



President's Message

Weathering the Storm

—by Raj G. Rao

For many, 2008 has been a year of challenges. The world's attention was focused on the economy this past fall as several major companies began a downward spiral. Bailout plans consumed the time of Congress as legislators rushed to keep struggling companies out of bankruptcy. For businesses and consumers alike, the end of the year has been a time of tightened purse strings as people look ahead to what awaits in 2009.

While all companies, including IMPA, are feeling the impact of these hard times, the Agency is well positioned to weather this rocky period. IMPA's rather conservative operating and financial principals have helped the Agency avoid some of the financial pitfalls that have befallen a number of companies in the industry. Just as IMPA has stuck to its core philosophy of providing a low-cost, reliable, environmentally-responsible power supply, we have also remained true to the conservative operating and financial principals that have served the Agency well since its inception.

In spite of the state of the economy, IMPA is well-positioned for the future. The Agency has always taken a very measured approach to determining the types of generation investments it

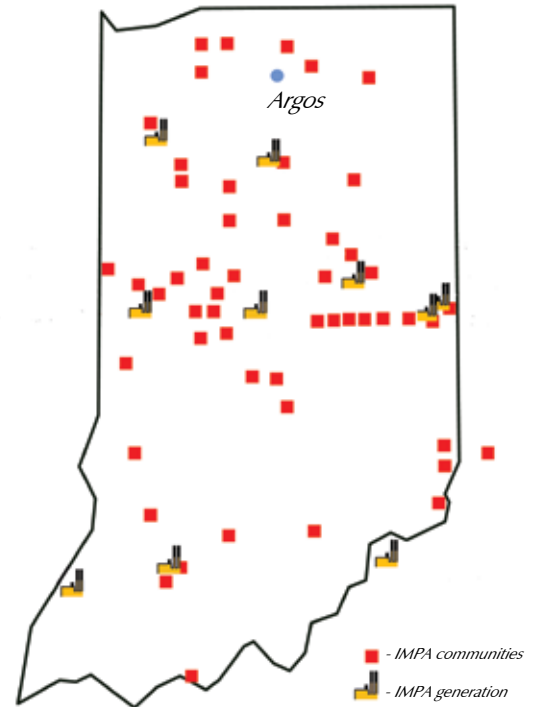
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Town of Argos joins IMPA

IMPA has welcomed yet another Indiana community into its membership. The Town of Argos became IMPA's 52nd Indiana member in October when the community's membership was approved by the IMPA Board of Commissioners. IMPA serves the electric needs of more than 310,000 individuals in its member communities.

"We are pleased Argos has chosen to join with IMPA in providing low-cost, reliable power to the community's citizenry," commented Raj Rao, IMPA President. "We look forward to working with the utility and with city officials to share the benefits of joint action and public power."

IMPA will begin serving the town's approximate 4 MW load on January 1, 2009. As a member of IMPA, Argos will have a voice in the operations of the Agency. John Archambeault, Argos Utility Superintendent, serves as Argos' representative on the IMPA Board.



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Project Watch

Prairie State Energy Campus

Bechtel Power Corp. (Bechtel), the engineering, procurement, and construction contractor for both the Prairie State Energy Campus and Trimble County Unit 2, and its subcontractors completed the nearly 700-foot-tall concrete chimney shell. The Unit 1 boiler structural steel has progressed to the third tier and the Unit 1 Steam Turbine Generator pedestal legs and foundation were completed. The Unit 2 boiler foundation was laid and work continues on the Unit 2 Steam Turbine Generator foundation. Other work in progress includes work on both units' underground utilities, cooling towers, raw water line, and rail line. The slope construction at the mine site is well underway. The air shaft construction contractor has mobilized and Prairie State Generating Company is purchasing the mining equipment.



Prairie State Unit 1 with sixth coal silo at left



Trimble County Unit 2 high and intermediate pressure turbines

Trimble County Unit 2

The Trimble County Unit 2 project is nearly 50 percent complete as Bechtel continues work at the site. The high and intermediate pressure turbine parts were set in place. Boiler tube panels are also being rigged into place to prepare for welding that will be done in the boiler. The Flue Gas Desulfurization Absorber Module has one remaining layer to be put into place and the Generator Step Up Transformer dress out and oil fill are now complete. Installation of the additional liner for the existing chimney has begun and the turbine building roof and siding installation is nearly complete. ❧

Dick Foltz retires from IMPA

Will provide consulting services for Agency

IMPA Vice President of Planning and Rates Dick Foltz retired from the Indiana Municipal Power Agency effective November 14, 2008. He will work as a consultant and provide consulting services for the Agency.

