NEW ISSUE–BOOK ENTRY ONLY **RATINGS: MOODY'S: A1**
STANDARD & POOR'S: A

In the opinion of Norton Rose Fulbright US LLP, Federal Tax Counsel, under current law and assuming compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Series 2019 Tax-Exempt Bonds will not be includable in the gross income of the owners of the Series 2019 Tax-Exempt Bonds for purposes of federal income taxation. In the opinion of Dinsmore & Shohl LLP, Bond Counsel, interest on the Series 2019 Bonds will be exempt from certain Ohio taxes. Under current law, interest on the Series 2019D Taxable Bonds will be includable in gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for further information.

AMERICAN MUNICIPAL POWER, INC.
PRAIRIE STATE ENERGY CAMPUS PROJECT REVENUE BONDS
$127,315,000 REFUNDING SERIES 2019B
$87,485,000 REFUNDING SERIES 2019C
$148,380,000 REFUNDING SERIES 2019D (FEDERALLY TAXABLE)

DATED: DATE OF ISSUANCE **DUE: AS SHOWN ON THE INSIDE COVER PAGE**

The Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B (the "Series 2019B Bonds"), Refunding Series 2019C (the "Series 2019C Bonds" and, together with the Series 2019B Bonds, the "Series 2019 Tax-Exempt Bonds") and Refunding Series 2019D (Federally Taxable) (the "Series 2019D Taxable Bonds" and together with the Series 2019 Tax-Exempt Bonds, the "Series 2019 Bonds") will be issued by American Municipal Power, Inc. ("AMP") in book-entry only form through The Depository Trust Company, which will act as securities depository. Purchases of the Series 2019 Bonds will be made in book-entry form through DTC participants in denominations of $5,000 or any integral multiple thereof. Payments of principal and interest on the Series 2019 Bonds will be made to beneficial owners by DTC through its participants. See APPENDIX F hereto. The Series 2019 Bonds will bear interest at the rates, and mature on the dates, as described on the inside cover hereof. Interest on the Series 2019 Bonds will accrue from their date of issuance and will be paid each February 15 and August 15, commencing on February 15, 2020 as more fully described herein.

The Series 2019 Bonds are subject to redemption prior to maturity as described herein.

The Series 2019 Bonds are being issued and will be secured under the Master Trust Indenture, dated as of November 1, 2007 (the "Master Trust Indenture"), as supplemented, between AMP and U.S. Bank National Association, as trustee. The Master Trust Indenture, as so supplemented and as heretofore and further supplemented and amended from time to time, is herein called the "Indenture."

The Series 2019 Bonds are being issued to (i) refund a portion of the Outstanding Bonds (as defined herein) issued under the Master Trust Indenture and (ii) pay the costs of issuance of the Series 2019 Bonds.

AMP has entered into a Power Sales Contract dated as of November 1, 2007 (the "Power Sales Contract") with various municipalities in the States of Michigan, Ohio, Virginia and West Virginia (the "Participants"). Each Participant is a Member of AMP and owns and operates its own electric system (each an "Electric System"). Under the terms of the Power Sales Contract, each Participant agrees to pay for its respective share of Power Sales Contract Resources (each a "PSCR Share"), including its share of electric power and energy from AMP's Ownership Interest in the PSEC, from the revenues of its Electric System.

The Series 2019 Bonds are special and limited obligations of AMP payable from and secured solely by the Trust Estate pledged under the Indenture, which includes payments to be made to AMP by the Participants pursuant to the Power Sales Contract. The payment of the Series 2019 Bonds is not guaranteed by AMP, the Members of AMP or the Participants. Purchases of the Series 2019 Bonds involve certain investment risks as described herein.

THE SERIES 2019 BONDS ARE NOT OBLIGATIONS OF THE STATE OF MICHIGAN, OHIO, VIRGINIA OR WEST VIRGINIA, THE MEMBERS OF AMP, THE PARTICIPANTS OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MICHIGAN, OHIO, VIRGINIA OR WEST VIRGINIA, OR ANY POLITICAL SUBDIVISION, INCLUDING THE MEMBERS OF AMP AND THE PARTICIPANTS, IS PLEDGED FOR THE PAYMENT OF THE SERIES 2019 BONDS. AMP HAS NO TAXING POWER.

The Series 2019 Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriters, subject to the approval of legality by Dinsmore & Shohl LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for AMP by its General Counsel for Corporate Affairs, and by its Federal Tax Counsel, Norton Rose Fulbright US LLP, and for the Underwriters by Nixon Peabody LLP. It is expected that delivery of the Series 2019 Bonds will be made on or about December 4, 2019, through the facilities of DTC.

Citigroup

BofA Securities **Goldman Sachs & Co. LLC** **KeyBanc Capital Markets**
PNC Capital Markets LLC **US Bancorp**

This cover page is only a brief and general summary. Investors must read the entire Official Statement to obtain essential information for making an informed investment decision. This Official Statement is dated November 6, 2019 and the information contained herein speaks only as of that date.

MATURITY SCHEDULE, INTEREST RATES, PRICE OR YIELD AND CUSIPS

AMERICAN MUNICIPAL POWER, INC.
PRAIRIE STATE ENERGY CAMPUS REVENUE BONDS

$127,315,000 REFUNDING SERIES 2019B

DUE FEBRUARY 15	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP(†)
2020	$ 810,000	5.00%	1.24%	02765UPK4
2021	765,000	5.00	1.31	02765UPL2
2022	785,000	5.00	1.34	02765UPM0
2023	17,525,000	5.00	1.38	02765UPN8
2024	25,580,000	5.00	1.41	02765UPP3
2025	30,605,000	5.00	1.50	02765UPQ1
2035	35,670,000	5.00	2.30*	02765UPR9
2036	15,575,000	5.00	2.34*	02765UPS7

$87,485,000 REFUNDING SERIES 2019C

DUE FEBRUARY 15	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP(†)
2033	$32,185,000	5.00%	2.22%*	02765UPT5
2035	7,560,000	5.00	2.30*	02765UPU2
2036	8,050,000	5.00	2.34*	02765UPV0
2039	39,690,000	4.00	2.75*	02765UPW8

$148,380,000 REFUNDING SERIES 2019D (FEDERALLY TAXABLE)

DUE FEBRUARY 15	PRINCIPAL AMOUNT	INTEREST RATE	PRICE	CUSIP(†)
2021	$ 2,395,000	2.085%	100%	02765UNX8
2022	2,465,000	2.148	100	02765UNY6
2023	12,745,000	2.219	100	02765UNZ3
2024	6,795,000	2.299	100	02765UPA6
2025	2,960,000	2.453	100	02765UPB4
2026	3,170,000	2.563	100	02765UPC2
2027	3,250,000	2.714	100	02765UPD0
2028	3,340,000	2.764	100	02765UPE8
2029	7,170,000	2.814	100	02765UPF5
2030	36,105,000	2.914	100	02765UPG3
2031	37,020,000	3.014	100	02765UPH1
2032	30,965,000	3.114	100	02765UPJ7

* Priced at the stated yield to the February 15, 2030 optional redemption date at a Redemption Price of par.

(†)

AMERICAN MUNICIPAL POWER, INC.

BOARD OF TRUSTEES

The incumbent municipalities (located in Ohio unless otherwise noted) on the AMP Board of Trustees (the "*Board of Trustees*") and their representatives to the Board are as follows:

Trustee	Representative	Employment
Bowling Green	Brian O'Connell	Director of Utilities, City of Bowling Green
Bryan	Kevin Maynard, Secretary	Director of Utilities, Bryan Municipal Utilities
Cleveland	Ivan Henderson	Commissioner, Cleveland Public Power
Clyde	Paul Fiser	City Manager, City of Clyde
Coldwater, MI	Jeff Budd	Director, Board of Public Utilities, Coldwater, Michigan
Cuyahoga Falls	Mike Dougherty	Superintendent, Cuyahoga Falls Electric Department
Danville, VA	Jason Grey	Director of Utilities, City of Danville
DEMEC	Patrick McCullar, Treasurer	President/CEO, Delaware Municipal Electric Corporation
Dover	Dave Filippi	Plant Superintendent, Dover Light & Power
Ephrata, PA	D. Robert Thompson	Borough Manager, Borough of Ephrata
Hamilton	Jim Logan	Executive Director of Infrastructure, City of Hamilton
Montpelier	Jason Rockey	Assistant Village Manager, Village of Montpelier
Napoleon	Joel Mazur	City Manager, City of Napoleon
Oberlin	Doug McMillan	Director, Oberlin Municipal Light and Power System
Orrville	Jeff Brediger, Chair	Director of Utilities, City of Orrville
Paducah, KY	David Carroll	General Manager, Paducah Power System
Philippi, WV	Jeremy Drennen	City Manager, City of Philippi
Piqua	Robert Bowman	Assistant Director, Piqua Municipal Power System
Wadsworth	Robert Patrick, Vice Chair	Public Service Director, City of Wadsworth
Wellington	Steve Dupee	Village Manager, Village of Wellington
Westerville	Chris Monacelli	Electric Utility Manager, City of Westerville Electric System
Ex-Officio	Marc Gerken, P.E.	President and Chief Executive Officer
Ex-Officio	Rachel Gerrick, Esq.	Senior Vice President and General Counsel for Corporate Affairs

Executive Management

Officer	Office
Marc Gerken, P.E.	President and Chief Executive Officer
Pamala Sullivan	Executive Vice President of Power Supply and Generation
Jolene Thompson	Executive Vice President of Member Services and External Affairs
Paul Beckhusen	Senior Vice President of Power Supply Operations and Energy Marketing
Rachel Gerrick, Esq.	Senior Vice President and General Counsel for Corporate Affairs
Branndon Kelley	Vice President and Chief Information Officer
Scott Kiesewetter	Senior Vice President of Generation Operations
Terry Leach	Vice President of Risk and Chief Risk Officer
Lisa McAlister, Esq.	Senior Vice President and General Counsel for Regulatory Affairs
Marcy Steckman	Senior Vice President of Finance and Chief Financial Officer

Bond Counsel
Dinsmore & Shohl LLP
Columbus, Ohio

Federal Tax Counsel
Norton Rose Fulbright US LLP
New York, New York

Financial Advisor
Ramirez & Co., Inc.
New York, New York

Trustee
U.S. Bank National Association
Columbus, Ohio

The information contained in this Official Statement has been obtained from AMP, DTC and other sources believed to be reliable. This Official Statement is submitted in connection with the sale of the securities described herein and may not be reproduced or used, in whole or in part, for any other purpose. The information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of any party since the date of this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. AMP does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

The Underwriters have provided the following two paragraphs for inclusion in this Official Statement: They have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but they do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE SERIES 2019 BONDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by AMP or the Underwriters. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Series 2019 Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has or will have passed upon the adequacy of this Official Statement or approved the Series 2019 Bonds for sale.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. No commission or authority has confirmed the accuracy or determined the adequacy of this document.

TABLE OF CONTENTS

PAGE

OFFICIAL STATEMENT

AMERICAN MUNICIPAL POWER, INC.
PRAIRIE STATE ENERGY CAMPUS PROJECT REVENUE BONDS
$127,315,000 REFUNDING SERIES 2019B
$87,485,000 REFUNDING SERIES 2019C
$148,380,000 REFUNDING SERIES 2019D (FEDERALLY TAXABLE)

INTRODUCTION

PURPOSE

This Official Statement, which includes the cover page and appendices attached hereto, contains information concerning (a) American Municipal Power, Inc. ("*AMP*"), an Ohio nonprofit corporation established pursuant to the laws of the State of Ohio, (b) AMP's Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B (the "*Series 2019B Bonds*"), Refunding Series 2019C (the "*Series 2019C Bonds*" and, together with the Series 2019B Bonds, the "*Series 2019 Tax-Exempt Bonds*") and Refunding Series 2019D (Federally Taxable) (the "*Series 2019D Taxable Bonds*" and, together with the Series 2019 Tax-Exempt Bonds, the "*Series 2019 Bonds*") and (c) the Prairie State Energy Campus (the "*PSEC*"), in which AMP holds a 23.26% undivided ownership interest (the "*Ownership Interest*" and the development, acquisition, construction, equipping, testing and placing into service of the Ownership Interest, the "*Project*").

The Series 2019 Bonds are being issued by AMP to (i) refund a portion of the Outstanding Bonds (the "*Refunding Candidates*") issued under the Master Trust Indenture and (ii) pay the costs of issuance of the Series 2019 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES" herein.

AUTHORIZATION FOR THE SERIES 2019 BONDS

The Series 2019 Bonds shall be issued and secured under the Master Trust Indenture, dated as of November 1, 2007 (the "*Master Trust Indenture*"), entered into between AMP and U.S. Bank National Association, as trustee (the "*Trustee*"), as supplemented by the Twelfth Supplemental Indenture (the "*Twelfth Supplemental Indenture*"), by the Thirteenth Supplemental Indenture (the "*Thirteenth Supplemental Indenture*") and by the Fourteenth Supplemental Indenture (the "*Fourteenth Supplemental Indenture*"), each to be dated as of November 1, 2019, between AMP and the Trustee. The Master Trust Indenture, as so supplemented and as heretofore and further supplemented and amended from time to time, is herein called the "*Indenture.*" The Series 2019 Bonds are the eleventh, twelfth and thireeenth series of Bonds to be issued under the Master Trust Indenture. The Series 2019 Bonds, together with AMP's Prairie State Energy Campus Revenue Bonds, Series 2009B, Series 2009C, Series 2010, Refunding Series 2015A, Refunding Series 2015B, Refunding Series 2017A and Refunding Series 2019A (collectively, the "*Outstanding Bonds*") and any additional bonds issued under the Indenture on a parity with the Series 2019 Bonds (collectively, with the Series 2019 Bonds, "*Bonds*") and any Parity Debt are herein called collectively "*Parity Obligations.*" See "THE SERIES 2019 BONDS." As of October 1, 2019, AMP had $1,523,395,000 aggregate principal amount of Bonds and no Subordinate Obligations outstanding under the Indenture.

The Board of Trustees of AMP by a resolution adopted on September 23, 2019, authorized the issuance and sale of the Series 2019 Bonds and approved the form and authorized the execution and delivery of the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture and the Fourteenth Supplemental Indenture.

POWER SALES CONTRACT

The Bonds, including Series 2019 Bonds, are payable primarily from payments owing to AMP by its 68 Members ("*Participants*") that entered into a Power Sales Contract, dated as of November 1, 2007 (the "*Power Sales Contract*") with AMP. See APPENDIX A – "THE PARTICIPANTS" for a list of the Participants and their respective shares of the Power Sales Contract Resources (defined below). Under the Power Sales Contract, AMP agreed to issue bonds to finance the acquisition, construction, equipping, testing and placing into service of the Ownership Interest and the Participants agreed to take or pay for shares of the output associated with the Ownership Interest and Replacement Power (collectively "*Power Sales Contract Resources*" or "*PSCR*"). See "SOURCES OF PAYMENT AND SECURITY FOR THE Series 2019 Bonds - Power Sales Contract" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACT."

AMP

AMP was formed under Ohio Revised Code Chapter 1702 as a nonprofit corporation in 1971. Under applicable law, AMP has perpetual existence and the duration of its existence is not otherwise limited by its certificate of incorporation or by any agreement with its members (the "*Members*").

AMP operates on a cooperative nonprofit basis for the mutual benefit of its Members, all of which own and/or operate municipal electric utility systems that include distribution facilities (except in the case of DEMEC (as hereinafter defined)) and in some cases (including DEMEC) generation assets (each, an "*Electric System*" and collectively, the "*Electric Systems*"). As of October 1, 2019, AMP had 135 Members – 85 municipalities in Ohio, 29 boroughs in Pennsylvania, six municipalities in Michigan, five municipalities in Virginia, five municipalities in Kentucky (three of which are members through their electric plant boards), two cities in West Virginia, one city in Indiana, one town in Maryland and the Delaware Municipal Electric Corporation ("*DEMEC*"), a political subdivision and joint action agency of the State of Delaware with nine municipal members.

AMP has also received letters to the effect that AMP is exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Code of 1986, as amended (the "Code"), that its income is excludable from federal income tax under Section 115 of the Code and that it may issue on behalf of its Members obligations the interest on which is excludible from the gross income of holders thereof for federal income tax purposes, and that it is a wholly owned instrumentality of its Members with the consequence that use of tax-exempt financed facilities by AMP will not result in private use under the Code. See "AMERICAN MUNICIPAL POWER, INC. – Tax Status".

THE PSEC

The PSEC consists of a supercritical, coal-fired, mine mouth generating facility that was designed to have a net rated capacity of approximately 1,582 MW, related equipment and facilities and associated coal reserves. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012. The Participants subscribed for capacity from PSEC based on the design net rated capacity of 1,582 MW and AMP budgets based on such designed capacity. Based on performance testing, Unit 1 currently has a maximum net rating of 814 MW and Unit 2 has a maximum net rating of 811 MW, or an aggregate maximum net rating of 1,625 MW. In this Official Statement, performance data is presented on the basis of both the design net rated capacity and the maximum net rating.

The PSEC Owners (as defined herein), including AMP, own the PSEC. AMP's 23.26% Ownership Interest in the PSEC entitles AMP to an allocable percentage of the net capacity and output

from the PSEC at any given time (at the design net rated capacity, approximately 368 MW, and, at the maximum net rating, approximately 378 MW) and a proportionate share of the adjacent coal reserves and mining facilities. See "PRAIRIE STATE ENERGY CAMPUS".

OTHER

This Official Statement includes information regarding and descriptions of AMP, the PSEC, the Participants and the Series 2019 Bonds, and summaries of certain provisions of the Indenture and the Power Sales Contract. Such descriptions and summaries do not purport to be complete or definitive, and such summaries are qualified by reference to such documents, copies of which may be obtained from AMP or the Underwriters. Descriptions of the Indenture, the Series 2019 Bonds and the Power Sales Contract are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

PLAN OF REFUNDING

A portion of the proceeds of the Series 2019 Bonds, together with other available funds under the Indenture, will be applied to refund the Outstanding Bonds identified in the tables below (the "*Refunded Bonds*").

Series 2009C (Federally Taxable – Issuer Subsidy – Build America Bonds)

Maturity Date (February 15)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP
2034	$25,885,000	6.453%	February 15, 2020	100%	02765UCN2
2039	77,435,000	6.553	February 15, 2020	100	02765UCQ5

Refunding Series 2015A

Maturity Date (February 15)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP
2023	$27,075,000	5.00%	February 15, 2020	100%	02765UFW9
2024	29,290,000	5.00	February 15, 2020	100	02765UFX7
2025	30,455,000	5.00	February 15, 2020	100	02765UFY5
2030	35,195,000	5.25	February 15, 2022	100	02765UGD0
2031	37,055,000	5.25	February 15, 2022	100	02765UGE8
2032	31,945,000	5.25	February 15, 2022	100	02765UGF5
2033	33,625,000	5.25	February 15, 2022	100	02765UGG3

Refunding Series 2015B Bonds (Subseries 2015B-2)

Maturity Date (February 15)	Principal Amount	Initial Term Rate	Redemption Date	Redemption Price	CUSIP
2036	$63,370,000	5.00 %	February 15, 2020	100%	02765UGM0

AMP does not intend to defease the Series 2009C Bonds constituting the Refunded Bonds, but will deposit a portion of the proceeds of the Series 2019 Bonds in an escrow to pay a portion of the principal of and interest on such Series 2009C Bonds on the February 15, 2020 redemption date.

To effect the refunding of that Refunding Series 2015A Bonds and Refunding Series 2015B Bonds (Subseries 2015B-2) that constituted Refunded Bonds (the "2015 Refunded Bonds"), a sufficient amount of the proceeds of the Series 2019 Bonds and certain other available amounts will be deposited in one or more escrow accounts (each, an "*Escrow Fund*") established by AMP with U.S. Bank National Association (U.S. Bank National Association in such capacity, the "*Escrow Agent*"), and will be invested

in certain non-callable direct obligations or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America ("*Defeasance Obligations*") that mature in amounts and pay interest at rates sufficient to pay, when due, the principal, applicable redemption premiums, if any, and interest on the 2015 Refunded Bonds through their respective maturity or redemption dates, as applicable. The sufficiency of each Escrow Fund, including Defeasance Obligations and the income thereon, to pay such amounts will be verified by Samuel Klein and Company, Certified Public Accountants. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE REFUNDED BONDS". On the date of issuance of the Series 2019 Bonds, the Escrow Agent will be given irrevocable instructions to call the callable Refunded Bonds for redemption on the applicable redemption dates and at the applicable redemption prices.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS

The sources and uses of funds in connection with the issuance of the Series 2019 Bonds are estimated to be as follows:

	Series 2019B Bonds	Series 2019C Bonds	Series 2019D Taxable Bonds
Sources:			
Par Amount	$127,315,000	$87,485,000	$148,380,000
Net Offering Premium	23,590,192	16,285,591	-
Release from Parity Common Reserve Account	795,832	547,475	730,285
Release from Interest Account in Bond Subfund	2,503,167	1,507,772	2,411,850
Total Sources	$154,204,191	$105,825,839	$151,522,135
Uses:			
Deposit to Escrow Account	$153,464,190	$105,252,071	$150,683,819
Costs of Issuance†	740,001	573,768	838,316
Total Uses	$154,204,191	$105,825,839	$151,522,135

† Includes underwriting discount and rating agency, trustee, consultant and legal fees and other expenses related to the issuance of the Series 2019 Bonds.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS

The Series 2019 Bonds are payable from and secured solely by the Trust Estate pledged under the Indenture. The Series 2019 Bonds are equally and ratably secured and are payable solely from the Gross Receipts (subject to the provisions of the Master Trust Indenture which permit AMP to apply such Gross Receipts to the payment of AMP Operating Expenses) and certain amounts held under the Indenture. The Gross Receipts include payments made by the Participants under the Power Sales Contract (excluding amounts paid for transmission service and amounts representing administration fees, which are retained by AMP), the Federal Subsidy (as defined below) and the investment income on moneys and securities held by the Trustee in certain subfunds, accounts and subaccounts established pursuant to the Indenture. The Gross Receipts are to be applied in accordance with the priorities established under the Indenture.

THE SERIES 2019 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF AMP PAYABLE SOLELY FROM THE REVENUES, MONEYS, SECURITIES AND FUNDS PLEDGED THEREFOR IN THE INDENTURE. THE PAYMENT OF THE SERIES 2019 BONDS IS NOT GUARANTEED BY AMP, ITS MEMBERS OR THE PARTICIPANTS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE MEMBERS, THE PARTICIPANTS, THE STATE OF MICHIGAN, OHIO, VIRGINIA OR WEST VIRGINIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF IS PLEDGED FOR THE PAYMENT OF THE SERIES 2019 BONDS. AMP HAS NO TAXING POWER.

THE INDENTURE

The Series 2019 Bonds are secured under the Indenture by the "Trust Estate" which includes the Gross Receipts (except as stated above), AMP's rights under the Power Sales Contract (subject to certain reserved rights), and certain other amounts credited to certain subfunds, accounts and subaccounts under the Indenture. For a description of the other subfunds, accounts and subaccounts established pursuant to the Indenture, as well as other provisions of the Indenture, see APPENDIX D – "Summary of Certain Provisions of the Indenture".

The pledge of the Gross Receipts is subject to the provisions of the Indenture permitting AMP to apply such Gross Receipts to the payment of AMP Operating Expenses. AMP Operating Expenses generally will include all of AMP's costs and expenses reasonably related to the operating and maintenance of the Ownership Interest and the satisfaction of AMP's obligations pursuant to the Power Sales Contract. See APPENDIX D – "Summary of Certain Provisions of the Indenture – *Definitions*" for the definition of AMP Operating Expenses.

PARITY COMMON RESERVE ACCOUNT

Pursuant to the Indenture, the Series 2019 Bonds and the Outstanding Bonds are secured by amounts on deposit in the Parity Common Reserve Account of the Bond Subfund, including the investments, if any, thereof, which amounts are pledged to the Trustee as additional security for the payment of the principal of, and interest on, and premium, if any, on such Bonds. AMP may elect to secure additional Parity Obligations with amounts held in the Parity Common Reserve Account (the Series 2019 Bonds, the Outstanding Bonds and any other Parity Obligations having the benefit of the Parity Common Reserve Account, collectively, "*PCRA-Secured Parity Obligations*").

Under the Indenture, AMP is required to deposit and maintain an amount equal to the Parity Common Reserve Requirement in the Parity Common Reserve Account. The Parity Common Reserve Requirement is defined in the Indenture, as of any date of calculation, as an amount in respect of the outstanding PCRA-Secured Parity Obligations, including the Series 2019 Bonds and the Outstanding Bonds, equal to the least of (i) the maximum Debt Service Requirements for such Parity Obligations in any Fiscal Year ("*MADS*"), (ii) 125% of the average annual Debt Service Requirements for such outstanding Parity Obligations, and (iii) 10% of the original principal amount of such Parity Obligations, provided that if a Series of such Tax Exempt Parity Obligations has more than a de minimis amount of original issue discount or original issue premium, as described in Treasury Regulation Section 1-148-1(b), the issue price of such Parity Obligations is substituted for the principal amount of such Parity Obligations. Amounts held in the Parity Common Reserve Account are to be applied to make payment of the principal of, sinking fund redemption price of, or interest on, PCRA-Secured Parity Obligations, including the Series 2019 Bonds, in the event that amounts on deposit in the Bond Subfund are not sufficient therefor.

As of the date of issuance of the Series 2019 Bonds, the Parity Common Reserve Requirement will be approximately $109,349,052. Amounts currently credited the Parity Common Reserve Requirement is expected to be in excess of the Parity Common Reserve Requirement and such excess will be released from the Parity Common Reserve Account and deposited to the credit of the Escrow Funds. See APPENDIX D – "Summary of Certain Provisions of the Indenture" for a description of the Parity Common Reserve Account and the Parity Common Reserve Account Requirement.

Parity Obligations, including Bonds, may be secured by the Parity Common Reserve Account, by a Special Reserve Account or may have no debt service reserve. If AMP undertakes to issue additional PCRA-Secured Parity Obligations, AMP may do so only if the amount to the credit of the Parity

Common Reserve Account immediately following their issuance shall be at least equal to the Parity Common Reserve Account Requirement.

THE POWER SALES CONTRACT

General. The Bonds, including Series 2019 Bonds, are payable primarily from payments owing to AMP by the 68 Participants that entered into the Power Sales Contract with AMP. The term of the Power Sales Contract expires no earlier than December 31, 2057. Under the Power Sales Contract, each Participant is entitled to receive its Power Sales Contract Resource Share (the "*PSCR Share*") of the nominal power and associated energy from the Power Sales Contract Resources, which include the electric power and energy from AMP's Ownership Interest, Replacement Power, and transmission services. In exchange therefor, the Participants are required to make monthly payments to AMP in amounts equal to such Participant's proportionate share (equal to such Participant's PSCR Share) of AMP's Revenue Requirements, which will include the fixed and variable costs incurred by AMP in connection with the Ownership Interest, including debt service on the Series 2019 Bonds. With two exceptions, each Participant's obligation to make payments pursuant to the Power Sales Contract is a limited obligation payable solely out of the revenues, and as an operating expense, of its Electric System. In the case of each of the City of Coldwater, Michigan (2.70% PSCR Share) and the City of Marshall, Michigan (0.54% PSCR Share), in certain circumstances as more fully described in APPENDIX C – "Summary of Certain Provisions of the Power Sales Contract – Rates and Charges; Method of Payment," its obligations under the Power Sales Contract may be payable from the revenues of its Electric System on a basis subordinate to the payment of the operating expenses of its Electric System and to debt service on its outstanding (but not future) senior Electric System revenue bonds until such revenue bonds are retired.

Take-or-Pay; Fallback Provision. Except as otherwise provided in the next paragraph, each Participant's obligation to make payments pursuant to the Power Sales Contract is a "Take-or-Pay" obligation of such Participant. Therefore, such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, shall not be conditioned upon the performance by AMP or any other Participant of its obligations under the Power Sales Contract, or any other agreement, and such payments shall be made whether or not either Unit 1 and Unit 2 of PSEC or any other Power Sales Contract Resource is operable, operating and notwithstanding the suspension, interruption, interference, reduction or curtailment, in whole or in part, for any reason whatsoever, of the AMP Entitlement or the Participant's PSCR Share, including Step Up Power (as defined herein), if any.

However, if a court of competent jurisdiction shall render a final, nonappealable decision that the "Take-or-Pay" provision is, as a matter of law in such state, illegal, unconstitutional or otherwise unenforceable against the Participants within the jurisdiction of such court, the "Take-or-Pay" provision of the Power Sales Contract shall be modified with respect to all Participants. In such event, the obligation of the Participants to make payments pursuant to the Power Sales Contract shall become a "Take-and-Pay" obligation (the "*Fallback Provision*"). Under the Fallback Provision, each Participant's obligation to make payments pursuant to the Power Sales Contract shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, so long as any energy is made available by AMP thereunder during such month (whether or not such Participant actually accepts delivery thereof) and shall not be conditioned upon the performance by any of the other Participants of their respective obligations under any Related Agreement (as defined in the Indenture), or by AMP or any of the other Participants under any other agreement. See APPENDIX C – "Summary of Certain Provisions of the Power Sales Contract". State Counsel firms have opined that the "Take-or-Pay" provision in particular is a legal, binding and enforceable obligation of the Participants in each of the four states where the Participants are located. See "APPROVAL OF LEGAL MATTERS – Power Sales Contract".

Step Up Provisions. The Power Sales Contract contains a "Step Up" provision that requires, in the event of a default by a Participant (the "*Defaulting Participant*"), the non-defaulting Participants (the "*Non-Defaulting Participants*") to purchase a pro rata share, based upon each Non-Defaulting Participant's original PSCR Share, of the Defaulting Participant's entitlement to its PSCR Share which, together with the shares of the other Non-Defaulting Participants, is equal to the Defaulting Participant's PSCR Share ("*Step Up Power*"). Under the terms of the Power Sales Contract, no Non-Defaulting Participant is obligated to accept Step Up Power in excess of 25% of such Non-Defaulting Participant's original PSCR Share. See APPENDIX C – "Summary of Certain Provisions of the Power Sales Contract".

AMP to Control Enforcement. So long as AMP is not in default under the Indenture, AMP will retain the authority to enforce the provisions of the Power Sales Contract against Defaulting Participants. Furthermore, events of default under the Power Sales Contract are not automatically Events of Default under the Indenture.

RATE COVENANT AND COVERAGE

AMP has covenanted under the Indenture that, so long as the Series 2019 Bonds and any Indebtedness remains outstanding thereunder, it will fix, and if necessary adjust, rates and charges so that the Net Revenues will be sufficient to provide an amount in each Fiscal Year at least equal to the greater of (y) 110% of the Debt Service Requirements for such Fiscal Year on account of the Bonds and any Parity Debt then outstanding and (z) 100% of the sum of the Debt Service Requirements for such fiscal year on account of the Bonds and Parity Debt then outstanding and the amount required to make all other deposits required by the Indenture and to pay all other obligations of AMP related to the PSEC, including any Subordinate Obligations, as the same become due.

INCURRENCE TEST

Generally, in order to incur Parity Obligations, including additional Bonds, to finance additional Costs of the Project, AMP must be able to comply with the terms of the Incurrence Test set forth in the Indenture. AMP may comply with the Incurrence Test with respect to such additional Parity Obligations by providing the Trustee an Officer's Certificate, which may rely upon certificates or other documentation delivered by an Independent Consultant, certifying that for each Fiscal Year thereafter for which sufficient proceeds of the Parity Obligations and other available funds have not been set aside with the Trustee to pay the interest due in such Fiscal Year, in the signer's good faith estimation, (i) the Debt Service Coverage Ratio will be not less than 1.10x Maximum Annual Debt Service Requirement for all of the Parity Obligations, including the proposed additional Parity Obligations, that will be Outstanding immediately following the issuance of such proposed Parity Obligations and (ii) the Debt Service Coverage Ratio is not less than 1.00x the Maximum Annual Debt Service Requirement for all of the Indebtedness, including the proposed additional Parity Obligations, that will be Outstanding immediately following the issuance of such proposed Parity Obligations.

AMP may incur Parity Obligations, including additional Bonds, for the purpose of refunding or reissuing any Outstanding Indebtedness if, prior to the incurrence of such Parity Obligations, either (i) the Trustee receives from AMP an Officer's Certificate (which may rely upon certificates or other documentation delivered by an Independent Consultant) stating that, taking into account the Parity Obligations proposed to be incurred, the Parity Obligations to remain Outstanding after the refunding of the Outstanding Indebtedness proposed to be refunded, the Maximum Debt Service Requirement will not be increased by more than five percent (5%), or (ii) AMP files or causes to be filed with the Trustee an Officer's Certificate of AMP (which may rely upon certificates or other documentation delivered by an Independent Consultant) certifying that the Debt Service Coverage Ratio, taking into account the Parity

Obligations proposed to be incurred, the refunding of the Outstanding Indebtedness proposed to be refunded and the Parity Obligations to remain Outstanding after the refunding, is not less than 1.10x, and (iii) the Trustee receives a report by an Independent Consultant verifying the computations supporting the determination in (i) or (ii) above.

For a more detailed explanation of the Incurrence Test, see APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Certain Covenants of AMP".

SUBORDINATED INDEBTEDNESS

The Indenture provides for the issuance of Subordinate Obligations thereunder. Such Subordinate Obligations are subordinate and junior in right of payment, or provision for payment, to the prior payment in full of Parity Obligations. AMP has, from time to time, made loans to provide working capital for the PSEC from the proceeds of draws under its Line of Credit (as hereinafter defined) to (a) make certain collateral postings associated with transmission rights and (b) moderate variability in the monthly cost of power delivered from the PSEC to the Participants attributable to the variable production by levelizing such cost. See "AMERICAN MUNICIPAL POWER, INC. – Method of Rate Setting; Other Project Information." The obligation to repay amounts drawn under the Line of Credit are treated as Subordinate Obligations under the Indenture. See "AMERICAN MUNICIPAL POWER, INC. – Liquidity" below. As of October 1, 2019, no Subordinate Obligations were outstanding.

FUTURE FINANCINGS

At this time, AMP does not anticipate issuing any Bonds to finance costs related to the Ownership Interest during the next five years. AMP may, from time to time, issue bonds to finance costs relating to other projects, or to refund indebtedness for debt service savings, that are not secured by the Indenture. See "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" herein.

THE SERIES 2019 BONDS

GENERAL

The Series 2019 Bonds will be dated their date of delivery, will bear interest from that date at the rates per annum set forth on the inside cover page hereof, payable semiannually on February 15 and August 15 of each year, commencing February 15, 2020, and will mature, subject to prior redemption, on February 15 in the years and in the principal amounts set forth on the inside cover page hereof.

The Series 2019 Bonds will be issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. Interest on any Series 2019 Bond will be paid to the person in whose name such bond is registered as of the applicable Regular Record Date, which is February 1 for interest due on February 15, and August 1 for interest due on August 15. Interest on the Series 2019 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION

Optional Redemption.

Series 2019B Bonds. From any available moneys, AMP may, at its option, redeem prior to their respective maturities, in whole or in part, the Series 2019B Bonds stated to mature on and after February 15, 2035 on any date beginning February 15, 2030, at a Redemption Price of par, together with interest accrued to the date fixed for redemption.

Series 2019C Bonds. From any available moneys, AMP may, at its option, redeem prior to their respective maturities, in whole or in part, the Series 2019C Bonds on any date beginning February 15, 2030, at a Redemption Price of par, together with interest accrued to the date fixed for redemption.

Series 2019D Taxable Bonds. From any available moneys, AMP may, at its option, redeem prior to their respective maturities, in whole or in part, the Series 2019D Taxable Bonds stated to mature on and after February 15, 2031 on any date beginning February 15, 2030, at a Redemption Price of par, together with interest accrued to the date fixed for redemption.

Make-Whole Optional Redemption - Series 2019D Taxable Bonds

From any available moneys, AMP may, at its option, redeem prior to their respective maturities, in whole or in part, the Series 2019D Taxable Bonds, on any date, at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such Series 2019D Taxable Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2019D Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2019D Taxable Bonds are to be redeemed, discounted to the date on which such Series 2019D Taxable Bonds are to be redeemed on a semi-annual basis. assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 20 basis points;

plus in each case accrued interest to the redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2019D Taxable Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2019D Taxable Bond to be redeemed.

Selection of Bonds to be Redeemed.

Series 2019 Tax-Exempt Bonds. The Series 2019 Tax-Exempt Bonds may be redeemed only in authorized denominations. If less than all Series 2019 Tax-Exempt Bonds of a series shall be called for optional redemption, such Series 2019 Tax-Exempt Bonds shall be redeemed from the maturity or maturities selected by AMP. If less than all Series 2019 Tax-Exempt Bonds of any maturity within a series are to be redeemed, the particular Series 2019 Tax-Exempt Bonds to be redeemed shall be the Series 2019 Tax-Exempt Bonds determined in writing by AMP, or if no direction is provided by AMP, as selected by the Trustee by such method as the Trustee in its sole discretion shall determine.

Series 2019D Taxable Bonds. For so long as the Series 2019D Taxable Bonds are registered in book-entry-only form and the Depository Trust Company or a successor securities depository, or its nominee, is the sole registered owner of such Series 2019D Taxable Bonds, in the event of a redemption of less than all of any maturity of the Series 2019D Taxable Bonds, the particular ownership interests of such maturity of be redeemed will be determined by DTC and Direct DTC Participants and Indirect DTC Participants (all as defined in Appendix F hereto), or by any such successor securities depository or any

other intermediary, in accordance with their respective operating rules and procedures. The Series 2019D Taxable Bonds will be made eligible for partial redemptions to be treated by DTC, in accordance with its rules and procedures, as a "pro-rata pass-through distribution of principal", and partial redemptions are expected to be processed by DTC on a pro-rata pass-through distribution of principal basis in accordance with such rules and procedures. In the event of a partial redemption of Series 2019D Taxable Bonds, the security position at DTC will not be reduced but the balance will be subject to adjustment by a factor to be provided to DTC by the Trustee. If, at the time of a partial redemption of Series 2019D Taxable Bonds, the Trustee fails to identify the Series 2019D Taxable Bonds being redeemed or purchased as being subject to a pro-rata pass-through distribution of principal and/or fails to furnish such factor to DTC, DTC's rules and procedures provide that such redemption or purchase will be processed by random lottery.

AMP provides no assurance that DTC and any Direct DTC Participant and Indirect DTC Participant, or any successor securities depository or other intermediary, will make any such determination on a pro rata basis or effectuate a pro-rata pass-through distribution of principal in the case of a partial redemption of Series 2019D Taxable Bonds, and that the Trustee will identify the Series 2019D Taxable Bonds and provide the appropriate factor as described above in the case of a partial redemption of Series 2019D Taxable Bonds, and in each case any failure to do so shall not affect the sufficiency or the validity of the related redemption of Series 2019D Taxable Bonds.

If the Series 2019D Taxable Bonds are not registered in book-entry-only form, any redemption of less than all of the Series 2019D Taxable Bonds will be allocated among the registered owners of such Series 2019D Taxable Bonds as nearly as practicable in proportion to the principal amounts of the Series 2019D Taxable Bonds owned by each registered owner, subject to the authorized denominations applicable to the Series 2019D Taxable Bonds. This will be calculated based on the formula: (principal to be redeemed) x (principal amount owned by owner) / (principal amount outstanding). The particular Series 2019D Taxable Bonds to be redeemed will be determined by the Trustee, using such method as the Trustee in its sole discretion shall determine.

