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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
PRAIRIE POWER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2103 SOUTH MAIN ST PO BOX 610

City or town, state or country, and ZIP + 4
JACKSONVILLE, IL 626510610

D Employer identification number
37-1013955

E Telephone number
(217) 245-6161

G Gross receipts $ 115,357,754

F Name and address of principal officer
LYNDON GABBERT
2103 SOUTH MAIN ST
JACKSONVILLE,IL 62651

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www ppi coop

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1963 | **M** State of legal domicile IL

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
Prairie Power, Inc is a member-owned, not-for-profit, electric generation and transmission cooperative located in Jacksonville, Illinois

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	20
5	Total number of employees (Part V, line 2a)	5	67
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	-6,132
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-6,132

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	75,117,013	113,198,575
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,409,098	1,800,674
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	394,276	350,143
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	76,920,387	115,349,392
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	5,857,518	6,414,241
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	67,665,558	105,309,597
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	73,523,076	111,723,838
	19	Revenue less expenses Subtract line 18 from line 12	3,397,311	3,625,554

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	243,860,158	354,563,679
	21	Total liabilities (Part X, line 26)	182,998,955	290,070,790
	22	Net assets or fund balances Subtract line 21 from line 20	60,861,203	64,492,889

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer | Date 2010-06-01

LYDON GABBERT VP FINANCE & ACCOUNTING
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ DELOITTE TAX LLP
TWO JERICHO PLAZA
JERICHO, NY 11753

EIN ▶

Phone no ▶ (516) 918-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

PRAIRIE POWER, INC IS A MEMBER-OWNED, NOT-FOR-PROFIT, ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE LOCATED IN JACKSONVILLE, ILLINOIS PPI PRODUCES, PURCHASES AND DELIVERS OVER 1 6 MILLION MEGAWATT-HOURS OF ELECTRICITY ANNUALLY TO ITS 10 MEMBER-OWNED ELECTRIC DISTRIBUTION COOPERATIVE MEMBERS PPI'S DISTRIBUTION COOPERATIVES PROVIDE RETAIL ELECTRIC SERVICE TO OVER 78,131 RESIDENTIAL, AGRICULTURAL, COMMERCIAL AND INDUSTRIAL CONSUMER-MEMBERS THROUGHOUT CENTRAL ILLINOIS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 97,152,114 including grants of $ 0) (Revenue $ 0)

ELECTRIC PURCHASES - REPRESENTS PURCHASED AND GENERATED KILOWATT HOURS OF ELECTRICITY FOR TRANSMISSION AND DISTRIBUTION INTO MEMBER SYSTEMS

4b (Code) (Expenses $ 10,433,359 including grants of $ 0) (Revenue $ 0)

TRANSMISSION & DISTRIBUTION OF ELECTRICITY - REFLECTS COSTS ASSOCIATED WITH DISTRIBUTION OF ELECTRICITY FROM THE GENERATOR TO OUR MEMBER SYSTEMS

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses**▶$ 107,585,473

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		No
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — 12A: Yes: — No: No			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV **Checklist of Required Schedules** *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable*	1a	29			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	67			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a	109,697,201			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	5,660,405			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . . **1a** 20			
b	Enter the number of voting members that are independent . . . **1b** 20			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	**3**		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	**5**		No
6	Does the organization have members or stockholders?	**6**	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	**7a**	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	**9**		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	**10b**		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	**11**	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	**12c**	Yes	
13	Does the organization have a written whistleblower policy?	**13**	Yes	
14	Does the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶IL

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☑ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

LYNDON GABBERT
2103 SOUTH MAIN ST
JACKSONVILLE, IL 62651
(217) 245-6161

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See add'l data										

1b Total . . . . ▶	1,651,135	0	247,225

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶12

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	**(B)** Description of services	**(C)** Compensation
Illinois Valley Construction 306 W South Street PO Box 75 MCLEAN, IL 61754	CONSTRUCTION	1,392,248
Nelson Tree Service Inc PO Box 634525 CINCINNATI, OH 452634525	TREE-TRIMMING SERV	251,079
Stanley Consultants 225 Iowa Ave MUSCATINE, IA 527613764	ENGINEERING	209,942
Rammelkamp Bradney PC 232 W State St PO Box 550 JACKSONVILLE, IL 62651	LEGAL COUNSEL	118,416

