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NEWS RELEASE

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AMP COMMEMORATES GROUNDBREAKING FOR SMITHLAND HYDROELECTRIC PLANT

SMITHLAND, KY: Kentucky Governor Steve Beshear was the keynote speaker as American Municipal Power, Inc. (AMP) celebrated the latest ground breaking in AMP's development of six run-of-the-river hydroelectric projects on the Ohio River. The project, being built at the Smithland Locks and Dam, will add 72 MW of new, renewable generation to the region.

AMP is currently undertaking the largest development of new run-of-the-river hydroelectric generation in the country. A total of six projects are being developed at existing dams on the Ohio River – three of which are now under construction. Combined, these projects will add more the 350 MW of renewable generation, and create jobs and economic development in the region. The Smithland Hydroelectric Plant is being developed on behalf of 79 AMP member communities participating in the project. The Central Virginia Electric Cooperative is also participating in the project.

"AMP is committed to helping our member communities diversify their power supply portfolio and increase their use of renewable generation," AMP President/CEO Marc Gerken said. "The hydroelectric generation currently being developed by AMP is a large part of a coordinated effort to reduce our members' over-dependence on the volatile wholesale market and create a balanced power supply. At the same time, this development effort is creating jobs and economic development in the region."

The more than \$400 million Smithland project will employ 200-400 construction workers and provide 7-9 permanent operating positions. The project is expected to begin generating power in Spring 2014.

AMP's hydroelectric project development is providing a significant boost to the economic well-being of the region. AMP signed a contract with York, Pennsylvania-based Voith Hydro for the manufacture of turbines and generators for the first four facilities. The more than \$420 million contract was the largest executed to date by Voith. Voith recently opened a manufacturing facility in Hannibal, Ohio to help fulfill the contract, with the potential to create approximately 50 new jobs.

In addition to the Smithland project, AMP is developing facilities on the Ohio River Meldahl, Cannelton, RC Byrd, Willow Island and Pike Island dams. Construction started in July 2009 on the Cannelton project and in May 2010 on the Meldahl project, which AMP is developing in partnership with the member community of Hamilton, Ohio.

"This is obviously a large undertaking," Gerken said. "However, the Ohio River dams represent a valuable, largely untapped resource of renewable power. We're proud of these projects and glad to be starting construction on the third facility. Our members are committed to providing a cleaner, safer, healthier and stable power supply portfolio to their customer/owners."

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About AMP

American Municipal Power Inc. is the wholesale power supplier and services provider for 128 member municipal electric systems in Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia. The organization operates and maintains a number of generation assets that include coal, hydroelectric, wind, natural gas and diesel units and is currently developing new generation assets on behalf of its members. This effort includes the largest deployment of new run-of-the-river hydroelectric generation in the country. In addition the organization provides a variety of related services to its members, including safety programs, technical services, financial programs, legislative, regulatory and legal representation as well as community outreach programs. For more information: www.ampppartners.org