Notice of Redemption. Unless waived by any owner of Series 2019 Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee by certified mail, return receipt requested, at least 30, but not more than 90, days prior to the redemption date to each registered owner of the related Series 2019 Bonds to be redeemed at the address shown on the bond register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Trustee on or prior to the redemption date in an amount sufficient to pay the redemption price on the redemption date. If such notice is conditional and moneys are not received, such notice shall be of no force and effect, the Trustee shall not redeem such Series 2019 Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2019 Bonds will not be redeemed.

The failure of any owner of Series 2019 Bonds to receive such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2019 Bonds. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

So long as DTC is effecting book-entry transfers of the Series 2019 Bonds, the Trustee shall provide the notices specified above only to DTC. It is expected that DTC will, in turn, notify the Direct Participants, that the Direct Participants will, in turn, notify the Indirect Participants and that the Direct Participants and the Indirect Participants will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC, a Direct Participant or an Indirect Participant,

or failure on the part of a nominee of a Beneficial Owner of a Series 2019 Bond (having been mailed notice from the Trustee, a Direct Participant, an Indirect Participant or otherwise), to notify the Beneficial Owner of the Series 2019 Bond so affected, shall not affect the validity of the redemption of such Series 2019 Bond.

Defeasance Generally. The Series 2019 Bonds may be defeased as described in APPENDIX D – "Summary of Certain Provisions of the Indenture – DEFEASANCE."

Defeasance of Series 2019D Taxable Bonds. Persons considering the purchase of a Series 2019D Taxable Bond should be aware that a defeasance of a Series 2019D Taxable Bond by AMP prior to maturity could result in the realization of gain or loss by the beneficial owner of the Series 2019D Taxable Bond for federal income tax purposes, without any corresponding receipt of money by the beneficial owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events. See "TAX MATTERS—Series 2019D Taxable Bonds – Defeasance" herein.

DEBT SERVICE REQUIREMENTS[1]

The following table sets forth the debt service requirements for the Series 2019 Bonds and on the Outstanding Bonds. Principal of and interest on the Bonds are shown in the table below in the year in which the same comes due.

	Series 2019 Bonds						
Year Ending December 31,	Principal	Interest	Total Debt Service	Gross Debt Service on Outstanding Bonds[2]	Total Gross Debt Service	Federal Subsidies[3]	Total Net Debt Service[4]
2020	$ 810,000	$10,126,625	$10,936,625	$ 81,484,913	$ 92,421,538	$(11,496,829)	$80,924,709
2021	3,160,000	14,468,695	17,628,695	83,487,815	101,116,510	(11,496,829)	89,619,681
2022	3,250,000	14,378,503	17,628,503	83,996,561	101,625,064	(11,496,829)	90,128,235
2023	30,270,000	13,752,873	44,022,873	58,715,097	102,737,970	(11,496,829)	91,241,141
2024	32,375,000	12,455,733	44,830,733	57,913,423	102,744,157	(11,496,829)	91,247,328
2025	33,565,000	10,936,696	44,501,696	58,242,003	102,743,699	(11,496,829)	91,246,870
2026	3,170,000	10,094,643	13,264,643	89,458,580	102,723,223	(11,496,829)	91,226,394
2027	3,250,000	10,009,917	13,259,917	89,457,268	102,717,185	(11,496,829)	91,220,356
2028	3,340,000	9,919,655	13,259,655	89,444,065	102,703,720	(11,487,516)	91,216,204
2029	7,170,000	9,772,615	16,942,615	85,734,292	102,676,907	(11,465,165)	91,211,742
2030	36,105,000	9,145,683	45,250,683	52,619,870	97,870,553	(11,438,451)	86,432,101
2031	37,020,000	8,061,742	45,081,742	52,678,453	97,760,195	(11,410,464)	86,349,731
2032	30,965,000	7,021,725	37,986,725	59,725,447	97,712,172	(11,381,005)	86,331,167
2033	32,185,000	5,734,975	37,919,975	59,694,467	97,614,442	(11,349,929)	86,264,513
2034	-	4,930,350	4,930,350	94,314,272	99,244,622	(11,317,383)	87,927,239
2035	43,230,000	3,849,600	47,079,600	50,704,883	97,784,483	(11,300,767)	86,483,716
2036	23,625,000	2,178,225	25,803,225	71,829,633	97,632,858	(11,300,767)	86,332,091
2037	-	1,587,600	1,587,600	93,335,070	94,922,670	(11,300,767)	83,621,904
2038	-	1,587,600	1,587,600	93,400,508	94,988,108	(11,300,767)	83,687,341
2039	39,690,000	793,800	40,483,800	60,389,508	100,873,308	(11,300,767)	89,572,541
2040	-	-	-	108,174,061	108,174,061	(10,661,434)	97,512,627
2041	-	-	-	106,791,155	106,791,155	(9,356,951)	97,434,205
2042	-	-	-	105,348,049	105,348,049	(7,999,788)	97,348,261
2043	-	-	-	103,845,638	103,845,638	(6,587,902)	97,257,736
2044	-	-	-	102,907,897	102,907,897	(5,010,368)	97,897,529
2045	-	-	-	101,052,095	101,052,095	(3,261,255)	97,790,840
2046	-	-	-	99,117,240	99,117,240	(1,443,291)	97,673,949
2047	-	-	-	27,204,542	27,204,542	(258,389)	26,946,153
Total	$363,180,000	$160,807,252	$523,987,252	$2,221,066,805	$2,745,054,058	$(272,907,755)	$2,472,146,303

Numbers may not add to totals due to rounding.

[1] Reflects debt service on the Bonds net of debt service on the Refunded Bonds.

[2] Actual debt service on the Series 2019A Bonds is shown through the February 15, 2022 mandatory tender date therefor. Debt service on the Series 2019A Bonds after the February 15, 2022 mandatory tender date therefor reflects the method of calculation of Balloon Indebtedness provided in the Indenture, using an assumed interest rate equal to 2.50%. Reflects total gross debt service on all Outstanding Bonds without regard to receipt of federal subsidies (the "*Federal Subsidies*") payable on the Outstanding Bonds, issued as "Build America Bonds" pursuant to the American Recovery and Reinvestment Tax Act of 2009 (the "*Recovery Act*"), which includes the Series 2009C Bonds and the Series 2010 Bonds. Includes debt service on the Refunding Candidates.

[3] Federal Subsidies reflected in the table above assume a 5.9% reduction in such Federal Subsidies, the reduction in effect for the federal government's fiscal year ending September 30, 2020, through the final maturity of the Series 2009C Bonds and the Series 2010 Bonds. The actual reduction in the Federal Subsidies may be greater than or less than such amount. See "CERTAIN FACTORS AFFECTING AMP, THE PARTICIPANTS AND THE ELECTRIC UTILITY INDUSTRY – Federal Subsidies."

[4] Total reflects total gross debt service on the Bonds net of the Federal Subsidies.

PRAIRIE STATE ENERGY CAMPUS

GENERAL

Background. On December 20, 2007, AMP acquired from Peabody Electricity, LLC, an affiliate of Peabody Energy, 100% of the membership interest in Marigold Energy, LLC, a Delaware limited liability company, and then re-named it AMP 368 LLC ("*AMP 368*"). Through its ownership of the sole membership interest in AMP 368, AMP is the effective owner of a 23.26% Ownership Interest (or approximately 368 MW based on the net rated capacity of 1,582 MW) in the PSEC.

In addition to AMP's Ownership Interest in the PSEC, other undivided interests therein are currently owned by Kentucky Municipal Power Agency ("*KMPA*"), Northern Illinois Municipal Power Agency ("*NIMPA*"), Illinois Municipal Electric Agency ("*IMEA*"), Indiana Municipal Power Agency ("*IMPA*"), Missouri Joint Municipal Electric Utility Commission ("*MJMEUC*"), Prairie Power, Inc., an Illinois not for profit corporation ("*PPI*"), Southern Illinois Power Cooperative, Inc., an Illinois not for profit corporation ("*SIPC*") and Wabash Valley Power Association, an Indiana nonprofit corporation ("*WVPA*") (collectively, such eight joint owners, together with AMP 368, the "*PSEC Owners*").

Each PSEC Owner's percentage ownership interest in the PSEC is shown in the table below.

Owner	Ownership Interest
AMP	23.26%
IMEA	15.17
IMPA	12.64
MJMEUC	12.33
PPI	8.22
SIPC	7.90
KMPA	7.82
NIMPA	7.60
WVPA	5.06
Total	100.00%

PSEC. The PSEC is a mine-mouth, pulverized coal-fired generating station located in Washington, St. Clair and Randolph Counties in southwest Illinois. The PSEC includes an adjacent coal mine and reserves, as well as all associated rail, water, coal combustion residual storage and ancillary support. The generating station was designed to consist of two supercritical units with a nominal net output capacity of approximately 800 MW each. The plant design incorporates state-of-the-art emissions control technology. Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012.

The PSEC Owners executed a Participation Agreement (the "*Participation Agreement*") to govern the construction and operation of the PSEC. The Participation Agreement provides for the PSEC to be constructed and operated through Prairie State Generating Company ("*PSGC*"), which is wholly owned by Prairie State Energy Campus Management, Inc., an Indiana nonprofit corporation, which in turn is wholly owned by the PSEC Owners on a basis that is proportionate to their respective percentage interests in the PSEC.

PERMITS

PSGC holds all of the necessary permits to operate the PSEC. Such major permits include: the Illinois Environmental Protection Agency ("*IEPA*") Prevention of Significant Deterioration (PSD) Permit

(the air permit – applicable to plant and mine), the IEPA National Pollutant Discharge Elimination System (NPDES) Permit (the water permit - applicable to plant and mine), the Illinois Department of Natural Resources ("*IDNR*") Dam permit (raw water impoundment at plant), IDNR intake permit and the IDNR mining permit. As of the date hereof, the PSGC reports that it is operating in compliance with such permits.

In February 2018, PSGC received a draft permit from the IEPA for the construction of two Class I, non-hazardous injection wells within the boundary of the PSEC (including the Near Field Site (as defined below)) for use in disposal of leachates. Construction of one of the injection wells started in 2018 and is expected to be completed in 2020.

AIR QUALITY CONTROLS

The PSEC was designed to meet best available air pollution control technology. The air pollution control technology consists of (i) a selective catalytic reduction system; (ii) a dry electrostatic precipitator; (iii) a wet electrostatic precipitator; (iv) a wet flue gas desulfurization system; (v) an activated carbon injection system; (vi) a lime injection system; and (vii) low NO_x burners. The plant design complies with all current emissions regulations and permit conditions, including all state and federal regulations. Cooling for the generating station is provided by mechanical draft cooling towers. PSEC generating units were designed and constructed to incorporate highly efficient, state-of-the art, combustion and steam cycle technology to minimize carbon dioxide (CO_2) emissions.

In September 2019, PSGC announced that PSEC had been selected by the United States Department of Energy as the site of a $15 million study, to be led by the University of Illinois, to design a carbon capture, utilization and sequestration ("*CCUS*") system. As part of the effort to produce a shovel-ready front-end engineering and design ("*FEED*") study to design the CCUS system, PSGC will provide $3.75 million as part of a cost-sharing arrangement. Don Gaston, President and Chief Executive Officer of PSGC, will guide the strategic direction of the FEED study project, together with representatives of PSGC's partners on the project, including the University of Illinois' Sustainable Technology Center, Mitsubishi Heavy Industries of America, Sargent & Lundy LLC and Kiewit Corporation.

WATER

Water for the PSEC is supplied from the Kaskaskia River approximately 14 miles west of the facility. The withdrawal permit allows PSGC to withdraw up to 30 million gallons per day ("*MGD*") from the Kaskaskia River. The permit includes a withdrawal restriction that protects the Kaskaskia River during low flow conditions. If the river flow drops below 74 cubic feet per second, PSGC will either rely on water stored in an on-site raw water pond or purchase additional water pursuant to a water purchase agreement with the Illinois Department of Natural Resources ("*IDNR*"). The raw water pond has a 30 day storage capacity. The agreement with the IDNR is a 40-year water purchase agreement that allows PSGC to purchase water stored at the Carlyle and Shelbyville lakes in Illinois. If purchased by PSGC, water from these lakes will be discharged into the Kaskaskia River where it can be withdrawn by PSGC at a rate of up to approximately 15 MGD. PSGC advises that the water supply arrangements detailed above are more than sufficient to sustain PSEC operations under substantially all weather conditions.

FUEL

The PSEC generating station is situated adjacent to the underground coal reserves, which were purchased by PSEC Owners from Peabody Energy, and are currently expected to supply all the fuel needs for the PSEC for approximately 23 more years. The estimated quantity of coal has been determined by extensive drilling and sampling by PSGC and was confirmed by an independent mine consultant in a

study dated February 3, 2005. Such findings were reaffirmed in an August 2007 study (the "*2007 Mine Study*"). The PSEC Owners each own an undivided interest in the coal reserves, ensuring a reliable source of fuel for the plant. The generating station was constructed to burn the coal sourced from the coal reserves.

Space has been allocated for on-site coal storage near the PSEC generating station for approximately 60 days of operations with additional storage for approximate 15 days of operation located at the mine. As of September 1, 2019, PSGC maintained sufficient coal storage to support approximately 40 days of operation. PSGC continues to take steps to more closely align coal supply held in storage with operations to reduce the negative effects of exposure of the mined coal to the weather. In addition, as part of its broader plan to improve operational results, PSGC continually reviews and updates its long-term fuel plans. The PSEC design includes rail access to accommodate coal purchased from third parties in the event of an extended mine disruption, facilitate delivery of limestone and major equipment and disposal of coal combustion residuals.

PSGC operates the mine with PSGC personnel, supplemented, as necessary, with personnel from a third party provider in order to economically flex production to meet variable generation requirements. During its time in operation, the mine has maintained an excellent safety record, exceeding the industry averages in the key metrics of lost work day injury frequency and total recordable injury frequency. The mine personnel have also won a number of safety-related awards, including first place in the Large Mine Division for the second consecutive year at the Illinois State Mine Rescue and Bench Contest and the CORESafety certification from the National Mining Association.

COAL COMBUSTION RESIDUAL DISPOSAL

The coal combustion residuals ("*CCR*") generated at PSEC, which consists of fly ash, bottom ash, and desulfurization residuals, are transported via conveyor system to a CCR disposal facility located adjacent to and west of the plant facility (the "*Near Field Site*"). The Near Field Site consists of approximately 500 acres, and is a permit-exempt monofill facility dedicated to the CCR disposal needs of the plant. PSGC estimates that the Near Field Site has a disposal life of at least 42 years of the CCR expected to be generated by the PSEC generating station. Disposal cells are built incrementally as necessary to meet CCR disposal needs. All necessary permits for current operations at the Near Field Site have been secured. PSGC has also successfully obtained the necessary permits for relocation of a small intermittent stream to the perimeter of the 500-acre site to increase operational efficiency and capacity of the Near Field Site. The stream relocation project began in 2016 and was completed in 2018. A portion of the CCR is marketed and sold for reuse. Coal mine breaker byproducts are transported via truck to the Near Field Site after the related permit was modified and a new road constructed.

ELECTRICAL INTERCONNECTION

The PSEC is within the Midcontinent Independent Transmission System Operator, Inc. ("*MISO*") geographical footprint. The PSEC's two turbine generators are connected through two 27-kV to 345-kV generator step-up transformers contained within the PSEC substation which are owned by the PSEC Owners. A substation was connected to an Ameren Services Company ("*Ameren*") switchyard (the "*Ameren Switchyard*") via two 345-kV overhead lines owned by PSGC. The Ameren Switchyard is owned and operated by Ameren pursuant to the terms of a Large Generator Interconnection Agreement entered and made effective by Federal Energy Regulatory Commission ("*FERC*") Order in Docket ER05-215.

OPERATIONAL HISTORY

Unit 1 of the PSEC commenced operations in the second quarter of 2012 and Unit 2 of the PSEC commenced operations in the fourth quarter of 2012. During early operations, PSEC experienced numerous unscheduled outages and derates for equipment adjustments and other operational issues. In response, PSGC implemented numerous improved operational procedures, equipment upgrades and repairs to increase reliability, as well as significant management, structural and personnel changes. More recently, PSGC has implemented a 24-month planned maintenance unit outage cycle. Previously, each unit was in a 12-month planned maintenance, which was subsequently extended to an 18-month cycle.

The net capacity factor, equivalent availability factor and forced outage rate for the PSEC are set forth in the graphs below:

AMP Net Capacity Factor (expressed as a percentage)*

2015	2016	2017	2018	2019**
80.2	76.4	78.1	83.2	89.2

Source: AMP, based on PSGC data.

Total Plant Equivalent Availability Factor (expressed as a percentage)†

2015	2016	2017	2018	2019**
80.9	77.3	77.8	82.7	88.4

Source: PSGC.

Total Plant Equivalent Forced Outage Rate (expressed as a percentage)†

2015	2016	2017	2018	2019**
11.6	12.7	9.9	7.3	10.0

Source: PSGC.

* Data presented on the basis of design net rated capacity of approximately 1,582 MW.
** 2019 Data presented through August 2019.
† Data presented on the basis of aggregate maximum net rating of 1,628 MW

PARTICIPATION AGREEMENT

The PSEC Owners entered into the Participation Agreement to govern the construction and operation of the PSEC. Pursuant to the Participation Agreement, the PSEC is operated by PSGC, which is owned indirectly by the PSEC Owners on a basis that is proportionate to their ownership interests in the PSEC. The term of the Participation Agreement continues until the retirement from service of the plant and the mine. No provision of the Participation Agreement requires any PSEC Owner to perform the obligations, financial or otherwise, of any other PSEC Owner. A decision by the Management Committee (as hereinafter described) to retire the plant and mine from service can only be made by a supermajority vote of at least 75% of the ownership interests of the PSEC Owners. The mine will not be retired from service unless the plant is retired from service or the continued operation of the mine will not economically generate recoverable coal for use by the plant.

By the terms of the Participation Agreement, each PSEC Owner agreed to delegate to a "Management Committee" all decisions respecting constructing, designing, operating, maintaining and administering the PSEC. Each of the PSEC Owners has one representative on the Management Committee with voting power equal to its percentage ownership in the PSEC ("weighted voting"). The Management Committee is to meet at least quarterly. The Management Committee is authorized by the Participation Agreement to delegate certain of its powers to an "Administrative Committee" or other committees created by the Management Committee, but not, among other things, budget approvals, amendments to the Project Agreements, decisions respecting permits or other governmental approvals, major personnel decisions, agreement to site changes or rights in the site, or changes that would have a material adverse effect or a disproportionate impact on one or more of the PSEC Owners. Actions by the Management Committee on non-delegable items require a super-majority weighted vote of the PSEC Owner representatives (75% - which would be adjusted downward were any one PSEC Owner to have an increased percentage ownership in the PSEC that would give its Management Committee representative a veto where a super-majority vote is required).

PROJECT MANAGEMENT AGREEMENT

The PSEC Owners entered into the Project Management Agreement with PSGC and Prairie State Energy Campus Management, Inc. ("*PSECM*") for the operation of the PSEC. Pursuant to the Project Management Agreement, the PSGC serves as the entity through which PSECM directly (and the PSEC Owners indirectly) can implement its decisions with respect to the PSEC. See "General – *PSEC*" above.

PSEC CAPITAL IMPROVEMENT PLAN

The preliminary PSEC Capital Improvement Plan includes approximately $172 million in capital improvements over the next five years, of which AMP's share will be approximately $40 million. Such capital improvement plan is subject to annual approval of the PSEC Owners and is, therefore, subject to change. AMP expects to pay its share of any such capital improvements through rates charged to the Participants and not with the proceeds of additional Bonds.

PSGC PERSONNEL

PSGC operates the PSEC generating plant with personnel hired by PSGC, utilizing various third parties with appropriate expertise for technical assistance as needed. On the initiative of the PSEC Owners, the operational staff of PSGC has been overhauled in the past several years to bring in additional personnel with extensive experience in operating coal-fired power plants. The key operational staff are set forth below.

Donald Gaston is President and Chief Executive Officer of PSGC. Mr Gaston was appointed to such position in November 2014. Mr. Gaston previously served as the Director of Fossil Generation for the Public Service Enterprise Group ("*PSEG*"), one of the 10 largest electric companies in the United States and New Jersey's oldest and largest publicly owned utility. In this capacity, he was accountable for the successful management of safety, environmental compliance, reliability, and financial performance of 5,800 MW of coal-fired, oil-fired, and natural gas generation. Prior to his time with PSEG, Mr. Gaston served as Southern Company's Environmental Program Manager, and Plant Manager at Tennessee Valley Authority's Paradise Fossil Plant, where he was responsible for all aspects of managing 2,400 MW of supercritical coal fired units.

Mr. Gaston holds a Bachelors of Science in Mechanical Engineering from the Georgia Institute of Technology, a Masters of Business Administration from the University of Tennessee, and completed the TVA Executive Development Program at Vanderbilt University.

Randy Short is Chief Operating Officer of PSGC. Mr. Short was appointed to such position in June 2014. Mr. Short has two decades of experience in the utility industry and most recently served as plant manager of the coal-fueled Baldwin Energy Complex, an Illinois plant operated by Dynegy. The Baldwin Energy Complex, a three-unit supercritical power plant with a total net generating capacity of 1,800 MW, is located in close proximity to the PSEC and, like the PSEC, utilizes Illinois coal. Previously, Mr. Short served as plant manager at the Wood River power plant, another Illinois coal-fired power plant, and served as senior director for Generation Programs at Dynegy corporate headquarters in Houston. As COO, Mr. Short oversees the primary corporate functions of PSGC, including the power plant and enhancing PSGC's reliability plan.

He holds a Bachelors of Science in Mechanical Engineering from Iowa State University and a Masters of Business of Administration from the University of Illinois Urbana-Champaign.

AMERICAN MUNICIPAL POWER, INC.

NONPROFIT CORPORATION

AMP was formed in 1971 as a nonprofit corporation pursuant to Ohio Revised Code Chapter 1702. Under applicable law, AMP has perpetual existence and the duration of its existence is not otherwise limited by its certificate of incorporation or by any agreement with its Members. AMP must file, however, at certain times, Statements of Continued Existence with the Ohio Secretary of State pursuant to Ohio Revised Code § 1702.59. AMP has made all such required filings and is in good standing.

As of October 1, 2019, AMP had 135 Members – 85 municipalities in Ohio, 29 boroughs in Pennsylvania, six municipalities in Michigan, five municipalities in Virginia, five municipalities in Kentucky (three of which are Members through their electric utility boards), two cities in West Virginia, one city in Indiana, one town in Maryland and DEMEC.

TAX STATUS

AMP obtained a determination letter from the IRS on July 31, 1980, supplemented by letters dated January 19, 1981 and December 16, 1987, determining that the income of AMP is excludable under Section 501(c)(12) of Code, provided that at least 85% of AMP's total revenue consists of amounts collected from its Members for the sole purpose of meeting losses and expenses (which includes debt service). AMP believes that it has met the requirements for maintenance of Section 501(c)(12) status each year since it received the initial letter. AMP intends to retain its Section 501(c)(12) status.

AMP has also obtained a private letter ruling (the "*Section 115 Ruling*") from the IRS determining that its income is excludable under Section 115 of the Code because the income of AMP is derived from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof. The Section 115 Ruling complements AMP's 501(c)(12) status and provides some flexibility in respect of AMP's operations.

AMP has also received private letter rulings from the IRS to the effect that it may issue, on behalf of its Members, obligations the interest on which is excludible from the gross income of holders of the obligations for federal income tax purposes and that it is a wholly owned instrumentality of its Members with the consequence that use of tax-exempt financed facilities by AMP will not result in private use under the Code. See also "TAX MATTERS".

Under Ohio law, AMP currently pays applicable taxes or makes payments in lieu of taxes, but AMP could challenge the application of those taxes in the future.

AFFILIATES; SERVICES

AMP is closely aligned with another Ohio statewide municipal power organization, the Ohio Municipal Electric Association ("*OMEA*"), which is the legislative liaison for the state's municipal electric systems and for AMP. AMP has also facilitated the formation of a number of municipal joint ventures pursuant to Ohio Revised Code § 715.02 and the Ohio Constitution. In addition to Ohio Municipal Electric Generating Agency ("*OMEGA*") Joint Ventures 2, 4, 5 and 6 (See "AMERICAN MUNICIPAL POWER, INC. – Other Projects – JVs 2, 4, 5 and 6; Combustion Turbine Project"), the Municipal Energy Services Agency ("*MESA*") was also formed. Together with AMP employees, MESA provides management and technical services to AMP and its Members. AMP and MESA combined employ approximately 175 people.

AMP purchases wholesale electric power and energy and resells the same to its Members at rates based on cost and a service fee structured to recover AMP's costs. AMP also develops alternative power resources for its Members to meet their short- and long-term needs, including generation projects owned or operated by AMP. See "AMERICAN MUNICIPAL POWER, INC. – Other Projects" below. In 2018, the total cost of power sold or arranged by AMP for its Members, including wholesale power arranged by AMP and power sold by AMP to Members under the power sales contracts relating to AMP's generation projects, was approximately $1.254 billion, at an average rate of $69.69/MWh, which rate includes capacity, energy and delivery related services.

AMP's Energy Control Center monitors loads, buys and sells power and energy for its Members, 24 hours a day, 365 days a year and controls certain AMP and Member-owned generation. In-house engineering, operations, safety, power supply, rate, legal, financial, risk management and environmental staff is available at AMP's headquarters to assist Member communities in addition to performing AMP duties and providing support to the joint ventures.

In addition, on October 22, 2019, AMP executed an Agreement for Operations, Management Services and Agency (the "*MSCPA Agreement*") with Michigan South Central Power Agency ("*MSCPA*"), a joint action agency, to provide a comprehensive suite of management services through June 30, 2020. Among other things, the MSCPA Agreement provides that Pamala Sullivan, AMP's Executive Vice President, Power Supply & Generation, will serve as interim General Manager of MSCPA. The five members of MSCPA are also AMP Members.

Transmission. One of AMP's strategic initiatives is focused on transmission cost control and risk management for its Members. This is being accomplished through advocacy and strategic investment in transmission planning, development of transmission projects and engagement at the FERC and RTOs. In addition, on August 23, 2018, AMP formed a wholly-owned, not-for-profit subsidiary, AMP Transmission, LLC ("*AMPT*"), to purchase certain transmission assets from Members that had become subject to certain North American Electric Reliability Corporation ("*NERC*") bulk electric system ("*BES*") requirements. AMPT became a transmission owner ("*TO*") in PJM Interconnection ("*PJM*") and executed the PJM Consolidated Transmission Owners Agreement in October 2018. AMPT's FERC rate was approved in March 2019 and was effective as of January 1, 2019.

RELATIONSHIP WITH THE ENERGY AUTHORITY AND HOMETOWN CONNECTIONS, INC.

AMP is a member of The Energy Authority ("*TEA*"), a nonprofit power marketing corporation that is owned by AMP and other public power entities. TEA assists in wholesale marketing and related

responsibilities of its members. TEA's mission is to maximize the value of its members' and other public power partners' assets in the wholesale energy markets. TEA also provides its members with natural gas procurement and management services for supplying physical natural gas used in the generation of electricity, services which AMP utilizes in connection with the Fremont Energy Center. See "–Other Projects – *AMP Fremont Energy Center*" below. TEA recently expanded its transmission planning and modeling services offered to its members and other public power partners.

AMP is also a member of TEA Solutions, a sister company of TEA ("*TEA Solutions*"). As with TEA, TEA Solutions is owned by AMP and other public power entities. TEA Solutions was created to bring further economies of scale and market experience to TEA's members by providing portfolio management, RTO trading, bilateral power trading, power supply management, natural gas trading services and risk management services.

AMP, and several other public power entities, are the founding members of Hometown Connections, Inc. ("*HCI*") which purchased substantially all of the assets of Hometown Connections International Inc., an indirect subsidiary of the American Public Power Association ("*APPA*"). HCI offers products and consulting services to public power entities throughout the United States.

AMP'S INTEGRATED RESOURCE STRATEGY AND APPROACH TO SUSTAINABILITY

Wind, run-of-the-river hydroelectric, landfill gas, solar and fossil fuels, collectively, are all part of AMP's power supply resource mix. AMP's integrated resource strategy is consistent with its corporate sustainability commitment, and includes a portfolio consisting of fossil fuel and a variety of renewable generation projects, energy efficiency initiatives and carbon management activities described below. In addition, AMP's actions are guided by a set of Environmental Stewardship Principles approved by the AMP Board of Trustees.

R.I.C.E. Peaking Generation. AMP recently entered into a Master Agreement for EPC Distributive Generation BTM Peaking Projects with PowerSecure, Inc., a subsidiary of Southern Company, for the engineering, procurement and construction of behind the meter diesel reciprocating internal combustion engines ("*R.I.C.E.*"). AMP and PowerSecure expect to enter into an engineering, procurement and construction agreement for each installation located behind an AMP Member's meter, and it is further envisioned that PowerSecure will provide monitoring, operation and maintenance services for each installation. AMP currently anticipates that the R.I.C.E. Peaking Generation projects will ultimately include approximately 65 MW in aggregate with approximately 23 Members participating, as the subscription process is being finalized. The first two sites, each hosted by a Member located in Ohio, will provide approximately 21.6 MW and are expected to enter commercial operation in late 2019.

Renewable Energy. As noted above, wind, run-of-the-river hydroelectric, solar and landfill gas are all part of the renewable generation portfolio mix currently owned or contracted for by AMP or its Members. AMP operates, or owns and operates, approximately 390 MW of run-of-the-river hydroelectric power generation at existing dams on the Ohio River. See "OTHER PROJECTS – *JV 2, 4, 5 and 6; Combustion Turbine Project*" "OTHER PROJECTS – Combined Hydroelectric Projects", "OTHER PROJECTS – Meldahl Hydroelectric Project" and "OTHER PROJECTS – Greenup Hydroelectric Project" herein.

In addition, AMP has entered into a power purchase agreement (the "*NextEra PPA*") with a wholly-owned subsidiary of NextEra Energy Resources ("*NextEra*"), pursuant to which AMP has agreed to purchase all of the power and energy output from solar facilities designed, built, owned and operated by NextEra and subject to the NextEra PPA. AMP issued its Solar Prepayment Project Revenue Bonds, Series 2019A (the "*Solar 2019A Bonds*") in January 2019, prepaying for the energy to be generated by solar facilities with a rated capacity of approximately 36.825 MW. AMP anticipates that it will issue

additional bonds to finance or refinance prepayments to be made under the NextEra PPA in 2020. See "OTHER PROJECTS – Solar Electricity Prepayment Project" herein.

AMP has also entered into a power purchase agreement for 52 MW of wind generation and has developed a 3.5 MW solar facility in the City of Napoleon, Ohio. See "OTHER PROJECTS – Napoleon Solar Project" herein.

Energy Efficiency. In 2010, partly in connection with a consent decree (the "*Consent Decree*") relating to Richard H. Gorsuch Station, a now-retired coal-fired generating facility, AMP executed a 3-year contract with the Vermont Energy Investment Corp. ("*VEIC*") to implement a set of state-of-the-art energy efficiency services for AMP's Members. AMP fulfilled its obligations regarding the Consent Decree in 2013. VEIC is a nationally recognized leader in developing energy efficiency programs. The contract created an Ohio-based turnkey entity – Efficiency Smart – which utilized VEIC's technical expertise and financial incentives for participating Members to provide a portfolio of energy efficiency services to all major retail customer classes (i.e., residential, commercial, and industrial). AMP's contract with VEIC is performance-based, meaning a portion of VEIC's fee is at risk if the contract's performance targets are not met. The savings claims are verified by an independent third party evaluation, measurement and verification team headed by Integral Analytics. Participating Members also receive a performance guarantee from VEIC. The contract with VEIC has been updated and renewed, and currently runs through 2020. The program currently has 27 participating communities and has achieved 227,441 MWh of energy savings since its inception through October 1, 2019.

Carbon Management. AMP has taken action to report and reduce CO2 and other greenhouse gas ("*GHG*") emissions, while also investing in CO2 offset projects. Through 2016, AMP included an annual fee assessment on all AMP-owned fossil fuel generation to fund various CO2 offset projects, primarily focused on forestry and landfill gas projects that capture or reduce CO2 and methane, throughout its footprint. AMP coordinated with the Ohio Department of Natural Resources, Appalachian Regional Reforestation Initiative, American Chestnut Foundation, Green Forests Work and local entities to plant more than 465 acres of seedlings in Ohio, including substantial portions on former strip-mined land. In 2014, after conducting a request for proposals, AMP contracted to purchase over 250,000 tons of verified carbon offsets, investing in forestry and landfill gas projects across Member states, including Virginia, Michigan, Pennsylvania and Kentucky, all of which have been registered with the Climate Action Reserve and the Verified Carbon Standard. As of the date hereof, AMP is maintaining the organization's existing investments while evaluating the future of carbon offset markets, including participating in the Advanced Energy Economy Utility Advisory Council.

GOVERNANCE

AMP is governed by a Board of Trustees. The current Member Trustees and their representatives are shown immediately following the inside cover page of this Official Statement. The AMP Board of Trustees consists of 21 members, currently DEMEC and 20 communities, each of which designates a representative to the Board. Thirteen of these Trustee communities are chosen by their fellow public power communities in each of AMP's Member service groups (DEMEC constitutes its own service group), which assures representation by at least one community from each state that has five or more Members. The other eight are elected at large. The officers of AMP are: Chair of the Board, Vice Chair, Secretary, Treasurer, President and General Counsel for Corporate Affairs. The President and General Counsel for Corporate Affairs are appointed by the Board of Trustees and are ex officio members of the Board.

Board of Trustees committees concentrate on vital functions of the organization. Current committees include finance, hydro projects, Prairie State project, AMP Fremont Energy Center project,

Efficiency Smart, Focus Forward (new technologies and policy trends), solar development, joint ventures oversight, legislative, member services, mutual aid, personnel, policy, power supply and generation, risk management, AMPT and transmission/regional transmission organizations.

AMP EXECUTIVE MANAGEMENT

The principal members of the executive management team of AMP, with information concerning their background and experience, are listed below.

Marc Gerken, P.E., has served as President and Chief Executive Officer since February 2000. Previously, Mr. Gerken served as Vice President of Business and Operations at AMP from January 16, 1998. He is a 1977 graduate of the University of Dayton, beginning his public service career in 1990 with the City of Napoleon, serving as city engineer. In 1995, he was named city manager of Napoleon and served in that capacity until his employment by AMP. Mr. Gerken is a past Chairman of APPA and a past President of the Board of Directors of the National Hydropower Association. Mr. Gerken also serves on the Board of Directors of TEA. He holds a B.S. in Civil Engineering from the University of Dayton and is a registered professional engineer in the States of Ohio and Florida.

On April 18, 2019, AMP announced that Mr. Gerken will be retiring in 2020. See "— *Succession Planning*" below.

Jolene Thompson serves as Executive Vice President of Member Services and External Affairs. Ms. Thompson has been part of the AMP member relations area since 1990, also serving as Executive Director of OMEA since 1997. She is a registered lobbyist in Ohio and Washington, D.C. She oversees government relations and external affairs, strategic planning, sustainability programs and energy efficiency, environmental compliance, NERC compliance, safety compliance, technical services and the risk department. In June 2019, Ms. Thompson was named chair-elect of the APPA board. Ms. Thompson currently serves on the board of directors of the Transmission Access Policy Study Group and is a member of the executive committee of both the Transmission Access Policy Study Group and APPA boards. She holds a B.A. in Journalism from Otterbein University.

Pamala Sullivan serves as Executive Vice President, Power Supply & Generation. Ms. Sullivan provides supervisory oversight to AMP's power supply and generation operations, including the company's energy control center, commodity procurement, power supply planning, regional transmission organization affairs, generation development and operations. Before joining AMP in 2003, Ms. Sullivan was vice president, director of marketing, for a consulting engineering firm specializing in power generation and distribution, where she was responsible for developing and implementing marketing plans and strategies. Ms. Sullivan also serves as President of AMPT. She holds a B.S. in Electrical Engineering from the University of Toledo.

Marcy Steckman serves as Senior Vice President, Finance and Chief Financial Officer. Ms. Steckman joined AMP in 2013 and served as Chief Accounting Officer until July 1, 2016. She is responsible for all treasury, cash management, debt management, financial planning and analysis, financial reporting, Member credit and Member billing activities. She held similar financial leadership positions with American Electric Power, Ohio Power Company, Huntington National Bank, and Nationwide Mutual Insurance Company. Ms. Steckman also serves as Chief Financial Officer of AMPT. Ms. Steckman holds a B.S. in Accounting from the University of Akron and is a Certified Public Accountant in the State of Ohio.

Rachel Gerrick serves as Senior Vice President and General Counsel for Corporate Affairs. Ms. Gerrick joined AMP in 2012. Prior to coming to AMP, she served as associate assistant attorney general

at the Ohio Attorney General's Office in the Business Counsel Section. Before that, she was an associate in the Columbus office of Squire, Sanders & Dempsey LLP and in the Chicago office of Winston & Strawn LLP. She holds a bachelor's degree in economics and history from Emory University and a J.D. from the University of Virginia School of Law.

Lisa McAlister serves as Senior Vice President and General Counsel for Regulatory Affairs. Ms. McAlister joined AMP in 2012. As an active participant on PJM committees, she served three years on the PJM Board Nominating Committee as the Electric Distributor Sector representative, and has represented the Electric Distributor Sector on various PJM Board Liaison Committees and Grid 20/20 panels. She previously served as the chair of APPA's Legal Section. She was previously Of Counsel at Bricker & Eckler LLP, and represented the Ohio Manufacturers' Association and the OMA Energy Group. Prior to that, she was a senior attorney and partner-elect at McNees Wallace & Nurick LLC, representing industrial customers on energy issues. Ms. McAlister also serves as General Counsel for AMPT. She holds a bachelor's degree from Elon University and a J.D. from The Ohio State University.

Scott Kiesewetter serves as Senior Vice President, Generation Operations. Mr. Kiesewetter was named senior vice president of generation operations in 2014 and oversees all functions of the Power Generation Group, including all generation resources. He has worked for AMP since 1992 in various positions both at headquarters and generation facilities. For more than 20 years he has served in several roles within the organization, gaining experience across-the-board from generation to the Energy Control Center. His efforts have included work on the Prairie State Energy Campus and construction, completion and start-up of the AMP Fremont Energy Center. Prior to AMP, Kiesewetter held various positions with the Philadelphia Electric Company both in its corporate offices and at the Peach Bottom Atomic Power Station. He holds a B.S. in electrical engineering from The Ohio State University with a concentration in power engineering.

Paul Beckhusen serves Senior Vice President of Power Supply Operations and Energy Marketing. Mr. Beckhusen oversees the planning, strategy, development, negotiation and implementation of all power supply, energy and fuel-related matters. Prior to joining AMP in 2019, he served as the general manager for MSCPA. Mr. Beckhusen began his career in the public power sector in 2000 with the Coldwater Board of Public Utilities, where he was the director from 2003 to 2017. Mr. Beckhusen served on the board of the APPA from 2011 to 2014. He holds a B.S. in Electrical Engineering from Trine University.

Terry Leach serves as Vice President of Risk and Chief Risk Officer. Mr. Leach has been with AMP since 2006, holding various positions during his tenure. Mr. Leach is responsible for chairing the Risk Management Committee and providing overall management of the Middle Office – the independent oversight, compliance, control and monitoring office for the organization. His other responsibilities include management of AMP's Corporate Energy Risk Control Policy, overseeing the Enterprise Risk Management Program, the strategic planning process, and ensuring compliance with enterprise wide internal controls. Prior to joining AMP, Mr. Leach served as Green Mountain Energy Company's Midwest and Eastern regions operation manager, and also served as assistant Ohio Secretary of State from 1996 to 1999. He holds a bachelor's degree in business management from Franklin University and is a veteran of the United States Air Force.