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶4

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f					
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . ▶		0			
Program Service Revenue		Business Code				
	2a ELECTRIC SALES	221,000	112,342,181	112,342,181		
	b DISTRIBUTION REVENUE	221,000	856,394	856,394		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . ▶		113,198,575			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,793,970			1,793,970
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . ▶		0			

	(i) Real	(ii) Personal
6a Gross Rents	98,873	
b Less rental expenses	8,362	
c Rental income or (loss)	90,511	

	(A)	(B)	(C)	(D)
d Net rental income or (loss) . . . . ▶	90,511			90,511

	(i) Securities	(ii) Other
7a Gross amount from sales of assets other than inventory		6,704
b Less cost or other basis and sales expenses		
c Gain or (loss)		6,704

		(A)	(B)	(C)	(D)
d Net gain or (loss) . . . . ▶		6,704			6,704
8a Gross income from fundraising events (not including $ of contributions reported on line 1c) See Part IV, line 18 . . . a					
b Less direct expenses . . . b					
c Net income or (loss) from fundraising events . . ▶		0			
9a Gross income from gaming activities See Part IV, line 19 . . . a					
b Less direct expenses . . . b					
c Net income or (loss) from gaming activities . . . ▶		0			
10a Gross sales of inventory, less returns and allowances . a					
b Less cost of goods sold . . b					
c Net income or (loss) from sales of inventory . . ▶		0			
Miscellaneous Revenue	Business Code				
11a PATRONAGE CAPITAL REVENUE	900,099	265,730	265,730		
b INVESTMENTS IN LLC'S	531,190	-6,132		-6,132	
c MISCELLANEOUS INCOME	900,099	34			34
d All other revenue					
e **Total.** Add lines 11a–11d . . . . . . ▶		259,632			
12 **Total revenue.** See Instructions . . . ▶		115,349,392	113,464,305	-6,132	1,891,219

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,651,135		1,651,135	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	2,903,500	1,621,638	1,281,862	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9 Other employee benefits	1,510,323	1,149,837	360,486	
10 Payroll taxes	349,283	259,864	89,419	
11 Fees for services (non-employees)				
a Management	0			
b Legal	104,981		104,981	
c Accounting	60,270		60,270	
d Lobbying	0			
e Professional fundraising *See Part IV, line 17* . .	0			
f Investment management fees	0			
g Other	0			
12 Advertising and promotion	36,163		36,163	
13 Office expenses	67,626		67,626	
14 Information technology	55,972		55,972	
15 Royalties . .	0			
16 Occupancy	51,870		51,870	
17 Travel	57,203		57,203	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	34,278		34,278	
20 Interest	2,660,150	2,603,506	56,644	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	3,024,056	3,024,056		
23 Insurance	733,387	613,745	119,642	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a ELECTRIC PURCHASES	90,305,919	90,305,919		
b GENERATION OPERATION &				
c MAINTENANCE	1,501,147	1,501,147		
d LINE & STATION OPERATION	6,400,707	6,400,707		
e OTHER SERVICES	95,754		95,754	
f All other expenses	120,114	105,054	15,060	
25 **Total functional expenses.** Add lines 1 through 24f	111,723,838	107,585,473	4,138,365	
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			872,356	1	1,880,304
	2	Savings and temporary cash investments			17,759,681	2	16,624,046
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			8,513,203	4	11,690,056
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			2,822	5	1,437
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			703,393	7	838,180
	8	Inventories for sale or use			2,970,511	8	2,559,664
	9	Prepaid expenses and deferred charges			1,310,165	9	2,625,494
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a	95,719,347			
	b	Less accumulated depreciation	10b	59,006,359	36,839,935	10c	36,712,988
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11			48,264,084	12	51,213,352
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			126,624,008	15	230,418,158
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)			243,860,158	16	354,563,679
Liabilities	17	Accounts payable and accrued expenses			7,900,012	17	13,407,155
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			15,297,272	20	29,274,948
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*				22	
	23	Secured mortgages and notes payable to unrelated third parties			120,701,727	23	218,202,564
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			39,099,944	25	29,186,123
	26	**Total liabilities.** Add lines 17 through 25			182,998,955	26	290,070,790
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**					
	27	Unrestricted net assets				27	
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
		Organizations that do not follow SFAS 117, check here ▶ ☑ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds			60,861,203	32	64,492,889
	33	Total net assets or fund balances			60,861,203	33	64,492,889
	34	Total liabilities and net assets/fund balances			243,860,158	34	354,563,679

