

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



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Power Plant

Bechtel reports that through the month of June 2011, the project is 85.2% complete compared to the plan of 86.0%. Engineering is 97.4% complete compared to a plan of 97.4%. Construction is 85.4% complete compared to a plan of 86.1%. Startup is 41.0% complete compared to a plan of 50.5%.

Major accomplishments during the current period include:

- Unit 1
 - First-fire on gas occurred on May 30,
 - Steam Blow cleaning of the interior of the Unit 1 boiler tubes has commenced.
 - Limestone delivery has begun.
 - Unit 1 and Common Area commissioning and startup continues.
- Unit 2
 - Completed the boiler hydro flush.
 - Selective Catalytic Reduction (SCR) equipment has been installed.
 - Dry and Wet Electrostatic Precipitator (DESP/WESP) collector plates and electrodes are being installed.

The Unit 1 Preliminary Completion date is forecast to occur on November 14, 2011, three weeks ahead of the Guaranteed Substantial Completion date. The Unit 2 Preliminary Completion date is forecast to occur on May 8, 2012, twelve weeks ahead of the Guaranteed Substantial Completion date.

Unit 1 Boiler first-fire on coal is scheduled to occur August 30, 2011. Initial Synchronization of Unit 1 generator to the regional transmission system is scheduled on September 7, 2011.

Schedule Critical Path

The critical path for Unit 1 is the completion of commissioning, first fire on coal, tuning and preliminary completion testing.

There are four Unit 2 critical paths: boiler gas path complete, system completion and turnover of the WESP, system completion and turnover of the DESP and Boiler Hydro through burner installation and commissioning to First Fire on Gas.

Lively Grove Mine

The Mine is essentially on schedule as of June 30, 2011 at approximately 81.3% complete versus a plan of 82.0% complete based on expenditures to date. The mine is on plan with the initial 2007 proforma mine plan approved by MSHA.

All above-ground construction (conveyors, stack-out facilities, ventilation fans, buildings and related equipment) has been completed. Current work is focused on construction of underground conveyor systems and overcasts for controlling air flow ventilation to meet regulatory and safety requirements.

The Lively Grove Mine has begun producing coal to meet quality specifications of the power plant and began supplying coal to the power plant on March 30, 2010 for building inventory prior to first fire on coal. To date, over 200,000 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 on schedule to accept waste from the power plant when needed. Installation of the geomembrane liner for the leachate collection system is complete. Cell work is complete and is accepting waste being trucked from the mine.

Work on the rail car unloader is complete and ready for testing.

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 383 personnel. 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 April 30, 2011 actual Project capital expenditures total \$4,386.9 million, 88.9% of the total Project forecast.

Total AMP construction expenditures are forecast to be \$1,342.8 million. Through June 30, 2011 actual AMP expenditures total \$1,068.1million.

Approved Change Orders through June 30, 2011 under the Revised and Restated EPC Agreement total \$13,524.1 Million. This amount is within the contingency allowance AMP has built into the forecast total AMP construction expenditures.



Prairie State Energy Campus



Coal stored at mine for transport to the Power Plant



Coal handling and storage area at Power Plant



Power Block Construction



Ammonia Storage System



Inside the Unit 2 Furnace



Unit 1 Steam Blow



Limestone stored inside the Dome