Branndon Kelley serves as Vice President and Chief Information Officer. Mr. Kelley has been with AMP since 2009 and has more than 19 years of experience in IT operations, infrastructure, application development, project management, executive leadership, strategy and business development. Mr. Kelley has led a complete IT transformation at AMP and was named Intelligent Utility's CIO of the Year in 2012. He oversees all information technology, information security and supervisory control and data acquisition functions, projects and people. He is responsible for setting, facilitating and leading

technology strategy and tactical execution. He was the 2012 chair for TechTomorrow and the 2013 chair for the APPA IT Committee. Mr. Kelley has a B.S. in Computer Information Systems from DeVry University and a MBA in Finance and General Management from the Keller School of Management.

Succession Planning

AMP is committed to succession planning at every level of the organization. AMP staff and its Board of Trustees have developed a strategic approach for succession planning to ensure the organization is well-positioned for the future. In 2015, the AMP Board and staff developed a comprehensive succession plan, which included the promotion of Ms. Thompson and Ms. Sullivan to the positions of Executive Vice President and the naming of Ms. Gerrick and Ms. McAlister as co-general counsel.

In April 2019, AMP announced that Mr. Gerken, the President and Chief Executive Officer of AMP, would be retiring in 2020. The Board of Trustees established a search committee to oversee search planning and implementation and to work with outside search experts to help guide the process of finding candidates to replace Mr. Gerken, including the identification, vetting and selection of potential candidates.. The search committee intends to consider both external and internal candidates for the position. Following his retirement, Mr. Gerken will continue to serve as a strategic advisor to AMP.

LIQUIDITY

AMP is party to a Credit Agreement, dated as of May 3, 2017 (the "*Line of Credit*"), with a syndicate of commercial banks led by Royal Bank of Canada, with a total available line of $600 million, which total availability, subject to certain conditions, may be increased to $850 million. The current expiration date of the Line of Credit is May 2, 2022. AMP may, subject to certain limitations, borrow directly on the Line of Credit or request the issuance of letters of credit against the Line of Credit to support its operations, to provide interim financing for its projects and to pay its obligations to TEA, TEA Solutions, AMPT and HCI, including capital contributions and guarantees. As of October 1, 2019, approximately $266.5 million had been drawn or reserved on the Line of Credit, approximately $245.9 million of which is supported by Member commitments, such as the draws on the Line of Credit used to finance payments made in accordance with power purchase agreements and those evidenced as subordinated obligations and issued from time-to-time under the Indenture and comparable draws on the Line of Credit used to refund obligations or provide working capital for other AMP projects. See "– OTHER PROJECTS – *JV 2, 4, 5 and 6; Combustion Turbine Project*", "– *AMPGS*", "– *Combined Hydroelectric Projects",* "– *Meldahl Hydroelectric Project*", "– *Greenup Hydroelectric Project*", "– *Solar Electricity Prepayment Project*" and "– *Napoleon Solar Project*" below.

In respect of its obligations to TEA, AMP has executed guarantees for TEA (the *"TEA Guarantees*") in the aggregate amount of approximately $84 million, including $50 million to support business growth and trading relating to TEA's California Community Aggregation ("*CAA*") program that provides for TEA or others to supply electricity to communities that were previously served by investor owned utilities. AMP reserves amounts on its Line of Credit in the event that the TEA Guarantees are triggered. Such amounts, except for the TEA Guarantee relating to CAA, are included in the amounts detailed in the preceding paragraph.

METHOD OF RATE SETTING; OTHER PROJECT INFORMATION

Rates. AMP has established a Prairie State project committee comprised of certain members of AMP's Board of Trustees. The project committee, assisted by staff, advises the Board of Trustees with respect to the determination of rates payable by Participants in respect of power delivered from the PSEC.

Pursuant to the Power Sales Contract, a Participants Committee has an advisory role in the development of the rates set by the AMP Board of Trustees.

Pursuant to the Power Sales Contract, rates are established at least annually in an amount sufficient to meet the rate covenant contained in the Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Rate Covenant and Coverage." AMP periodically reviews the adequacy of these rates. If the rates are determined to be inadequate by such a review, revised rates may be adopted.

Payments by each Participant for its PSCR Share are based upon AMP's actual cost of owning, operating and maintaining the Project. Such costs are estimated in an annual budget prepared by AMP and amended, as necessary, for changing conditions. All of AMP's Revenue Requirements are billed to and payable by the Participants on a monthly basis.

Debt Service Policy Endorsement. In each year since 2016, AMP has purchased an endorsement on the broader "all risks" property insurance policy covering PSEC with a policy limit in an amount equal to the debt service due on the Outstanding Bonds. Events that cause substantial property damage resulting in the inoperability of one or both Units of the PSEC are covered by the policy. The policy includes a 60-day deductible on the debt service portion and pays on a per-unit/per-day basis for debt service beyond the 60 day deductible. AMP intends to renew this coverage for 2020.

Supplemental Financial Schedules

AMP prepares its financial statements on a consolidated basis. Such financial statements, include supplementary schedules that present unaudited, management-prepared information relating to the Project. Such schedules may be found on AMP's website (https://www.amppartners.org/docs/default-source/investors/financial-reports/2018/2018_amp_consolidated_fs.pdf?sfvrsn=2). Such supplementary schedules do not constitute part of AMP's audited financial statements and the presentation and availability of such management-prepared statements may change without notice. Neither the supplemental financial schedules nor any of the information available at AMP's website is included by specific reference in this Official Statement.

OTHER PROJECTS

Several of the studies of alternative power supply and transmission arrangements AMP has made or commissioned have resulted in cooperative undertakings by AMP and one or more of its Members. Included among these projects are the following:

JVs 2, 4, 5 and 6; Combustion Turbine Project. In 1992, AMP began sponsoring the creation and organization of project specific joint ventures (the "*JVs*") among certain of its Members and other AMP owned or controlled projects for the purpose of acquiring certain electric utility assets. Several, described below, remain active.

- *OMEGA JV2* (36 Members): OMEGA JV2 owns 138.65 MW of distributed generation, consisting of two 32 MW gas-fired turbines, one 11 MW gas-fired turbine and thirty-four 1.825 MW diesel generators. AMP is responsible for the operation of the JV2 Project. As of October 1, 2019, $3,248,765 principal amount of JV2 Obligations was outstanding and held on the Line of Credit.

- *OMEGA JV4* (4 Members): OMEGA JV4 owns a 69 kV sub-transmission line located in Williams County, Ohio that electrically connects Members Bryan, Montpelier and

Pioneer, providing additional reliability to their Electric Systems and the ability to make power sales to one industrial customer. AMP constructed the initial phase of the line in 1995 and then transferred title to the participants in December 1995 at no markup of its cost. OMEGA JV4 has no debt.

- *OMEGA JV5* (42 Members): In 1993, OMEGA JV5 assigned to a trustee the obligations of its participants to make payments for their respective ownership shares in the "Belleville Project," a 42 MW run-of-the-river hydroelectric generating facility on an Army Corps dam near Parkersburg, West Virginia and an associated transmission line in Ohio owned by OMEGA JV5. AMP is responsible for operation of the Belleville Project. The hydroelectric generation associated with the Belleville Project has been operational since June 1999. The Federal Energy Regulatory Commission license for the Belleville Project runs through August 31, 2039. As of October 1, 2019, $37,468,277 of the 2001 Belleville Beneficial Interest Certificates ("*2001 BICs*") with a final maturity of 2030 was outstanding. The 2001 BICs are capital appreciation bonds with a final aggregate maturity amount of $56,125,000. In addition, on February 15, 2014, AMP redeemed $70,990,000 of the 2004 Belleville Beneficial Interest Certificates with the proceeds of a draw on the Line of Credit, which draw was evidenced by the proceeds of a note (the "*JV5 Note*"). On January 29, 2016, OMEGA JV5 caused the issuance of $49,745,000 Belleville Beneficial Interest Refunding Certificates, Series 2016 (the "*2016 BICs*") to pay a portion of the outstanding balance of the JV5 Note and to pay costs of issuance. The balance of the JV5 Note has since been retired. The 2016 BICs bear interest at a variable rate, mature on February 1, 2024 and are subject to redemption and mandatory tender at the option of the holder commencing February 15, 2021. As of October 1, 2019, $28,245,000 aggregate principal amount of the 2016 BICs was outstanding. The 2001 BICs and 2016 BICs are non-recourse to AMP.

- *OMEGA JV6* (10 Members): OMEGA JV6 owns four 1.8 MW wind turbines located in Bowling Green, Ohio. AMP is responsible for the operation of the JV6 assets. OMEGA JV6 has no debt outstanding.

- *Combustion Turbine Project* (33 Members – AMP-owned, not a JV): In August 2003, AMP financed, with a draw on its Line of Credit, the acquisition of three gas turbine installations, located in Bowling Green, Galion and Napoleon, Ohio (each of which is an AMP Member), plus an inventory of spare parts. Each installation consists of two gas-fired turbine generators, one 32 MW and one 16.5 MW, with an aggregate nameplate capacity for all three installations of 145.5 MW. The Combustion Turbine Project has no debt outstanding.

AMPGS (81 Members). Until November 2009, AMP had been developing a 960 MW twin unit, supercritical boiler, coal-fired, steam and electric generating facility, to be known as the American Municipal Power Generating Station ("*AMPGS*"), in Meigs County, in southeastern Ohio, on the Ohio River. AMP had planned for AMPGS to enter commercial operation in 2014 at a total capital cost of approximately $3 billion. In the fourth quarter of 2009, however, the estimated capital costs increased by 37% and Bechtel Power Corporation ("*Bechtel*"), the EPC (engineer, procure and construct) contractor, would not guarantee that the costs would not continue to escalate. As a result of the estimated cost increases and prior to the commencement of major construction at the project site, the 81 AMP Members that had subscribed for capacity from AMPGS ("*AMPGS Participants*") voted to cease development of AMPGS as a coal fired project.

In August 2016, AMP and Bechtel engaged in court-ordered mediation to resolve disputes raised in litigation relating to the cancellation of the AMPGS Project. Following the mediation, AMP and Bechtel reached a comprehensive settlement which resolved all claims. The terms of such settlement are confidential.

As of October 1, 2019, $14,892,373 on AMP's Line of Credit was allocable to the stranded costs recoverable from the AMPGS Participants and $36,624,907 on AMP's Line of Credit was allocable to plant held for future use.

AMP Fremont Energy Center (86 Members). On July 28, 2011, AMP acquired from FirstEnergy Generation Corporation ("*FirstEnergy*") the Fremont Energy Center ("*AFEC*"), a combined cycle, natural gas fueled electric generating plant, then nearing completion of construction and located in Fremont, Sandusky County, Ohio. Following completion of the commissioning and testing, AMP declared AFEC to be in commercial operation as of January 20, 2012. AFEC has a capacity of 512 MW (unfired)/675 MW (fired) and consists of two combustion turbines, two heat recovery steam generators and one steam turbine and condenser.

AMP subsequently sold a 5.16% undivided ownership interest in AFEC to the Michigan Public Power Agency and entered into a power sales contract with the Central Virginia Electric Cooperative for the output associated with a 4.15% undivided ownership interest in AFEC. The output of AFEC associated with the remaining 90.69% undivided ownership interest (the "*90.69% Interest*") is sold to AMP Members pursuant to a take-or-pay power sales contract with 86 of its Members (the "*AFEC Power Sales Contract*").

In 2012, to provide permanent financing for the 90.69% Interest, AMP issued, in two series, $546,085,000 of its AMP Fremont Energy Center Project Revenue Bonds (the "*2012 AFEC Bonds*"), consisting of taxable and tax-exempt obligations. The AFEC Bonds are net revenue obligations of AMP, secured by a master trust indenture and payable from amounts received by AMP under the AFEC Power Sales Contract. In 2017, AMP issued bonds (the "*AFEC Refunding Bonds*" and, together with the 2012 AFEC Bonds, the "*AFEC Bonds*") to refund a portion of the 2012 AFEC Bonds. As of October 1, 2019, $489,280,000 aggregate principal amount of AFEC Bonds was outstanding.

Combined Hydroelectric Projects (79 Members). AMP owns and operates three hydroelectric projects, the Cannelton, the Smithland and the Willow Island hydroelectric generating facilities (the "*Combined Hydroelectric Projects*"), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Combined Hydroelectric Projects is in commercial operation and consists of run-of-the-river hydroelectric generating facilities on existing Army Corps dams and includes associated transmission facilities. AMP holds the licenses from FERC for the Combined Hydroelectric Projects.

To provide financing for, or refinance certain obligations incurred in respect of, the Combined Hydroelectric Projects, AMP has issued eight series of its Combined Hydroelectric Projects Revenue Bonds (the "*Combined Hydroelectric Bonds*"), in an original aggregate principal amount of $2,354,485,000 and consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Combined Hydroelectric Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 79 of its Members. As of October 1, 2019, $2,195,725,882 aggregate principal amount of the Combined Hydroelectric Bonds and approximately $31.4 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Combined Hydroelectric Bonds.

In August 2017, AMP filed a lawsuit against Voith Hydro, Inc. ("*Voith*"), the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project (as hereinafter defined). See "LITIGATION – RELATING TO THE COMBINED HYDROELECTRIC PROJECTS AND MELDAHL PROJECT" herein.

Subject to market conditions, AMP may issue bonds to refund certain of its callable outstanding Combined Hydroelectric Bonds in the first quarter of 2020.

Meldahl Hydroelectric Project (48 Members). AMP owns and, together with the City of Hamilton, Ohio, an AMP Member, developed and constructed a 108.8 MW, three-unit hydroelectric generation facility on the Captain Anthony Meldahl Locks and Dam, an existing Army Corps dam on the Ohio River, and related equipment and associated transmission facilities (the "*Meldahl Project*"). The Meldahl Project is operated by the City of Hamilton.

In order to finance the construction of the Meldahl Project and related costs, AMP issued seven series of its Meldahl Hydroelectric Project Revenue Bonds ("*Meldahl Bonds*") in an original aggregate principal amount of $820,185,000 consisting of taxable, tax-exempt and tax advantaged obligations (Build America Bonds, Clean Renewable Energy Bonds and New Clean Renewable Energy Bonds). The Meldahl Bonds are secured by a master trust indenture and payable from amounts received by AMP under a take-or-pay power sales contract with 48 of its Members. As of October 1, 2019, $675,680,000 aggregate principal amount of the Meldahl Bonds and approximately $1.6 million aggregate principal amount of subordinate obligations, consisting of notes evidencing draws on the Line of Credit, were outstanding under the indenture securing the Meldahl Bonds.

Greenup Hydroelectric Project (47 Members). In connection with the development of the Meldahl Project, Hamilton agreed to sell and AMP agreed to purchase a 48.6% undivided ownership interest (the "*AMP Interest*") in the Greenup Hydroelectric Facility. On May 11, 2016, AMP issued $125,630,000 aggregate principal amount of its Greenup Hydroelectric Project Revenue Bonds, Series 2016A (the "*Greenup Bonds*") and, with a portion of the proceeds thereof, acquired the AMP Interest. The Greenup Bonds are secured by a separate power sales contract that has been executed by the same Members (with the exception of Hamilton, which retained title to a 51.4% ownership interest in the Greenup Hydroelectric Facility) that executed the Meldahl Power Sales Contract. As of October 1, 2019, $124,035,000 aggregate principal amount of the Greenup Bonds was outstanding.

Solar Electricity Prepayment Project (22 Members). As discussed above, in 2016, AMP entered into the NextEra PPA pursuant to the terms of which AMP agreed to purchase and a subsidiary of NextEra agreed to sell all of the power and energy generated by solar generation facilities (each, a "*System*"), each of which is located behind the meter of an AMP Member's Electric System. Under the terms of the NextEra PPA, AMP is required to prepay for twenty-five years of energy to be generated by each System at a "*P90*" confidence interval, meaning that, in any given year, the probability of exceeding such level of production is ninety percent (90%), and assuming a 0.5% degradation factor. Fourteen Systems with a rated capacity of approximately 46.45 MW have entered commercial operation and AMP made the initial prepayments associated with such Systems with the proceeds of draws on its Line of Credit.

On January 31, 2019, AMP issued $55,195,000 of its Solar Electricity Prepayment Project Revenue Bonds, Series 2019A (the "*Solar Prepayment Bonds*") to refinance draws on its Line of Credit associated with the first 13 Systems, with a rated capacity of approximately 36.83 MW. Such Solar Prepayment Bonds are secured by a trust indenture (the "*Solar Indenture*") and payable from amounts received by AMP under a take-and-pay power sales contract with 22 of its Members. As of October 1, 2019, $55,195,000 aggregate principal amount of the 2019 Solar Prepayment Bonds were outstanding

under the Solar Indenture and approximately $23.9 million aggregate principal amount was on the Line of Credit, which represent prepayments already made under the NextEra PPA and will be refinanced by additional bonds issued under the Solar Indenture, and certain developmental costs. Amounts on the Line of Credit are payable as a subordinate obligation under the Solar Indenture.

Napoleon Solar Project (3 Members). AMP owns the Napoleon Solar Project, a 3.54 MW solar installation, located in Napoleon, Ohio. The Napoleon Solar Project entered commercial operation in August 2012. The output of the Napoleon Solar Project is sold pursuant to the terms of a take-or-pay power sales contract with three of AMP's Members. The cost of the Napoleon Solar Project was financed with the proceeds of a draw on the Line of Credit. As of October 1, 2019, $4,411,694 on AMP's Line of Credit was allocable to the financing of costs related to the Napoleon Solar Project.

THE PARTICIPANTS

GENERAL

Each of the 68 Participants is a Member of AMP. Sixty of the Participants are located in Ohio, two in Michigan, five in Virginia and one in West Virginia. The Participants, together with their respective PSCR Shares, are listed in APPENDIX A hereto. The Electric Systems owned by the Participants provide, among other things, electric utility service primarily to retail consumers located in their respective service areas.

Of the 68 Participants, six of the Participants have 48.77% of all Participants' PSCR Shares. These Participants are the City of Danville, Virginia, and the Cities of Hamilton, Bowling Green, Cleveland, Piqua, and Celina, Ohio (collectively, the "*Large Participants*"). With the exception of Cleveland, each of the Large Participants is the only authorized supplier of electricity in the corporate limits of the municipality. Cleveland is in direct competition with Cleveland Electric & Illuminating, an operating company of First Energy Corp. APPENDIX B to this Official Statement contains certain financial and other information about the Large Participants.

TRANSFERABILITY OF PSCR SHARES AND PROJECT SHARES

Certain Participants have, from time to time, indicated an interest in realigning certain portions of their power supply portfolio, including their PSCR shares from the Project and project shares from certain of the projects detailed above under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS," as part of their broader power supply planning process. AMP has facilitated the realignment process by creating a procedure whereby AMP solicits non-binding indications of interests from the Members, including the Participants, seeking their interest in increasing or reducing their project shares in various AMP generating projects. While AMP, at the request of its Members, initiates this process, the non-binding indications of interest are forwarded to TEA, which in the past has investigated potential arrangements between prospective sellers and prospective buyers among AMP Members. The realignment process detailed in this paragraph is undertaken periodically. In future iterations of the realignment process, it is possible that a Participant may wish to transfer its PSCR Share in the Project.

To date, however, only four transfers of project shares relating to an AMP-owned or AMP-operated generating project have been completed, each relating to AFEC. On June 1, 2016, Yellow Springs, Ohio assigned a 0.09% project share in the AMP entitlement to the 90.69% Interest in AFEC (the "*AMP Entitlement in AFEC*") to Coldwater, Michigan. On May 1, 2018, Hamilton, Ohio and Dover, Ohio transferred a 1.51% project share and a 0.65% project share, respectively, in the AMP Entitlement in AFEC to DEMEC. On April 1, 2019, Hamilton, Ohio transferred an approximately 0.02% project share in the AMP Entitlement in AFEC to Holiday City, Ohio. On June 1, 2019, Hamilton, Ohio transferred a

1.51% project share in the AMP Entitlement to DEMEC. Given the restrictions on the transferability of project shares, including those discussed in the following paragraph, if any Participant were to increase or reduce its Project Share in the Project, the most likely assignee in any such scenario would be another Participant or AMP Member that is not currently a Participant.

Under the terms of the Power Sales Contract, the Participants may only assign their rights under the Power Sales Contract in accordance with the terms and conditions set forth therein, including evidence that the proposed assignee does not materially adversely affect the security for the Bonds and receipt of an opinion of counsel of recognized standing that such assignment will not affect the regulatory or tax status of AMP or any Bonds. In addition, the Participants are granted a right-of-first refusal, allowing the Participants to match any bona fide offer for assignment. See APPENDIX C – "Summary of Certain Provisions of the Power Sales Contract – Additional Covenants of the Participants."

CERTAIN FACTORS AFFECTING AMP, THE PARTICIPANTS AND THE ELECTRIC UTILITY INDUSTRY

GENERAL

Various factors will affect the operations of AMP and the electric utility systems operated by the Participants, as well as the sellers and transmitters of electric power. They include, for example: (a) retention of existing retail customers by Participants, (b) local, regional and national economic conditions, (c) the market price of electricity and the market price of alternate forms of energy, (d) the price of commodities and equipment used in electric generating facilities, (e) energy conservation measures, (f) the price of coal and natural gas, (g) the availability of alternate energy sources, (h) climatic conditions, (i) government regulation and deregulation of the energy industries, (j) the price and availability of transmission service, (k) technological advances in fuel economy and energy generation devices, and (l) "self-generation" or "distributed generation" (such as photovoltaic arrays, microturbines and fuel cells) by industrial and commercial customers and others.

AMP is unable to predict the impact of the foregoing factors, and other factors, on the Participants and their electric operations. However, the electricity supply and services to be provided by AMP are intended to maintain and improve the competitive position of the Participants by providing them with services and with competitive prices for all or a portion of their required electricity supply.

The following sections under this caption provide brief discussions of some of the factors that affect the operations of AMP and the electric utility systems operated by the Participants. These discussions do not purport to be comprehensive or definitive, however, and the matters discussed are subject to change subsequent to the date hereof.

ENFORCEABILITY OF CONTRACTS AND BANKRUPTCY

The enforceability of the various legal agreements relating to the PSEC, including the Power Sales Contract, and the Series 2019 Bonds may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally and by the exercise of judicial discretion in accordance with general principles of equity. The Power Sales Contract and other agreements relating to the PSEC are executory contracts. If AMP or any of the parties with which AMP has contracted under such agreements (including the Power Sales Contract) is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In such an event, the Gross Receipts could be materially and adversely affected. Similarly, in the event that AMP is involved in a bankruptcy proceeding, exercise of the remedies afforded to the Trustee under the Indenture may be stayed.

AMP. In the event of a bankruptcy of AMP, a party in interest might take the position that the remittance to the Trustee by AMP of the payments received from the Participants pursuant to the Power Sales Contract constitutes a preference under bankruptcy law if such remittance were deemed to be paid on account of a preexisting debt. If a court were to hold that the remittance of funds constitutes a preference, any such remittance within 90 days of the filing of the bankruptcy petition could be avoidable, and funds could be required to be returned to the bankruptcy estate of AMP. Because the payments by the Participants will be commingled by AMP with other payments by the Participants and its other Members pending the transfer of such payments to the Trustee, the risk that a court would hold that a remittance of those funds by AMP to the Trustee was a preference is increased. If AMP is considered an "insider" with the Participants, any such remittance made within one year of the filing of the bankruptcy petition could be avoidable as well if the court were to hold that such remittance constitutes a preference. In either case, the Trustee would be merely an unsecured creditor of AMP.

Municipal Bankruptcy. Chapter 9 of the Federal Bankruptcy Code (the "*Bankruptcy Code*") contains provisions relating to the adjustment of debts of a state's political subdivisions, public agencies and instrumentalities (each an "eligible entity"), such as the Participants. Pursuant to the Bankruptcy Code, political subdivisions, public agencies and instrumentalities must be specifically authorized under state law to file a petition under Chapter 9. States are free to pass, and amend, legislation granting or denying such entities the authority to file a petition under the Bankruptcy Code. Under the Bankruptcy Code and in certain circumstances described therein, an eligible entity may be authorized to initiate Chapter 9 proceedings without prior notice to or consent of its creditors, which proceedings may result in a material and adverse modification or alteration of the rights of its secured and unsecured creditors, including holders of its bonds and notes.

In almost all cases, political subdivisions, public agencies and instrumentalities must have specific statutory authorization under state law to constitute an eligible entity. Moreover, prior to initiating any Chapter 9 proceedings certain otherwise eligible entities must first participate in a state-sponsored rehabilitation process before filing a Chapter 9 petition. See "– *Michigan Participants*" and "– *Ohio Participants*" herein.

Michigan Participants. Local governments in Michigan are prohibited from voluntarily becoming debtors under Chapter 9 of the U.S. Bankruptcy Code except as provided by the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012, as amended ("Act 436"), pursuant to which, the State Treasurer is charged with monitoring the fiscal health of Michigan political subdivisions. Under Act 436, upon the occurrence of one or more financial triggers, the State Treasurer may conduct a preliminary review of a local government. If the State Treasurer conducts a preliminary review upon the occurrence of a triggering event, and makes a finding of probable financial stress, and that finding is confirmed by the local emergency financial assistance loan board, the Governor is required to appoint a review team to undertake a local financial management review. Upon receipt of a report that concludes that a financial emergency exists within the local government from the review team, the Governor is required to determine whether or not a financial emergency exists in the local government. If the Governor determines that a financial emergency exists, the Governor shall provide the governing body and chief administrative officer of the local government with a written notification of the determination. The chief administrative officer or the governing body of the local government has seven days after the date of the notification to request a hearing conducted by the State Treasurer. Following the hearing, or if no hearing is requested, the Governor shall either confirm or revoke the determination of the existence of a financial emergency. A local government for which a financial emergency determination has been confirmed to exist may, by resolution adopted by a vote of 2/3 of the members of its governing body elected and serving, appeal this determination within ten business days to the Michigan court of claims.

If the Governor confirms that a financial emergency exists, the governing body of the local government has seven days to select one of the following: (1) a consent agreement with the State to address the financial emergency, (2) the appointment of an emergency manager with broad powers to address the financial emergency and operations of the local government, (3) a neutral mediation process with creditors and other interested parties, or (4) Chapter 9 bankruptcy, with the Governor's approval. If the governing body of the local government does not make a choice within seven days, the local government will be placed in neutral mediation.

In addition to the option available to a Michigan local government to request the Governor's approval for a Chapter 9 bankruptcy filing upon confirmation of the existence of a financial emergency, a Chapter 9 bankruptcy filing may also be initiated by an emergency manager appointed to a local government upon a determination that no alternative exists to address the financial emergency, or if the neutral mediation process fails to result in an agreement. The Governor's approval is required for a bankruptcy filing in either scenario.

Ohio Participants. The State Auditor is charged with monitoring the fiscal health of Ohio municipal corporations. On the request of a municipal corporation, or upon the occurrence of certain triggering events, such as casual general fund deficits exceeding a certain threshold, the State Auditor may place any municipal corporation in fiscal watch (*"Fiscal Watch*"). If a municipal corporation is placed on Fiscal Watch, the State Auditor will provide various administrative and technical expertise, at the state's expense, in an effort to alleviate the conditions which led to the Fiscal Watch.

Again, on the request of a municipal corporation, or upon the occurrence of certain more onerous triggering events, such as large general fund deficits or a default on debt obligations, the State Auditor may place a municipal corporation in fiscal emergency ("*Fiscal Emergency*"). If a Fiscal Emergency is determined to exist, the municipality is subjected to state oversight through a seven-member Financial Planning and Supervision Commission (the "*Commission*"). The Commission is assisted by certified public accountants designated as the Financial Supervisor to be engaged by the Commission. The State Auditor may also be required to assist the Commission.

The Commission or, when authorized by the Commission, the Financial Supervisor, among other powers, shall require the municipal corporation to establish monthly levels of expenditures and encumbrances consistent with the financial plan and shall monitor such monthly levels and require justification to substantiate any departure from an approved level. Expenditures may not be made contrary to an approved financial plan. Moreover, the Commission must approve the issuance of additional cashflow or long-term borrowing and may require the use of certain credit enhancements, such as the use of a fiscal agent to handle debt service payments, in connection with the issuance of such indebtedness.

A municipality must develop and submit a detailed financial plan for the approval or rejection of the Commission; develop an effective financial accounting and reporting system; prepare budgets, appropriations and expenditures that are consistent with the purposes of the financial plan; and may only issue debt on a limited basis, the purpose and principal amount of which must be approved by the Commission.

Upon the release of Niles, Ohio from fiscal emergency by the Ohio Auditor of State on March 11, 2019, none of the Ohio Participants is currently in fiscal emergency.

The Ohio Revised Code permits a political subdivision, such as any of the Ohio Participants, upon approval of the State Tax Commissioner, to file a petition stating that the subdivision is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan for the composition or readjustment of its debts, and to take such further proceedings as are set forth in the Bankruptcy Code as

they relate to such subdivision. The taxing authority of such subdivision may, upon like approval of the State Tax Commissioner, refund its outstanding securities, whether matured or unmatured, and exchange bonds for the securities being refunded. In its order approving such refunding, the State Tax Commissioner shall fix the maturities of the bonds to be issued, which shall not exceed thirty years. No taxing subdivision is permitted, in availing itself of the provisions of the Bankruptcy Code, to scale down, cut down or reduce the principal sum of its securities except that interest thereon may be reduced in whole or in part.

Virginia and West Virginia. The existing law of Virginia and West Virginia does not specifically authorize, as required by the Bankruptcy Code, their municipalities or other public entities to file for bankruptcy under the Bankruptcy Code. Neither state has provisions similar to those of Michigan and Ohio law, discussed above, respecting fiscal emergencies of municipalities or their public utilities.

FEDERAL ENERGY LEGISLATION

The Energy Policy Act of 1992. The Energy Policy Act of 1992 ("*EPACT 1992*") made fundamental changes in the federal regulation of the electric utility industry, particularly in the area of transmission access under Sections 211, 212 and 213 of the Federal Power Act. The purpose of these changes, in part, was to bring about increased competition in the electric utility industry. As amended by EPACT 1992, Sections 211, 212 and 213 of the Federal Power Act provide FERC authority, upon application by any electric utility, federal power marketing agency or other person or entity generating electric energy for sale or resale, to require a transmitting utility to provide transmission services (including any enlargement of transmission capacity necessary to provide such services) to the applicant at rates, charges, terms and conditions set by FERC based on standards and provisions in the Federal Power Act. Under EPACT 1992, electric utilities owned by municipalities and other public agencies which own or operate electric power transmission facilities that are used for the sale of electric energy at wholesale are "transmitting utilities" subject to the requirements of Sections 211, 212 and 213.

The Energy Policy Act of 2005. The Energy Policy Act of 2005 ("*EPACT 2005*") addressed a wide array of energy matters affecting the entire electric utility industry, including AMP and the electric systems of the Participants. It expanded FERC's jurisdiction to require open access transmission by municipal utilities that sell more than four million megawatt hours of energy annually and to order the payment of refunds under certain circumstances by municipal utilities that sell more than eight million megawatt hours of energy annually. No Participant is able to predict when, if ever, its sales of electricity would reach either four million or eight million megawatt hours, although no Participant now sells more than 1.7 million megawatt hours annually. EPACT 2005 provided for mandatory reliability standards to increase the electric grid's reliability and minimize blackouts, criminal penalties for manipulative energy trading practices and the repeal of the Public Utility Holding Company Act of 1935, which prohibited certain mergers and consolidations involving electric utilities. EPACT 2005 also authorized FERC to issue a permit authorizing the permit holder to obtain transmission rights of way by eminent domain if FERC determines that a state or locality has unreasonably withheld approval and if the facilities for which the permit is sought will significantly reduce transmission congestion in interstate commerce and protect or benefit consumers. EPACT 2005 contained provisions designed to increase imports of liquefied natural gas and incentives to support renewable energy technologies. EPACT 2005 also extended for 20 years the Price-Anderson Act, which concerns nuclear power liability protection, and provides incentives for the construction of new nuclear plants.

Energy Independence and Security Act of 2007: The Energy Independence and Security Act of 2007 ("*EISA 2007*") was designed to boost energy independence and reduce dependence on imported oil. The most prominent features of the legislation were provisions updating the fuel economy standard for automobiles and expanding the renewable fuel standard for ethanol in gasoline. EISA 2007 included

several elements impacting the electric utility sector. The legislation updated appliance efficiency standards for a wide array of consumer products. EISA 2007 also set lighting standards, including the discontinuation of incandescent light bulbs. In addition, the legislation began federal involvement in development of the "smart grid," including standard-setting on interoperability, establishment of federal research and development efforts, and creation of an advisory task force.

Fixing America's Surface Transportation Act. On December 4, 2015, Congress passed the Fixing America's Surface Transportation ("*FAST*") Act. Included in this transportation bill were a number of provisions important to AMP. One provision of the FAST Act streamlined the permitting process for larger infrastructure projects, including hydropower projects, by facilitating coordination between federal agencies, requiring concurrent rather than sequential regulatory review, and expediting federal regulatory action. The FAST Act also included in a number of refinements of the grid reliability provisions contained in EPACT 2005. These provisions grant the Secretary of Energy authority to take actions to avert or respond to a grid security emergency, allow for the sharing of classified information with electric utilities, and enables public power systems to shield such classified information from public disclosure laws. Congress's decision to make targeted refinements of the existing federal system addressing grid security was an endorsement of the EPACT 2005 model of mandatory requirements under NERC, operating under FERC review.

Other Congressional Action. Congress has not passed major energy legislation in the past few years. However, the energy landscape—particularly climate change—has moved to the forefront. The House of Representatives has created a Select Committee on the Climate Crisis, and nearly every House committee has held climate related hearings in 2019. Various legislative proposals have been introduced to set carbon fees, cap-and-trade programs, and increased climate-related research and development. In the Senate, bipartisan legislation has been authored to advance carbon capture, utilization and storage. While it is impossible to predict when Congress will act on climate change legislation and what form it will take, the likelihood of legislation in the future is steadily increasing. In addition, more targeted proposals on the extension of renewable tax credits and new tax credits for energy storage are pending. Senate Finance Committee Ranking Democrat Ron Wyden has also proposed a wholesale rewrite of energy tax law to provide incentives focused on the greenhouse gas content of energy production. AMP is unable to predict at this time what form such legislation will take, when it will be enacted, or whether the impact on AMP, the Participants, and/or the PSEC will be material.

OPEN ACCESS TRANSMISSION AND RTOS

In 1996, FERC in Order No. 888 required utilities under its jurisdiction to provide access to their transmission systems for interstate wholesale transactions on terms and at rates comparable to those available to the owning utility for its own use. In 2007, FERC issued another rulemaking order that was meant to fine-tune the Open Access Transmission Tariff setting minimum standards for transmission owners.

In 1999, FERC in Order No. 2000 adopted regulations aimed at promoting the formation of regional transmission organizations ("*RTOs*"), which would be established as the sole providers of electric transmission services in large regions of the country, each of which would encompass the service territory of several (or more) electric utilities. These RTOs would operate and control, but would not own, the transmission facilities, pursuant to contracts with the transmission owners.

The investor-owned electric utilities whose respective transmission systems serve the vast majority of AMP's Members are participants in the PJM RTO, which coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of

Columbia. FirstEnergy (Cleveland Electric Illuminating, Toledo Edison, Ohio Edison and American Transmission Systems, Inc.) and Duke Energy-Ohio, Inc. initially participated in MISO but left that organization and joined PJM in 2011 and 2012 respectively.

Although AMP and the Participants are not for most purposes subject to the jurisdiction of FERC, they have been and will continue to be significantly affected by the establishment of RTOs in Ohio and the region.

In September 2018, a municipal power purchaser (the "*Petitioner*") filed a petition for a declaratory order requesting FERC to take jurisdiction of its wholesale power purchase contract with another non-FERC jurisdictional power seller. AMP supported the joint protest (the "*Joint Protest*") filed in October 2018 by APPA, the Large Public Power Council, the National Rural Electric Cooperative Association and the Transmission Access Policy Study Group requesting that FERC deny the petition and refuse to assert jurisdiction over the wholesale power purchase contract in question. The Joint Protest asserts that the relief sought by Petitioner is contrary to the plain language of the Federal Power Act, contrary to FERC precedent and is so sweeping in its breadth that it would unsettle the "long-settled expectations of market participants." On February 21, 2019, FERC issued an order denying the petition for a declaratory order, noting that FERC had no authority to assert jurisdiction to review or approve the wholesale power purchase contract in question.

RTO-OPERATED MARKETS

In addition to coordinating wholesale transmission operations and services, RTOs operate centralized markets for wholesale electricity products such as capacity, energy and ancillary services. By virtue of having members and generating resources located in MISO and PJM, AMP is subject to the tariff provisions and business practices governing the operation of wholesale electricity markets in each of those RTOs. As a result, AMP's costs of securing power to meet its Members' needs are affected by the market and administrative mechanisms approved by FERC for use in setting prices for energy, capacity and ancillary services (as well as transmission service) in MISO and PJM.

The nature and operations of RTOs and RTO markets continue to evolve, and AMP cannot predict whether their existence will meet FERC's goal of reducing transmission congestion and costs and creating a competitive power market.

CLIMATE CHANGE AND REGULATION OF GREENHOUSE GASES

This section provides a brief summary of certain actions taken or under consideration regarding the regulation and control of greenhouse gases ("*GHGs*") that have the potential to impact certain AMP-owned assets.

Limitations on emissions of GHGs, including CO_2, create significant exposure for electric fossil-fuel-fired generation facilities. The United States Environmental Protection Agency ("*EPA*") issued final rules regulating CO_2 emissions from various classes of electric generating units ("*EGUs*") in October 2015. The rules for existing generation, known as the Clean Power Plan (the "*CPP*"), would not directly regulate GHG emissions by specific EGUs, but instead would impose state-by-state caps on aggregate GHG emissions, allowing respective states to develop their own method to comply with their emissions cap.

EPA issued its final rules for the CPP on October 23, 2015. These rules were designed to reduce CO_2 emissions from existing power plants under the Clean Air Act ("*CAA*") Section 111(d) by 32 percent from 2005 levels by 2030. In addition to recognizing hydropower as a renewable, the final rule allowed

for new hydropower projects and incremental uprates to existing facilities to be eligible to create Emission Rate Credits under rate-based compliance scenarios.

On February 9, 2016, the Supreme Court of the United States voted 5-4 to place a stay on the final EPA action. Subsequently, the D.C. Circuit placed the case in abeyance, recognizing that the CPP was under review by the Trump Administration, which indicated that it would seek to rescind and replace the CPP. The Affordable Clean Energy ("*ACE*") rule, finalized on July 8, 2019, replaced the CPP. Applicable only to large coal-fired power generating plants, the ACE rule targets potential inside-the-fenceline emissions reductions via heat rate improvements providing states with broad implementation flexibility.

AMP is unable to predict at this time whether mandatory GHG emissions limitations will be imposed by EPA, states, or through some other regulatory vehicle, the impact on PSEC or, more broadly, the impacts of any such limitations on the costs and reliability of wholesale electricity supplies. Although AMP is unable to predict the outcome of these matters, the potential impacts of mandatory GHG emissions limitations on AMP and/or the Participants could be material.