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . .	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
PRAIRIE POWER INC	37-1013955

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
- ☐ Preservation of land for public use (e g , recreation or pleasure)
- ☐ Preservation of an historically importantly land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ____________

4 Number of states where property subject to conservation easement is located ▶ ____________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ ____________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ____________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ____________

(ii) Assets included in Form 990, Part X ▶ $ ____________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ____________

b Assets included in Form 990, Part X ▶ $ ____________

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶ %

b Permanent endowment ▶ %

c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,291,575		5,291,575
b Buildings		44,584,237	33,219,391	11,364,846
c Leasehold improvements				
d Equipment		45,843,535	25,786,968	20,056,567
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				36,712,988

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
MEDIUM TERM NOTES	15,597,000	C
RETIREMENT OBLIGATION	0	
GUARANTEE CERTIFICATES	4,608,000	C
LOAN CAPITAL TERM CERTIFICATES	21,652,224	C
CERTIFICATES	2,252,049	C
PATRONAGE CAPITAL	3,505,711	C
MISCELLANEOUS INVESTMENTS	3,598,368	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	51,213,352	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
CONSTRUCTION IN PROGRESS	230,201,759
DEFERRED DEBITS	216,399
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	230,418,158

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED MEMBER REVENUES	15,554,638
DEFERRED REVENUE FROM ASSET RETIREMENT	1,113,095
FINANCIAL TRANSMISSION RIGHTS	861,464
MEMBER BUYOUT PAYMENTS	5,875,686
ASSET RETIREMENT OBLIGATION	5,781,240
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	29,186,123

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	115,349,392
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	111,723,838
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,625,554
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	6,132
9	Total adjustments (net) Add lines 4 - 8	9	6,132
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	3,631,686

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	112,729,395
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	112,729,395
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	2,619,997		
c	Add lines **4a** and **4b**			4c	2,619,997
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	115,349,392

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	109,097,709
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	109,097,709
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	2,626,129		
c	Add lines **4a** and **4b**			4c	2,626,129
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	111,723,838

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
UNCERTAIN TAX POSITIONS		The Cooperative adopted the provisions of FASB Accounting Standards Codification (ASC) 74010, Accounting for Uncertainty in Income Taxes, on January 1,2009 As a result of the implementation of ASC 740-10, no uncertain tax positions were recognized
OTHER REVENUES INCLUDED ON 990	SCHEDULE D PART XII LINE 4b	AMORTIZATION OF DEFERRED CHARGES- (371,032) PROPERTY TAXES NETTED AGAINST RENTAL INCOME- (2,084) LOSSES FROM INVESTMENTS IN LLC'S- (6,132) MISO SALES- 2,920,103 TRANS OF ELECTRICITY- RECC- 79,142
OTHER EXPENSES INCLUDED ON 990	SCHEDULE D PART XIII LINE 4b	AMORTIZATION OF DEFERRED CHARGES- (371,032) PROPERTY TAXES NETTED AGAINST RENTAL INCOME- (2,084) MISO SALES- 2,920,103 TRANS OF ELECTRICITY- RECC- 79,142
RECONCILIATION OF CHANGE IN NET ASSETS	SCHEDULE D PART XI LINE 8	LOSSES FROM INVESTMENT IN LLC'S- $6,132

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PRAIRIE POWER INC

Employer identification number
37-1013955

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Robert Harbour	(i)	236,837	0	0	20,604	0	257,441	0
	(ii)	0	0	0	0	0	0	
John Dalton	(i)	166,862	0	0	28,960	0	195,822	0
	(ii)	0	0	0	0	0	0	
Lyndon Gabbert	(i)	145,922	0	0	24,990	0	170,912	0
	(ii)	0	0	0	0	0	0	
Gregory Nieman	(i)	129,933	0	0	22,105	0	152,038	0
	(ii)	0	0	0	0	0	0	
Daniel Breden	(i)	130,588	0	0	22,267	0	152,855	0
	(ii)	0	0	0	0	0	0	
Jay Bartlett	(i)	171,958	0	0	31,158	0	203,116	0
	(ii)	0	0	0	0	0	0	

