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PRAIRIE STATE AND BECHTEL ANNOUNCE NEW, FIXED-COST EPC AGREEMENT PROVIDING GREATER ECONOMIC STABILITY

MARISSA, ILL. – To help keep energy costs low for millions of customers, Prairie State Generating Company, LLC and Bechtel Power Corporation today finalized a revised engineering, procurement and construction (EPC) agreement that will provide a fixed price for the total cost of constructing the power plant at the Prairie State Energy Campus.

“This agreement will provide greater price stability and economic predictability, which will benefit Prairie State owners and the customers they serve,” said Prairie State President and CEO Peter DeQuattro. “The agreement supports our mission of delivering low-cost, reliable and environmentally responsible electricity.”

Prairie State is scheduled to begin operations of its first unit in the fourth quarter of 2011 and its second unit in the third quarter of 2012. The total cost for construction of the power plant will be approximately \$4 billion. On an installed cost basis, Prairie State will produce energy at a cost lower than other fuel sources, such as integrated gasification combined cycle (IGCC), natural gas, nuclear or geothermal.

“This remains a good investment for our owners and the customers they serve,” DeQuattro said. “Equally important, the project will invest approximately \$1 billion in 21st century technologies, making it among the cleanest power plants of its kind anywhere in the nation. Prairie State’s carbon dioxide emissions will be approximately 15 percent lower than the typical U.S. coal plant.”

Construction costs of all types of power plants – whether coal, nuclear, natural gas or wind – have significantly increased since work began on the new plant. Rising commodity prices, along with labor costs and other factors, have increased the cost of new power plants by 130 percent between 2000 and 2008, according to IHS Cambridge Energy Research Associates. The cost of steel, for example, increased to more than \$1,150 per metric ton, a more than 350 percent increase over its traditional price of \$200 - \$300.

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“Today, with a more stable market for materials and equipment, and the project moving well toward completion, the revised agreement is a sound approach for Prairie State, Bechtel and, most importantly, the customers who will be served by the new plant,” said Alasdair Cathcart, Bechtel Power Corporation Senior Vice President and President, Fossil Power.

The Prairie State Energy Campus in Washington County, Ill., is a 1,600 megawatt state-of-the-art power plant that will deliver electricity to more than 2.5 million customers through its public power owners. Beginning service in the 2011-2012 timeframe, it will provide base load power using a steady, reliable supply of coal from an adjacent underground mine.

The project also has tremendous economic impact. Prairie State is accelerating economic growth in Illinois with more than 150 local subcontractors and 3,500 workers involved in the construction of the project. Overall, Prairie State will employ more than 500 full-time workers and stimulate \$785 million in annual economic activity in the state of Illinois, for a total estimated impact of \$22.6 billion over 30 years.

“This is the right time for the transition to a fixed-price contract that allows us to provide power at a cost less than other new base load power plants,” said Raj Rao, CEO of Indiana Municipal Power Agency and Chairman of the Board for PSGC. “The new plant will provide our customers with a reliable and low-cost source of electricity for decades to come.”

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Prairie State Generating Company, LLC

The Prairie State Generating Company, LLC is the project manager of the Prairie State Energy Campus facilities owned by the following organizations: American Municipal Power, Illinois Municipal Electric Agency, Indiana Municipal Power Agency, Missouri Joint Municipal Electric Utility Commission, Kentucky Municipal Power Agency, Northern Illinois Municipal Power Agency, Southern Illinois Power Cooperative, Prairie Power, Inc. and Peabody Energy. Our owners are proud to be the hometown energy provider for hundreds of communities from Wetzell County, W.Va. to Whiteside County, Ill.; from Cass County, Mo. to Caldwell County, Ky.; and many points between. www.prairiestateenergycampus.com