

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mt. Carmel Public Utility Co.
Mt. Carmel, Illinois

We have audited the accompanying reconciliation of revenue billed under uniform FAC charges with the adjusted cost of electric energy incurred (the "Reconciliation") of Mt. Carmel Public Utility Co. (the "Company") for the year ended December 31, 2010. This Reconciliation is the responsibility of the Company's management. Our responsibility is to express an opinion on this Reconciliation based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Reconciliation is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Reconciliation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Reconciliation was prepared to present the reconciliation of revenue billed under uniform FAC charges with the adjusted cost of electric energy incurred by the Company pursuant to the Illinois Commerce Commission's Order 10-0681 and as required by Title 83 Illinois Administrative Code Part 425.50, and is not intended to be a complete presentation of the Company's income and expenses.

In our opinion, the Reconciliation presents fairly, in all material respects, the reconciliation of revenue billed under uniform FAC charges with the adjusted cost of electric energy incurred by the Company for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America and the Illinois Commerce Commission's Order 10-0681 dated December 2, 2010 and as required by Title 83 Illinois Administrative Code Part 425.50.

This report is intended solely for the information and use of the Board of Directors and management of the Company and for filing with the Illinois Commerce Commission and should not be used by anyone other than these specified parties.

Kemper CPA Group LLP

CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

Vincennes, Indiana
February 25, 2011

Mt. Carmel Public Utility Co.
Reconciliation of Revenue Billed under Uniform FAC Charges
with the Adjusted Cost of Electric Energy Incurred
For The Year Ended December 31, 2010

Line No.	Description	Totals
1	Balance of Factor Ra at 12/31/2009, per 2009 Reconciliation	\$ (22,057)
2	Factor Ro Collected / (Refunded) During 2010	(3,292)
3	Balance Collected / (Refunded) During 2010 from prior periods (sum of Lines 1 - 2)	<u>(25,349)</u>
4	2010 Recoverable Costs	5,682,081
5	2010 FAC Revenues	(4,837,606)
6	2010 Base Fuel Cost (BFC) Revenues	<u>(757,387)</u>
7	Under/(Over) Recovery for 2010 (sums of Lines 4 - 6)	87,088
8	FAC Reconciliation Balance at December 31, 2010 (Line 3 + Line 7)	61,739
9	Balance of Factor Ra at December 31, 2010	<u>52,509</u>
10	Requested Ordered Reconciliation Factor (Factor Ro) (Line 8 - Line 9)	<u><u>9,230</u></u>