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
Part I, Question 4b		The President/CEO Jay Bartlett received $2,800 from a supplemental nonqualified retirement plan for 2009

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PRAIRIE POWER INC

Employer identification number
37-1013955

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	ILLONOIS FINANCE AUTHORITY		45203GAA2	11-14-2008	51,200,000	SEE SCHEDULE O		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue					
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds					
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds					
8	Year of substantial completion					

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X								
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X								

Part III Private Business Use *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶										
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶										
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X								

Part IV Arbitrage

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?										
6	Did the bond issue qualify for an exception to rebate?										

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2009

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Employer identification number
37-1013955

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
DANIEL BREDEN COMPUTER		X	972	0						
GREGORY NIEMAN COMPUTER		X	1,560	680						
STEVE EPPERSON COMPUTER		X	1,136	757						
Total . . . . . ▶ $				1,437						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
TERRY KILLDAY	Officer	61,457	SEE SCHEDULE O		No
BOB KILLDAY	FAMILY MEMBER	61,457	SEE SCHEDULE O		No
BOBBY KILLDAY	FAMILY MEMBER	61,457	SEE SCHEDULE O		No

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PRAIRIE POWER INC

Employer identification number
37-1013955

Identifier	Return Reference	Explanation
EMPLOYEE BENEFITS	FORM 990 PART IX, LINE 9	The employee benefit expenditure reported on Line 9 includes the organization's pension plan expenses, however, the current accounting for these amounts is not in a format that would permit an allocation between Lines 8 and 9 at this time Additional information is available upon request
GOVERNING BODY ELECTION	FORM 990 PART VI SECTION B LINE 11A	Each distribution cooperative member of PPI nominates two persons to serve as directors of PPI and one person to serve as an alternate director of PPI to act in the absence of a director The members of PPI elect the directors and alternate directors at the annual meeting of members of PPI
GOVERNING BODY APPROVAL	FORM 990 PART VI SECTION A LINE 7b	Certain actions of PPI, e g merger, consolidation or sale of substantially all of the assets of PPI outside of the ordinary course of business, require approval of PPI's electric distribution cooperative members
REVIEW OF FORM 990	FORM 990 PART VI SECTION B LINE 11A	Every member of the Board of Directors was provided with a copy of the Form 990 The Form 990 was reviewed by the PPI Finance/Legal Committee, which reported on this review to the full Board of Directors
CONFLICT OF INTEREST POLICY	FORM 990 PART VI SECTION B LINE 12	PPI's legal counsel annually reviews the conflict of interest policy with the officers, directors, and key employees Each director, officer, and key employee must annually complete, sign, and submit the conflict of interest certification and disclosure form
COMPENSATION	FORM 990 PART VI SECTION B LINE 15	The President and CEO has a written employment contract approved by the Board of Directors Annually this employment contract is reviewed and may be revised In establishing the compensation for the President and CEO, the Board of Directors reviews information available through industry organizations, including the National Rural Electric Cooperative Association The salaries of other staff officers and key employees are determined by the President and CEO The President and CEO is provided numerous wage surveys as guidance Additionally, the PPI Board of Directors approves an annual budget The President and CEO is to determine salaries within the budget amount provided by the Board
TAX EMEMPT BOND PURPOSE	SCHEDULE K PART I COLUMN F	The proceeds of the bonds are to be used by PPI for the purpose of financing its percentage interest of the costs of constructing, acquiring, installing, and equipping certain solid waste disposal facilities at the Prairie State Energy Campus
DOCUMENT AVAILABILITY	FORM 990 PART VI SECTION C LINE 19	Prairie Power, Inc maintains its governing documents, conflict of interest policy and financial statements in a central location at the organization's headquarters These documents are available upon request and shall be issued at the organization's discretion

Identifier	Return Reference	Explanation
COMPUTER LOAN PROGRAM	SCHEDULE L PART II	Prairie Power instituted an organization-wide computer loan program that facilitates the purchase of computers for its employees and Directors home use These loans are provided to all employees and Directors, the three officers/directors listed represent the Interested Persons who participated in the program