IMPACTS OF OTHER ENVIRONMENTAL REGULATIONS

Cross-State Air Pollution Rule ("CSAPR"). In 2011, EPA promulgated the Cross-State Air Pollution Rule ("*CSAPR*") to reduce power plant emissions of SO_2 and NO_x in 27 states. CSAPR is a regional program that seeks to reduce the contributions of these emission sources to impaired air quality in downwind neighboring states. CSAPR imposed Federal Implementation Plans ("*FIPs*") that establish state budgets for SO_2 and NO_x emissions from EGUs in 28 upwind states. EPA targeted these two pollutants because they are precursors to the formation of $PM_{2.5}$ and ozone in the atmosphere. The budgets are allocated to individual EGUs in the form of allowances, and CSAPR allows for limited interstate emissions trading and unlimited intrastate emissions trading as a means of compliance.

On December 3, 2015, EPA proposed updates to the CSAPR rule to address the impact of emissions on the ability of downwind states to attain NAAQS. The proposed rule updated the CSAPR NOx ozone-season budgets for 23 states that affect downwind states' ability to comply with the 2008 ozone standard. On September 7, 2016, EPA released its final CSAPR rule for the 2008 ozone standard. The revised allowance budgets outlined in the final rule were effective for the 2017 ozone season which began on May 1, 2017.

Final CSAPR Close-Out. In October 2016, EPA finalized the 2016 Cross State Air Pollution Rule Update ("*CSAPR Update*") and issued new and revised FIPs for 22 states in the eastern US. On December 6, 2018, EPA finalized a determination that the CSAPR Update fully addresses interstate pollution transport obligations under the 2008 ozone National Ambient Air Quality Standards ("*NAAQS*") for all remaining states. The final determination relied on EPA's data and modeling released in October 2017 to assess air quality nonattainment and maintenance for the 2008 ozone NAAQS. The analysis found that there are projected to be no remaining nonattainment or maintenance receptors in the eastern United States by 2023. Therefore, the EPA determined that these remaining 20 states do not need to submit state implementation plans establishing additional control requirements beyond the existing CASPR Update to address transported ozone pollution with respect to the 2008 ozone NAAQS.

Ozone NAAQS. In September 2011, the Obama Administration withdrew its previously proposed rule to tighten the current (from 2008) 0.075 ppm ozone NAAQS. In withdrawing the rule, the Obama Administration announced that the ozone standard would be reconsidered in 2013 (which was later revised to 2015). Opposed to this delay, in May 2013, several "downwind" states (Connecticut, Delaware, and Maryland) sued EPA over its approval of state implementation plans for Kentucky and Tennessee to

implement the 2008 8-hour ozone standard, which remains in place until a new standard is issued. The U.S. Court of Appeals for the D.C. Circuit upheld the 2008 primary standard on July 23, 2013, while remanding the secondary standard to EPA for more work.

The American Lung Association filed suit on January 21, 2014 in the U.S. District Court for the District of Columbia asking the court to direct EPA to complete a review of the ozone NAAQS as required by the CAA. EPA announced in February 2014 that it planned to propose a new ozone standard by January 15, 2015, with a final rule by November 15, 2015. On April 29, 2014, a federal district judge announced that these dates would be moved up – with a proposed rule due by December 1, 2014, and a final rule by October 1, 2015.

On October 1, 2015, EPA revised the NAAQS for ground level ozone from 0.075 ppm to 70 ppm. This final revised level was within the range that the Clean Air Scientific Advisory Committee had recommended to EPA. On April 30, 2018, EPA released final attainment and non-attainment designations for the country.

ELECTRIC SYSTEM RELIABILITY

In response to the August 14, 2003 blackout that affected much of northeastern United States, Congress enacted a new Section 215 of the Federal Power Act as part of the EPACT 2005. Section 215 provides for mandatory compliance by electric utilities with reliability standards promulgated by an "electric reliability organization" (currently, NERC). Pursuant to FERC authorization, NERC delegates authority for enforcing the mandatory reliability standards to eight regional entities. One of these regional entities, ReliabilityFirst Corporation ("*RFC*"), is charged with enforcing the mandatory reliability standards in much of the Midwest, including Ohio. NERC has the authority to impose (subject to FERC review) substantial financial penalties on entities that fail to comply with applicable reliability standards.

AMP and some of its Members are subject to NERC registration requirements and compliance obligations with respect to specific reliability standards. AMP is registered with NERC as, and is responsible for compliance with reliability standards applicable to, a Generation Owner, Generation Operator, and Resource Planner. Additionally, AMPT, as a TO is responsible for compliance with reliability standards applicable to a transmission owner as well as those standards delegated from PJM as the Transmission Operator. Entities registered with NERC are subject to periodic audit for their compliance with applicable reliability standards. AMP is audited for compliance on a six-year cycle. AMP recently participated in a RFC audit on the Generation Owner, Generation Operator and Resource Planner standards. AMP has received the audit report and is working with RFC staff to develop final conclusions. The prior RFC audit was in 2010 for the period of June 18, 2007 to October 1, 2010 and resulted in a finding that AMP was compliant with thirty-seven (37) applicable requirements with three (3) possible violation(s) identified that were resolved through the payment of $25,000 by AMP and the agreement to implement certain remedial measures.

DEREGULATION LEGISLATION

Because of the number and diversity of prior and possible future proposed bills on this issue, AMP is not able to predict the final forms and possible effects of all such legislation which ultimately may be introduced in the current or future sessions of Congress or state legislatures. AMP is also not able to predict whether any such legislation, after introduction, will be enacted into law, with or without amendment. Further, AMP is unable to predict the extent to which any such electric utility restructuring legislation may have a material, adverse effect on the financial operations of the Participants.

STATE ENERGY LEGISLATION

Because of the number and diversity of prior and possible future proposed bills on this issue, AMP is not able to predict the final forms and possible effects of all such legislation which ultimately may be introduced in the current or future sessions of state legislatures within AMP's footprint. AMP is also not able to predict whether any such legislation, after introduction, will be enacted into law, with or without amendment. Further, AMP is unable to predict the extent to which any such electric utility restructuring legislation may have a material, adverse effect on the financial operations of the Participants.

MICHIGAN LEGISLATION

General. In 2000, the Michigan legislature enacted a package of bills intended to provide the framework for re-structuring and partially de-regulating a portion of the electricity market in Michigan. This legislation introduced customer choice programs and froze rates for investor owned utilities for a period of time. Except as described below, however, this legislation did not directly impact municipal-owned utilities.

Under Michigan law, Michigan municipalities are authorized to establish electric systems to provide service within the boundaries of the municipality and in a limited amount of territory outside those boundaries. Michigan municipal utility electric rates are not subject to approval by the Michigan Public Service Commission or any other entity, except for the governing bodies of the utility and the municipality.

With respect to service within the borders of a municipality providing electric service, the municipality is generally (with limited exceptions) not subject to direct competition, since under the Michigan constitution, utilities may not operate within any city, village or township without the consent of and receiving a franchise from, that municipality.

Utilities may compete with a municipality for new (not presently being served) customers located outside of the borders of a municipality if the utility has or can acquire a necessary franchise and any required certificate of convenience and necessity from the Michigan Public Service Commission. With respect to services provided by alternative electric suppliers, no person shall provide delivery service or customer account service to a customer of a municipal electric utility without the written consent of the municipal utility, so long as the municipal utility allows all customers living outside its boundaries the option of choosing an alternative electric supplier.

Other Legislation. In March 2008, Michigan enacted into law amendments to the act under which joint power agencies in Michigan are organized. These amendments provided for, among other things, the power of municipalities which are members of a joint agency, and the joint agencies themselves, to enter into power acquisition contracts with "take or pay" and "step up" provisions, as are provided in the Power Sales Contracts.

Effective October 6, 2008, Michigan enacted Renewable Energy Portfolio Standards and Energy Optimization/Waste Reduction requirements, which apply to, among other entities, municipally-owned utilities. Pursuant to the statute and Michigan Public Service Commission orders, municipally-owned utilities file Energy Optimization plans and Renewable Energy Plans every two years. Regarding Renewable Energy Portfolio requirements, the 2008 legislation requires, subject to certain conditions, limitations and rate caps, municipally-owned electric utilities to serve by 2015 10% of their energy requirements with qualified renewable energy resources. Regarding Energy Optimization/Waste Reduction, the new statute requires utilities to either: (a) file and implement a plan which produces

incremental energy savings each year up to a maximum requirement of 1% of retail sales in a prior year; or alternatively (b) pay up to 2.0% of revenues for the 2 years preceding to an independent energy optimization program administer selected by the Michigan Public Service Commission. After December 31, 2021, municipal utilities are not required to file Energy Optimization/Waste Reduction plans with the Michigan Public Service Commission.

In 2009, Michigan enacted legislation which applied certain limitations on shut-off remedies to municipally owned utilities, with civil penalties for failure to comply. These limitations are similar to those imposed on investor owned utilities.

In 2013, Michigan created a new low-income energy assistance fund. The Michigan Public Service Commission has jurisdiction to annually approve a low-income energy assistance funding factor, and funds collected from customers are remitted to the state treasurer. A municipally owned electric utility may elect, but is not required, to collect a low-income energy assistance funding factor. A municipally owned electric utility that opts out is prohibited from shutting off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account. A municipally owned electric utility that does not opt out must annually provide to the Michigan Public Service Commission by July 1 the number of retail billing meters it serves that are subject to the funding factor.

Pursuant to Act 408, Public Acts of Michigan, 2014, a city, village, or township, all or some of whose residents are served by a municipal electric utility, may adopt a residential clean energy program to promote the use of renewable energy systems and energy efficiency improvements by owners of certain real property in certain districts. The legislation provides for the financing of those programs through commercial lending, loans by a nonprofit corporation, utility bill charges, and other means, and it authorizes municipalities to issue bonds, notes, and other evidences of indebtedness and to pay the cost of renewable energy systems and energy efficiency improvements.

Effective October 1, 2015, Michigan increased the annual air quality fees imposed on municipal electric generating facilities and delayed the sunset of these fees until October 1, 2019 (Act 60, Public Acts of Michigan, 2015). Senate Bill 530, introduced on September 17, 2019, would increase the annual air quality fees imposed on municipal electric generating facilities and extend sunset of these fees until October 1, 2023.

Effective August 17, 2016, 2016 Public Acts 119 through 123 amended existing law to provide additional financing methods for cities, villages, townships, and counties for energy conservation ("*EC*") projects. The new legislation authorized lease-purchase agreements as a new financing method. During the term of the lease-purchase agreement, the legislative body would be the vested owner of the EC improvements, and local officials could grant a security interest in the improvements to the provider of the lease-purchase agreement. Upon termination of the lease-purchase agreement (and the satisfaction of the obligations of the legislative body), the provider of the lease-purchase agreement would be required to release its security interest. The lease-purchase agreement would terminate immediately, and without further obligation, at the close of the fiscal year in which it was executed or renewed, or at such time as appropriations (and otherwise unobligated funds) were no longer available to satisfy the obligations.

The amendments increased the maximum financing period for EC projects to 20 years (from 10 years) from the date of final completion of the EC improvements or their useful life, whichever is less. The amendments expanded the permissible types of EC improvement projects to include ventilating, air conditioning, information technology, and municipal utility improvements. Prior to entering into a contract for EC improvements, the city, village, township or county must make certain required determinations, including (but not limited to) project costs and expenditures, and estimated energy savings.

In 2016, the Michigan Legislature passed 2016 Public Act 341 and 2016 Public Act 342, both of which became effective April 20, 2017. Among other things, 2016 Public Act 341 amended Michigan law regarding regulated utility rate cases and ratemaking, consumer representation funding, certificates of necessity, integrated resource planning, and resource adequacy. The resource adequacy requirements of 2016 Public Act 341 require a municipally owned electric utility to own or have contractual rights to sufficient capacity to meet its capacity obligations. If the Michigan Public Service Commission finds that a municipal electric provider has failed to demonstrate it can meet a portion or all of its capacity obligation, the Michigan Public Service Commission is required to recommend to the Michigan Attorney General ("*MAG*") that suit be brought to require that procurement, and require any audits and reporting as the Michigan Public Service Commission considers necessary to determine if sufficient capacity is procured. The MAG or any customer of a municipally owned electric utility may commence a civil action for injunctive relief against a municipally owned electric utility if the municipally owned electric utility fails to meet the resource adequacy requirements. No action can be filed unless the MAG or customer gives the municipally owned electric utility at least 60 days' written notice of the intent to sue, the basis for the suit, and the relief sought. Within 30 days of receiving the written notice, the municipally owned electric utility and the MAG or customer must meet and make a good-faith attempt to determine if there is a credible basis for the action, and the municipally owned electric utility must take all reasonable and prudent steps necessary to comply with the adequacy resource requirements within 90 days after the meeting if there is a credible basis for the action. If the parties do not agree as to whether there is a credible basis for the action, the MAG or customer may proceed to file the suit.

2016 Public Act 342 among other things, established a renewable portfolio standards goal of 35% by 2025 (with lower targets during intervening years), and generally maintains the 10% choice cap (with exceptions) but requires alternative electric providers to prove their ability to serve customers. 2016 Public Act 342 also made changes to the customer choice program and energy waste reduction plans. Utilities, including municipally-owned electric utilities must file voluntary green pricing programs. 2016 Public Act 342 also makes Energy Optimization plans effective as Energy Waste Reduction ("*EWR*") plans, which are subject to review every two years and are subject to reporting requirements. The amended law allows municipally owned electric utilities to design and administer EWR plans in a manner consistent with the administrative changes approved in prior Michigan Public Service Commission orders. The MAG and any customer of a municipally owned electric utility may commence a civil action for injunctive relief against the municipally owned electric utility if the municipally owned electric utility or cooperative electric utility fails to meet the applicable EWR requirements. No action can be filed unless the MAG or customer has given the municipally owned electric utility at least 60 days' written notice of the intent to sue, the basis for the suit, and the relief sought. Within 30 days of receiving the notice, the municipally owned electric utility and the MAG or customer must meet and make a good-faith attempt to determine if there is a credible basis for the action. The municipally owned electric utility must take all reasonable and prudent steps necessary to comply with the applicable requirements within 90 days after the meeting if there is a credible basis for the action. If the parties do not agree as to whether there is a credible basis for the action, the MAG or customer may proceed to file the suit.

In December 2018, the Michigan Legislature enacted 2018 Public Acts 515 through 517, which limit the circumstances under which an existing customer may switch from taking electric service from a public utility to a municipal utility and vice versa. The bills define an existing customer as any structure or facility that has received electric service within the past three years. The restrictions in the bills apply in cases where the electric service would be delivered by a municipal utility to customers outside the municipality or where service is being delivered to customers within such a municipality by a utility that is not the municipal utility.

OHIO LEGISLATION

General. Article XVIII, Section 4, of the Ohio Constitution provides in part that "any municipality may acquire, construct, own, lease and operate within or without its corporate limits any public utility the product or service of which is or is to be supplied to the municipality or its inhabitants, and may contract with others for any such product or service".

Ohio's current energy policy is based largely on several landmark restructuring bills. In these cases, the bills primarily impact the state's for-profit, investor-owned electric utilities ("*IOUs*"), which serve approximately 88% of customers and are subject to oversight from the Public Utilities Commission of Ohio. Non-profit municipal electric and rural cooperative electric utilities, which serve the remaining approximately 12% of customers in the state, are governed and regulated at the local level, were not directly impacted by the changes in the Ohio Revised Code, and maintain local decision making authority.

Senate Bill 3, enacted in 1999, opened Ohio's retail electric utility industry to competition, allowing customers of the state's IOUs to shop for competitive electric supply. This "customer choice" was effective in January 2001. However, customer choice for municipal electric systems is not mandated under the bill. Unless federal regulations are adopted requiring municipalities to implement customer choice, the decision of whether an Ohio municipality remains the only authorized supplier of electricity within its corporate limits remains a decision of the municipality.

In 2008, Senate Bill 221, comprehensive legislation to update the laws governing the electric industry and implement an alternative energy portfolio standard and energy efficiency standard, was signed into law. The major provisions of the legislation apply directly to the state's four IOUs. Ohio's municipal electric systems and rural electric cooperatives maintain local decision-making authority. Staff and counsel to the OMEA (legislative liaison to 80 Ohio municipal electric systems and to AMP) were successful in including favorable language regarding customer switches, treatment of hydroelectric facilities, and generation already in operation in the legislation.

In 2014, lawmakers adopted Senate Bill 310, legislation to modify the alternative energy portfolio standard. Among other things, the legislation imposed a two-year freeze, at 2014 levels, on annual renewable and energy efficiency increased applicable to Ohio's investor-owned utilities, created the Energy Mandates Study Committee to review possible future changes to the law, and eliminated the in-state requirement that half of renewables need to come from resources located in Ohio. Staff and counsel to the OMEA were successful in securing favorable language for the Greenup hydroelectric generating facility – it was included by definition as a renewable energy resource and is now eligible to generate renewable energy certificates. The legislation otherwise had no direct impact on Ohio municipal electric systems. Ohio municipal electric systems and rural electric cooperatives maintain local decision making authority.

In 2015, the Energy Mandates Study Committee issued their final report. The report made several recommendations, none of which have a direct impact on AMP or municipal electric members.

On June 28, 2016, HB 390 was signed into law. The legislation, among other things, repeals the authority of counties to levy a utility services tax. The tax, first enacted in 1967 but never adopted by any county, had permitted counties to levy a tax up to 2% on utility services, including utility service provided by a municipality.

In 2017, HB 49 was signed into law to, among other things, include small hydro facilities as an eligible renewable energy resource and to establish a process for the dissolution of a village. The small

hydro provision permits the three Ohio municipal electric utilities that own small hydro facilities to generate renewable energy certificates.

In 2018, legislation (HB 143) was considered that would make changes to the definition of self-generator for the purposes of assessing the state's kilowatt-hour (kWh) tax, which was established as part of the deregulation law in 1999. The legislation would classify facilities owned or hosted by customers as self-generators, exempt from the kilowatt-hour tax. Some discussions took place as part of the deliberations over this legislation regarding the local share of the tax retained by municipal electric systems. Ultimately, no changes detrimental to the kWh tax treatment of municipal electric systems was adopted.

In 2019, HB 6 was signed into law to provide subsidies to the state's two nuclear power plants, owned by FirstEnergy Solutions,, require customers of investor-owned utilities to pay for two coal plants, owned by the Ohio Valley Electric Corporation, and made changes to the alternative energy portfolio standard. Municipal electric utility customers are not required to pay the nuclear subsidy or coal plant subsidy costs. The changes to the alternative energy portfolio standard include reducing the annual increases, from 1% to 0.5%, that investor-owned utilities are required to comply with, and elimination of the alternative energy portfolio standard beginning in 2027.

Opponents of HB 6 been circulating petitions to make HB 6 subject to a statewide referendum. The October 21, 2019 deadline to submit the required 265,774 valid signatures passed without a submission of signatures to the Secretary of State for verification. Opponents of HB 6 filed suit in U.S. District Court for the Southern District of Ohio challenging, under First Amendment grounds, the constitutionality of the laws governing the referendum process and, on October 15, 2019, filed a request seeking an additional 38 days to collect signatures. On October 23, 2019, the District Court issued an order, denying the request of opponents of HB 6 for an extension of the deadline to secure signatures, but found that there were issues of first impression of Ohio statutory and constitutional law that were determinative to the proceedings and certified five questions to the Supreme Court of Ohio. The Supreme Court of Ohio may answer, or decline to answer, the certified questions.

FirstEnergy Solutions and others parties filed suit directly with the Supreme Court of Ohio on September 4, 2019 challenging the constitutionality of the referendum effort arguing, among other things, that the legislation imposes a tax, not a fee. The Ohio Constitution prohibits referendums on legislation imposing a tax. The Supreme Court has not ruled on the issue.

VIRGINIA LEGISLATION

General. Virginia municipal corporations are authorized by statute, and in some instances by charter, to acquire, establish, and operate public utilities for the generation and distribution of electricity. The operation of such public utilities by cities and towns (with a minor exception relating to service areas) and the rates charged to customers are not generally regulated by Virginia's State Corporation Commission ("SCC").

In 1999, the Virginia General Assembly adopted the Virginia Electric Utility Restructuring Act ("Restructuring Act"), which was comprehensive legislation that provided for the deregulation of the generation component of electric service while retaining transmission and distribution as regulated services. *The Restructuring Act specifically exempted municipal power systems from retail competition and other Restructuring Act provisions unless a municipality (a) elected to become subject to such provisions or (b) competed for certain electric customers outside the geographic area served by its system as of 1999, subject to certain exceptions (Va. Code §56-580 F).*

In 2007 and 2008, the Virginia General Assembly adopted legislation that amended the Restructuring Act and renamed it the Virginia Electric Utility Regulation Act ("Re-Regulation Act"). To a large degree, the Re-Regulation Act ended Virginia's experiment with deregulation. It restored full cost-of-service regulation by the SCC and provided incentives for utilities to build new generation to meet growing demand and to add environmental equipment at their power stations. It also provided incentives for utilities to invest in renewable forms of energy and demand-side management and conservation programs. *The Re-Regulation Act maintained the Restructuring Act's exemption for municipal power systems.*

Customer Choice. Retail choice of generation providers generally was eliminated under the Re-Regulation Act for all retail customers except those with an individual demand of more than 5 megawatts and non-residential customers who obtain SCC approval to aggregate their load to reach the 5-megawatt threshold, subject to a cap of 1% of the peak load of the customers' electric utility (Va. Code §§ 56-577A3 and 56-577A4). In addition, individual retail customers are permitted to purchase renewable energy from competitive suppliers if the incumbent electric utility does not offer a tariff approved by the SCC for the sale of electric energy provided entirely from renewable energy (Va. Code § 56-577A5). *These provisions have no direct impact on Virginia municipal power systems.*

Renewable Energy. The Re-Regulation Act in Virginia also established a voluntary renewable portfolio standard ("RPS") program with the goal of meeting 12% of base year electric energy sales from renewable sources by 2022 and 15% from renewable sources by 2025. "Renewable energy" generally means energy derived from sunlight, wind, falling water, biomass, waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. The Re-Regulation Act provided for an enhanced rate of return for utility investments in certain generating facilities using renewable energy (Va. Code §§ 56-585.1 and 56-585.2). *These provisions have no direct impact on Virginia municipal power systems.*

Energy Conservation. The Re-Regulation Act provided that Virginia shall have a stated goal of reducing the consumption of electric energy by retail customers through the implementation of demand side management, conservation, energy efficiency, and load management programs, including consumer education, by the year 2022, by an amount equal to 10 percent of the amount of electric energy consumed by retail customers in 2006. *These provisions have no direct impact on Virginia municipal power systems.*

Authority for Purchase of Electric Power. In 2007, the Virginia General Assembly also adopted a bill that expanded the authority for municipalities to enter into long-term contracts for the purchase of electric power. Specifically, the legislation authorized cities and towns to enter into power purchase contracts with any other entity, including among others any investor-owned utility or not-for-profit corporation organized under the laws of Virginia or another state. The contract could include a "take-or-pay" requirement by which the municipality is obligated to make payments whether or not a project is completed, operable, or operating, and by which such payments shall not be subject to reduction or conditioned upon the performance or nonperformance by any party (Va. Code § 15.2-1133). A municipality is also required to set rates and charges sufficient to provide revenues adequate to meet its obligations under any such contract.

2019 Legislation. The following are summaries of certain energy-related bills approved in the 2019 session of the Virginia General Assembly and which became law effective July 1, 2019. These bills have no direct impact on Virginia municipal power systems.

Chapter 746. This legislation directs the SCC to establish a pilot program that affords the opportunity for any locality to participate in net energy metering if it is a retail customer of a certain type

of investor-owned electric utility. In order to qualify for the program, the locality is required to own and operate a renewable generating facility with a generating capacity of not more than two megawatts that is located on the municipality's premises and is intended primarily to offset all or part of the locality's own electricity requirements. Under the pilot program, a municipal customer-generator that generates electricity in amounts that exceed the amount of electricity consumed by the municipal customer-generator, determined annually, to credit one or more of the municipality's target metered accounts in order that the generation energy charges on the electric bills of the target's metered accounts are reduced by the amount of excess generation kilowatt hours apportioned to the metered account multiplied by the applicable generation energy rate of the target's accounts. The duration of the pilot program is six years.

Chapter 742. This legislation establishes requirements for net energy metering by electric cooperatives effective upon the earlier of July 1, 2019, or the effective date of implementing regulations by the SCC. Instances where the new net energy metering program's requirements differ from those of the existing program include (i) the cap on the capacity of generating facilities, which will initially be two percent of system peak for residential customers, two percent of system peak for not-for-profit and non-jurisdictional customers, and one percent of system peak for other nonresidential customers; (ii) authorizing an electric cooperative to raise these caps up to a cumulative total of seven percent of its system peak; (iii) legalizing third-party partial requirements power purchase agreements for those retail customers and non-jurisdictional customers of an electric cooperative that are exempt from federal income taxation; and (iv) establishing registration requirements for third-party partial requirements power purchase agreements, including a self-certification system under which a provider is required to affirm certain information.

Chapter 744. This legislation requires a locality, as part of the local legislative approval process or as a condition of approval of a site plan, to require an owner, lessee, or developer of real property to enter into a written agreement to decommission solar energy equipment, facilities, or devices upon certain terms and conditions, including right of entry by the locality and financial assurance.

WEST VIRGINIA LEGISLATION

General. Under W. Va. Code § 8-19-1, any West Virginia municipality or county commission is authorized to "acquire, construct, establish, extend, equip, repair, maintain and operate, or lease to others for operation a waterworks system or an electric power system or construct, maintain and operate additions, betterments and improvements to an existing waterworks system or an existing electric power system . . . *Provided*, that such municipality or county commission shall not serve or supply water facilities or electric power facilities or services within the corporate limits of any other municipality or county commission without the consent of the governing body of such other municipality or county commission."

Contracts for purchase of electric power by municipality. In 2007, the West Virginia Legislature passed S.B. 615, authorizing municipalities to enter into long-term take-or-pay contracts for the purchase of electricity. Under the legislation, municipalities operating an electrical power system may enter into a contract with any other party for the purchase of electricity from one or more projects. The contract may include provisions that the contracting municipality is obligated to make payments whether or not the project is completed, operable, or operating, and that payments shall not be subject to reduction or conditioned upon performance or nonperformance by any party. Contracts may provide that if a municipality or other party defaults, any nondefaulting municipality or other party to the contract shall on a *pro rata* basis succeed to the rights and assume the obligations of the defaulting party. The contract shall not create an obligation, pledge, charge, lien, or encumbrance on the property of the municipality, except revenues of the municipality's electric power system. The law requires the municipality to set

rates sufficient to provide adequate revenues to meet the contract obligations, subject to the notice and review procedure set forth below.

Removal of West Virginia Public Service Commission's jurisdiction over rate-setting by municipal power systems. In 2018, the Legislature passed S.B. 10, which removed the setting and adjustment of rates, fees, and charges of municipal power systems from the jurisdiction of the West Virginia Public Service Commission ("*WVPSC*"). In addition, the WVPSC does not have the authority to enforce, establish, change, or promulgate tariffs, rates, joint rates, tolls and schedules for municipal power systems. Note, however, that municipal power systems are still required to submit information regarding their rates, fees, and charges to the WVPSC pursuant to West Virginia Code § 24-2-9.

Municipal-operated electric utility rate-setting. In addition to removing rate-setting from the WVPSC's jurisdiction in 2018, the Legislature also revised the procedures for rate-setting in new § 8-19-2a. Under § 8-19-2a, "all rates and charges shall be based upon the measured or reasonably estimated cost of service and the equitable sharing of costs between customers based upon the cost of providing the service received by the customer, including a reasonable slant-in-service depreciation expense."

A municipal power system can change a rate by a municipal ordinance that is adopted by the governing body of the power system. Generally, the rate change will be effective no sooner than 45 days after the ordinance is adopted. However, the 45-day period can be waived by a public vote of the governing body if it finds and declares that the power system is in "financial distress" such that the 45-day waiting period would be detrimental to the power system's ability to continue providing its services.

The power system is further required to provide notice of its intent to effect a rate change in customers' billing statements for the month next preceding the month in which the rate increase is effective. In addition, the governing body of the power system shall give its customers other reasonable notices so that (a) customers have an opportunity to file timely objections and (b) customers can fully participate in a public forum in which customers can comment on the rate increase prior to an enactment vote.

New § 8-19-2b permits customers to appeal a rate increase by filing a petition in the circuit court of the county in which the municipality is located. The petition must be signed by at least 750 customers or 25% of the customers served by the utility, whichever is fewer. Customers can only appeal on the grounds that the rate ordinance or its passage does not comply with Article 19.

Sale of municipally owned utilities. S.B. 234 (2015 Reg.) also removed the requirement that the sale or lease of any municipal utility asset must be voted on and approved by municipal voters. In the place of this election requirement, S.B. 234 allowed that such transactions may be approved by a 60% vote of the municipality's governing body, after a public hearing. Approval of the transaction by the WVPSC, however, is still required.

Competition. West Virginia has not deregulated its electric utility industry. West Virginia currently does not have statutes similar to those in Ohio concerning electric utility competition.

Integrated Resource Planning. In 2014, the Legislature passed H.B. 2803, requiring the WVPSC to issue an Order by March 31, 2015, directing electric utilities to engage in "integrated resource planning," *i.e.*, a process to evaluate both supply-side and demand-side resource alternatives to ensure that projected power demand is met. Utilities without an existing integrated resource planning requirement, must submit an initial plan by January 1, 2016. All utilities are required to file an updated plan every five years.

Greenhouse Gas Emissions. In 2007, the West Virginia Legislature passed S.B. 337, authorizing the Secretary of the Department of Environmental Protection to establish a greenhouse gas inventory ("*GHG Inventory*") for the State. Pursuant to the legislation, the Secretary promulgated rules establishing GHG Inventory requirements for all sources that emit greater than a *de minimis* amount of GHGs on an annual basis. On March 10, 2012, however, the West Virginia Legislature passed legislation (S.B. 496) that eliminated the state reporting requirement and directs the DEP to obtain its emissions data for the GHG Inventory directly from federal entities, such as the Environmental Protection Agency.

In 2014, the Legislature passed H.B. 4346, establishing a list of factors the West Virginia Department of Environmental Protection ("*WVDEP*") must consider in developing any State Implementation Plan (SIP) in connection with the CPP. H.B. 4346 called for WVDEP to propose requirements that avoid moving away from coal and natural gas and that allow maximum flexibility in how reductions may be achieved. In addition, in 2015, the Legislature passed H.B. 2004, establishing an approval process by which any SIP would have to be approved by the Legislature before being submitted to EPA. Under the new process, prior to even preparing a draft SIP, WVDEP was first required to study the feasibility of a state 111(d) plan and submit its findings to the Legislature. If the WVDEP found a state plan was feasible, it was then required to submit a draft SIP to the Legislature for its consideration and a vote before submission to EPA. On April 20, 2016, the WVDEP submitted an initial feasibility study to the Legislature finding that a state plan was feasible, but the WVDEP has indicated that will not begin to develop a SIP unless the United States Supreme Court's stay of the Clean Power Plan rule is lifted.

2017 Enactment of Air Quality Rules by the WVDEP. During the 2017 Legislative Session, the Legislature approved several new and amended air quality rules issued by the WVDEP. 45 CSR 1 creates a procedure for seeking alternative emission limitations where a source may have excess emissions during periods of startup, shutdown, or maintenance. This procedure is unavailable to sources of hazardous air pollutants or new stationary sources. The WVDEP developed this rule in response to EPA's June 2015 SSM SIP Call, which concluded that certain SIP provisions in 36 states, including West Virginia, were substantially inadequate to meet the CAA's requirements concerning emissions during periods of startup, shutdown, and malfunction.

The WVDEP also amended 45 CSR 13, which sets forth in part the criteria for obtaining a permit to construct, operate, modify, or relocate non-major stationary sources. The WVDEP amended the definitions of "modification" and "stationary source" to clarify that the discharge of greenhouse gases of more than 6 pounds per hour and 10 tons per year, or 144 pounds per calendar day will not trigger a permitting event. The WVDEP also removed the requirement that a permit application be noticed in a newspaper, and instead opted for publication on the WVDEP's website.

2018 Adoption of Cross-State Air Pollution Rule. During the 2019 Legislative Session, the Legislature authorized the WVDEP to promulgate a cross-state air pollution rule ("CSAPR") to control annual nitrogen oxide emissions, annual sulfur dioxide emissions, and ozone season nitrogen oxides emissions. The WVDEP approved a CSAPR that will eliminate West Virginia large electric generating units' requirements under the corresponding federal rules, thus addressing West Virginia's good neighbor obligations for the 1997 fine particulate matter (PM2.5) national ambient air quality standard (NAAQS), the 2006 PM2.5 NAAQS, and the 2008 ozone NAAQS.

Alternative and Renewable Energy Portfolio Standard & Credit Trading. During the 2015 Regular Session, the Legislature repealed nearly all of the "Alternative and Renewable Energy Portfolio Act" (H.B. 103 and for purposes of this section, the "*Act*"), including all of the renewable source requirements and credit-trading system that were approved originally in 2009 and 2010.

The Act also established a tradable credit system under which a utility would receive one credit for each megawatt hour of alternative energy generated or purchased and two credits for each megawatt hour of renewable energy generated or purchased. In 2012, the Supreme Court of Appeals of West Virginia ruled that purchasing utilities, and not generators (such as AMP member New Martinsville, West Virginia), own the credits associated with electricity bought under Public Utility Regulatory Policies Act (PURPA) electricity energy purchase agreements (EEPA) that were entered into before the creation of West Virginia's credit trading system. *See City of New Martinsville v. Public Service Com'n of West Virginia*, 229 W.Va. 353, 729 S.E.2d 188 (2012).

Net Metering. Notably, the only portion of the Act the Legislature left intact when it passed H.B. 2001 was W. Va. Code § 24-2F-8, which authorizes net metering for Customer-generators. *See also* H.B. 2201 (2015 Reg.) (amending and reenacting net metering provisions of W. Va. Code § 24-2F-8). The legislative rule establishing procedures for net metering arrangements and the interconnection of eligible electric generating facilities was adopted by the WVPSC, pursuant to the Act, on June 30, 2010 (the "*Net Metering Rule*"). Among other things, the Net Metering Rule limits the maximum nameplate capacity that may be contributed by residential Customer-generators, commercial Customer-generators, and industrial Customer-generators to 25 kilowatts, 500 kilowatts and 2 megawatts, respectively. Significantly, the rule defines West Virginia municipally-owned electric facilities, rural electric cooperatives, and utilities serving less than 30,000 residential customers as "electric utilities," thereby requiring that they must offer net metering to Customer-generators. However, such entities are not obligated to offer net metering to Customer-generators with nameplate capacity exceeding 50 kilowatts. In reauthorizing net metering with the passage of H.B. 2201 (2015 Reg.), the Legislature directed the WVPSC to promulgate a new net-metering rule and conduct a general investigation for the purposes of developing that rule.

On September 6, 2018, the WVPSC issued an order discussing the results of its investigation and proposing amendments to the Net Metering Rule. These proposed amendments include: (1) requiring electric utilities to offer net-metering to Customer-generators on "a first-come, first-served basis so long as the total generation capacity installed by all Customer-generators is no greater than three percent (3%) of the electric utility aggregate customer peak demand in the State during the previous year, of which no less than one-half percent (0.5%) is reserved for residential Customer-generators"; (2) clarifying that Customer-generators are not required to pay for construction or upgrades of the electric utility system that are required to connect customers that are not Customer-generators; (3) requiring electric utilities to list any additional equipment or insurance requirements or any other fee or requirement in the utility tariff approved by the WVPSC; (4) requiring electric utilities, Customer-generators, or other persons governed by the Net Metering Rule to comply with the Institute of the Electrical and Electronics Engineers standards at all times; (5) requiring that monthly charges for energy consumption contained in the net metering tariff be the same as charges for energy consumption contained in the standard service tariff that would otherwise apply to the Customer-generator; (6) requiring that other monthly charges and the net difference in cost between a traditional meter and the bi-directional meter required for net metering directly incurred by the electric utility not exceed the comparable charges in the standard service tariff that would otherwise apply to the Customer-generator by more than the costs directly incurred by the electric utility in accommodating a net-metering system; (7) providing that rate credits shall not reduce the bill below the fixed monthly minimum bill plus any separate charge to net metering customers for the additional cost of connecting a Customer-generator that would not be incurred to connect a customer that is not a Customer-generator; (8) clarifying that Customer-generator equipment must be paid for by the customer, not the electric utility; and (9) changing the items to be reported by electric utilities in net metering reports to the Commission.

Enforceability of solar energy covenants. On March 10, 2012, the West Virginia Legislature passed legislation (H.B. 2740) declaring that, with certain exceptions, any covenant in a housing association governing document that prohibits or restricts installation of solar energy systems and has not been approved by a vote of the housing association members will be void and unenforceable. After

receiving numerous comments concerning the proposed rule, on March 13, 2019, the WVPSC entered a general order to schedule further public comment on the use of blank meter sockets and non-standard meters for the measurement of energy flow.

Recovery of expanded net energy costs. On March 7, 2012, the West Virginia Legislature passed H.B. 4530, which authorizes the WVPSC to issue financing orders that would permit electric utilities to issue consumer rate relief bonds to recover expanded net energy costs reflected in schedules of rates filed in calendar year 2012. To issue such a financing order, the WVPSC must find, among other things, that such financing is reasonably expected to result in cost savings and rate mitigation to customers when compared with traditional financing or cost-recovery methods available to the electric utility.

Special rates for energy intensive industrial consumers. In an effort to retain and attract certain energy–intensive industries to the State, the West Virginia Legislature passed S.B. 656 on March 9, 2010. The legislation authorized the WVPSC to establish special rates for energy-intensive industrial consumers of electric power. Qualifying industrial consumers must first attempt to negotiate with their utility a joint filing requesting such rates. If agreement is not reached, then the consumer may submit a petition to the WVPSC for the special rate. To qualify for a special rate, a consumer must, among other things, have a contract demand of at least 50,000 kW of electric power under normal operating conditions; create or retain at least 25 full-time jobs in the State; invest at least $500,000 in fixed assets in the State; and demonstrate that without the special rate, the facility is not economically viable. The legislation tasks the WVPSC with determining whether the excess revenue or revenue shortfall caused by the special rate should be allocated among the utility's other customers.

Expedited cost recovery for coal-fired boiler maintenance. In an effort to encourage modernization and improvement of coal-fired boilers owned by electric utilities in the State, the West Virginia Legislature passed H.B. 4435 in the 2016 Regular Session. Pursuant to this bill, codified at W. Va. Code § 24-2-1*l*, electric utilities can establish a multiyear plan for modernization and improvement of coal-fired boilers located within the State, file an application to the WVPSC, and if approved, receive expedited cost recovery through increased rates.

TAX LEGISLATION

Bills have been and in the future may be introduced that could impact the issuance of tax-exempt bonds for transmission and generation facilities. AMP is unable to predict whether any of these bills or any similar federal bills proposed in the future will become law or, if they become law, what their final form or effect would be. Such effect, however, could be material to the Participants.

FEDERAL SUBSIDIES

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain federal expenditures are subject to automatic reductions, including the interest subsidies payable on bonds issued as "Build America Bonds" under the Recovery Act. The exact amount of such reduction is determined on or about the beginning the federal government's fiscal year, or October 1, and is subject to adjustment thereafter.

It is impossible to predict the precise amount of the reduction in any given year, but if the automatic reductions become substantially larger than the current 5.9%, the effect could be material to the Participants. AMP has issued two series of Outstanding Bonds as Build America Bonds and, for the year commencing August 16, 2018 through August 15, 2019, the total financial impact of the automatic reductions was $903,855. To date, AMP has timely paid debt service on all of its bonds issued as Build America Bonds, including the Series 2009C and Series 2010 Bonds, notwithstanding the automatic reductions.

