806,217	\$208,032,147	\$13,868,810
5,158,342	6,989,366	5,595,572	7,246,635	54,013,620	3,600,908

<u>\$ 5,972,087</u>	<u>\$19,781,774</u>	<u>\$14,621,660</u>	<u>\$14,559,582</u>	<u>\$154,018,527</u>	<u>\$10,267,902</u>
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\$ 2,009,970	\$ 1,326,884	\$ 857,481	\$ 1,065,616	\$ 11,666,539	\$ 777,769
489,018	2,803,877	1,067,894	2,974,463	20,487,795	1,365,853
773,067	388,675	392,400	240,705	4,240,526	282,702

<u>\$ 9,244,142</u>	<u>\$24,301,210</u>	<u>\$16,939,435</u>	<u>\$18,840,366</u>	<u>\$190,413,387</u>	<u>\$12,694,226</u>
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\$ 7,860,852	\$ 8,325,119	\$ 5,366,099	\$10,781,624	\$ 69,745,784	\$ 4,649,719
449,327	14,962,333	11,214,307	7,615,628	112,740,639	7,516,043
732,139	1,000,053	359,029	265,694	6,311,566	420,771
201,824	13,705	-0-	177,420	1,615,398	107,693

<u>\$ 9,244,142</u>	<u>\$24,301,210</u>	<u>\$16,939,435</u>	<u>\$18,840,366</u>	<u>\$190,413,387</u>	<u>\$12,694,226</u>
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2,040	2,922	2,590	3,167	27,281	1,819
8,764	13,121	13,771	12,964	110,713	7,381
4.30	4.49	5.32	4.09	—	4.06
14,499	14,823	14,264	18,833	—	13,844
127,071	194,486	196,431	244,153	1,584,766	105,651
924	927	786	1,070	—	906