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS SCHEDULE L PART IV Current Officer, Terry Killday, owns a 15% ownership in Shelton Construction and Services, an electric utility contracting company Terry's kin, Bob Killday and Bobby Killday each have an ownership interest in Shelton Construction as well, 15% and 55% respectively Prairie Power, Inc paid Shelton Construction $61,457 for services rendered in 2009 Terry Killday recuses himself from any decision-making at Prairie Power Inc on matters related to the hiring and retention of Shelton Construction Terry Killday self-disclosed this ownership interest in response to Prairie Power's annual conflict of interest questionnaire LEGAL EXPENSES FORM 990 PART VII, SECTION B The legal fees reported in Part IX of the Form 990 represent legal expenses actually expensed in 2009 On Part VII, Section B of the Form 990, PPI reports $118k in legal expenses paid to independent contractors FORM 8275 FORM 990 PART VII LINE 3- INVESTMENT INCOME Form 8275, Disclosure Statement for Net Interest earned on debt financed investment in Cooperative Finance Corporation attached to the Form 990-T

Additional Data

Software ID:
Software Version:
EIN: 37-1013955
Name: PRAIRIE POWER INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Jim Thompson Director	40	X						0	0	0
Robert Willis DIRECTOR- Vice Chairman	60	X						10,450	0	0
M L Christman DIRECTOR-Secretary-Treasurer	30	X						0	0	0
Scott Uphoff Director	40	X						5,950	0	0
Bradley J Ludwig Director	50	X						9,750	0	0
Wm David Champion Jr DIRECTOR- Chairman	50	X						0	0	0
Robert Delp Director	60	X						0	0	0
Robert Brown Director	60	X						9,750	0	0
Bruce Giffin DIRECTOR	20	X						0	0	0
Jerry Riggins Director	60	X						8,700	0	0
Steve Epperson Director	30	X						0	0	0
Michael E Carls Director	60	X						10,450	0	0
Jim Coleman Director	40	X						0	0	0
Richard Boggs- DIRECTOR ASST SECRETARY-TREASURER	40	X						8,000	0	0
Jack L Clark Director	50	X						11,150	0	0
William R Dodds Director	40	X						0	0	0
William R Newton Director	50	X						9,400	0	0
Paul Dion Director	50	X						0	0	0
Lynn Frasco Director	50	X						0	0	0
Thomas Zwica Director	40	X						8,700	0	0
James Benz Alternate Director	10	X						0	0	0
Harold Loy Alternate Director	10	X						0	0	0
Thomas Meehan III Alternate Director	10	X						700	0	0
Robert Dwyer Alternate Director	10	X						0	0	0
Gary L Martin Alternate Director	10	X						700	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
David K Biery Alternate Director	1 0	X						0	0	0
James Holevoet Alternate Director	1 0	X						700	0	0
David Finley Alternate Director	4 0	X						4,350	0	0
John M Scott Alternate Director	1 0	X						0	0	0
Lyle H Nelson Alternate Director	1 0	X						700	0	0
John Dalton VP Power Eng, Ops & Planning	40 0			X				166,862	0	28,960
Lyndon Gabbert VP Finance & Accounting	40 0			X				145,922	0	24,990
Randall Fisher Superintendent of Generation	40 0			X				122,326	0	21,171
Gregory Nieman Director Admin Services	40 0			X				129,933	0	22,105
Daniel Breden VP Power Delivery	40 0			X				130,588	0	22,267
Terry Killday Superintendent of Operations	40 0			X				124,870	0	20,921
Robert Reynolds Sr Director - Planning & Oper	40 0					X		117,914	0	20,548
Reginald Johnson Asst Superintendent of Operat	40 0					X		103,375	0	16,336
Jay Bartlett President/CEO	40 0			X				171,958	0	31,158
PHILLIP BREEZEEL DIRECTOR OF MISO MARKET OPS	40 0					X		101,100	0	18,165
Robert Harbour President/CEO	40 0						X	236,837	0	20,604

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	**(A) Total expenses**	**(B) Program service expenses**	**(C) Management and general expenses**	**(D) Fundraising expenses**
ELECTRIC PURCHASES	90,305,919	90,305,919		
GENERATION OPERATION &				
MAINTENANCE	1,501,147	1,501,147		
LINE & STATION OPERATION	6,400,707	6,400,707		
OTHER SERVICES	95,754		95,754	