LITIGATION

GENERAL

AMP reports that there are no proceedings or transactions relating to the issuance, sale or delivery of the Series 2019 Bonds. AMP reports that there is no litigation pending or, to the knowledge of AMP, threatened against or affecting AMP, in any way questioning or in any manner affecting the validity or enforceability of the Series 2019 Bonds, the Power Sales Contract or the Indenture.

AMP is a party from time to time to litigation typical for electric utilities of its size and type. In the opinion of AMP's General Counsel for Corporate Affairs, no such litigation is pending or, to her knowledge threatened, against AMP that is material to the Project. Further, the General Counsel for Corporate Affairs is of the opinion that, except as described in this Official Statement, no such litigation is pending or, to her knowledge threatened, that would be material to the financial condition of AMP taken as a whole.

RELATING TO COMBINED HYDROELECTRIC PROJECTS AND MELDAHL PROJECT

On August 14, 2017, AMP filed a lawsuit in the U.S. District Court for the Southern District of Ohio against Voith Hydro, Inc. ("*Voith*"), which was the supplier of major powerhouse equipment, including the turbines and generators for the Combined Hydroelectric Projects and the Meldahl Project. In the lawsuit, AMP alleges, among other things that Voith failed to deliver equipment on a timely basis and that certain of the equipment delivered was materially defective, causing significant delays. AMP has alleged proven damages of at least $40 million. On October 16, 2017, Voith filed its answer, denying each of AMP's claims, and asserting two counterclaims seeking the payment of amounts it claims are due under the contract, amounts currently held by AMP as purported liquidated damages and $40 million in damages, plus interest and legal fees. On December 1, 2017, AMP filed its answer to the Voith counterclaims, denying all liability to Voith.

As part of the initial disclosures, AMP listed 70 potential witnesses and $90 million in gross damages, while Voith listed over 100 potential witnesses and $65 million in gross damages. A scheduling order has been established which provides for the conclusion of discovery in June 2020, but no trial date has been set.

CONTINUING DISCLOSURE UNDERTAKING

Pursuant to a Continuing Disclosure Agreement to be entered into by AMP simultaneously with the delivery of the Series 2019 Bonds (the "*Continuing Disclosure Agreement*"), AMP will covenant for the benefit of the Bondowners and the "Beneficial Owners" (as defined in the Continuing Disclosure Agreement) of the Series 2019 Bonds to provide, on an annual basis, by November 30 of each year, commencing with the report for AMP fiscal year ended December 31, 2018, certain financial information and operating data relating to each of the Large Participants (the "*Annual Disclosure Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the Series 2019 Bonds, if material. The Annual Disclosure Report will be filed by or on behalf of AMP with the Municipal Securities Rulemaking Board ("*MSRB*"), through its Electronic Municipal Market Access ("*EMMA*") system, in the electronic format prescribed by the MSRB, and with the State Information Depository established by the State of Ohio (the "*SID*"). The notices of such material events will be filed by or on behalf of AMP with the MSRB (and with such SID). The specific nature of the information to be contained in the Annual Disclosure Report or the notices of material events is set forth in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX G. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

In connection with the issuance of AMP's Prairie State Energy Campus Project Revenue Bonds, Series 2015 (the "*Prairie State 2015 Bonds*"), certain portions of the maturities of the Prairie State Energy Campus Project Revenue Bonds, Series 2008 refunded with a portion of the proceeds of the Prairie State 2015 Bonds were left outstanding and assigned new CUSIP numbers. Filings made with EMMA after the date of the issuance of the Prairie State 2015 Bonds pursuant to the continuing disclosure undertaking given by AMP in connection with the Series 2008 Bonds inadvertently omitted such new CUSIP numbers. The information not previously filed under such CUSIPs was filed with EMMA by AMP on October 19, 2017. In connection with the issuance of ratings for the Combined Hydroelectric Projects Revenue Bonds, Series 2016A (the "*Combined Hydroelectric Projects 2016 Bonds*"), the ratings on all Bonds secured by the Indenture were upgraded by Moody's and downgraded by Fitch. While such ratings were accurately reflected in the official statement relating to the Combined Hydroelectric Projects 2016 Bonds, no listed event filing was made in connection with the ratings actions. Notice of such rating actions was filed with EMMA by AMP on October 20, 2017. In connection with the undertaking entered into in connection with the 2016 Greenup Bonds, AMP agreed to provide certain operating information. Information relating to the capacity factor of the Greenup Hydroelectric Facility was inadvertently omitted from the filing for fiscal year 2016. AMP filed the omitted information on November 30, 2017. In connection with the bonds issued for the PSEC, AMP inadvertently filed the audited financials for the City of Celina, Ohio for the fiscal year ended December 31, 2015 for the reporting period for the fiscal year ended December 31, 2016. The related audit for the City of Celina was finalized in January 2018 and the audited financial statements for the fiscal year ended December 31, 2016 were filed with EMMA by AMP on December 28, 2018. Other than as set forth in this paragraph, in the five years preceding the date of this Official Statement, AMP has materially complied with its other continuing disclosure undertakings under Rule 15c2-12.

As will be provided in the Continuing Disclosure Agreement, if AMP fails to comply with any provision of the Continuing Disclosure Agreement, any Bondowner or "Beneficial Owner" of the Series 2019 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause AMP to comply with its obligations under the Continuing Disclosure Agreement. "Beneficial Owner" will be defined in the Continuing Disclosure Agreement to mean any person holding a beneficial ownership interest in Series 2019 Bonds through nominees or depositories (including any person holding such interest through the book-entry only system of DTC). IF ANY PERSON SEEKS TO CAUSE AMP TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A "BENEFICIAL OWNER" WITHIN THE MEANING OF THE CONTINUING DISCLOSURE AGREEMENT.

As described under APPENDIX F – "Book-Entry System" herein, upon initial issuance, the Series 2019 Bonds will be issued in book-entry-only form through the facilities of DTC, and the ownership of one fully registered Series 2019 Bond for each maturity, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. For a description of DTC's current procedures with respect to the enforcement of bondowners' rights, see APPENDIX F – "Book-Entry System" herein.

UNDERWRITING

The Series 2019 Bonds are being purchased by Citigroup Global Markets Inc., BofA Securities, Inc., Goldman Sachs & Co. LLC, KeyBanc Capital Markets Inc., PNC Capital Markets LLC, and U.S. Bancorp Investments, Inc. (collectively, the "*Underwriters*") pursuant to a Purchase Contract (the "*Purchase Contract*") between AMP and Citigroup Global Markets Inc., as representative of the Underwriters. The Purchase Contract sets forth the Underwriters' obligation to purchase the Series 2019 Bonds at a purchase price reflecting an aggregate underwriters' discount of $1,433,779.24 from the initial

public offering prices, or prices derived from the yields, on the inside cover of this Official Statement, subject to certain terms and conditions, including the approval of certain matters by counsel. The Purchase Contract provides that the Underwriters will purchase all of the Series 2019 Bonds if any are purchased.

Citigroup Global Markets Inc., an underwriter of the Series 2019 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "*Fidelity*"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

PNC Capital Markets LLC ("*PNCCM*"), an underwriter for the Series 2019 Bonds, may offer to sell to its affiliate, PNC Investments, LLC ("*PNCI*"), securities in PNCCM's inventory for resale to PNCI's customers, including securities such as the Series 2019 Bonds. PNCCM may share with PNCI a portion of the fee or commission paid to PNCCM if any Series 2019 Bonds are sold to customers of PNCI.

"US Bancorp" is the marketing name of U.S. Bancorp and its subsidiaries, including U.S. Bancorp Investments, Inc., which is one of the Underwriters of the Series 2019 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against AMP in connection with such activities.

In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of AMP (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with AMP.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

In the ordinary course of their business, the Underwriters and some of their affiliates have engaged and, in the future, may engage in investment banking and/or commercial banking transactions with AMP, including participation in the Line of Credit.

RATINGS

The Series 2019 Bonds have been rated "A1" by Moody's Investors Service, Inc. and "A" by S&P Global Ratings.

On September 30, 2019, Fitch Ratings Inc. ("*Fitch*"), which is not rating the Series 2019 Bonds, downgraded the rating on the Outstanding Bonds from "A" to "A-."

Such ratings reflect only the view of such organizations and a fuller explanation of the significance of such ratings may be obtained from the rating agencies. Certain information and materials not included in this Official Statement were furnished to the rating agencies. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating, once obtained, will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Series 2019 Bonds. AMP has not undertaken any responsibility after issuance of the Series 2019 Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

TAX MATTERS

OHIO TAX CONSIDERATIONS

In the opinion of Dinsmore & Shohl LLP, Bond Counsel, interest on all Series 2019 Bonds will be exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax, and will also be excludable from the net income base used in calculating the Ohio corporate franchise tax.

SERIES 2019 TAX-EXEMPT BONDS

General

The Code includes requirements regarding the use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, which must continue to be satisfied by AMP, PSGC, and the Participants after the issuance of the Series 2019 Tax-Exempt Bonds in order that interest on the Series 2019 Tax-Exempt Bonds not be includable in gross income for federal income tax purposes. The failure to meet these requirements by AMP, PSGC or the Participants may cause interest on the Series 2019 Tax-Exempt Bonds to be includable in gross income for federal income tax purposes retroactive the date of issuance of the Series 2019 Tax-Exempt Bonds. AMP, PSGC, and each Participant has covenanted that it will comply with the requirements of the Code in order to maintain the exclusion from gross income of interest on the Series 2019 Tax-Exempt Bonds for federal income tax purposes.

In the opinion of Norton Rose Fulbright US LLP, Federal Tax Counsel ("*Federal Tax Counsel*"), assuming continuing compliance by AMP, PSGC and the Participants with the tax covenants referred to above, under current law, interest on the Series 2019 Tax-Exempt Bonds will not be includable in the gross income of the owners of the Series 2019 Tax-Exempt Bonds for federal income tax purposes. No opinion is expressed as to the effect of any change to any document pertaining to the Series 2019 Tax-Exempt Bonds or of any action taken or not taken where such change is made or action is taken or not taken without the approval of Federal Tax Counsel or in reliance upon the advice of counsel other than Federal Tax Counsel with respect to the exclusion from gross income of the interest on the Series 2019

Tax-Exempt Bonds for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax under the Code.

The Code contains other provisions that could result in tax consequences, upon which Federal Tax Counsel renders no opinion, as a result of ownership of such Series 2019 Tax-Exempt Bonds or the inclusion in certain computations of interest that is excluded from gross income.

Discount Bonds

The excess, if any, of the amount payable at maturity of any maturity of the Series 2019 Tax-Exempt Bonds over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2019 Tax-Exempt Bonds with original issue discount (a "*Discount Bond*") will be excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2019 Tax-Exempt Bonds. In general, the issue price of a maturity of the Series 2019 Tax-Exempt Bonds is the first price at which a substantial amount of Series 2019 Tax-Exempt Bonds of that maturity was sold (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers), which may not be the same as the price shown on the inside cover page of this Official Statement, and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond will be increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale, redemption or other disposition of such Discount Bond for federal income tax purposes.

Original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed herein. Consequently, an owner of a Discount Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of any maturity of a Discount Bond that is not purchased in the initial offering at the first price at which a substantial amount of Discount Bond of that maturity is sold to the public may be determined according to rules that differ from those described above. An owner of a Discount Bond should consult his tax advisor with respect to the determination for federal income tax purposes of the amount of original issue discount with respect to such Discount Bond and with respect to state and local tax consequences of owning and disposing of such Discount Bond.

Premium Bonds

The excess of the tax basis of a Series 2019 Tax-Exempt Bond to a purchaser (other than a purchaser who holds such Bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) who purchases such Bond as part of the initial offering and an issue price greater than the amount payable at maturity of such Bond is "Bond Premium." Bond Premium is amortized over the term of such Bond for federal income tax purposes (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). No deduction is allowed for such amortization of Bond Premium; however, United States Treasury regulations provide that Bond Premium is treated as an offset to qualified stated interest received on the Bond. An owner of such Series 2019 Tax-Exempt Bond is required to decrease his adjusted basis in such Series 2019 Tax-Exempt Bond

by the amount of amortizable Bond Premium attributable to each taxable year such Series 2019 Tax-Exempt Bond is held. An owner of such Series 2019 Tax-Exempt Bond should consult his tax advisor with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon sale, redemption or other disposition of such Series 2019 Tax-Exempt Bond.

Other

Ownership of tax-exempt obligations such as the Series 2019 Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations, certain S Corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit.

Prospective purchasers of the Series 2019 Tax-Exempt Bonds should consult their tax advisors as to the applicability and impact of any collateral consequences.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. While this reporting requirement does not, by itself, affect the excludability of interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Series 2019 Tax-Exempt Bonds to be subject to backup withholding if such interest is paid to beneficial owners that (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner's federal income tax liability so long as the required information is furnished to the IRS.

SERIES 2019D TAXABLE BONDS

General

Interest on the Series 2019D Taxable Bonds will be includable in the gross income of the owners thereof for purposes of federal income taxation. See "—Certain U.S. Federal Income Tax Considerations" below.

Certain U.S. Federal Income Tax Considerations

The following summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Series 2019D Taxable Bonds is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates), which change may be retroactive, or possible differing interpretations. No assurance can be given that future changes in the law will not alter the consequences described herein. It deals only with the Series 2019D Taxable Bonds held as capital assets and does not purport to deal with persons in special tax situations, including but not limited to financial institutions, insurance companies, regulated investment companies, dealers in securities or currencies, persons holding the Series 2019D Taxable

Bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the U.S. dollar. It also does not deal with holders other than investors who purchase Series 2019D Taxable Bonds in the initial offering at the first price at which a substantial amount of such substantially identical bonds are sold to the general public (except where otherwise specifically noted). Persons considering the purchase of the Series 2019D Taxable Bonds should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Series 2019D Taxable Bonds arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Series 2019D Taxable Bond that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on August 20, 1996, and properly elected to continue to be treated as a United States person. Moreover, as used herein, the term "U.S. Holder" includes any holder of a Series 2019D Taxable Bond whose income or gain in respect of its investment in a Series 2019D Taxable Bond is effectively connected with the U.S. trade or business. As used herein, the term "Non-U.S. Holder" means a beneficial Owner of a Series 2019D Taxable Bond (other than an entity that is classified as a partnership) that is not a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) is the beneficial owner of any Series 2019D Taxable Bond, the treatment of a partner in that partnership will generally depend upon the status of such partner and the activities of such partnership. A partnership and any partner in a partnership holding Series 2019D Taxable Bonds should consult its own tax advisor.

Payments of Interest

Payments of interest on a Series 2019D Taxable Bond generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting), provided such interest is "qualified stated interest," as defined below.

Original Issue Discount

The following summary is a general discussion of the U.S. federal income tax consequences to U.S. Holders of the purchase, ownership and disposition of Series 2019D Taxable Bonds issued with original issue discount ("*OID Bonds*"), if any. The following summary is based upon final Treasury regulations (the "*OID Regulations*") released by the Internal Revenue Service ("IRS") under the original issue discount provisions of the Code.

For U.S. federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a bond over its issue price, if such excess equals or exceeds a de minimis amount (generally 1/4 of 1% of the bond's stated redemption price at maturity multiplied by the number of complete years to its maturity from its issue date or, in the case of a bond providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of such bond). The issue price of each maturity of substantially identical Series 2019D Taxable Bonds equals the first price at which a substantial amount of such maturity of

Series 2019D Taxable Bonds has been sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), which may not be the same as the prices shown on the inside cover of this official statement. The stated redemption price at maturity of a Series 2019D Taxable Bond is the sum of all payments provided by the Series 2019D Taxable Bond other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. Payments of qualified stated interest on a Series 2019D Taxable Bond are generally taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder's regular method of tax accounting).

A U.S. Holder of an OID Bond must include original issue discount in income as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of an OID Bond is the sum of the daily portions of original issue discount with respect to such OID Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such OID Bond. The "daily portion" of original issue discount on any OID Bond is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An "accrual period" may be of any length and the accrual periods may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the OID Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of an OID Bond at the beginning of any accrual period is the sum of the issue price of the OID Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the OID Bond that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A U.S. Holder who purchases an OID Bond for an amount that is greater than its adjusted issue price as of the purchase date and less than or equal to the sum of all amounts payable on the OID Bond after the purchase date, other than payments of qualified stated interest, will be considered to have purchased the OID Bond at an "acquisition premium." Under the acquisition premium rules, the amount of original issue discount which such U.S. Holder must include in its gross income with respect to such OID Bond for any taxable year (or portion thereof in which the U.S. Holder holds the OID Bond) will be reduced (but not below zero) by the portion of the acquisition premium properly allocable to the period.

U.S. Holders may generally, upon election, include in income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) that accrues on a debt instrument by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. This election will generally apply only to the debt instrument with respect to which it is made and may be revoked only with the consent of the IRS.

Market Discount

If a U.S. Holder purchases a Series 2019D Taxable Bond, other than an OID Bond, for an amount that is less than its issue price (or, in the case of a subsequent purchaser, its stated redemption price at maturity) or, in the case of an OID Bond, for an amount that is less than its adjusted issue price as of the purchase date, such U.S. Holder will be treated as having purchased such Series 2019D Taxable Bond at a "market discount," unless the amount of such market discount is less than a specified de minimis amount.

Under the market discount rules, a U.S. Holder will be required to treat any partial principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition of, a Series 2019D Taxable Bond as ordinary income to the extent of the lesser of (i) the amount of such payment or realized gain or (ii) the market discount which has not previously been included in gross income and is treated as having accrued on such Series 2019D Taxable Bonds at the time of such payment or disposition. Market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Series 2019D Taxable Bonds, unless the U.S. Holder elects to accrue market discount on the basis of semiannual compounding.

A U.S. Holder may be required to defer the deduction of all or a portion of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a Series 2019D Taxable Bond with market discount until the maturity of such Series 2019D Taxable Bond or certain earlier dispositions, because a current deduction is only allowed to the extent the interest expense exceeds an allocable portion of market discount. A U.S. Holder may elect to include market discount in income currently as it accrues (on either a ratable or semiannual compounding basis), in which case the rules described above regarding the treatment as ordinary income or gain upon the disposition of the Series 2019D Taxable Bond and upon the receipt of certain cash payments and regarding the deferral of interest deductions will not apply. Generally, such currently included market discount is treated as ordinary interest for U.S. federal income tax purposes. Such an election will apply to all debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Premium

If a U.S. Holder purchases a Series 2019D Taxable Bond for an amount that is greater than the sum of all amounts payable on the Series 2019D Taxable Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the Series 2019D Taxable Bond with "amortizable bond premium" equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the Series 2019D Taxable Bond and may offset interest otherwise required to be included in respect of the Series 2019D Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Series 2019D Taxable Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Series 2019D Taxable Bond. However, if the Series 2019D Taxable Bond may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the Series 2019D Taxable Bond (as discussed in more detail below). Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

The following rules apply to any Series 2019D Taxable Bond that may be optionally redeemed after the U.S. Holder acquires it at a price in excess of its stated redemption price at maturity. The amount of amortizable bond premium attributable to such Series 2019D Taxable Bond is equal to the lesser of (1) the difference between (A) such U.S. Holder's tax basis in the Series 2019D Taxable Bond and (B) the sum of all amounts payable on such Series 2019D Taxable Bond after the purchase date, other than payments of qualified stated interest and (2) the difference between (X) such U.S. Holder's tax basis in such Series 2019D Taxable Bond and (Y) the sum of all amounts payable on such Series 2019D Taxable Bond after the purchase date due on or before the early call date, other than payments of qualified stated interest. If a Series 2019D Taxable Bond may be redeemed on more than one date prior to maturity, the early call date and amount payable on the early call date that produces the lowest amount of amortizable bond premium, is the early call date and amount payable that is initially used for purposes of calculating the amount pursuant to clause (2) of the previous sentence. If an early call date is not taken into account in computing premium amortization and the early call is in fact exercised, a U.S. Holder will be allowed a deduction for the excess of the U.S. Holder's tax basis in the Series 2019D Taxable Bond over the amount realized pursuant to the redemption. If an early call date is taken into account in computing premium amortization and the early call is not exercised, the Series 2019D Taxable Bond will be treated as "reissued" on such early call date for the call price. Following the deemed reissuance, the amount of amortizable bond premium is recalculated pursuant to the rules of this section "Premium." The rules relating to Series 2019D Taxable Bonds that may be optionally redeemed are complex and, accordingly, prospective purchasers are urged to consult their own tax advisors regarding the application of the amortizable bond premium rules to their particular situation.

Disposition of a Series 2019D Taxable Bond

Except as discussed above, upon the sale, exchange or retirement of a Series 2019D Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in the Series 2019D Taxable Bond. A U.S. Holder's adjusted tax basis in a Series 2019D Taxable Bond generally will equal such U.S. Holder's initial investment in the Series 2019D Taxable Bond increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Series 2019D Taxable Bond. Such gain or loss generally will be long-term capital gain or loss if the Series 2019D Taxable Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Defeasance

Persons considering the purchase of a Series 2019D Taxable Bond should be aware that a defeasance of a Series 2019D Taxable Bond by AMP prior to maturity could result in the realization of gain or loss by the beneficial owner of the Series 2019D Taxable Bond for federal income tax purposes, without any corresponding receipts of money by the beneficial owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events. See "THE SERIES 2019 BONDS—Redemption Provisions—Defeasance of Series 2019D Taxable Bonds" herein.

Medicare Tax

For taxable years beginning after December 31, 2012, an additional 3.8% tax has been imposed on the net investment income (which includes interest, original issue discount and net gains from a disposition of a Series 2019D Taxable Bond) of certain individuals, trust and estates. Prospective investors in the Series 2019D Taxable Bonds should consult their tax advisors regarding the possible applicability of this tax to an investment in the Series 2019D Taxable Bonds.

Backup Withholding

A beneficial owner of the Series 2019D Taxable Bonds who is a U.S. Holder may, under certain circumstances, be subject to "backup withholding" (currently at a rate of 24%) on current or accrued interest on the Series 2019D Taxable Bonds or with respect to proceeds received from a disposition of the Series 2019D Taxable Bonds. This withholding applies if such beneficial owner of Series 2019D Taxable Bonds: (i) fails to furnish to the payor such beneficial owner's social security number or other taxpayer identification number ("*TIN*"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. BENEFICIAL OWNERS OF THE SERIES 2019D TAXABLE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

Nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Series 2019D Taxable Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as "portfolio interest." Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is a Non-U.S. Holder and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business, (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Series 2019D Taxable Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code and (vi) such beneficial owner is not a bank receiving interest on the Series 2019D Taxable Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Series 2019D Taxable Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 BEN-E, Form W-8 EXP, or Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a U.S. Holder.

A non-U.S. Holder whose income with respect to its investment in a Series 2019D Taxable Bond is effectively connected with the conduct of a U.S. trade or business would generally be taxed as if the holder was a U.S. person provided the holder provides to the Withholding Agent an IRS Form W-8ECI.

Generally, a non-U.S. Holder will not be subject to United States federal income taxes on any amount which constitutes capital gain upon retirement or disposition of a Series 2019D Taxable Bond, unless such non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and such gain is derived from sources within the United States. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its tax advisor in this regard.

The Series 2019D Taxable Bonds will not be includable in the estate of a non-U.S. Holder unless, at the time of such individual's death, payments in respect of the Series 2019D Taxable Bonds would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2019D Taxable Bonds and sales proceeds of Series 2019D Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018, and (ii) certain "pass-thru" payments but no earlier than two years after the date of publication of final regulations defining the term "foreign pass-thru payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), and section 4975 of the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the "*Plans*") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In addition, each fiduciary of a Plan ("*Plan Fiduciary*") must give appropriate consideration to the facts and circumstances that are

relevant to an investment in the Series 2019D Bonds, including the role that such an investment in the Series 2019D Bonds would play in the Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Series 2019D Bonds, must be satisfied that such investment in the Series 2019D Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Series 2019D Bonds, are diversified so as to minimize the risk of large losses and that an investment in the Series 2019D Bonds complies with the documents of the Plan and related trust, to the extent that such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2019D Taxable Bond.

Future Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the Series 2019 Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation or to State of Ohio or local income taxation, or may otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Legislation or regulatory actions and future or pending proposals may also affect the economic value of the federal or State of Ohio tax exemption or the market value of the Series 2019 Tax-Exempt Bonds. Prospective purchasers of the Series 2019 Tax-Exempt Bonds should consult their tax advisors regarding any future, pending or proposed federal or State of Ohio tax legislation, regulations, rulings or litigation as to which Bond Counsel and Federal Tax Counsel express no opinion.

FINANCIAL ADVISOR

AMP has retained Ramirez & Co., Inc. as financial advisor (the "*Financial Advisor*") in connection with the issuance of the Series 2019 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS FOR THE REFUNDED BONDS

The accuracy of the arithmetical and mathematical computations (a) of the adequacy of the principal amounts at maturity of the Defeasance Obligations in the Escrow Fund together with the interest income thereon and uninvested cash, if any, to pay, when due, the principal of, redemption premium, if any, and interest on the Refunding Series 2015A Bonds and Refunding Series 2015B Bonds (Subseries 2015B-2) constituting Refunded Bonds, and (b) relating to the determination of compliance with certain regulations and rulings promulgated under the Code will be verified by Samuel Klein and Company, Certified Public Accountants. Such verification of arithmetical accuracy and computations shall be based upon information and assumptions supplied by AMP and on interpretations of the Code provided by Bond Counsel and Federal Tax Counsel.

APPROVAL OF LEGAL MATTERS

GENERAL

Certain legal matters incident to the authorization, issuance and delivery of the Series 2019 Bonds by AMP are subject to the approving opinion of Dinsmore & Shohl LLP, Bond Counsel. The approving opinion of Bond Counsel, in substantially the form set forth as APPENDIX E-1 to this Official Statement, will be delivered with the Series 2019 Bonds.

Certain federal tax matters regarding the Series 2019 Bonds will be passed upon for AMP by Norton Rose Fulbright US LLP, Federal Tax Counsel. The form of its opinion regarding the Series 2019 Bonds is set forth as APPENDIX E-2 to this Official Statement.

Certain legal matters will be passed upon for AMP by its General Counsel for Corporate Affairs. Certain legal matters will be passed upon for the Underwriters by Nixon Peabody LLP.

POWER SALES CONTRACT

In connection with the issuance of the Series 2008A Bonds, counsel for each of the Participants ("*Local Counsel*") delivered to AMP an opinion to the effect that such Participant duly authorized and executed the Power Sales Contract. In reliance on the opinions of Local Counsel for the Participants located in their states, Michigan, Ohio, Virginia and West Virginia counsel for AMP ("*State Counsel*") delivered in connection with the issuance of the Series 2008A Bonds their opinions as to the validity and enforceability of the Power Sales Contract as to the Participants located therein.

In 2007, the legislatures of Virginia and West Virginia enacted similar statutes expressly authorizing municipalities therein to enter into long-term take-or-pay contracts, including step up provisions, with out-of-state corporations, including non-profit corporations. In March 2008, the legislature of Michigan enacted amendments to existing statutes expressly authorizing municipalities therein to enter into long-term take-or-pay contracts, including step up provisions, with out-of-state persons. Each State Counsel expressly stated in its opinion that such opinion was given without reliance upon the Fallback Provision.

On December 7, 2007, the Franklin County, Ohio, Court of Common Pleas, issued an order validating the power sales contract relating to the Hydroelectric Projects between AMP and the Ohio participants in the Hydroelectric Projects, including the Take-or-Pay and Step Up provisions included therein. Ohio State Counsel will reference such order in its opinion as to the validity of the Power Sales Contract.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, estimates or forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material. This Official Statement is not to be construed as a contract or agreement between AMP and the purchasers or owners of the Series 2019 Bonds.

The delivery of this Official Statement has been duly authorized by the Board of Trustees of AMP.

AMERICAN MUNICIPAL POWER, INC.

By /s/ Marc S. Gerken, P.E.
President and Chief Executive Officer

By /s/ Marcy J. Steckman
Senior Vice President of Finance and
Chief Financial Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

THE PARTICIPANTS

Participant	Allocation (kW)	Allocation (%)	Participant	Allocation (kW)	Allocation (%)
Danville, Virginia	49,760	13.52%	Carey	1,990	0.54%
Hamilton	35,000	9.51	Jackson Center	1,393	0.38
Bowling Green	35,000	9.51	Hubbard	1,294	0.35
Cleveland	24,880	6.76	Grafton	1,294	0.35
Piqua	19,904	5.41	Arcanum	1,194	0.32
Celina	14,928	4.06	Pioneer	995	0.27
Tipp City	9,952	2.70	Oak Harbor	995	0.27
Painesville	9,952	2.70	New Martinsville, West Virginia	995	0.27
Hudson	9,952	2.70	Monroeville	995	0.27
Cuyahoga Falls	9,952	2.70	Milan	995	0.27
Coldwater, Michigan	9,952	2.70	Holiday City	995	0.27
Galion	9,952	2.70	Edgerton	995	0.27
Jackson	8,161	2.22	Genoa	896	0.24
Bedford, Virginia	7,862	2.14	Lakeview	796	0.22
Bryan	7,500	2.04	Deshler	746	0.20
Minster	6,966	1.89	Woodville	498	0.14
New Bremen	5,971	1.62	Waynesfield	498	0.14
Front Royal, Virginia	5,971	1.62	Plymouth	498	0.14
Martinsville, Virginia	5,772	1.57	Pemberville	498	0.14
Orrville	4,976	1.35	Greenwich	498	0.14
Napoleon	4,976	1.35	Elmore	498	0.14
Dover	4,976	1.35	Shiloh	398	0.11
Amherst	4,976	1.35	Mendon	398	0.11
Columbiana	4,379	1.19	Beach City	398	0.11
Wellington	3,981	1.08	Sycamore	299	0.08
Versailles	3,981	1.08	Ohio City	299	0.08
Shelby	3,981	1.08	Republic	199	0.05
St. Marys	3,881	1.08	Eldorado	199	0.05
Wapakoneta	2,986	0.81	Bradner	199	0.05
Clyde	2,986	0.81	Bloomdale	199	0.05
Niles	2,886	0.78	Arcadia	199	0.05
Richlands, Virginia	2,588	0.70	New Knoxville	149	0.04
Montpelier	2,488	0.68	Prospect	100	0.03
Newton Falls	1,990	0.54			
Marshall, Michigan	1,990	0.54	Total[(1)]	368,000	100.00%

[(1)] Percentages may not add to total due to rounding.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

PRAIRIE STATE ENERGY CAMPUS

INFORMATION ON THE SIX PARTICIPANTS WITH THE LARGEST PSCR SHARES

Presented in this Appendix B is selected financial information concerning the six largest Participants (the "*Large Participants*") in terms of their PSCR Shares, which is their respective shares of AMP's Entitlement to the output of the Prairie State Energy Campus ("PSEC"), Replacement Power and transmission services.

Each of the Large Participants located in Ohio – Cleveland, Hamilton, Bowling Green, Piqua and Celina - is required by law to file its annual audited financial statements with the Ohio Auditor of State and reference is made to their annual audits on line at www.auditor.state.oh.us. Danville, Virginia has posted its recent annual audits online at www.danville-va.gov. None of the Large Participants is contractually obligated to AMP to continue to make available audits of its Electric System on its website or otherwise.

The fiscal years of Virginia local governments end on June 30, and Danville's data are, for the most part, presented as of June 30.

A difference in the presentation of assessed valuation for the Large Participants should be noted. Pursuant to Virginia law, the assessed valuation information for Danville is based on 100 percent of appraised value of real property. For the Ohio Large Participants, the assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent.

The Large Participants are participants in several of the other AMP sponsored projects. See "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" in the forepart of this Official Statement for brief descriptions of the projects and related financings.

Table of Contents

PAGE

SECTION I

LARGE PARTICIPANTS' PEAK DEMAND AND PSCR SHARES

PARTICIPANT	2018 PEAK DEMAND (Kilowatts)	PSCR SHARES (Kilowatts)	PSCR SHARES (Percent)	CUMULATIVE PSCR SHARE (Percent)
1. Danville, Virginia	232,135	49,760	13.52%	13.52%
2. Hamilton, Ohio	132,430	35,000	9.51	23.03
3. Bowling Green, Ohio	103,510	35,000	9.51	32.54
4. Cleveland, Ohio	311,600	24,880	6.76	39.30
5. Piqua, Ohio	62,480	19,904	5.41	44.71
6. Celina, Ohio	50,470	14,928	4.06	48.77
TOTAL	892,625	179,472*	48.77**	

* Of AMP's 368 MW Ownership Interest (23.26%) of the PSEC's designed net capacity of 1,582 MW.
** Of the 100% of PSCR Shares of all 68 Participants.

SECTION II

LARGE PARTICIPANTS' INFORMATION

DANVILLE, VIRGINIA

PSCR Rank	1
PSCR Share	13.52%
Municipality Established	1793
Electric System Established	1886
County	N/A
Basis of Accounting	Accrual
2018 Peak Demand (kW)	232,135

Location, Population and Government: The City of Danville, Virginia is located in the south central region of Virginia near the North Carolina state line, surrounded by Pittsylvania County (Virginia cities and counties are mutually exclusive and do not overlap). The City has a Council-Manager form of government. The Council is comprised of nine persons, elected at-large for four-year staggered terms. The City Council elects a Mayor and a Vice-Mayor from its membership and these officials serve two-year terms. The table below sets forth historical population figures for Danville since 1990.

YEAR	POPULATION
1990	53,056
2000	48,411
2010	43,055

Source: U.S. Bureau of Census 1990-2010

Economic Base: Danville's economy is based on a mix of industrial and commercial development. The City's major industries include retail sales, automobile aftermarket supply, wood products and by-products and light industrials.

The following tables provide a summary of certain economic indicators for the City of Danville:

BUILDING PERMITS

2015	2016	2017	2018
$49,652,233	$46,873,402	$53,620,006	$41,786,680

Source: City of Danville

ASSESSED VALUATION ($000)

2015	2016	2017	2018
$2,692,401	$2,710,763	$2,719,983	$2,783,287

Source: City of Danville

UNEMPLOYMENT

2015	2016	2017	2018
7.2%	6.1%	6.0%	5.1%

Source: Virginia Workforce Connection;
https://www.vawc.virginia.gov/

MEDIAN FAMILY INCOME

1990	2000	2010
$27,752	$36,024	$39,198

Source: U.S. Bureau of Census

Electric System: Authority over the Danville Electric System is vested in the City of Danville. The Power & Light Director, who reports to the Utilities Director, manages the Electric System. The Electric System serves a community covering approximately 500 square miles, which includes the City of Danville, and portions of Pittsylvania, Henry, and Halifax Counties. Danville exercises its right to serve exclusively within its service territory. There are a few commercial and industrial customers within the service territory that are served by American Electric Power ("*AEP*"). AEP has served these customers since 1970.

Since 2007, Danville has purchased the majority of its power from AMP. The City utility owns and maintains 118 miles of transmission and distribution lines and has 17 substations. The City of Danville owns and operates a three-unit hydroelectric generating plant with a maximum capacity of 10.5 MW and a 750 kW unit at the Talbott Dam site. The City utility also has two generators, a 200 kW back-up diesel generator at its water treatment plant and a 150 kW mobile generator for the pump stations. In fiscal year 2018, the Danville electric system employed 100 people.

In 2018, the Danville Electric System served 42,048 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year.

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. Intertape	Tape Manufacturing	62,096,400	2.93
2. Nestle	Food Manufacturing	27,168,000	1.36
3. Danville Regional	Healthcare	20,131,200	1.01
4. Unilin	Flooring Manufacturing	14,558,400	0.72
5. Essel Propack	Tube Manufacturing	11,352,000	0.57

In 2018, the electric system also provided the City of Danville with 22,903,599 kWh for general municipal purposes.

Participation in Projects. Danville is the largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 13.52% PSCR Share (approximately 49.8 MW). In addition to the Project, Danville is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating to such projects, including the indebtedness and the obligations of the participants under the related power sales contract):

Project	Danville Share[(1)]
Combined Hydroelectric Projects	10.62% (approximately 22.08 MW)
Meldahl Hydroelectric Project	4.80% (approximately 5.04 MW)
AMP Fremont Energy Center Project	8.03% (approximately 37.30 MW)
Greenup Hydroelectric Project	9.67% (approximately 3.30 MW)

(1) In each case, the share relates to AMP's entitlement to project output.

The following table presents certain financial data respecting the City's Electric System for the fiscal years shown on an accrual basis. The presentation is generally consistent with the flow of revenues of the Electric System.

	Danville ($000)		
	2016	2017	2018
Revenue			
Power Sales	$109,239	$116,923	$128,283
Other Income	-	-	-
Total Revenue	109,239	116,923	128,283
Operating Expense*			
Purchased Power Costs	81,847	91,902	101,623
O&M Expense	10,500	9,828	13,716
Total Operating Expense	92,347	101,730	115,339
Net Revenue Available for Debt Service	16,892	15,193	12,944
General Obligation Debt Service(1)	2,830	11,564(2)	8,940(3)
Depreciation	7,687	7,698	8,000
Net Non-Operating Revenue (Excl. Interest Exp.)	2,843	847	808
Net Transfers	(9,897)	(9,897)	(10,202)
Net Assets 7/1	188,483	190,042	187,844
Net Assets 6/30	190,042	187,844	182,579
Year End Balance			
General Obligation Bonds	43,022	37,677(2)	43,258(3)

* Excluding Depreciation.

(1) General Obligation debt service payable from the Electric System revenues.

(2) On August 24, 2016, Danville issued $19.83 million in general obligation bonds to fund various capital improvements, refund certain outstanding bonds and to pay the cost of issuing such bonds.

(3) On December 20, 2017, Danville issued $18.31 million in general obligation bonds to fund various capital improvements, refund certain outstanding bonds of the City and to pay the cost of issuing such bonds.

HAMILTON, OHIO

PSCR Rank	2
PSCR Share	9.51%
Municipality Established	1791
Electric System Established	1893
County	Butler
Basis of Accounting	Accrual
2018 Peak Demand (kW)	132,430

Location, Population and Government: The City of Hamilton is a charter city located in Butler County, approximately 25 miles northwest of Cincinnati, in the southwest quadrant of the state, with a City Manager form of government. A Mayor, who is elected to a 4-year term, and a city council of six members, which includes a Vice-Mayor, govern the City. The six council members are elected at-large for four-year terms. The table below sets forth historical population figures for Hamilton since 1990.

YEAR	POPULATION
1990	61,368
2000	60,690
2010	62,477

Source: U.S. Bureau of Census

Economic Base: Hamilton's economy is based on a mix of industrial and commercial development. The manufacturing sector, a substantial portion of the area's economic base, includes metalworking and metal fabrications, machinery and machine tools, steel, industrial chemicals, and automotive parts. The service sector, most notably the financial and insurance industries and the legal profession, also plays a major role in the City's economic vitality.

The following table provides a summary of certain economic indicators for the City of Hamilton.

BUILDING PERMITS

2015	2016	2017	2018
$25,472,000	$25,230,640	$39,447,567	$57,221,354

Source: City of Hamilton

ASSESSED VALUATION

2015	2016	2017	2018
$752,415,568	$749,667,840	$794,818,360	$793,709,960

Source: Ohio Municipal Advisory Council; www.ohiomac.com

UNEMPLOYMENT

2015	2016	2017	2018
5.1%	5.0%	4.9%	4.5%

Source: Ohio Labor Market Information, http://ohiolmi.com

MEDIAN FAMILY INCOME

1990	2000	2010
$28,117	$41,936	$48,072

Source: U.S. Bureau of Census

Electric System: The Electric System is headed by the Director of Utility Operations who reports directly to the Executive Director of Infrastructure. The Electric System has approximately 95 full time employees. Certain administrative functions such as finance, legal and billing are shared by the Electric System and other City departments. The Electric System operates hydroelectric and combustion turbine generation facilities and supplemental resources. Operation of the Electric System's transmission, distribution and generation facilities are under the direction of the Director of Utility Operations.