Dick has been with the Agency since 1998 when he joined IMPA as Manager of Planning and Rates and was later promoted to Vice President of Planning and Rates. He holds a degree in Electrical Engineering from Rose Hulman Institute of Technology and an MBA from the University of Missouri.

Dick and his wife, Sue, plan to spend more time with their children and grandchildren. Congratulations to Dick on his retirement and thank you for your dedication to IMPA and its members throughout the years! ❧



Legislative Update: Bring on 2009!

- by Carolyn Wright, Vice President of Government Relations and Member Services, IMPA

The historic 2008 elections are behind us and our attention now turns to the 2009 state legislative session and the new 111th Congress.

In the Indiana General Assembly, there will be a significant number of new members this next session due to election defeat, retirement, resignation or death since the last election. Democrats now control the Indiana House of Representatives by a margin of 52-48. The state Senate remains firmly in Republican hands, 33-17. The split chambers are not unique by any means. Republicans have long held the State Senate, while the House has flipped back and forth between Republicans and Democrats a few times over the last several election cycles. The challenges of this next "long" session are many, including the fact that a Republican Governor must work once again with a split legislature. To add further intrigue, this will be a state budget writing session and that will not be an easy task given the current economic environment. Additionally, issues dealing with education, local government finance, energy, and a whole slew of others will all be on the table for discussion.

The General Assembly gathered for its one-day Organizational meeting on November 18, and will reconvene on January 7, 2009. The regular session must end by April 29. In those four months, many issues will be considered, including but not limited to a new state budget, property tax caps, local government consolidation, energy, economic development, education, and many others. For municipal electrics, all legislation that is introduced that has a possible impact on our interests will have our full attention!

The sessions of the state legislature are broadcast publicly over the Internet. To access the daily activities, go to www.IN.gov/legislative. Several committee meetings will be broadcast via the web, as well.

On the national scene, the Democrats now control the United States Senate 58-41 (there are two independents who caucus with the Democrats),

and there is still one seat that has not been officially called. Senate Democrats had hoped that they would gain enough seats to make that Chamber filibuster-proof, but they have fallen just shy of that. They needed to reach the magic number of 60.

All 435 U. S. Representatives were up for re-election, including Indiana's nine members of Congress. Democrat control has increased to at least 256-177, with two races still in question. For Indiana, there was virtually no change and all incumbents will return to Washington, D. C. for another term.

Issues to watch at the federal level will be many. For the electric utility industry, legislation dealing with renewable energy and various alternative resources, as well as global climate change, will likely be high priorities as the new Administration and the Congress settle in. What form, or forms, any legislation will take will certainly be on our radar screen, as will any other issues that impact us.

If you have questions regarding state or federal legislative activities, please contact Carolyn Wright, Vice President of Government Relations and Member Services for IMPA, at (317) 575-3873 or cwright@impa.com. ☺

Mark your Calendars!

APPA's Legislative Rally will once again offer members of the national public power community an opportunity to work together on federal legislative and regulatory issues that affect the industry. APPA staff and expert speakers will provide briefings on key messages and on how to influence decision-makers effectively.

In addition, the Indiana delegation of public power representatives will have the opportunity to meet with the offices of Indiana's congressional members to discuss issues of importance to municipal electric communities. Please contact Carolyn Wright, Vice President of Government Relations for IMPA, at (317) 575-3873 or cwright@impa.com for additional information. ☺

**APPA Legislative Rally
February 23-26, 2009
Washington, D.C.**

President's Message

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has invested in, the types of power purchase agreements it has entered into, the types of securities it has invested in and the type of debt instruments it has issued. In addition, IMPA continues to maintain A1/A+ ratings with the three major rating agencies.


We have also taken a very measured approach to our power supply. As our membership and load has grown, we have held true to our portfolio philosophy and have been careful to never expand our ownership of generation assets beyond the Agency's needs. Our diverse power portfolio enables us to adapt to changing situations and meet our members' needs.

While we cannot be sure what 2009 will bring, we are confident that the core operating and financial principals that guide the Agency will continue to steer us towards success. More than likely we all have more challenges ahead of us, but IMPA is prepared to tackle those challenges head on.

Legislative Conference and Reception set

IMPA will once again be sponsoring the Indiana Association of Cities and Towns Legislative Conference. The 2009 event will be held February 18 at the Hyatt Regency in downtown Indianapolis. The day's events will conclude with a reception hosted by IMPA and the Indiana Municipal Electric Association. Mark your calendars for this yearly event and contact Carolyn Wright at (317) 575-3873 or cwright@impa.com for additional information.


**Legislative Conference
and Reception**
February 18
Hyatt Regency
Indianapolis

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