

American Municipal Power Progress Report for Prairie State Energy Campus Through September 30, 2011



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Power Plant

Bechtel reports that through the month of September 2011, the project is 92.8% complete compared to the plan of 92.8%. Engineering is 98.7% complete compared to a plan of 98.7%. Construction is 93.1% complete compared to a plan of 92.9%. Startup is 67.1% complete compared to a plan of 71.2%.

Major accomplishments during the current period include:

- Unit 1
 - Completion of Unit 1 steam blow restoration
 - First fire on coal
 - Initial synchronization to the transmission grid on October 8
- Unit 2
 - Unit 2 Turbine Generator on Turning Gear
 - Commenced unit 2 chemical clean – completed on Oct 4.
 - Unit 2 gas path construction completed

The Unit 1 Preliminary Completion date is forecast to occur between December 11, 2011 and February 3, 2012. The December 11, 2011 date excludes contingency days built into the original schedule and reflects the date to be used by PSGC and Bechtel to be ready.

The Unit 2 Preliminary Completion date is forecast to occur on May 8, 2012, twelve weeks ahead of the Guaranteed Substantial Completion date.

Schedule Critical Path

The critical path for Unit 1 is the completion of coal pulverizer commissioning, plant tuning, screen removal outage and preliminary completion testing.

With construction complete on the Unit 2 gas path, the critical path for Unit 2 is through fan runs, burner check-out, and chemical clean restoration, prior to first fire on gas. Bechtel is forecasting Unit 2 first fire on gas to occur on November 7, 2011, and has reported that if they apply a similar schedule contingency to Unit 2 as they did in Unit 1, a preliminary completion date of March 21, 2012 is achievable.

Lively Grove Mine

Through the month of September 2011, based on the actual costs paid to-date, the total mine project is now 87.7% complete, compared to our plan of 90.4%. The unfavorable variance results from timing of final payments on underground production mining equipment expected the fourth quarter of 2011 and retention

held on contracts where the work has been completed. The mine is on plan with the initial 2007 proforma mine plan approved by MSHA.

The Lively Grove Mine began supplying coal to the power plant on March 30, 2010 for building inventory prior to first fire on coal. To date, over 550,000 tons of coal has been delivered to the Power Plant.

Coal Combustion Waste (CCW) Disposal Facility

Construction of the CCW facilities at the Jordan Grove facility is complete. The facility is accepting residue being trucked from the mine and the power plant.

Transmission System Improvements

All transmission upgrades are complete and the system is now capable of delivering the total electrical output of PSEC through the grid.

Human Resources

Current Staffing (PSGC Direct Hire and Contracted) is 402 personnel of which 208 work at the mine, 151 at the power plant, 28 in corporate support functions and 15 in construction management. Hiring of power plant and mine staff is on schedule to meet the needs of startup and operation of the PSEC.

Project Cost

Total Project capital expenditures are forecast to be \$4,933.6 million. Through September 30, 2011 actual Project capital expenditures total \$4,582.7 million, 92.9% of the total Project forecast.

Total AMP construction expenditures are forecast to be \$1,342.8 million. Through September 30, 2011 actual AMP expenditures total \$1105.1million.

The initial operating plan for Prairie State operations and maintenance was approved by the Management Committee at its September 1, 2011 meeting. The 2013 to 2022 10-year average cost at the Prairie State 345 KV bus is projected to be \$21.03 per Mwh.



Unit 1 Generating at 30 MW



Unit 1 Turbine Generator Ready to Roll



Unit 1 Boiler Coal Firing



Limestone Area Lighting



Unit 1 Control Room during Startup



Placing Mine Residue at Jordan Grove Disposal Area



Lively Grove Mine



Prairie State Locomotive