The Electric System has a diverse power supply portfolio with a mix of coal, natural gas, diesel and hydroelectric generation and is capable of providing for all of its capacity and energy needs. The natural gas generating facilities located at the Hamilton Power Plant have an aggregate summer capability of approximately 9.5 MW. The City is also in involved in OMEGA JV2. The City also owns a 51.4% undivided ownership interest in the Greenup Hydroelectric Facility. The City's license granted by FERC to operate the Greenup Hydroelectric Plant expires in 2026. The City also operates the Hamilton Hydro Plant, also a run-of-the-river hydroelectric facility, with a capacity rating of 1.94 MW. The City's license granted by the FERC for operating the Hamilton Hydro Plant expires in 2031. The City has a share of Niagara hydroelectric power as provided in allocation of headwater benefits of 4 MW.

Participation in Projects. Hamilton is the second largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 9.51% PSCR Share (approximately 35.0 MW). In addition to the Project, Hamilton is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating to such projects, including the indebtedness and the obligations of the participants under the related power sales contract):

Project	Hamilton Share[(1)]
Meldahl Hydroelectric Project	51.43% (approximately 54.00 MW)
OMEGA JV2	23.87% (approximately 32.00 MW)
AMP Fremont Energy Center Project[(2)]	2.49% (approximately 11.55 MW)

(1) Share relates to the AMP's entitlement to project output, except in the case of the OMEGA joint ventures, in which case the share reflects Hamilton's undivided ownership interest.

(2) On April 1, 2019, Hamilton assigned a 0.19% PSCR Share to Holiday City, Ohio, and on June 1, 2019, Hamilton assigned a 1.51% PSCR Share to DEMEC, in each case along with all of its rights and obligations associated with such PSCR Shares.

In 2018, the Hamilton Electric System served 29,287 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. CyrusOne	Data Center	22,629,600	2.46
2. Fort Hamilton Hospital	Health Care	13,526,100	1.58
3. Thyssen Krupp Bilstein	Manufacturing	11,837,485	1.46
4. Valeo Climate Control	Manufacturing	9,794,400	1.12
5. Interstate Warehousing	Warehouse	9,499,700	1.12

In 2018, the City wastewater reclamation facility purchased 5,650,400 kWh representing 0.81% of the total system revenues.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis.

Hamilton
($000)

	2016	2017	2018
Revenue			
Power Sales	$66,153	$68,530	$78,228
Other Income	167	2,038	1,661
Total Revenue	66,320	70,568	79,889
Operating Expense*			
Power Costs	42,212	50,712	53,951
O&M Expense	19,839	24,752	21,869
Total Operating Expense	62,051	75,464	75,820
Net Revenue Available for Debt Service	4,269	(4,896)	4,069
Revenue Debt Service	2,786	2,483	2,550
Depreciation	8,861	7,805	6,946
Net Non-Operating Revenue (Excl. Interest Exp.)	446	710	976
Net Transfers and Special Items	-	-	-
Net Assets 1/1	6,157	139,161	120,132[4]
Net Assets 12/31	139,161[1]	125,714	115,696
Year End Balance			
General Obligation Bonds and Notes	-[2]	13,795[3]	-
Revenue Bonds	30,112	16,270	28,884[5]

* Excluding depreciation.

(1) In 2016, the City's Electric System sold a 48.6% ownership interest in the Greenup Hydroelectric Facility to AMP and reported such amount as a special item.

(2) In 2016, the City retired the Series 2015 Notes with the proceeds from the sale of a 48.6% ownership interest in the Greenup Hydroelectric Facility to AMP.

(3) In December, 2017, the City defeased $13,090,000 of Electric Mortgage Revenue Bonds through the issuance of Various Purpose General Obligation Notes

(4) In 2018, the City adopted GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" causing a restatement of net position.

(5) In April 2018, the City defeased $13,795,000 of Electric Various Purpose General Obligation Notes through the issuance of $12,980,000 of City of Hamilton, Ohio Electric System Refunding Revenue Bonds, Series 2018.

BOWLING GREEN, OHIO

PSCR Rank	3
PSCR Percentage	9.51%
Municipality Established	1833
Electric System Established	1942
County	Wood
Basis of Accounting	Accrual
2018 Peak Demand (kW)	103,510

Location, Population and Government: The City of Bowling Green is a charter city located in Wood County, approximately 15 miles south of Toledo, in the northwest quadrant of the state. The Mayor, who is elected to a four-year term, and a City Council of seven members, including a Council President, govern the City. The table below sets forth historical population figures for Bowling Green since 1990.

YEAR	POPULATION
1990	28,176
2000	29,652
2010	30,028

Source: U.S. Bureau of Census

Economic Base: Bowling Green's economy is based on a mix of industrial and commercial development. The City's major employment sectors include higher education, health care, hospitality, and light industrials.

The following tables provide a summary of certain economic indicators for the City of Bowling Green.

BUILDING PERMITS

2015	2016	2017	2018
$26,568,239	$26,599,187	$48,173,063	$26,655,962

Source: Wood County Building Inspection

ASSESSED VALUATION

2015	2016	2017	2018
$456,748,628	$460,623,488	$498,721,780	$503,035,490

Source: Ohio Municipal Advisory Council website

UNEMPLOYMENT

2015	2016	2017	2018
4.3%	4.1%	4.6%	4.0%

Source: Ohio Labor Market Information, http://ohiolmi.com

MEDIAN FAMILY INCOME

1990	2000	2010
$36,799	$51,804	$71,446

Source: U.S. Bureau of Census

Electric System: Authority over the Bowling Green Electric System is vested in the Board of Public Utilities. A Superintendent, who reports to the Director of Utilities, manages the Electric System. The Electric System serves a community covering 12.6 square miles, and also serves the adjoining Village of Portage with retail power and the Village of Tontogany with wholesale power. In 2018, sales to Tontogany totaled $635,179, or approximately 1 percent of total system revenues. Bowling Green provides exclusive service to all electric consumers within its city limits.

Bowling Green is in the First Energy Transmission Service Area. In 2018, Bowling Green purchased 100% of its power from AMP or through the AMP sponsored OMEGA JV5 and OMEGA JV2. Bowling Green is also a participant in OMEGA JV6 and AMP's Combustion Turbine Project. The City utility owns and maintains 233 miles of transmission and distribution lines and has six substations. The City does not directly own any generating facilities. In 2018, the Bowling Green utility employed 38 people.

In 2018, the Bowling Green electric system served 14,667 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year.

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. Bowling Green State University	Higher Education	68,176,800	11.21
2. Southeastern Container	Manufacturing	63,860,000	10.06
3. Vehtek Systems	Manufacturing	52,473,600	8.39
4. Toledo Molding & Die	Manufacturing	22,975,200	3.77
5. Phoenix Technologies	Manufacturing	12,930,300	2.02

Participation in Other Projects. Bowling Green is the third largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 9.51% Project Share (approximately 35 MW). In addition to the Project, Bowling Green is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating to such projects, including the indebtedness and the obligations of the participants under the related power sales contract):

Project	Bowling Green Share[1]
OMEGA JV2[2]	14.32%[2] (approximately 19.2 MW)
OMEGA JV5	15.73% (approximately 6.61 MW)
OMEGA JV6	56.94% (approximately 4.1 MW)
Meldahl Hydroelectric Project	2.90% (approximately 3.04 MW)
Greenup Hydroelectric Project	5.84% (approximately 1.99 MW)
AMP Combustion Turbine Project	7.75% (approximately 11 MW)
Combined Hydroelectric Projects	9.61% (approximately 19.99 MW)
Solar Electricity Prepayment Project	37.31% (approximately 13.74 MW)

(1) In each case, the share relates to AMP's entitlement to project output, except in the case of the OMEGA joint ventures, in which case the share reflects Bowling Green's undivided ownership interest.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis. The presentation is generally consistent with the flow of Electric System revenues required by the OMEGA JV5 Joint Venture Agreement.

Bowling Green
($000)

	2016	2017	2018
Revenue			
Power Sales	$59,841	$59,108	$61,266
Other Income	231	421	425
Total Revenue	60,072	59,529	61,691
Operating Expense*			
Power Costs	48,935	48,707	54,715
O&M Expense	5,706	7,216	6,432
Total Operating Expense	54,641	55,923	61,147
Net Revenue Available for Debt Service	5,431	3,606	544
General Obligation Debt Service(1)	73	-	-
OMEGA JV5 Debt Service(2)	1,399	1,422	1,422
OMEGA JV2 Debt Service(2)	730	730	35
OMEGA JV6 Debt Service(2)	-	-	-
Revenue Debt Service	2,245	-	-
Depreciation	1,421	1,434	1,501
Net Non-Operating Revenue (Excl. Interest Exp.)	(639)	(602)	(691)
Net Transfers			
Net Assets 1/1	49,942	53,196	52,897(4)
Net Assets 12/31	53,196	54,726	51,249
Year End Balance			
General Obligation Bonds	-	-	-
OMEGA JV2	757	34	-(5)
OMEGA JV5	7,058	6,120	4,455
OMEGA JV6	-	-	-
Bond Anticipation Notes	-(3)	-	-

* Excluding depreciation.

(1) General Obligation debt service payable from the Electric System revenues.

(2) OMEGA JV debt service is included in Power Costs, recovered through Bowling Green's PCA.

(3) The City retired in full $2,235,000 of bond anticipation notes in 2016.

(4) In 2018, the City adopted GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" causing a restatement of net position.

(5) The outstanding debt for OMEGA Joint Venture 2 was retired in 2018.

CLEVELAND, OHIO

PSCR Rank	4
PSCR Percentage	6.76%
Municipality Established	1796
Electric System Established	1906
County	Cuyahoga
Basis of Accounting	Accrual
2018 Peak Demand (kW)	311,600

Location, Population and Government: The City of Cleveland is located in the northeast quadrant of Ohio on Lake Erie. The City operates under and is governed by its Charter, which was first adopted by the voters in 1913 and has been and may be further amended by the voters from time to time. The City is also subject to certain general State laws that are applicable to all cities in the State. In addition, under Article XVIII, Section 3, of the Ohio Constitution, the City may exercise all powers of local self-government and may exercise police powers to the extent not in conflict with applicable general State laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a 17-member Council. The terms of Council members and the Mayor are four years. All Council members are elected from wards. The present terms of the Mayor and Council members expire in January 2022. The table below set forth historical population figures for Cleveland since 1990.

YEAR	POPULATION
1990	505,616
2000	478,403
2010	396,815

Source: U.S. Bureau of Census 1990-2010

Economic Base: Cleveland's economy is based on a mix of industrial and commercial development. The City's major industries include health care, retail sales, hospitality, dairy products and light industrials.

The following tables provide a summary of certain economic indicators for the City of Cleveland.

BUILDING PERMITS

2015	2016	2017	2018
$99,592,000	$115,901,000	$148,140,463	$129,898,000

Source: Cuyahoga County Budget Commission

ASSESSED VALUATION ($000)

2015	2016	2017	2018
$4,589,532	$4,628,326	$4,728,745	$5,263,291

Source: Ohio Municipal Advisory Council website. www.ohiomac.com

UNEMPLOYMENT*

2015	2016	2017	2018
6.3%	7.6%	7.4%	6.5%

Source: Cleveland Public Power
*Data represents annual averages, not seasonally adjusted.

MEDIAN FAMILY INCOME

1990	2000	2010
$22,448	$30,286	$34,495

Source: U.S. Bureau of Census

Electric System. Cleveland's Department of Public Utilities operates the Division of Cleveland Public Power ("*Cleveland Public Power*") for the purpose of supplying electric energy to customers located primarily in Cleveland. Under the Constitution of the State and the Charter of Cleveland, Cleveland has authority to own, operate and regulate Cleveland Public Power, and in connection therewith, to acquire property, construct facilities, provide electric energy throughout the service area and perform other necessary functions to operate and maintain Cleveland Public Power. Cleveland Public Power's electric rates are fixed by the Board of Control subject to the approval of City Council. The Board of Control consists of the Mayor and 14 directors of Cleveland's departments.

The Cleveland Public Power system is located within the service area of the Cleveland Electric Illuminating Company ("*CEI*"), an operating company of First Energy Corp. Cleveland utility owns and maintains 50 miles of transmission and 900 miles of distribution lines and has 32 distribution substations. Cleveland owns three 16.2 MW combustion turbine units and leases six 1.825 MW diesel generators, all of which are used for peak load and emergency purposes. City of Cleveland municipal customers accounted for 18.0% of Cleveland Public Power's revenue in 2018.

In the early 1990s Cleveland Public Power initiated a system expansion program that included the construction of over 30 miles of 138-kV transmission lines, six new distribution substations, and a new 138-kV interconnection with CEI. This program increased Cleveland Public Power's geographical coverage of Cleveland from about 35% to approximately 60% and added over 26,000 new customers.

In 2018, Cleveland Public Power purchased approximately 85.6% of its power from AMP, measured on a kWh basis. In addition to the power it purchased from AMP in 2018, Cleveland Public Power obtained its remaining power and energy requirements (approximately 14.4%) through short- and long-term agreements with various regional utilities and other power suppliers for power delivered through CEI interconnections, from Cleveland Public Power's three combustion turbine generating units and various arrangements for the exchange of short-term power and energy.

Unlike other Participants, Cleveland Public Power competes head-to-head for customers with CEI. Because of the overlapping service areas of Cleveland Public Power and CEI, Cleveland Public Power's potential customers are either new customers for electric service or existing customers of CEI. Accordingly, Cleveland Public Power's ability to attract new customers is heavily dependent on its ability to compete directly with CEI based on rates, system reliability, power restoration times, and customer service. Head-to-head competition with CEI for existing large commercial and industrial customers services by CEI or Cleveland Public Power generally occurs at the time those customers' contractual arrangements expire.

Cleveland Public Power continues to be successful in attracting and retaining commercial and industrial customers. Cleveland Public Power has been particularly successful in winning accounts for new downtown and lakefront developments, especially new residential projects and office-to-apartment conversions. In 2018, Cleveland Public Power brought on Rainbow Babies Women and Children's Center, a 40,000 square foot facility that will offer both traditional medicine and community services tailored to the needs of the neighborhood, Link 59, a 60,000 square foot building with office and research and development space and the Residence Inn by Marriott, a 161 room hotel. Cleveland Public Power believes that it has been successful in competing head-to-head with CEI for large commercial and industrial customer accounts within Cleveland Public Power's service area because of its competitive rates, customer service, power restoration times, and reliability of service.

Cleveland Public Power places great emphasis on reliability and customer service. In terms of service restoration after storms, Cleveland Public Power's customer service program and response time to customer inquiries are superior to those of CEI. Based on comparative information developed by Cleveland Public

Power, Cleveland Public Power's average time to reconnect customers following power outages is substantially below that of CEI.

As of December 31, 2018, Cleveland electric system served 73,711 residential, commercial and industrial customers. In addition to Cleveland municipal customers accounting for 18.0% of Cleveland Public Power's revenue, the following table lists Cleveland's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year.

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. The Medical Center Co.	Consortium of Various Facilities	243,933,000	7.08
2. Cargill, Inc.	Salt Mining	26,917,000	1.64
3. NEORSD – Easterly	Sewage Facility	25,439,000	1.21
4. First Energy Stadium	Professional Football Stadium	18,798,000	1.25
5. Cleveland Thermal-Lakeside Ave.	Commercial Heating and Air Conditioning	14,870,000	0.98

Participation in Other Projects. Cleveland Public Power is the fourth largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 6.76% % PSCR Share (approximately 24.9 MW). In addition to the Project, Cleveland Public Power is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating the indebtedness relating to such projects and the obligations of the participants under the related power sales contract):

Project	Cleveland Public Power Share[(1)]
Combined Hydroelectric Projects	16.83% (approximately 35.0 MW)
Meldahl Hydroelectric Project	8.57% (approximately 9.0 MW)
AMP Fremont Energy Center Project	12.92% (approximately 60.00 MW)
Greenup Hydroelectric Project	17.60% (approximately 6.00 MW)

(1) In each case, the share relates to the AMP's entitlement to project output.

The following table presents certain financial data respecting Cleveland's Electric System for the calendar years shown, on an accrual basis.

Cleveland
($000)

	2016	2017	2018
Revenue			
Power Sales	$192,967	$194,904	$211,864
Other Income	246	398	703
Total Revenue	193,213	195,302	212,567
Operating Expense[**]			
Power Costs	124,909	123,374	141,679
O&M Expense	41,682	44,549	45,187
Total Operating Expense	166,591	167,923	186,866
Net Revenue Available for Debt Service	26,622	27,379	25,701
Revenue Debt Service	17,914	17,902	16,275
Depreciation	18,319	19,555	20,428
Net Non-Operating Revenue (Excl. Interest Exp.)	2,188	3,823	6,483
Net Transfers	-	-	-
Net Assets 1/1	197,277	197,764	187,695[(2)]
Net Assets 12/31	197,764	199,901	189,575
Year End Balance			
Revenue Bonds	210,958[(1)]	202,173	189,278[(3)]

[**] Excluding depreciation.

(1) On December 14, 2016, Cleveland Public Power issued $42,025,000 of Public Power System Revenue Refunding Bonds, Series 2016, to refund $45,285,000 of outstanding Public Power System Refunding Bonds, Series 2006A-1.

(2) In 2018, the City adopted GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" causing a restatement of net position.

(3) On June 27, 2018, Cleveland Public Power issued $47,245,000 of Public Power System Revenue Refunding Bonds, Series 2018, to refund $52,435,000 of outstanding Public Power System Revenue Bonds, Series 2008A and Public Power System Revenue Bonds, Series 2008B-1.

PIQUA, OHIO

Project Share Rank	5
Project Share (Expressed as a Percentage)	5.41%
Municipality Established	1823
Electric System Established	1933
County	Miami
Basis of Accounting	Accrual
2018 Peak Demand (kW)	62,480

Location, Population and Government: The City of Piqua is a charter city located in Miami County, immediately off of Interstate 75 and State Route 36, in the southwest quadrant of the state. Piqua is governed by five commissioners representing five wards. Election of the commissioners is city-wide and is nonpartisan. Elected commissioners serve a term of four years. The Mayor of Piqua is also known as the President of the Commission. The Mayor serves a two-year term. The table below sets forth historical population figures for Piqua since 1990.

YEAR	POPULATION
1990	20,612
2000	20,738
2010	20,552

Source: U.S. Bureau of Census

Economic Base: Piqua's economy is a nearly equal mix of industrial, commercial and residential development. The City's major industries include various manufacturers, including plastic production, juvenile furniture manufacturing, and manufacturing/fabrication of metal products.

The following tables provides a summary of certain economic indicators for the City of Piqua.

BUILDING PERMITS

2015	2016	2017	2018
$14,430,800	$14,927,690	$10,962,144	$10,639,541

Source: City of Piqua

ASSESSED VALUATION

2015	2016	2017	2018
$289,330,554	$290,202,684	$288,261,340	$293,842,590

Source: Ohio Municipal Advisory Council website ohiomac.com

UNEMPLOYMENT

2015	2016	2017	2018
4.4%	4.3%	4.2%	3.9%

Source: Ohio Department of Jobs and Family Services
http://ohiolmi.com/

MEDIAN FAMILY INCOME

1990	2000	2010
$29,073	$41,804	$49,453

Source: U.S. Bureau of Census

Electric System: Authority over the Piqua electric system, established in 1933, is vested with the City Commission. A Power System Director, who reports to the City Manager, manages the electric system. The municipal electric system serves a community covering approximately 11.8 square miles.

Piqua is in the Dayton Power & Light Company transmission service area. In 2006, Piqua purchased none of its power from AMP; all purchases were made from Cinergy Services Corp. under a full requirements agreement. As of January 1, 2007, however, Piqua became an all requirements customer of AMP. The City utility owns and maintains 10 miles of transmission lines, 265 miles of distribution lines and four substations. In early 2017, Piqua completed a 4kV to 13kV conversion project, which resulted in a reduction of the number of substations from six to four. In 2018, the electric system employed 23 people.

In 2018, the Piqua electric system served 10,747 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year.

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. Piqua FMO (Hobart Brothers)	Welding Rod Manufacturer	15,576,750	4.02
2. Jackson Tube Service	Steel Processing	11,142,600	3.81
3. Plastic Recycling Technology	Plastic Reprocessing	13,664,700	3.57
4. Evenflo Company Inc.	Baby Furniture Manufacturing	12,427,754	3.26
5. Hartzell Propeller	Aircraft Propeller Manufacturing	9,778,968	2.71

Participation in Projects. Piqua is the fifth largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 5.41% PSCR Share (approximately 19.9 MW). In addition to the Project, Piqua is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating the indebtedness relating to such projects and the obligations of the participants under the related power sales contract):

Project	Piqua Share[(1)]
Combined Hydroelectric Projects	2.88% (approximately 6 MW)
AMP Fremont Energy Center Project	2.14% (approximately 9.94 MW)
Meldahl Hydroelectric Project	1.14% (approximately 1.20 MW)
Greenup Hydroelectric Project	2.30% (approximately .79 MW)
Solar Electricity Prepayment Project	11.11% (approximately 6.73 MW)

(1) In each case, the share relates to AMP's entitlement to project output.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown on an accrual basis.

	Piqua ($000)		
	2016	2017	2018
Revenue			
Power Sales	$29,604	$28,556	$28,985
Other Income	178	180	191
Total Revenue	29,782	28,736	29,176
Operating Expense*			
Power Costs	21,547	22,475	23,291
O&M Expense	7,863(2)	6,984(3)	6,533(4)
Total Operating Expense	29,410	29,459	29,824
Net Revenue Available for Debt Service	372	(723)	(648)
Depreciation	1,913	1,928	1,928
Net Non-Operating Revenue (Excl. Interest Exp.)	660	248	61
Net Transfers	–	–	–
Net Assets 1/1	42,527	41,647	37,594(1)
Net Assets 12/31	41,647	39,244	35,081
Year End Balance			
General Obligation Bonds	--	--	--

* Excluding depreciation.

(1) In 2018, the City adopted GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" causing a restatement of net position.

(2) In 2015, the City adopted GASB 68, "Accounting and Financial Reporting for Pensions" and the O&M Expense in 2016 includes $156,661 related to GASB 68.

(3) In 2015, the City adopted GASB 68, "Accounting and Financial Reporting for Pensions" and the O&M Expense in 2017 includes $553,089 related to GASB 68.

(4) In 2015, the City adopted GASB 68, "Accounting and Financial Reporting for Pensions" and the O&M Expense in 2018 includes $359,624 related to GASB 68. In 2018, the City adopted GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and the O&M Expense in 2018 includes $213,595 related to GASB 75.

CELINA, OHIO

PSCR Rank	6
PSCR Percentage	4.06%
Municipality Established	1834
Electric System Established	1901
County	Mercer
Basis of Accounting	Accrual
2018 Peak Demand (kW)	50,470

Location, Population and Government: The City of Celina is a statutory city, located in Mercer County, Ohio, in the west-central quadrant of Ohio, on the northwest corner of Grand Lake St. Marys, the largest inland lake in Ohio. The City is approximately 60 miles from each of Dayton, Ohio and Fort Wayne, Indiana and approximately 100 miles from Columbus, Ohio. The City is the County seat of Mercer County. The executive power of the City is vested in the Mayor, President of Council and Council, Auditor, Treasurer, City Law Director, Director of Public Service, and Director of Public Safety. The Mayor, Council President and Council Members, Auditor, Treasurer and Law Director are all elected to four year terms. The table below sets forth historical population figures for Celina since 1990.

YEAR	POPULATION
1990	9,650
2000	10,303
2010	10,400

Source: U.S. Bureau of Census

Economic Base: Celina's economy is based on a mix of industrial and commercial development. The City's major industries include health care, retail sales, hospitality, agriculture, livestock and light industrials.

The following table provides a summary of certain economic indicators for the City of Celina.

BUILDING PERMITS

2015	2016	2017	2018
$6,396,028	$15,481,620	$6,615,024	$9,896,200

Source: City of Celina

ASSESSED VALUATION

2015	2016	2017	2018
$161,767,840	$162,258,940	$168,414,000	$169,492,190

Source: Ohio Municipal Advisory Council website ohiomac.com

UNEMPLOYMENT

2015	2016	2017	2018
3.3%	3.3%	3.1%	2.8%

Source: Ohio Labor Market Information, http://lmi.state.oh.us/

MEDIAN FAMILY INCOME

1990	2000	2010
$32,666	$44,901	$44,702

Source: U.S. Bureau of Census

Electric System: Authority over the Celina Electric System is vested in the City Council. A superintendent, who reports in turn to the director of public service, manages the Electric System. The Electric System serves a community covering approximately 175 square miles and approximately 680 miles of distribution lines. The City currently purchases approximately 98% of its electric power from AMP with the balance being generated behind the meter, and then distributes the electricity through power lines owned and maintained by the City. Celina is in the Dayton Power & Light Transmission Service area.

Participation in Projects. Celina is the sixth largest Participant in the Project, obligated under the Power Sales Contract to purchase from AMP a 4.06% PSCR Share (approximately 14.93 MW). In addition to the Project, Celina is a participant in the following other projects described in the body of the Official Statement under the heading "AMERICAN MUNICIPAL POWER, INC. – OTHER PROJECTS" (see the descriptions thereof for detail relating to such projects, including the indebtedness and the obligations of the participants under the related power sales contract):

Project	Celina Share[(1)]
AMP Fremont Energy Center Project	1.42% (approximately 6.61 MW)
Combined Hydroelectric Projects	2.16% (approximately 4.5 MW)

(1) In each case, the share relates to AMP's entitlement to project output.

In 2018, the Celina Electric System served 7,745 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2018 and as a percentage of total system revenues during that year.

Customer	Type of Business	kWh Purchased (2018)	% of Total System Revenues
1. Celina Aluminum Precision Technology	Automotive Parts Industry	54,652,200	33.0
2. Crown Equipment Corp	Lift Trucks	27,342,720	17.0
3. Versa Pak	Plastic Packaging	13,592,880	8.0
4. Pax Machine Works	Metal Stamping	6,835,020	4.0
5. Wal-Mart	Retail	5,683,200	3.0

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis.

	Celina ($000)		
	2015	2016	2017
Revenue			
Power Sales	$20,495	$21,429	$22,768
Other Income	79	39	133
Total Revenue	20,576	21,468	22,901
Operating Expense*			
Power Costs	17,398	19,845	20,731
O&M Expense	1,525	1,572	1,842
Total Operating Expense	18,923	21,417	22,573
Net Revenue Available for Debt Service	1,653	51	328
Depreciation	831	834	857
Net Non-Operating Revenue (Excl. Interest Exp.)	358	374	374
Net Transfers	-	-	-
Net Assets 1/1	21,717[(1)]	22,895	22,492
Net Assets 12/31	22,895	22,492	22,337
Year End Balance			
General Obligation Bonds	-	-	-

* Excluding depreciation.

(1) In 2015, the City adopted GASB 68 and GASB 71 requiring a restatement of net position at 12/31/2014.

SECTION III

SUMMARY OF LARGE PARTICIPANTS' AREA, POPULATION, ASSESSED VALUATION AND UNEMPLOYMENT RATES

Participant	County	Area (Sq. Miles)[1]	Population[2]			Property Tax Base Assessed Valuation ($000)[3]			Unemployment Averages[4]		
			1990	2000	2010	2016	2017	2018	2016	2017	2018
Danville, Virginia	N/A	43.9	53,056	48,411	43,055	$2,710,763	$2,719,983	$2,783,287	6.1%	6.0%	5.1%
Hamilton, Ohio	Butler	22.1	61,368	60,690	62,477	749,668	794,818	793,710	5.0	4.9	4.5
Bowling Green, Ohio	Wood	12.6	28,176	29,652	30,028	460,623	498,722	503,035	4.1	4.6	4.0
Cleveland, Ohio	Cuyahoga	82.5	505,616	478,403	396,815	4,628,326	4,728,745	5,263,291	7.6	7.4	6.5
Piqua, Ohio	Miami	11.9	20,612	20,738	20,522	290,203	288,261	293,843	4.3	4.2	3.9
Celina, Ohio	Mercer	5.3	9,650	10,303	10,400	162,259	168,414	169,492	3.3	3.1	2.8

(1) Source: Wikipedia website for Participant.
(2) Source: U.S. Census Bureau.
(3) Source: Ohio Participants - Ohio Municipal Advisory Council; Danville, Virginia City CAFRs.
(4) Source: Ohio Participants, except as noted for Cleveland, Ohio Labor Market Information website; for Cleveland, City of Cleveland; Danville, Virginia Workforce Connection website. For participants with populations of less than 25,000, unemployment averages reflect those for the county.

SECTION IV

LARGE PARTICIPANTS' RESIDENTIAL, INDUSTRIAL AND COMMERCIAL INFORMATION

Large Participants' Information
Residential, Industrial, and Commercial [1]

	2016			2017			2018		
	Customers	**kWh Sales (x 1,000)**	**Revenue[2] (x $1,000)**	**Customers**	**kWh Sales (x 1,000)**	**Revenue[2] (x $1,000)**	**Customers**	**kWh Sales (x 1,000)**	**Revenue[2] (x $1,000)**
Danville, Virginia									
Residential	37,029	457,365	59,284	37,062	438,937	59,990	37,022	480,475	70,162
Commercial	4,671	278,731	34,191	4,700	260,217	23,707	4,719	272,022	27,692
Industrial	35	186,691	16,732	30	192,394	11,342	29	190,898	11,548
Municipal	278	23,991	2,848	278	22,867	1,858	278	22,904	2,103
Lighting	0	14,874	1,982	0	14,967	2,353	0	14,868	2,869
Total:	42,013	961,652	115,036	42,070	929,382	99,250	42,048	981,167	114,374
Hamilton									
Residential	26,378	255,821	32,027	26,783	240,372	31,977	26,400	266,198	38,409
Commercial	2,886	225,256	24,910	2,886	222,096	24,517	2,878	225,402	25,612
Industrial	9	90,134	6,986	9	90,481	7,122	9	92,086	7,736
Total:	29,273	571,211	63,923	29,678	552,949	63,616	29,287	583,686	71,757
Bowling Green									
Residential	12,754	98,474	13,196	12,776	95,049	13,012	12,797	103,776	14,416
Commercial	1,800	57,532	6,910	1,786	57,572	7,150	1,790	61,938	7,975
Industrial	90	379,729	36,125	79	374,689	35,683	80	373,902	36,622
Total:	14,644	535,735	56,231	14,641	527,310	55,845	14,667	539,616	59,013
Cleveland									
Residential	63,590	395,439	52,795	64,917	376,326	52,016	65,135	406,657	59,448
Commercial	7,130	547,031	68,590	7,238	537,836	69,749	7,300	563,441	79,948
Industrial	23	591,867	53,516	25	595,286	54,185	25	608,500	57,570
Other	1,162	78,569	15,718	1,183	78,666	16,039	1,251	78,926	17,171
Total	71,905	1,612,906	190,619	73,363	1,588,114	191,989	73,711	1,657,524	214,137
Piqua									
Residential	9,614	87,345	10,061	9,594	83,713	9,719	9,620	91,250	10,435
Commercial	1,109	94,269	8,998	1,111	95,800	9,097	1,109	97,436	9,134
Industrial	20	128,139	10,339	18	118,524	9,554	18	119,397	9,448
Total:	10,743	309,753	29,398	10,723	298,037	28,370	10,747	308,083	29,017
Celina									
Residential	6,817	70,929	7,335	6,818	66,218	7,282	6,860	62,536	7,671
Commercial	871	54,316	4,280	875	55,102	4,260	875	57,475	4,354
Industrial	14	111,666	6,300	12	107,398	7,025	10	101,571	7,096
Total:	7,702	236,911	17,915	7,705	228,718	18,567	7,745	221,582	19,121

(1) Source: Per Participants

(2) Revenues for Ohio participants exclude revenue allocable to Ohio kWh tax, except for Celina where tax revenue is included. Revenues allocable to the Ohio kWh tax for Celina were $975,608 in 2016, $953,260 in 2017 and $985,506 in 2018.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACT

The following is a summary of certain provisions of the Power Sales Contract. The following summary is not to be considered a full statement of the terms of the Power Sales Contract and, accordingly, is qualified by reference thereto and is subject to the full text thereof. Summaries of certain provisions of the Power Sales Contract also appear in the body of the Official Statement. Capitalized terms not otherwise previously defined in this Official Statement or defined below have the meaning set forth in the Power Sales Contract. Copies of the Power Sales Contract are available from AMP and the Trustee.

Definitions and Explanations of Terms.

AMP Entitlement shall mean AMP's Ownership Interest in the PSEC, including its rights to the capacity and energy from PSEC derived from its Ownership Interest in PSEC under the Project Agreements.

Bonds shall mean revenue bonds, notes, bank loans, commercial paper or any other evidences of indebtedness, without regard to the term thereof, whether or not any issue thereof shall be subordinated as to payment to any other issue thereof, from time to time issued by AMP (including any legal successor thereto) to reimburse AMP for Development Costs, to finance or refinance any cost, expense or liability paid or incurred or to be paid or incurred by AMP in connection with the planning, investigating, engineering, permitting, licensing, financing, acquiring and construction of Ownership Interest and any other Power Sales Contract Resources, and the refurbishing, operating, maintaining, improving, repairing, replacing, retiring, decommissioning or disposing of the AMP Entitlement or otherwise paid or incurred or to be paid or incurred by AMP in connection with the performance of its obligations under the Power Sales Contract or any Related Agreement, and shall include revenue bonds, notes, bank loans, commercial paper, or any other evidences of indebtedness issued by AMP (including any leg al successor thereto) to refund any outstanding revenue bonds, notes, bank loans, commercial paper, or any other evidences of indebtedness issued by AMP (including any legal successor thereto) for any of the foregoing purposes, as well as the repayment of interim financing for its Ownership Interest or other Power Sales Contract Resources Developmental Costs advanced by AMP. Bonds shall also include any interest rate hedge, swap instrument and the effect thereof, where the context is appropriate.

Commercial Operation Date shall mean the first day of the month following AMP's receipt of notice that both Units of PSEC are in operation on a commercial basis for purposes of making capacity and energy available.

Commercial Operation of First Unit shall mean the first day of the month following AMP's receipt of notice that the first Unit of PSEC is in operation on a commercial basis for purposes of making capacity and energy available.

Contiguous Coal Reserves shall mean the twelve (12) million tons of coal located in reserves that are contiguous to the Coal Reserves sold to AMP.

Contract or Power Sales Contract shall mean the Power Sales Contract dated as of November 1, 2007, between AMP and the 68 Participants.

Demand Charge shall mean the rate or charge to the Participants principally designed to recover fixed costs of Power Sales Contract Resources.

Developmental Costs shall mean all development costs incurred by AMP in furtherance of its acquisition of the Ownership Interest and legal, engineering, accounting, advisory and other financing costs relating thereto, or other Power Sales Contract Resources which are to be reimbursed to AMP from the proceeds of Bonds.

Energy Charge shall mean the rate or charge to the Participants, principally designed to recover variable costs of the output of Power Sales Contract Resources.

Environmental Account shall mean the account of the Reserve and Contingency Subfund that may be used from time to time to mitigate PSEC or other Power Sales Contract Resources environmental impacts or to moderate volatility in the costs of environmental compliance, including, but not limited to, the funding of reserves for, or the purchase of, allowances or offsets from Participants, AMP or others and Change-in-Law Taxes.

Force Majeure shall mean any cause beyond the control of AMP or a Participant, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, pestilence, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by court or public authority, which by due diligence and foresight AMP or such Participant, as the case may be, could not reasonably have been expected to avoid.

Load Factor shall mean the Participant's energy scheduled from Power Sales Contract Resources over a time period in MWh, divided by Participant's PSCR Share in MW multiplied by the hours in the same time period.

MISO RTO shall mean the Midwest Independent System Operator RTO or its successor organization.

NERC shall mean the North American Electric Reliability Corporation or its successor organization approved by the Federal Energy Regulatory Commission to fulfill the Federal Power Act statutory role as the Electric Reliability Organization.

O&M Expenses of a Participant shall mean (i) the ordinary and usual operating expenses, of its Electric System including purchased power expense and all amounts payable by the Participant to or for the account of AMP under the Power Sales Contract, including its obligations for Step Up Power; and (ii) to the extent not included in (i), all other items included in operating expenses under generally accepted accounting principles as adopted by the Governmental Accounting Standards Board or other applicable authority; provided, however, that if any amount payable by the Participant under the Power Sales Contract is prohibited by applicable law or by an existing contract from being paid as an O&M Expense of the Participant's Electric System, such amount shall be payable from any available funds of the Participant's Electric System and shall constitute an O&M Expense of the Participant's Electric System at such time as such law or contract shall permit or terminate.

Operating Agreement shall mean the agreement or agreements between AMP and the other owners of undivided ownership interests in PSEC or other Power Sales Contract Resources for the operation, fuel and maintenance, including repairs and replacements, thereof.

Ownership Interest shall mean the 23.26% undivided ownership interest in PSEC acquired by AMP.

Participants Committee shall mean a committee of AMP's Board of Trustees consisting of Participants, the members of which, in the aggregate, have not less than thirty-three percent (33%) of the PSCR Shares, organized and operating in accordance with the terms of the Power Sales Contract.

PJM RTO shall mean the PJM RTO or its successor organization.

Points of Delivery shall mean the points at which AMP shall be required to deliver power and energy to or for the benefit of each of the respective Participants pursuant to the Power Sales Contract at the PSR.

Power Sales Contract Resources or PSCR shall mean, to the extent acquired or utilized by AMP to meet its obligations to deliver electric power and energy to the Participants at their respective Points of Delivery pursuant to the Power Sales Contract, (i) the AMP Entitlement and (ii) all sources of Replacement Power and Transmission Service, whether real or personal property or contract rights.

Postage Stamp Rates or PSR means the total delivered cost to Participants for Demand Charges, Energy Charges and any power cost adjustments at the Points of Delivery, as specified in the Rate Schedule.

Project Agreements shall mean collectively the various contracts among the co-owners, including AMP, of the PSEC and PSGC.

Project Costs shall mean all costs incurred in connection with the planning, investigating, licensing ,siting ,permitting, engineering, financing, equipping, construction and acquisition of the Project including Developmental Costs and the costs of any necessary transmission facilities or upgrades required to interconnect PSEC with the PJM RTO and transmit power and energy to the Participants, any payments of taxes or in lieu of taxes and interest during construction of the Project, initial inventories, including the purchase of any inventories of emission allowances or other environmental rights, working capital, spares and other start up related costs, related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and the refurbishing, improving, repairing, replacement, retiring, decommissioning or disposing of the Project, or otherwise paid or incurred or to be paid or incurred by or on behalf of the Participants or AMP in connection with its performance of its obligations under the Power Sales Contract, any Trust Indenture or any Related Agreement and may include the cost of the prepayment for Replacement Power.

PSCR Share for any Participant expressed in kilowatts (kW) shall mean such Participant's nominal entitlement to power and associated energy from the Power Sales Contract Resources such that the sum of all PSCR shares (in kW) equals the AMP Entitlement (in kW); subject to a pro rata adjustment if the AMP Entitlement is changed in the event the aggregate capacity of PSEC is different than 1,582 MW. PSCR Share for any Participant expressed as a percentage (%), rounded to the nearest one-hundredth of one percent, shall mean the result derived by dividing such Participant's PSCR Share in kW by the total of all of the Participants' PSCR Shares (including such Participant's PSCR Share) in kW such that the sum of all such PSCR shares (in %) is one hundred percent (100%).

