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NEWS RELEASE

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AMP EXECUTES CONTRACT TO START CONSTRUCTION ON SECOND HYDROELECTRIC PROJECT

CLEAN GENERATION FACILITY TO BE BUILT AT SMITHLAND LOCKS AND DAM

COLUMBUS: American Municipal Power, Inc. (AMP) recently executed a contract with C.J. Mahan Construction Company, of Grove City, Ohio, for the design and construction of a cofferdam for AMP's Smithland Hydroelectric project. The action paves the way for construction to start on the second of five run-of-the-river hydroelectric projects AMP currently has under development.

AMP is developing the five projects at existing dams on the Ohio River, which represents the largest deployment of new run-of-the-river hydroelectric generation in the country. Last summer, AMP broke ground on the first project at the Cannelton Locks and Dam near Hawesville, Kentucky. This second project is being developed at the dam near Smithland, Kentucky about 3.5 hours southwest of Louisville.

“AMP is embarking on an aggressive generation asset development effort designed to diversify the power supply portfolio of our member communities and provide insulation from the volatile wholesale electric market,” AMP President and CEO Marc Gerken said. “Hydroelectric generation is an important component of AMP’s power supply strategy. It not only offers competitively priced power and further diversification, but in this region, hydro generation is far superior to other renewable generation technologies. We’re excited to move forward on this second project.”

Mahan will pursue completion of the cofferdam design, with review and approval from the consulting engineering firm, the Army Corps of Engineers and the Chicago Regional Office of the Federal Energy Regulatory Commission.

A run-of-the-river facility of this type uses the natural flow of the river and the elevation drop from the high-side to the low-side of the existing dam to generate electricity. The powerhouse is constructed adjacent to the existing dam. The cofferdam is the structure that diverts water to allow construction to take place. The design will involve excavation slope stability, a massive de-watering system, a deep (greater than 100 feet) slurry trench wall, and excavation for the future powerhouse work. Actual construction at the site is scheduled to start in the spring.

The Smithland Hydroelectric project has an estimated capacity of 76 MW and represents a capital investment of approximately \$432 million. The construction phase will employ 200-400 workers during the approximately 4 year construction cycle. Once the plant is operational it will employ 7-9 permanent operators.

“A national study released last year by the National Hydropower Association documented the important economic impact hydroelectric development has in this country,” Gerken said. “We’ve seen that first hand with our Belleville Hydroelectric Plant, which AMP has operated for the last 10 years; and now with the new projects under development. These projects are good for the regional economy, they are good for the environment, and most importantly, they’re good for participating AMP member communities.”

In 2008, AMP executed a contract with York, Pennsylvania-based Voith Hydro for supply of generators and turbines to be used at four of the hydroelectric facilities under development. The more than \$400 million contract was the largest executed by the North American branch of the company. Last year, Voith announced it is opening a manufacturing facility in Hannibal, Ohio to build components for the AMP projects. This facility will employ 40-50 workers.

The hydroelectric projects under development by AMP will add more than 350 MW of clean, renewable generation to the region. The 79-AMP member communities in five states participating in the projects will share the energy output from the facilities.

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***About AMP:** American Municipal Power is the nonprofit wholesale power supplier and services provider for 129 member municipal electric system communities in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia. Combined these public utilities serve over 570,000 customers. AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the open market and energy produced at AMP and member-owned generating facilities. AMP built and operates the 42 MW Belleville Hydroelectric Plant and the 7.2 MW American Municipal Power Wind Farm, Ohio's only utility-scale commercial wind farm.*

***About C.J. Mahan:** Headquartered in Grove City, Ohio, C.J. Mahan Construction Company specializes in large-scale, heavy civil engineering projects including the development and rehabilitation of concrete and steel bridges, water treatment facilities, locks, dams, and other challenging structures.*