Prudent Utility Practice shall mean any of the practices, methods and acts which, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the United States electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It includes a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

Rate Schedule shall mean the schedule of rates and charges attached to the Power Sales Contract, as the same may be revised from time to time in accordance with the provisions of said Contract.

Rate Stabilization Account shall mean the account of the Reserve and Contingency Subfund that may be used from time to time to moderate volatility of the PSR.

RE shall mean the Regional Entity, such as Reliability First Corporation, that is designated by a delegation agreement with NERC that has been approved by the Federal Energy Regulatory Commission to develop, implement, monitor and enforce the reliability standards of NERC and the Regional Entity as approved by the Federal Energy Regulatory Commission.

Regulations shall mean the bylaws for Participants and Participants Committee meetings and actions, as the same may be amended from time to time.

Related Agreements shall mean the Project Agreements, any Operating Agreement, agreements for interconnection of PSEC or other Power Sales Contract Resources to the appropriate transmission system, including, any agreements for Supplemental Transmission Service and the interconnection agreement for the interconnection of PSEC to the MISO transmission system, agreements for the purchase of electric power and energy, other agreements for Transmission Service to enable AMP to meet its obligations to deliver electric power and energy for the Participants at their respective Secondary Points of Delivery pursuant to the Power Sales Contract, and all other agreements of greater than one (1) year in length entered into by AMP for the acquisition of Power Sales Contract Resources, all as the same may be amended from time to time.

Replacement Power shall mean power and energy purchased by AMP (i) after the effective date of the Power Sales Contract but prior to the Commercial Operation Date for delivery to the Participants provided that such purchase is approved by a Super Majority of the Participants; (ii) on or after the Commercial Operation Date to back-up all or any portion of the output of the Project's generation facilities or to replace the same during periods in which any unit of the PSEC is not, for any reason, in service or is derated or otherwise incapable of generating its full nominal capability; or (iii) when, in AMP's estimation and in accordance with procedures approved by the Participants Committee, to purchase from or sell to the market, perform commodity swaps or other like transactions such as capacity swaps, reliability exchanges and reserve sharing arrangements, will lower the expected PSR or is consistent with Prudent Utility Practices.

Reserve and Contingency Subfund shall have the meaning set forth in a Trust Indenture and refers to a special subfund, established by AMP to accumulate funds sufficient to provide an immediately available source of funds for the extraordinary maintenance, repair, overhaul and replacement of the Project facilities and equipment, to mitigate environmental impacts, achieve environmental compliance or purchase allowances (Environmental Account) to stabilize or mitigate rate increases to the Participants (Rate Stabilization Account) and to meet other requirements of a Trust Indenture for which other funds are not, by the terms of a Trust Indenture, immediately available.

RTO shall mean any one of the Regional Transmission Organizations approved by the Federal Energy Regulatory Commission or its successors or assigns, the territory of which includes the transmission systems to which the Point of Delivery is connected.

Secondary Points of Delivery shall mean the receipt point for each Participant which is either(i) a metered point of interconnection with the transmission or distribution system of the Participant or (ii) any other metered point of interconnection designated by a Participant for ultimate delivery of power and energy from the Points of Delivery to such Secondary Delivery Point under the Power Sales Contract; provided; however, that the Secondary Point of Delivery with respect to any Participant may, with AMP's written approval (which approval shall not be unreasonably withheld),be changed by such Participant.

Service Fee shall mean AMP's Service Fee B charge of up to one mill ($0.001) per kWh for all energy delivered pursuant to the Power Sales Contract to the respective Participants at their respective Points of Delivery under the Power Sales Contract. Said charge may be prospectively increased or decreased at the sole option of AMP's Board of Trustees at any time provided, however, that except as provided below, such fee shall not exceed one mill ($0.001) per kWh. Service Fee B may be increased

above $0.001 per kWh with the approval of both the AMP Board of Trustees and the Participants Committee.

Step Up Power Costs shall mean that portion of Revenue Requirements that is allocable to a defaulting Participant's payment obligations under the Power Sales Contract.

Super Majority shall mean not less than a seventy-five percent (75%) majority of the weighted vote, based upon PSCR Shares, of all the Participants.

Supplemental Transmission Service shall mean the power delivery service under any agreements, tariffs and rate schedules necessary or convenient to transmit power and energy made available to or for the benefit of any Participant for delivery from the Points of Delivery to a Secondary Point of Delivery.

Transmission Service shall mean all transmission arrangements, together with all related or ancillary services rights and facilities, to the extent the same are necessary or prudent to provide for delivery of power and energy to the Points of Delivery.

Trust Indenture shall mean any one or more trust indentures, trust agreements, loan agreements, resolutions or other similar instruments providing for the issuance and securing of Bonds.

Unit shall mean either of the two distinct electricity generating systems of PSEC, each consisting of a pulverized coal boiler, a steam turbine generator with an expected nominal generating capacity of approximately 791 MW, and all associated auxiliaries and systems.

Sale and Purchase. (A) AMP agrees to sell to each Participant, and each Participant agrees to buy from AMP such Participant's PSCR Share (in kW) of the Power Sales Contract Resources as set forth in the Power Sales Contract, subject to increase in an event of default of a Participant.

(B) Subject to the absolute payment obligations of the Participants, AMP (i) shall borrow, and capitalize from the proceeds of such borrowing, all or a portion of the amounts otherwise payable by the Participants in respect of AMP's Revenue Requirements prior to the Commercial Operation of First Unit and (ii) may borrow ,and capitalize from the proceeds of such borrowing ,all or a portion of the amounts otherwise payable by the Participants in respect of AMP's Revenue Requirements prior to the Commercial Operation Date and fora reasonable time thereafter, or (iii) to the extent that AMP, upon the request and subject to the approval of the Participants Committee, does not borrow and capitalize from the proceeds of such borrowing all of AMP's Revenue Requirements prior to the Commercial Operation of First Unit and fora reasonable period thereafter, AMP shall, to such extent and only upon not less than one hundred twenty (120) days prior written notice, bill the Participants for their PSCR Shares of up to twenty-five percent (25%) of AMP's Revenue Requirements for such period or, with the approval of a Super Majority of the Participants, up to one hundred percent (100%) of AMP's Revenue Requirements for such period.

(C) Upon the request and subject to approval of a Super Majority of the Participants, in order to decrease the amount of capitalized interest which may otherwise be accrued prior to the Commercial Operation Date, AMP may purchase and sell and deliver to the Participants, power and energy under the Power Sales Contract from Power Sales Contract Resources in pro rata amounts up to the amounts listed in the Power Sales Contract for such period and in such amounts as determined appropriate by the Participants Committee, at rates which cover all costs of such power and which may include all or any portion of AMP's Revenue Requirements for such period; provided, however, that any Participant may elect not to receive such energy and only be charged the Demand Charge portion of Revenue Requirements relating to such interest during construction.

(D) If at any time any Participant has power and energy in excess of its needs, it may request that AMP sell and deliver any or all of said Participant's PSCR Share of power and energy available under the Power Sales Contract, and AMP shall use commercially reasonable efforts in consultation with such Participant to attempt to sell such surplus for such Participant at not less than a minimum price approved by the Participant.

AMP Undertakings. (A) AMP, in good faith and in accordance with the provisions of the Power Sales Contract and Prudent Utility Practice:

(i) shall fulfill its obligations under the Project Agreements and shall monitor the performance of the EPC Contractor in its planning, development, engineering, acquisition, construction and equipping of the Project; and following the Commercial Operation Date shall use its best efforts to ensure that the Project and all integral parts thereof are staffed, operated, maintained, refurbished, replaced, retired, decommissioned and disposed in accordance with the Project Agreements and Prudent Utility Practice; and to work diligently with PSGC to obtain, or cause to be obtained, all Federal, state and local permits, licenses and other rights and regulatory approvals necessary therefor; and

(ii) shall undertake the financing of costs of placing the Project in Commercial Operation(including financing costs, legal, engineering, accounting and financial advisory fees and expenses and the Developmental Costs) and any other capital costs required by the Project Agreements; and

(iii) shall utilize to the extent available pursuant to the Project Agreements and in the best interests of the Participants, the Project as the primary Power Sales Contract Resource to fulfill its obligations to deliver power and energy to the Participants at the Point of Delivery and respective Secondary Points of Delivery and utilize Replacement Power, when prudent and appropriate, as a secondary Power Sales Contract Resource; and

(iv) may undertake, or cause to be undertaken, the acquisition of other Power Sales Contract Resources, in addition to the Project, as AMP deems necessary or desirable to enable AMP to deliver electric power and energy to the Participants at their respective Points of Delivery in such amounts and on such terms as are set forth in the Power Sales Contract; provided, however, that any obligations for any such additional Power Sales Contract Resources shall be subject to approval of the Participants Committee if (a) such obligations are for periods greater than one (1) year or (b) if such obligations are for other than Replacement Power during deratings or planned or forced outages of PSEC or other Power Sales Contract Resources; and

(v) may, at the direction of the Participants Committee, utilize funds from the Reserve and Contingency Subfund, to the extent not inconsistent with any Trust Indenture, to defray the costs of Replacement Power to the Participants during any prolonged outage or derating of PSEC; and

(vi) shall inform the Participants Committee on a regular basis, not less often than in conjunction with the regular meetings of the AMP Board of Trustees, of its actions, plans and efforts undertaken in furtherance of the provisions of the Power Sales Contract including review of the Project's proposed annual operating and capital budgets prior to their adoption and to receive and give due consideration to any recommendations of the Participants Committee regarding the same; and

(vii) shall submit to the Participants Committee for approval, the general plan of financing for the Project along with any proposed material changes to such general plan as the same may be proposed from time to time.

(B) In the event that, notwithstanding its efforts undertaken in accordance with the Power Sales Contract, AMP is unable to supply all of the power and energy contracted for by the Participants, it shall allocate the power and energy available from the Power Sales Contract Resources among the Participants pro rata, on the basis of the irrespective PSCR Share percentages.

(C) In the event that at any time Power Sales Contract Resources acquired by AMP to supply power and energy to the Participants at the Point of Delivery and their respective Secondary Points of Delivery pursuant to the Power Sales Contract result in surplus power, surplus energy, surplus Transmission Service or Supplemental Transmission Service capacity, or other surplus rights, products or services that AMP believes may be salable to another entity in light of prevailing market conditions and the characteristics of any such surplus, or which due to prevailing market conditions make it desirable and in the best interests of AMP, the holders of the Bonds or the Participants to sell all or any portion of the power and energy associated with the Project or other Power Sales Contract Resource and utilize Replacement Power, to the extent required, to replace the same, AMP shall use commercially reasonable efforts to attempt to sell such surplus power, surplus energy, surplus transmission capacity, or other surplus product or service or such power and energy for such Participant at not less than a minimum price approved by the Participant, on such terms and for such period as AMP deems appropriate and as AMP deems not adverse to the tax or regulatory status or other interests of AMP, the Participants or any Bonds. All net revenues received by AMP from such surplus sales shall be utilized by AMP to reduce the Revenue Requirements that otherwise must be paid by the Participants and thereby offset rates and charges to the Participants under the Power Sales Contract. Any such sales for periods of one year or greater shall be subject to approval by the Participants Committee.

(D) In addition to such sales of power and energy to any entity permitted by the Power Sales Contract, AMP may to the extent authorized or required by the Project Agreements (i) sell, on a temporary or permanent basis, or otherwise dispose of fuel, emission allowances or other inventory or spare parts for or byproducts from PSEC or any other Power Sales Contract Resource or sell, lease or rent any excess land or land rights, including mineral or other subsurface rights and facilities associated with any by-product not required for operation of PSEC or any other Power Sales Contract Resource or (ii) sell, lease or otherwise dispose of on a temporary or permanent basis any other rights or interests associated with any Power Sales Contract Resource; provided, however, that prior to entering into any such agreement on a permanent basis, or for any term of five (5) years or longer, AMP shall have determined that such disposition will not adversely affect the tax or regulatory status of AMP or any Bonds.

(E) All power sold or made available under the Power Sales Contract shall include the associated capacity, in kW ,and AMP, upon written request of a Participant, shall provide such Participant with any appropriate certifications reasonably necessary for the Participant to confirm its rights to such capacity for any purpose, including any requirements of the MISO RTO or the PJM RTO.

(F) AMP covenants that it shall, prior to entering into any such agreements and in consultation with the Participants Committee, adopt, maintain and revise from time to time a written policy respecting any variable rate indebtedness and hedge or swap agreements entered into under the Power Sales Contract, including the circumstances and terms under which any such agreements may be terminated.

(G) Other than for sales of two (2) months or less, AMP shall be obligated to provide the Participants a right of first refusal with respect to Power Sales Contract Resources, it is understood by the

Participants that it may be in the best interests of the Participants for AMP to resell such Power Sales Contract Resources immediately and that it may be impracticable for AMP to effectively communicate a bona fide offer to all the Participants of such Power Sales Contract Resources under the circumstances.

Rates and Charges; Method of Payment. (A) After consultation with the Participants Committee, the Board of Trustees of AMP shall establish, maintain and adjust rates or charges, or any combination thereof, as set forth in the Rate Schedule, for the capability and output of the Power Sales Contract Resources sold to the Participants under the Power Sales Contract that result in Postage Stamp Rates and other rates and charges, adjusted as set forth in the Power Sales Contract, at levels that will provide revenues to or for the account of AMP sufficient, but only sufficient, to meet the Revenue Requirements of AMP, which Revenue Requirements shall consist of the sum of the following without duplication:

(i) all costs incurred by AMP under the Related Agreements, including, without limitation, all costs to AMP of any Replacement Power, and the cost of Transmission Service for delivery of electric power and energy under the Power Sales Contract to the Points of Delivery as well as any costs incurred in the event AMP defaults on its obligations and a third party is brought in to perform whatever duties or obligations are not being performed by AMP;

(ii) all costs incurred by AMP for the operation and maintenance of all Power Sales Contract Resources, including but not limited to, the costs of equipment and other leases, an appropriate allocation of AMP's energy control center, metering and other common costs of AMP reasonably allocable to Power Sales Contract Resources and not otherwise recovered by the Service Fee or other fees or charges, such as AMP's Energy Control Center charges, that AMP charges the Participants pursuant to other agreements, the cost to AMP of taxes, payments in lieu of taxes, all permits, licenses and related fees, related to any Power Sales Contract Resource, including any taxes, incurred by AMP, the cost of insurance and damage claims to the extent associated with any Power Sales Contract Resource, any fuel and fuel related costs, pollution control or emissions costs, fees and allowances, cost of any refunds to any Participant pursuant to the provisions of the Power Sales Contract and (to the extent not paid out of the proceeds of Bonds or related investment income) legal, engineering, accounting and financial advisory fees and expenses;

(iii) costs of decommissioning and disposal of properties constituting Power Sales Contract Resources, including reserves therefor;

(iv) the cost to establish and maintain, or to obtain the agreement of third parties to provide to the extent not included in Project Costs, an allowance for working capital, inventories and spares, including emission fees, allowances, credits or other environmental rights, and reasonable reserves for repairs, refurbishments, renewals, replacements and other contingencies deemed necessary by the Board of Trustees of AMP in order to carry out its obligations under the Power Sales Contract and the cost to AMP of renewals and replacements of all Power Sales Contract Resources to the extent not paid for out of working capital or reserves;

(v) the cost of power supply engineering, planning and forecasting incurred by AMP in connection with the performance of its obligations under the Power Sales Contract or in attempting to comply with laws or regulations requiring the same to the extent such laws or regulations are applicable to Power Sales Contract Resources;

(vi) the Service Fees not otherwise charged by AMP pursuant to other agreements;

(vii) the costs of Supplemental Transmission Services furnished or procured and paid by AMP for the respective Participants as set forth in the Rate Schedule, such costs to be

reimbursed to AMP by the respective Participants receiving such services and not through the PSR;

(viii) payments of principal of and premium, if any, and interest on all Bonds, payments which AMP is required to make into any fund or account during any period to be set aside for the payment of such principal, premium or interest when due from time to time under the terms of any Trust Indenture (whether, in the case of principal of any Bond, upon the stated maturity or upon prior redemption, including any mandatory sinking fund redemption, under such Trust Indenture), and payments which AMP is required to make into any fund or account to establish or maintain a reserve for the payment of such principal, premium or interest under the terms of any Trust Indenture, provided, however, that the amounts required to be included in Revenue Requirements pursuant to this clause (viii) shall not include payments in respect of the principal of any Bonds payable solely as a result of acceleration of maturity of such Bonds and not otherwise scheduled to mature or to be redeemed by application of mandatory sinking fund payments; provided further, however, that the amounts required to be included in Revenue Requirements pursuant to this clause (viii) may include payments in respect of a termination of a hedge or swap agreement.

(ix) amounts required under any Trust Indenture to be paid or deposited into any fund or account established by such Trust Indenture (other than funds and accounts referred to in clause (viii) above), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clause (viii) above;

(x) the cost to establish and maintain additional reserves, or to obtain the agreement of third parties to provide, for contingencies including (a) reserves against losses established in connection with any program of self-insurance, (b) the making up of any deficiencies in any funds or accounts as may be required by the terms of any Trust Indenture, (c) contributions to any Rate Stabilization Fund or Environmental Fund, subject, to the extent not otherwise required to be paid as a part of Revenue Requirements or required by any Trust Indenture, to approval by the Participants Committee;

(xi) amounts required to be paid by AMP to procure, or to perform its obligations under, any liquidity or credit support obligation (to the extent not included in clause (viii) above), interest rate swap or hedging instrument (including, in each case, any amounts due in connection with the termination thereof to the extent not included in clause (viii) above) associated with any Bonds or amounts payable with respect thereto;

(xii) additional amounts, if any, which must be realized by AMP in order to meet the requirements of any rate covenant with respect to coverage of debt service on Bonds under the terms of any Trust Indenture, and such additional amounts as may be deemed by AMP desirable to facilitate marketing Bonds on favorable terms; and

(xiii) any cost or expenditure associated with compliance with reliability standards monitored and enforced by NERC and or the applicable RE where PSEC is interconnected to the electric system.

less amounts arising from any Operating Agreement and amounts available as a result of any appropriate refunds, rebates, miscellaneous revenues or other distributions relating to the PSEC and any sales of surplus power or any Power Sales Contract Resource (after payment of all associated costs and expenses incurred by AMP in connection therewith) and less any Bond proceeds or related investment income applied by AMP in the exercise of its discretion to pay any costs referred to in clauses (i) through (xii) above, provided, however that in the event that any Trust Indenture requires another application of such funds or AMP determines that any of such amounts of proceeds or income must be applied in accordance with the provisions of clause (i) of

(J) below, then and to such extent such other application shall be required, such funds shall be so applied.

(B) The Revenue Requirements of AMP in respect of any month shall be computed as provided above and shall be paid by the respective Participants through rates and charges as set forth in the Rate Schedule. In determining the rates and charges under the Power Sales Contract, estimated amounts may be utilized until actual data becomes available, at which time any necessary adjustments necessary to true-up the estimates to actual shall be made.

(C) The rates and charges to each of the Participants under the Power Sales Contract, as set forth on the Rate Schedule, shall be a uniform PSR to the primary Points of Delivery.

(D) After consultation with the Participants Committee, the Board of Trustees of AMP will determine and establish the initial Rate Schedule to be effective, on or about the Commercial Operation of First Unit, to meet AMP's Revenue Requirements. At such intervals as the Board of Trustees of AMP shall determine appropriate, but in any event not less frequently than at the end of each quarter during each Contract Year, the Participants Committee and the Board of Trustees of AMP shall review and, if necessary, the Board of Trustees shall revise prospectively the Rate Schedule to ensure that the rates and charges under the Power Sales Contract continue to cover AMP's estimate of all of the Revenue Requirements and to recognize, to the extent not inconsistent with the Power Sales Contract, other factors and changes in service conditions as it determines appropriate. AMP shall transmit to each Participant a copy of each revised Rate Schedule, setting forth the effective date thereof, for delivery not less than thirty (30) days prior to such effective date. Each Participant agrees that the revised Rate Schedule, as determined from time to time by the Board of Trustees of AMP, shall be deemed to be substituted for the Rate Schedule previously in effect and agrees to pay for electric power and energy and related Transmission Service made available by AMP to it under the Power Sales Contract after the effective date of any revision of the Rate Schedule in accordance with such revised Rate Schedule. Unless otherwise determined by the AMP Board of Trustees, the Rate Schedule shall be structured so as to consist of:(i) a Demand Charge, principally designed to recover fixed costs, including the fixed costs of Transmission Service, associated with providing Power Sales Contract Resources; (ii) an Energy Charge, principally designed to recover the variable costs of providing the output of Power Sales Contract Resources (including base fuel costs) and the variable costs of Transmission Service; (iii) a Power Cost Adjustment Factor designed to adjust either or both the Demand Charge or Energy Charge upward or downward to reflect monthly changes in fuel and environmental costs and purchased power, any power sales to third parties and any changes in the cost of Transmission Service; (iv) the Service Fee; and (v) a Participant specific rate for Supplemental Transmission Service for each Secondary Delivery Point to the extent AMP incurs costs related thereto. The determination of the Power Cost Adjustment Factor each month shall be made by appropriate officials designated by the Board of Trustees of AMP according to methodology determined by the Participants Committee and approved by the Board of Trustees, no specific action by the Participants Committee or Board of Trustees to approve the Power Cost Adjustment Factor so determined each month shall be required.

(E) Unless some other time period is otherwise approved by the AMP Board of Trustees and the Participants Committee, or required under the terms of a Related Agreement or a Trust Indenture, in each month after the establishment of the initial Rate Schedule, AMP shall render to each Participant a monthly invoice showing the amount payable by such Participant under the Power Sales Contract with respect to Power, Transmission Service, including any Supplemental Transmission Service or other charges, credits, adjustments or true-ups, applicable to such Participant with respect to the immediately preceding month. Prior to the Commercial Operation of First Unit, such invoice may include payments with respect to any Bonds issued as well as Replacement Power. Such Participant shall pay such amounts to AMP, at such time and in such manner as shall provide to AMP (or such other person so designated by AMP) funds available for use by AMP (or its designee, including a trustee under any Trust Indenture) on

the first banking day not more than the fifteenth (15th) day after the date of the issuance of the monthly invoice.

(F) If any Participant does not make a required payment in full in funds available for use by AMP (or its designee) on or before the close of business on the due date thereof, a delayed-payment charge on the unpaid amount due for each day over-due will be imposed at a rate per annum equal to the lesser of (i) the maximum rate permitted by law ,and (ii) two percent (2%) per annum above the rate available to AMP through its short-term credit facilities as the same may be adjusted from time to time, together with any damages or losses incurred by AMP, or through AMP, or any other Participant, as a result of such failure to make timely payment which is not compensated by such delayed-payment charge.

(G) In the event of any dispute by any Participant as to any portion of any invoice, such Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to AMP not later than one hundred eighty (180) days from the date such payment is due; provided, however, that AMP shall not be required to refund any disputed amounts relating to third-party charges if such notice, although timely, does not afford AMP a reasonable opportunity to pursue a claim against such third-party due to the requirements of a Related Agreement, Supplemental Transmission Agreement, RTO or other Transmission Service provider dispute resolution procedures. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. Billing disputes and any subsequent adjustments shall be limited to the two (2) year period prior to the date timely notice was given; provided, however, that to the extent AMP may reasonably pursue a third-party on account of such dispute fora period longer than such two (2) year period, AMP shall do so and adjustments may, to such extent, relate to such longer period.

(H) In the event that at any time AMP shall determine that it has rendered an invoice containing a billing error, AMP shall furnish promptly to each Participant whose invoice was in error a revised invoice, clearly marked as such, with the error corrected. If the revised invoice indicates that the Participant has been undercharged, the difference between the amount paid by the Participant and the correct amount, together with interest (from the date of payment by the Participant of the incorrect amount to the due date of the invoice next submitted to the Participant after AMP has furnished the revised invoice) at the rate which would apply under the Power Sales Contract to overdue payments by such Participant, less two percent (2%),shall be paid by the Participant to AMP (or such other person designated by AMP) at such time and in such manner as shall provide to AMP (or such other person so designated) funds available for use by AMP (or its designee) on the due date of such next invoice. If the revised invoice indicates that the Participant has been overcharged, the difference between the correct amount and the amount paid by the Participant, together with interest (from the date of payment by the Participant of the incorrect amount to the due date of the invoice next submitted to the Participant after AMP has furnished the revised invoice) at the rate which would apply under the Power Sales Contract to overdue payments by such Participant, less two percent (2%), shall be subtracted by AMP from the invoice next submitted to such Participant (and paid by AMP to the Participant in funds available for use by the Participant on the due date of such next invoice if, but only to the extent by which, the amount so due to the Participant exceeds the amount of the next invoice). The date of payment by the Participant shall mean the date on which funds in the amount so paid first become available for use by AMP (or its designee).

(I) The obligations of each Participant to make its payments shall constitute obligations of such Participant payable as an O&M Expense of its Electric System. No Participant shall be required to make payments under the Power Sales Contract except from the revenues of its Electric System and from other funds of such system legally available therefor. In no event shall any Participant be required to make payments under the Power Sales Contract from tax revenues, or any other source of funds other than its Electric System's funds, but it may elect, in its sole discretion, to do so. The obligations of each Participant to make payments described under this heading in respect of any month or other billing period shall be on a

"take-or-pay" basis and, therefore, shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, such payment obligations of such Participant shall not be conditioned upon the performance by AMP or any other Participant of its obligations under the Power Sales Contract, or any other agreement, and such payments shall be made whether or not either Unit of PSEC, any other component of the Project or any other Power Sales Contract Resource is completed, operable, operating and, as long as Bonds remain outstanding, notwithstanding the suspension, interruption, interference, reduction or curtailment, in whole or in part, for any reason whatsoever, of the AMP Entitlement or the Participant's PSCR Share, including Step Up Power, if any; provided, however, that nothing contained in the Power Sales Contract shall be construed to prevent or restrict such Participant from asserting any rights which it may have against AMP under the Power Sales Contract or in any provision of law, including institution of legal proceedings; and provided, further, however, that if a court of competent jurisdiction shall determine in a final decision that is not subject to appeal that the "take-or-pay" provision of the Power Sales Contract is illegal, unconstitutional or otherwise unenforceable, the provisions of this paragraph shall ipso facto be deemed to have been amended to read as follows:

> (I) The obligation of the Participant to make payments under this paragraph shall constitute an obligation of the Participant payable as an O&M expense of its Electric System, and such payments shall be made in respect of any month under the Power Sales Contract, on a "take-and-pay" basis, whether or not such Participant actually accepts delivery of its PSCR Share, unless, and then only to the extent, such month was within a period in which its Share of Power Contract Resources was Unavailable to the Participant. The Participant shall not be required to make payments under the Power Sales Contract except from the revenues of its Electric System and from other funds of such Electric System legally available therefor. In no event shall any Participant be required to make payments under the Power Sales Contract from tax revenues, but nothing herein shall be construed to preclude the same. The obligations of the Participant to make payments under this section in respect to any month shall not be subject to any reduction, whether by offset, counterclaim ,or otherwise, and, so long as any Energy is made available by AMP during such month (whether or not such the Participant actually accepts delivery thereof),such payment obligations of such the Participant shall not be conditioned upon the performance by any of the other Participants of their respective obligations under any Related Agreement, or by AMP or any of the other Participants under any other agreement; provided, however, that nothing contained herein shall be construed to prevent or restrict such Participant from asserting any rights which it may have against AMP under the Power Sales Contract or any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

For purposes of paragraph (I) above, it should be noted that the City of Coldwater and the City of Marshall, Michigan (each a "*Michigan Participant*") each have bond issues outstanding that limit the payments from each under the Power Sales Contract from being considered an O&M Expense of their respective Electric Systems. Therefore, as long as a Michigan Participant's current bond issues remain outstanding, the Michigan Participant's obligations to make payments under the Power Sales Contract (i) shall constitute obligations of such Michigan Participant payable as an O&M Expense of its Electric System so long as such obligations are "take and pay" obligations and (ii) shall constitute obligations payable from any revenues or other moneys of the Michigan Participant's Electric System legally available for the purpose if and to the extent such obligations are payable on a "take-or-pay" basis. However, once the currently outstanding bonds of a Michigan Participant are no longer outstanding under the terms of

their applicable ordinance, all of the Michigan Participant's obligations to make payments under the Power Sales Contract shall constitute obligations of such Michigan Participant payable as an O&M Expense of its Electric System on a "take-or-pay" basis.

(J) Proceeds from the sale of Bonds in excess of the amount required for the purposes for which such Bonds were issued and investment income earned on any investments held under the Trust Indenture shall be applied, subject to the provisions of any Trust Indenture, by AMP, as approved by the Participants Committee (i)(a) to pay principal or interest on the Bonds, (b) to the purchase or redemption of Bonds prior to their stated maturity,(c) to the payment of costs of renewals and replacements of any property constituting a part of the Power Sales Contract Resources, or as a reserve therefor and (ii) as a credit against the Revenue Requirements. Insurance proceeds, condemnation awards and damages received by AMP in connection with any Power Sales Contract Resource and not required to be applied to the restoration, renewal or replacement of facilities, and proceeds from the sale or disposition of surplus property constituting a part of the Power Sales Contract Resources, shall be applied by AMP, subject to the provisions of the Related Agreements and to the extent not inconsistent therewith, and approval by the Participants Committee, (a) to the purchase or redemption of Bonds prior to their stated maturity, (b) to the payment of costs of renewals and replacements of any property constituting a part of the Power Sales Contract Resources, or as a reserve therefor by deposit to the Reserve and Contingency Fund, or (c) as a credit against Revenue Requirements. If any Trust Indenture, any instrument of a similar nature relating to borrowings by AMP to finance Power Sales Contract Resources or any Related Agreement shall require the application of any amount referred to in the foregoing provisions to any specific purpose, AMP shall apply such amount to such purpose as so required.

Force Majeure. Neither AMP nor any Participant shall be considered to be in default in respect to any obligation under the Power Sales Contract (other than the obligation of each Participant to make payments) if prevented from fulfilling such obligation by reason of Force Majeure. A party rendered unable to fulfill any such obligation by reason of Force Majeure shall exercise due diligence to remove such inability with all reasonable dispatch and such party shall promptly communicate with the other regarding such Force Majeure, its expected length and the actions being taken to remove the same.

Insurance. Subject to the provisions of the Project Agreements for the PSEC, AMP shall maintain, or cause to be maintained, in force, and is authorized to procure insurance with responsible insurers with policies payable to the parties as their interests shall appear, against risk of direct physical loss, damage or destruction, at least to the extent that similar insurance is mandated by law or usually carried by utilities constructing and operating facilities of the nature of the facilities of the Power Sales Contract Resources, including liability insurance, workers' compensation and employers' liability, all to the extent available at reasonable cost and subject to reasonable deductible provisions, but in no case less than will satisfy all applicable regulatory requirements and conform to the Project Agreements, any Trust Indenture and Prudent Utility Practice. AMP may procure additional insurance, if such insurance is required under the terms of the Project Agreements, otherwise the procurement of additional insurance shall be subject to the approval of the Participants Committee. Notwithstanding the foregoing , AMP may, to the extent permitted by the Related Agreements, the Trust Indentures and the similar instruments relating to borrowings by AMP to finance Power Sales Contract Resources and, subject to the approval of the Participants Committee, self-insure or participate in a program of self-insurance or group insurance to the extent it receives a written opinion of a qualified insurance consultant that such self-insurance, after consideration of any existing or required reserve deposits, is reasonable in light of existing programs of comparable utilities constructing and operating facilities of the nature of the facilities of the Power Sales Contract Resources.

Bonds; Trust Indenture; Power Sales Contract. AMP shall issue Bonds for the purpose of paying Project Costs as well as all or any part of the costs of planning, engineering, siting, permitting, acquiring, constructing, improving, repairing, restoring, renewing or refurbishing Power Sales Contract

Resources, including, without limitation, reimbursement of all Developmental Costs or to refund any outstanding Bonds, all upon such terms and pursuant to one or more Trust Indentures having such terms as AMP, in its sole discretion and exclusive judgment, deems necessary or desirable to enable AMP to fulfill satisfactorily its obligations under the Power Sales Contract; provided, however, that AMP shall not issue Bonds having a final maturity date extending beyond the later of 20 57 or the initial estimated useful life of the Project, as estimated, in a report or certificate of an independent engineer or engineering firm or corporation having a national reputation for experience in electric utility matters. All Bonds, any Trust Indenture, and all revenues and other funds of AMP allocable to the Participants and to this Power Sales Contract, other than the Service Fee, shall be separate and apart from all other borrowings, indentures, revenues, and funds of AMP. AMP shall not pledge or assign any of its right, title or interest in, to or under any of the foregoing, the Power Sales Contract or any Power Sales Contract Resources, or otherwise make available any thereof, to secure or pay any indebtedness or obligation of AMP or as otherwise expressly permitted by the Power Sales Contract.

Disposition or Termination of PSE C or other Power Sales Contract Resources.

For so long as any Bonds are outstanding, except as otherwise permitted in the Power Sales Contract, AMP shall not sell or otherwise dispose of, in whole or in part, the AMP Ownership Interest without the consent of a Super Majority of the Participants; provided, however, that AMP may act without the consent of a Super Majority of the Participants if such sale or disposition is required under the terms of a Project Agreement or any Trust Indenture. The Power Sales Contract does not prohibit (i) a merger or consolidation or sale of all or substantially all of the property of AMP,(ii) any sale, lease or other disposition or arrangements permitted by the Power Sales Contract or (iii) the mortgaging, pledging or encumbering of all or any portion of Ownership Interest in PSEC or any other Power Sales Contract Resources pursuant to any Trust Indenture to secure any Bonds. Subject to the provisions of the Project Agreements, any facilities of the PSEC shall be terminated and AMP shall cause such facilities to be salvaged, discontinued, decommissioned, and disposed of or sold in whole or in part on such terms as both the AMP Board of Trustees and the Participants Committee determine to be reasonable and appropriate when:

(a) so required pursuant to the applicable Project Agreement; or

(b) both the AMP Board of Trustees and the Participants Committee determine that AMP is unable to operate such facilities due to licensing or operating conditions or other similar causes; or

(c) both the AMP Board of Trustees and the Participants Committee determine that such facilities are not capable of producing or delivering energy consistent with Prudent Utility Practice.

Additional Covenants of the Participants. (A) Each Participant covenants and agrees to establish and maintain rates for electric power and energy to its consumers which shall provide to such Participant revenues at least sufficient, together with other available funds, to meet its obligations to AMP under the Power Sales Contract including its share of the Revenue Requirements; to pay all other O&M Expenses; to pay all obligations, whether now outstanding or incurred in the future, payable from, or constituting a charge or lien on, the revenues of its Electric System; and to make any other payments required by law.

(B) Each Participant covenants and agrees that, unless the Power Sales Contract has been assigned, it shall not sell, lease or otherwise dispose of all or substantially all of its Electric System except on 180 days' prior written notice to AMP and, in any event, shall not so sell, lease or otherwise dispose of the same unless AMP shall reasonably determine that all of the following conditions are met: (i) such Participant shall assign the Power Sales Contract and its rights thereunder (except as otherwise provided in the last sentence of this paragraph) in writing to the purchaser or lessee of the Electric System and such purchaser or lessee, as assignee of rights and obligations of such Participant under the Power Sales Contract,

shall assume in writing all obligations (except to the extent theretofore accrued) of such Participant under the Power Sales Contract or such Participant shall post a bond or other security, in either case reasonably acceptable to AMP, to assure its obligations under the Power Sales Contract are fulfilled and clauses (iv) (a), (b) and (c) below are satisfied; (ii) if and to the extent necessary to reflect such assignment and assumption, AMP and such assignee shall enter into an agreement supplemental to the Power Sales Contract to clarify the terms on which power and energy are to be sold by AMP to such assignee; (iii) the senior debt of such assignee shall be rated in one of the four highest whole rating categories, without regard to sub-categories represented by + or — or similar designations, by at least one nationally recognized bond rating agency or if such entity is not rated, AMP and any trustee under any Trust Indenture shall receive an opinion from a nationally recognized financial expert that the assignment does not materially adversely affect the security for any Bonds; and (iv) AMP shall have received an opinion or opinions of counsel of recognized standing selected by AMP stating that such assignment (a) will not adversely affect any pledge and assignment by AMP of the Power Sales Contract or the revenues derived by AMP thereunder (other than the Service Fee) as security for the payment of Bonds and the interest thereon,(b) is lawfully permitted under applicable law ,and (c) will not affect the regulatory or tax status of AMP or any Bonds. Notwithstanding the foregoing, if AMP reasonably determines that the assignment of the Power Sales Contract, pursuant to the immediately preceding sentence in connection with the sale, lease or other disposition of a Participant's Electric System ,could reasonably be expected to result in any increase in the rates and charges to any of the remaining Participants for power and energy and associated Transmission Service made available under the Power Sales Contract, AMP may, by delivery of written notice thereof sent no later than 120 days following receipt by AMP of notice sent pursuant to the immediately preceding sentence, refuse to approve such sale, lease or other disposition and, should the Participant nonetheless and in contravention of the provisions of the Power Sales Contract proceed with such sale, lease or other disposition, terminate, effective upon such sale, lease or other disposition, all of such Participant's rights under the Power Sales Contract (except to the extent of any rights theretofore accrued); provided, however, that prior to the effective date of any such termination AMP shall have arranged for the assignment by such Participant of its rights (except as otherwise in the last sentence of this paragraph) and obligations (except to the extent theretofore accrued) under the Power Sales Contract to another entity which assumes in writing all obligations of such Participant(except to the extent theretofore accrued) and which satisfies each of the conditions set forth in clauses (ii) through (iv) of the immediately preceding sentence; provided, further, that nothing contained in this paragraph shall be construed to prevent or restrict any Participant from issuing mortgage revenue bonds (subject to the provisions of (E) below this heading) secured by a mortgage of the property and revenues of such Participant's Electric System, including a franchise. Each Participant agrees to cooperate in effecting any assignment pursuant to the immediately preceding sentence.

(C) Each Participant covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay AMP from the timely fulfillment of its obligations under the Power Sales Contract, any Related Agreement, any then outstanding Bonds or any Trust Indenture; provided, however, that nothing contained in the Power Sales Contract shall be construed to prevent or restrict such Participant from asserting any rights which it may have against AMP or under any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

(D) Each Participant covenants and agrees that it shall, in accordance with Prudent Utility Practice,(i) operate the properties of its Electric System and the business in connection therewith in an efficient manner,(ii) maintain its Electric System in good repair, working order and condition, and (iii) make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its Electric System; provided, however, that this covenant shall not be construed as requiring such Participant to expend any funds which are derived from sources other than the operation of its Electric System, although nothing herein shall be construed as preventing such Participant from doing so.

(E) Each Participant covenants and agrees that it shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its Electric System superior to the payment of the O&M Expenses of its Electric System; provided, however, that nothing shall limit such Participant's present or future rights (i) to incur lease or contractual obligations that, under generally accepted accounting principles, are operating expenses of its Electric System and that are payable on a parity with O&M Expenses or (ii) to issue bonds, notes or other evidences of indebtedness payable from revenues of its Electric System subject to the prior payment or provision for the payment of the O&M Expenses, including amounts payable under the Power Sales Contract, of its Electric System.

(F) Each Participant covenants and agrees that not later than the date on which it issues bonds, notes or other evidences of indebtedness or incurs capital lease or take-or-pay contractual obligations which are payable from the revenues of its Electric System on a parity with O&M Expenses it will provide to AMP, with a copy to the Participants Committee, of an independent engineer's estimation that such issuance or incurrence will not result in total O&M Expenses and debt service in excess of the revenues of the Participant's Electric System adjusted for any rate increases enacted by the governing body of the Participant prior to such issuance or incurrence in the fiscal year immediately preceding the issuance of such obligations.

(G) Each Participant agrees to use all commercially reasonable efforts to take all actions necessary or convenient to fulfill all of its obligations under the Power Sales Contract.

(H) Each Participant agrees that, prior to any assignment of its rights under the Power Sales Contract it shall g rant to AMP, for the benefit of the remaining Participants, a right of first refusal for a period of not less than one hundred twenty (120) days to match any bona fide offer for such assignment.

(I) Each Participant that has some contractual or other legal impediment to its payment obligations to AMP under the Power Sales Contract being classified under applicable law or any trust indenture securing bonds payable from the revenues of its Electric System as O&M Expenses, covenants and agrees that it will in good faith endeavor to remove any such contractual or other legal impediments at the earliest possible time.

Default. (A) In the event any payment due from any Participant under the Power Sales Contract remains unpaid subsequent to the due date thereof, such event shall constitute a default under the Power Sales Contract and AMP may, upon fifteen(15) days prior written notice to and at the cost and expense of such defaulting Participant (i) withhold any payments otherwise due such Participant and suspend deliveries or availability of such defaulting Participant's PSCR Share to or on behalf of the defaulting Participant,(ii) bring any suit, action or proceeding at law or inequity as may be necessary or appropriate to enforce any covenant, agreement or obligation against the defaulting Participant, and (iii) take any other action permitted by law to enforce the Power Sales Contract. Upon suspension of the rights of the defaulting Participant as provided in the immediately preceding sentence, AMP shall be entitled to and may, sell or make available, from time to time, to any other person or persons any power or energy associated with the defaulting Participant's PSCR Share, and any such sale may be on such terms and for such periods deemed necessary or convenient in AMP's judgment, which shall not be exercised unreasonably, to make such sale under then existing market conditions; provided, however, that no such sale shall be made fora period exceeding two (2) months. Any such sale of such PSCR Share contracted for by AMP shall not relieve the defaulting Participant from any liability under the Power Sales Contract, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of such defaulting Participant. When any default giving rise to the suspension of the rights, including the delivery of power and energy of the defaulting Participant, has been cured in less than sixty (60) days subsequent to such default and payment has been made by the defaulting Participant to AMP of all costs and expenses incurred as a result of such default, the Participant which had been in default shall be

entitled to the restoration of its rights, including a resumption of delivery of its PSCR Share or other service, subject to any sale to others of its PSCR Share made by AMP. AMP shall promptly notify all Participants in writing of any default by any other Participant, which remains uncured for thirty (30) days or more.

(B) (i) If any Participant shall fail to pay any amounts due under the Power Sales Contract, or to perform any other obligation thereunder, which failure constitutes a default under the Power Sales Contract and such default continues for sixty (60) days or more, AMP may, in addition to any other remedy available at law or equity, terminate the provisions of the Power Sales Contract insofar as the same entitle the Participant to a PSCR Share and during such default, the defaulting Participant shall not be entitled to any vote on the Participants Committee or any matter which requires a vote of the Participants; but, the obligations of the Participant under the Power Sales Contract shall continue in full force and effect. AMP shall forthwith notify such Participant of such termination.

(ii) Upon the termination of entitlement to a PSCR Share as provided in the preceding paragraph, AMP shall attempt to sell the defaulting Participant's PSCR share, first to other Participants, then to Members who are not Participants and then to other persons, and, to the extent such defaulting Participant's obligations are not thereby fulfilled, each non-defaulting Participant shall purchase, for so long as such default remains uncured, a pro rata share of the defaulting Participant's entitlement to its PSCR Share which, together with the shares of the other non-defaulting Participants, is equal to the defaulting Participant's PSCR Share in kilowatts ("Step Up Power"); provided; however, that no such termination shall reduce the defaulting Participant's obligations under the succeeding paragraph; and, provided further, however, that the sum of all such increases for each non-defaulting Participant pursuant to this paragraph shall not exceed, without consent of the non-defaulting Participant, an accumulated maximum kilowatts equal to twenty-five percent (25%), or such lesser percentage as set forth in any Trust Indenture, of such non-defaulting Participant's initial PSCR Share in kilowatts prior to any such increases. AMP shall mail written notice to each non-defaulting Participant of the amount of any Step Up Power as soon as practicable. All Step Up Power Costs shall be determined consistent with and be treated as a part of Revenue Requirements and shall be paid by the non-defaulting Participant in accordance with the Power Sales Contract. Within twenty (20) days after the notice of default by any other Participant, a Participant may notify AMP in writing of its election to purchase voluntarily Step Up Power under the terms and conditions described under this heading in any amount more than that which would otherwise be its *pro rata* share and up to the amount of the defaulting Participant's PSCR Share. Such purchase shall continue for so long as the default is not cured. To the extent the sum of such voluntary elections is greater than the amount of Step Up Power to be distributed, the same shall be distributed among the Participants so electing in proportion to the amounts requested. To the extent the sum of such voluntary elections is less than the defaulting Participant's PSCR Share, the remainder shall be distributed *pro rata* among the remaining Participants as Step Up Power. Non-defaulting Participants assuming Step-Up Power shall be entitled to exercise all voting rights associated with all amounts of Step Up Power taken or assigned.

(iii) The fact that other Participants have assumed their obligations for Step Up Power Costs shall not relieve the defaulting Participant of its liability for such payments and all Participants assuming such obligation (voluntarily or otherwise),either individually or as a member of a group, shall have a right of recovery from the defaulting Participant of all damages occasioned thereby. AMP in consultation with the Participants Committee may commence such suits, actions or proceedings, at law or inequity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of the Power Sales Contract against the defaulting Participant.

(C) In the event of default by a Participant in the payment of any of the sum or sums now or hereafter secured, or in the performance of any of the covenants and conditions of the Power Sales Contract; or in the event Participant shall for any reason be rendered incapable of fulfilling its obligations

thereunder; or final judgment for payment of money shall be rendered against Participant which adversely affects its ability to fulfill its obligations, and any such judgment shall not be discharged within 60 days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which, or pursuant to which, such judgment shall have been granted, or entered, in such manner as to stay the execution of, or levy under, such judgment, order, decree, or process or the enforcement thereof, or any proceeding shall be instituted with the consent or acquiescence of Participant for the purpose of effecting a compromise between Participant and its creditors, or for the purpose of adjusting the claims of such creditors pursuant to any Federal or State statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Participant's rights under the Power Sales Contract; or if (a) Participant is adjudged insolvent by a court of competent jurisdiction which assumes jurisdiction of Participant's Electric System, or (b) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of Participant, a receiver or trustee of Participant or of the whole or any part of Participant's Electric System and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or if Participant shall file a petition or answer seeking reorganization or any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, which would place jurisdiction of Participant's Electric System in other than Participant; then, in addition to all other remedies, including the remedy of specific performance, AMP shall have the right and power to, and may, at its sole option, by notice in writing to the Participant, apply for the appointment of a receiver of rents, income and profits of the Participant's Electric System received or receivable by Participant as a matter of right and as security for the amounts due AMP without consideration of the value of Participant's Electric System, or the solvency of any person or persons liable for the payment of such amounts, the rents, income and profits of the

Participant's Electric System received or receivable by Participant being hereby assigned by Participant to AM Pas security for payment of the sum or sums now or hereafter secured by the Power Sales Contract.

(D) If at any time before the entry of final judgment or decree in any suit, action or proceeding instituted by AMP on account of default as defined above, or before the completion of the enforcement of any other remedy under the Power Sales contract or law ,a defaulting Participant shall pay all sums then payable by their stated terms, and all arrears of interest, if any, upon said sums then outstanding and the charges, compensation, expenses, disbursements, advances and liabilities of AMP, and all other amounts then payable by the Participant under the Power Sales Contract, and every other default of which AMP has notice shall have been remedied to the satisfaction of AMP, then and in every such case AMP shall, and if such default continued for a period greater than one (1) year, AMP may, with the approval of its Board of Trustees and the Participants Committee, and to the extent another Participant has voluntarily "stepped up" for all or a portion of such defaulting Participant's entitlement to its PSCR share, with the approval of such other Participant, rescind and annul the declaration of default and its consequences, provided, however, that if any Participant has defaulted and all or any portion of such Participant's PSCR Share has become Step Up Power, such Participant shall cure such default by paying all arrearages and all liabilities otherwise owing due to such default, net of the proceeds of any sales and of the recovery of Step Up Power Costs, and such defaulting Participant shall also pay, as liquidated damages and not as a penalty in recognition of the difficulty in precisely measuring damages to the non-defaulting Participants caused by reason of such written notice of the defaulting Participant, an amount equal to the product of one hundred twenty-five percent (125%) of the defaulting Participant's PSCR Share of the Demand Charges paid by the non-defaulting Participants as Step Up Power Costs, multiplied by the "Prime Rate" as published in "Money Rates" in the Wall Street Journal, or, if in determination of AMP, the Prime Rate is no longer publicly available, then the prime rate values published in the Federal Reserve Bulletin plus, in any case, two percent (2%). Such amount shall then be paid to the non-defaulting Participants in proportion to their respective payments of Step Up Power Costs. However, no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(E) AMP shall provide timely reports to the Participants Committee of any Participant defaults and actions taken by AMP.

(F) Should AMP default on any of its obligations under the Power Sales Contract and such default continues fora period of thirty (30) days, any Participant or the Participants Committee may give AMP written notice of such default. Subject to the provisions of any Trust Indenture, should AMP not cure such default, or provide the Participants Committee with a satisfactory plan to cure such default within sixty (60) days of such written notice, then by the affirmative vote of a Super Majority of the Participants, AMP may be directed to contract with a third party to perform whatever duties or obligations which are in default. The costs of such contract shall be included in Revenue Requirements.

Modification or Amendment. The Power Sales Contract shall not be amended, modified or otherwise changed except by written instrument executed and delivered by AMP and each of the Participants; provided, however that the Power Sales Contract shall not in any event be amended, modified or otherwise changed in any manner that will materially adversely affect the security afforded by the provisions of the Power Sales Contract for the payment of the principal, interest, and premium, if any, on the Bonds, except as, and to the extent, permitted by any Trust Indenture.

Dispute Resolution. The Parties agree to negotiate in good faith to settle any and all disputes arising under the Power Sales Contract. Representatives of the Participants Committee and AMP Board of Trustees shall participate in any such negotiations. Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by any party against any other party, except injunctive litigation necessary to solely restrain or cure an imminent threat to the public or employee safety.

The parties may mutually agree to waive mediation or subsequent to mediation waive their right to litigate in court and, in either case, submit any dispute to binding arbitration, if permitted by law, before one or more arbitrators pursuant to the Commercial Arbitration Rules of the American Arbitration Association or such other arbitration procedures to which they may agree. Such agreement shall be in writing and may otherwise modify the procedures set forth in this section for resolving any particular dispute.

Term of Contract. The Power Sales Contract shall remain in effect until December 31, 2057, and thereafter, unless otherwise required by law, until (i) the date the principal of, premium, if any, and interest on all Bonds have been paid or deemed paid in accordance with any applicable Trust Indenture; and (ii) a Super Majority of the Participants recommends the Power Sales Contract be terminated; provided, however, that each Participant shall remain obligated to pay to AMP its respective share of the costs of terminating, discontinuing, disposing of, and decommissioning all Power Sales Contract Resources except those Power Sales Contract Resources which AMP, in its sole discretion, elects not to terminate, discontinue, dispose of or decommission in connection with or prior to the termination of the Power Sales Contract. In the event that a Super Majority of the Participants does not elect to terminate the Power Sales Contract, each Participant that so elects may continue to receive its PSCR Share of the power and energy available to AMP from such Power Sales Contract Resources at rates which reflect the lack of payments with respect to Bonds and any Participant that does not so elect may discontinue taking any power and energy under the Power Sales Contract and shall have no other liability except as otherwise specified in the Power Sales Contract.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER TRUST INDENTURE

The following is a summary of certain provisions of the Master Trust Indenture (the "Master Indenture"). The following summary is not to be considered a full statement of the terms of the Master Indenture and, accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not otherwise previously defined in this Official Statement or defined below have the meaning set forth in the Master Indenture. Copies of the Master Indenture may be obtained from AMP or the Trustee.

Definitions

"AMP Operating Expenses" means for any period AMP's Service Fee (as defined in the Power Sales Contract) and AMP's reasonable and necessary current expenses for the operation, repair and maintenance of AMP's Ownership Interest in the PSEC, as determined in accordance with generally accepted accounting principles except as modified by this definition, and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses, any reasonable payments to pension or retirement funds properly chargeable to the PSEC Fund, insurance premiums, engineering expenses relating to maintenance, repair and operation, fees and expenses of the Trustee, Depositories, Paying Agents and the Bond Registrar, legal expenses (including the costs of any actions to defend AMP's rights under any Project Agreement), fees of consultants, any taxes which may be lawfully imposed on or are fairly allocable to AMP with respect to the PSEC, or payments in lieu of such taxes, or the income therefrom, operating lease payments, the Operating Component of the Cost of Contracted Services, and the cost of Replacement Power (as defined in the Power Sales Contract) and all other payments, not chargeable to the capital account of the PSEC, to be made by AMP under the Power Sales Contract and any other expenses required or permitted to be paid by AMP under the provisions of the Master Indenture or by law, including, but not limited to, subject to the terms of any related agreement or Supplemental Indenture, costs, fees and expenses (but not early termination obligations) associated with the investment of the proceeds of Parity Obligations or with Derivative Agreements (excluding Derivative Agreements related to Subordinate Obligations), but shall not include any reserves or expenses for extraordinary maintenance or repair or any allowance for depreciation, but AMP Operating Expenses shall not include (i) depreciation or amortization, (ii) any deposit to any fund, subfund, account and subaccount established under the Master Indenture or any Supplemental Indenture or any payment of principal, redemption premium, if any, and interest on any Bonds from any such fund, subfund, account and subaccount, (iii) any debt service payment in respect of Parity Debt or Subordinate Obligations, or (iv) early termination obligations associated with the investment of the proceeds of Indebtedness, Gross Receipts or Net Receipts or other moneys held under this Indenture or with Derivative Agreements.

"Annual Budget" means the budget, adopted by the Board of AMP, of Gross Receipts and AMP Operating Expenses including, as separate line items, Fuel Expense, extraordinary expenses for repairs, renewals, rehabilitation and improvement of the Project and capital expenditures for the PSEC for a Fiscal Year, as the same may be amended from time to time, all in accordance with the provisions of the Master Indenture.

"Bond" or "Bonds" means the bonds or notes issued under the provisions of the Master Indenture and secured on parity with each other and any Parity Debt by the Master Indenture.

"Commercial Operation Date" means the first date of the month following AMP's receipt of notice that both Units of PSEC are in operation on a commercial basis for purposes of making capacity and energy available.

"Commercial Operation Date of First Unit" means the first date of the month following AMP's receipt of notice that one Unit of PSEC is in operation on a commercial basis for purposes of making capacity and energy available.

"Cost," as applied to the Project, means, without intending thereby to limit or restrict any proper definition of such word, Costs of Issuance, Developmental Costs, amounts owed by AMP pursuant to the terms of the Project Agreements (including, but not limited to, Progress Payments and, if AMP exercises its rights to purchase the Contiguous Coal Reserves, amounts due and owing pursuant to the Right of Purchase and Right of First Refusal), all other costs incurred in connection with the planning, investigating, licensing, siting, permitting, engineering, financing, equipping, construction and acquisition of the Project including the costs of any necessary transmission facilities or upgrades required to interconnect PSEC with the PJM RTO and transmit power and energy to the Participants, any payments of taxes or in lieu of taxes and interest during construction of the Project, initial inventories, including the purchase of any inventories of emission allowances or other environmental rights, working capital, spares and other start up related costs, related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and the refurbishing, improving, repairing, replacement, retiring, decommissioning or disposing of the Project, or otherwise paid or incurred or to be paid or incurred by or on behalf of the Participants or AMP in connection with its performance of its obligations under the Power Sales Contract, any Trust Indenture or any Related Agreement and may include the cost of the prepayment for Replacement Power (as defined in the Power Sales Contract).

"Credit Facility" means a line of credit, letter of credit, standby bond purchase agreement, bond insurance policy or similar liquidity or credit facility established or obtained in connection with the issuance of any Bonds, incurrence of any other Parity Debt or incurrence of any Subordinate Obligations.

"Credit Provider" means the Person providing a Credit Facility, as designated in the Supplemental Indenture authorizing the issuance of a Series of Bonds or in the Parity Debt Indenture authorizing the incurrence of Parity Debt or in the Subordinate Obligations Indenture authorizing the incurrence of Subordinate Obligations.

"Debt Service Coverage Ratio" means, for any period of time, the ratio determined by dividing the Net Revenues by the Maximum Annual Debt Service Requirement for such period.

"Debt Service Requirement" means, for any period for which such determination is made, the sum, on an accrual basis, of the Principal Requirement and the Interest Requirement for such period (whether or not separately stated) on Outstanding Indebtedness during such period, taking into account:

(i) with respect to Balloon Indebtedness, the amount of principal which would be payable in such period if such principal were amortized from the date of incurrence thereof over a period of thirty (30) years on a level debt service basis, at an interest rate equal to the current market rate for a fixed rate, 30-year obligation, set forth in an opinion, delivered to the Trustee, of a banking institution or an investment banking institution, selected by AMP and knowledgeable in municipal finance, as the interest rate at which the Person that incurred such Indebtedness could reasonably expect to borrow the same by incurring Indebtedness with the same term as assumed above; provided, however, that if the date of calculation is within twelve (12) calendar months of the actual final maturity of such Indebtedness, the full amount of principal payable at maturity shall be included in such calculation;

(ii) with respect to Indebtedness which is Variable Rate Indebtedness, the interest on such Indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period), except that with respect to new Variable Rate Indebtedness, the interest rate on such Indebtedness on the date of its incurrence shall be calculated at the lesser of (a) the initial rate at which such Indebtedness is incurred and (b) the rate certified by a banking institution or an investment banking institution, selected by AMP and knowledgeable in municipal finance, as being the average rate such Indebtedness would have borne for the most recent twelve-month period immediately preceding the date of calculation if such Indebtedness had been outstanding for such period, and thereafter shall be calculated as set forth above; provided, however, that if AMP enters into a Derivative Agreement with respect to such Indebtedness, the interest on such Indebtedness shall be calculated as set forth in clause (iv) below;

(iii) with respect to any Credit Facility, (a) to the extent that such Credit Facility has not been used or drawn upon, the principal and interest relating to the reimbursement obligation for such Credit Facility shall not be included in the Debt Service Requirement and (b) to the extent that such Credit Facility shall have been drawn upon, the payment provisions of such Credit Facility with respect to repayment of principal and interest thereon shall be included in the Debt Service Requirement;

(iv) with respect to Derivative Obligations, the interest on such Indebtedness during any Derivative Period thereunder shall be calculated by adding (a) the amount of interest payable by AMP pursuant to its terms and (b) the amount payable by AMP under the Derivative Agreement and subtracting (c) the amount payable by the Derivative Agreement Counterparty at the rate specified in the Derivative Agreement, except that to the extent that the Derivative Agreement Counterparty has defaulted on its payment obligations under the Derivative Agreement, the amount of interest payable by AMP from the date of default shall be the interest calculated as if such Derivative Agreement had not been executed;

(v) subject to the provisions of clause (iv) above, to the extent that any Indebtedness incurred pursuant to the Master Indenture requires that AMP pay the principal of or interest on such Indebtedness in any currency or currencies other than United States dollars, in calculating the amount of the Debt Service Requirement, the currency or currencies in which AMP is required to pay shall be converted to United States dollars using a conversion rate equal to the applicable conversion rate in effect on a date that is not more than thirty (30) days prior to the date on which such Indebtedness is incurred;

(vi) in the case of Optional Tender Indebtedness, the options of such Owners or Holders shall be ignored, provided that such Optional Tender Indebtedness shall have the benefit of a Credit Facility and the institution or a guarantor of its obligations shall have ratings from at least two of the Rating Agencies in not less than one of the two highest short-term rating categories (without gradations such as plus or minus); and

(vii) in the case of Indebtedness, having the benefit of a Credit Facility that provides for a term loan facility that requires the payment of the Principal of such Indebtedness in one (1) year or more, such Indebtedness shall be considered Balloon Indebtedness and shall be assumed to have the maturity schedule provided clause (i) of this definition;

provided, however, that interest shall be excluded from the determination of Debt Service Requirement to the extent that provision for payment of the same is made from the proceeds of the Indebtedness or otherwise provided so as to be available for deposit into the Capitalized Interest Account or similar account not later than the date of delivery of and payment for such Indebtedness; and provided further

that, notwithstanding the foregoing, the aggregate of the payments to be made with respect to principal of and interest on Outstanding Indebtedness shall not include principal and/or interest payable from Qualified Escrow Funds.

"Defeasance Obligations" means, unless modified by the terms of a Supplemental Indenture or a Parity Debt Indenture, (i) noncallable, nonprepayable Government Obligations, (ii) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state or territory thereof in the capacity of custodian, (iii) Defeased Municipal Obligations and (iv) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state or territory thereof in the capacity of custodian.

"Gross Receipts" means all revenues, income, receipts and money (other than proceeds of borrowing) received in any period by or on behalf of AMP for the use of and for the output, services and facilities furnished by or from the Power Sales Contract Resources, including, without limitation, (a) payments made by the Participants to or for the account of AMP pursuant to the Power Sales Contract, (b) proceeds derived from contract rights and other rights and assets now or hereafter owned, held or possessed by AMP and (c) interest or investment income on all investments excluding investments of proceeds of Indebtedness (unless credited and transferred to the Revenue Subfund) incurred by AMP and on deposits to Qualified Escrow Funds.

"Gross Revenues" means "Revenues" means revenues, as determined in accordance with generally accepted accounting principles, from all payments, proceeds, rates, fees, charges, rents all other income derived by or for AMP for the use of and for the output, services and facilities furnished by or from the Power Sales Contract Resources, and all rights to receive the same, whether in the form of accounts receivable, contract rights, credits or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, including (a) payments received pursuant to the Power Sales Contract and for capacity, energy and other products of the PSEC and any portion thereof, (b) any proceeds of use and occupancy or business interruption insurance, and (c) the income from the investment under the provisions of the Master Indenture of the moneys held for the credit of the various funds, subfunds, accounts and subaccounts created under the Master Indenture excluding (i) investments of proceeds of Indebtedness (unless credited and transferred to the Revenue Subfund) incurred by AMP and on deposits to Qualified Escrow Funds, (ii) the proceeds of any insurance, other than as mentioned above, and (iii) any gifts, grants, donations or contributions or borrowed funds.

"Incurrence Test" means the test for the incurrence for Parity Obligations established by the Master Trust Indenture and described herein.

"Indebtedness" means (a) Parity Obligations, (b) Subordinate Obligations, (c) the Debt Service Components of the Cost of Contracted Services, (d) all other indebtedness of AMP relating to the PSEC and payable from Gross Revenues and (e) all installment sales and capital lease obligations relating to the PSEC, payable from Gross Revenues and incurred or assumed by AMP. Obligations to reimburse Credit Providers for amounts drawn under Credit Facilities to pay the Purchase Price of Optional Tender Indebtedness shall not constitute Indebtedness, except to the extent such obligations exceed the Debt Service Requirements on Bonds or Parity Debt held by or pledged to or for the account of a Credit Provider that shall have paid the Purchase Price of Optional Tender Indebtedness.

"Interest Requirement" for any Fiscal Year or any Interest Period, as the context may require, as applied to Bonds of any Series then Outstanding, means the total of the sums that would be deemed to

accrue on such Bonds during such Fiscal Year or Interest Period if the interest on the Current Interest Bonds of such Series were deemed to accrue daily in equal amounts during such Year or Interest Period, employing the applicable methods of calculation set forth in the definition of Debt Service Requirement; provided, however, that interest expense shall be excluded from the determination of Interest Requirement to the extent that any interest is to be paid from the proceeds of Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if such proceeds or other moneys shall have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. Interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds (herein called "excess interest"), shall not be included in the determination of Interest Requirement. AMP may in a Supplemental Indenture provide that such excess interest be included in the calculation of Interest Requirement for all provisions of the Master Indenture except those relating to the Rate Covenant.

"Investment Obligations" means Government Obligations and, to the extent from time to time permitted by the laws of the State of Ohio,

(A) the obligations of (i) Export Import Bank, (ii) Government National Mortgage Association, (iii) Federal Housing Administration, (iv) U. S. Department of Agriculture – Rural Development, (v) United States Postal Service and (vi) any other agency or instrumentality of the United States of America now or hereafter created, which obligations are backed by the full faith and credit of the United States of America,

(B) the obligations of (i) Federal National Mortgage Association, (ii) Federal Intermediate Credit Banks, (iii) Federal Banks for Cooperatives, (iv) Federal Land Banks, and (v) Federal Home Loan Banks,

(C) Defeased Municipal Obligations,

(D) negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of least A-1 by S&P and P-1 by Moody's for maturities of one year or less, and a rating of at least AA by S&P and Aa by Moody's for maturities over one year and not exceeding five years,

(E) any overnight, term or open repurchase agreement for Government Obligations or obligations described in clauses (A) and (B) above that is with (i) a bank or trust company (including the Trustee, any Depository and their affiliates) that has a combined capital, surplus and undivided profits not less than $100,000,000, or (ii) a subsidiary trust company whose combined capital, surplus and undivided profits, together with that of its parent state bank or bank, holding company, as the case may be, is not less than $100,000,000, or (iii) a financial institution (including, but not limited to, banks, insurance companies, investment banks, broker dealers, bank holding companies, insurance holding companies, affiliates of any of the foregoing, and other similar entities) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation ("SIPC") or with a dealer or parent holding company that is rated in one of the three highest rating categories by Moody's and S&P (without regard to gradations such as "plus" or "minus") and as to which the fair market value of such agreements, together with the fair market value of the repurchase agreement securities, exclusive of accrued interest, shall be valued daily and maintained at an amount at least equal to the amount invested in the repurchase agreements, provided, however, that (1) such obligations purchased must be transferred to the Trustee or Depository (who shall not be the provider of the collateral) or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations, (2) as to which failure to maintain the requisite collateral levels will require the Trustee or Depository, as the case may be, or its agent to liquidate the securities immediately, (3) as to which the Trustee or Depository, as the case may be, has a perfected, first priority security interest in the

securities, and (4) as to which the securities are free and clear of third-party liens, and in the case of an SIPC broker, were not acquired pursuant to a repurchase or reverse repurchase agreement,

(F) any investment agreement that is with or is unconditionally guaranteed as to payment by (i) a bank or trust company (including the Trustee, any Depository and their affiliates) that has a combined capital, surplus and undivided profits not less than $100,000,000, or (ii) a subsidiary trust company whose combined capital, surplus and undivided profits, together with that of its parent state bank or bank, holding company, as the case may be, is not less than $100,000,000, or (iii) a financial institution (including, but not limited to, banks, insurance companies, investment banks, broker dealers, bank holding companies, insurance holding companies, affiliates of any of the foregoing, and other similar entities) that, in the case of (i), (ii) or (iii), is rated in one of the two highest rating categories by Moody's and S&P (without regard to gradations such as "plus" or "minus"),

(G) commercial paper rated at the time of acquisition by the Trustee or a Depository in the highest rating category by Moody's and S&P (without regard to any gradations or refinements such as "plus" or "minus"),

(H) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured to their maturities by an insurer the bonds insured by which are rated at the time of acquisition by the Trustee or a Depository by Moody's and S&P in one of the two highest rating categories (without regard to any numerical or other gradations or refinements such as "plus" or "minus"),

(I) obligations of state or local government municipal bond issuers that are rated by Moody's and S&P in one of the two highest rating categories (without regard to any numerical or other gradations or refinements such as "plus" or "minus"),

(J) open-end investment funds registered under the Investment Companies Act of 1940, as amended, the authorized investments by which are permitted by the terms of the Master Indenture. Any investment in a repurchase agreement shall be considered to mature on the date the party providing the repurchase agreement is obligated to repurchase the Investment Obligations. Any investment in obligations described above may be made in the form of an entry made on the records of the issuer of or the securities depository with respect to the particular obligation, and

(K) bankers' acceptances drawn on and accepted by commercial banks (which may include the Trustee, any Co-Trustee, any Depository, any Bond Registrar and their affiliates).

"Maximum Annual Debt Service Requirement" means at the date of calculation the greatest Debt Service Requirement for the current or any succeeding Fiscal Year.

"Optional Tender Indebtedness" means any portion of Indebtedness incurred under the Master Indenture a feature of which is an option on the part of the holders of such Indebtedness to tender to AMP or the Trustee or a Depository, Paying Agent or other fiduciary for such holders, or an agent of any of the foregoing, all or a portion of such Indebtedness for payment or purchase.

"Parity Common Reserve Account Requirement" means, with respect to all Parity Obligations secured by the Parity Common Reserve Account, the amount provided in a Supplemental Indenture. The Parity Common Reserve Account Requirement may be satisfied with cash, Investment Obligations or Reserve Alternative Instruments, or any combination of the foregoing, as AMP may determine from time to time.

"Parity Debt" means all Parity Obligations incurred or assumed by AMP, including Parity Debt Service Components, and not evidenced by Bonds which (a) are designated as Parity Debt in the documents pursuant to which it was incurred, (b) are incurred in compliance with the provisions of the Master Indenture or are a reimbursement obligation for a Credit Facility supporting Parity Obligations incurred in compliance with the provisions of the Master Indenture, and (c) may be accelerated only in compliance with the procedures set forth in the Master Indenture.

"Parity Obligations" means Bonds and Parity Debt.

"Principal Requirement" for any Fiscal Year or any other period, as the context may require, as applied to Bonds of any Series then Outstanding, means the total of the sums that would be deemed to accrue on such Bonds during such Fiscal Year or other period if the principal of the Current Interest Bonds of such Series were deemed to accrue daily in equal amounts during such Year or period, employing the applicable methods of calculation set forth in the definition of Debt Service Requirement; provided, however, that principal shall be excluded from the determination of Principal Requirement to the extent that any principal is to be paid from the proceeds of Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if such proceeds or other moneys shall have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely.

"Reserve Alternative Instrument" means an irrevocable insurance policy or surety bond or an irrevocable letter of credit, guaranty or other facility deposited in the Parity Common Reserve Account or a Special Reserve Account in lieu of or in partial substitution for the deposit of cash and Investment Obligations in satisfaction of the Parity Common Reserve Account Requirement or a Special Reserve Account Requirement.

"Revenue Available For Debt Service" means the pro forma amount, indicated in an Officer's Certificate delivered to the Trustee, that is certified by such Officer to be the excess, of the Gross Revenues in any 12 consecutive months of the last 18 calendar months preceding the date of such Certificate, taking into consideration and adjusted for any rate increases adopted by the Board of AMP that will take effect subsequent to the applicable 12-month period and in the current or following Fiscal Year, as shall be set forth in such Officer's Certificate, all as estimated in such Officer's Certificate.

"Short-Term Indebtedness" means all Indebtedness incurred for borrowed money, other than the current portion of Indebtedness and other than Short-Term Indebtedness excluded from this definition as provided in the definition of Indebtedness, for any of the following:

(i) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less;

(ii) leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

(iii) installment sale or conditional sale contracts having an original term of one year or less.

"Special Reserve Account" means a special debt service reserve account created by a Supplemental Indenture or a Parity Debt Indenture as a debt service reserve account only for the particular Parity Obligations authorized by such Supplemental Indenture or Parity Debt Indenture.

"Special Reserve Account Requirement" means the amount to be deposited or maintained in a Special Reserve Account pursuant to the Supplemental Indenture or Parity Debt Indenture creating such

Special Reserve Account. The Special Reserve Account Requirement may be satisfied with cash, Investment Obligations, a Reserve Alternative Instrument or any combination of the foregoing, as AMP may determine from time to time.

"Subordinate Obligations" means Indebtedness and other payment obligations the terms of which shall provide that they shall be subordinate and junior in right of payment, or provision for payment, to the prior payment in full of Parity Obligations to the extent and in the manner set forth in the Master Indenture.

"Subordinate Obligations Indenture" means the resolution and any other documents, instruments or agreements adopted or executed by AMP providing for the incurrence of Subordinate Obligations. If the Subordinate Obligations shall have the benefit of a Credit Facility, the reimbursement obligation for such Credit Facility shall provide for repayments on a subordinated basis (as compared to Parity Obligations) and the term Subordinate Obligations Indenture shall include any reimbursement agreement or similar repayment agreement executed and delivered by AMP in connection with the provision of such Credit Facility for such Subordinate Obligations.

"Unit" means either of the two distinct electricity generating systems of PSEC, each consisting of a pulverized coal boiler, a steam turbine generator with an expected nominal generating capacity of approximately 791 MW, and all associated auxiliaries and systems.

"Variable Rate Indebtedness" means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate until maturity.

Acquisition and Construction Subfund

Any money received by AMP from any source for the Cost of the Project shall be deposited in the Acquisition and Construction Subfund, a special subfund of the PSEC Fund. Moneys in the Acquisition and Construction Subfund shall be held by a Depository or Depositories in trust and applied to the payment of the Cost of the Project or to the retirement of Bonds issued under the provisions of the Master Indenture or Parity Debt. Pending such application, such moneys shall be subject to a lien in charge of the Holders.

The Depository or Depositories may only disburse moneys from the Acquisition and Construction Subfund upon the receipt of a requisition signed by an AMP Representative, stating to whom the payment is to be made, the general purpose for which the obligation was incurred and that each charge is a proper charge against the Cost of the Project and, if the payment is not made to someone other than AMP, the obligation has not been the basis for a prior requisition.

Upon the completion of the Project, AMP shall deliver to the Depository or Depositories a certificate of an AMP Representative, approved by the Board of AMP by appropriate resolution, setting forth (A) the Date of Commercial Operation, or if the Acquisition and Construction Subfund is no longer needed, the reasons therefor in reasonable detail and (B) stating that requisitions have been made for the payment of all obligations which are payable from the Acquisition and Construction Subfund, delivered to the Depository or Depositories with an Opinion of Counsel to the effect that there are no mechanic's, materialmen's or other comparable liens on any property constituting a part of the Project. As soon as practicable after such certification is delivered by AMP to the Depository or Depositories, the balance of the Acquisition and Construction Subfund not reserved by AMP to payment of any remaining Cost of the Project, shall be transferred, as directed by AMP, (i) to the Renewal and Replacement Account of the Reserve and Contingency Subfund, or (ii) to the Bond Subfund for the payment, purchase or redemption of Bonds in accordance with the provisions of the Master Indenture.

Establishment of PSEC Fund and Other Subfunds; Application of Gross Receipts and Net Revenues

Creation of PSEC Fund, Subfunds and Accounts. AMP shall create on its books a special fund to be known as the "American Municipal Power, Inc. Prairie State Energy Campus Fund" (the "PSEC Fund"). In addition to the Acquisition and Construction Subfund, the following subfunds and accounts are established in the PSEC Fund:

(i) with a Depository, the Costs of Issuance Subfund, in which there shall be established for each Series of Bonds a special account identified by such Series; and

(ii) with a Depository, the Revenue Subfund, in which there are established four special accounts to be known as the Operating Account, the Working Capital Account, the Derivative Receipts Account and the General Account; and

(iii) with the Trustee, the Bond Subfund, in which there are established seven or more special accounts to be known as the Capitalized Interest Account, the Interest Account, the Derivatives Payments Account, the Principal Account, the Sinking Account, the Redemption Account, the Parity Common Reserve Account and any Special Reserve Accounts identified by Series or otherwise; and

(iv) with a Depository, the Subordinate Obligations Subfund, in which AMP may create one or more accounts by one or more Subordinate Obligations Indentures; and

(v) with a Depository, a Reserve and Contingency Subfund, in which there are hereby established six special accounts to be known as the Renewal and Replacement Account, the Overhaul Account, the Capital Improvement Account, the Rate Stabilization Account, the Environmental Improvement Account and the Self-Insurance Account; and

(vi) with a Depository, a General Subfund.

Money in the Bond Subfund and all of the accounts and subaccounts therein established shall be held in trust and applied as provided in the Master Indenture. Pending such application, such money shall be subject to a pledge, charge and lien in favor of the Owners of the respective Series of Bonds issued and Outstanding under the Master Indenture.

Application of Moneys Received

Except as provided in a Parity Debt Indenture, all Gross Receipts received by AMP or the Trustee for the account of AMP shall be deposited in the Revenue Subfund. Proceeds of any Derivative Agreement shall be deposited to the credit of the Derivative Receipts Account in the Revenue Subfund.

Not less than monthly, on or before the last Business Day of each month and on such other Deposit Day as may be required for all Bonds Outstanding, the Depository of the Revenue Subfund shall withdraw from the Revenue Subfund any legally available moneys then held to the credit of such Subfund and set aside or transfer any moneys so withdrawn to the Trustee or a Depository or otherwise dispose of such moneys for the following purposes in the following order in amounts sufficient in the aggregate to satisfy the following requirements, subject to credits as provided in the Master Indenture:

(i) transfer to the Depository for the Operating Account an amount that together with funds then held to the credit of such account will make the total amount then to the credit of such subaccount equal to the sum of the AMP Operating Expenses budgeted for such month in the Annual Budget;

(ii) transfer to the Depository for the Working Capital Account an amount that together with funds then held to the credit of such account will make the total amount then to the credit of such account equal to ten percent (10%) the amount of the AMP Operating Expenses provided for the current Fiscal Year in the Annual Budget;

(iii) pay to the Trustee for deposit into the Bond Subfund, the sum of

(1) to the credit of the Interest Account, after first taking into account any accrued interest deposited from the proceeds of any Bonds and the advice of AMP contained in an Officer's Certificate respecting any transfers from Capitalized Interest Account and, subject to the requirements of the Master Indenture, from the Acquisition and Construction Subfund by deducting the sum of such amounts from the amount of interest otherwise payable, such amount of such amount as is required to make the amount to the credit of the Interest Account equal to so much of the Interest Requirement that shall have accrued during the then current Interest Period between the first Deposit Day in such Period and such Deposit Day; provided, however, that except as specified above, the amount so deposited on account of the then current Interest Requirement on each Deposit Day after the delivery of the Bonds of any Series under the provisions of the Master Indenture up to and including the Deposit Day immediately preceding the first Interest Payment Date thereafter of the Bonds of such Series shall be that amount which when multiplied by the number of such deposits will be equal to the amount of such current Interest Requirement respecting such Bonds during such first Interest Period; and provided, further, that in making such deposits, the Trustee shall take into account any excess moneys to the credit of the Parity Common Reserve Account and any Special Reserve Account that are to be transferred to the Interest Account or any subaccount thereof prior to any Interest Payment Date, should moneys held therein exceed the Parity Common Reserve Account Requirement and/or Special Reserve Account Requirement, as applicable,

(2) to the credit of the Derivatives Payments Account, the amount, if any, of any Derivative Obligations due under the terms of a Derivative Agreement to be paid to a Derivative Agreement Counterparty, on a parity with interest on Bonds, prior to the next Deposit Day,

(3) to credit of the Principal Account, beginning on the Deposit Day specified in the applicable Supplemental Indenture that is prior to the first month in which any Serial Bond matures, such amount as is required to make the amount to the credit of the Principal Account equal to so much of the Principal Requirement that shall have accrued to and including such Deposit Day during the then current period between the first Deposit Day in such period and the Principal Payment Date,

(4) to credit of the Sinking Fund Account, beginning on the Deposit Day specified in the applicable Supplemental Indenture that is prior to the first month in which any Term Bond matures, such amount as is required to make the amount to the credit of the Sinking Fund Account equal to so much of the Sinking Fund Requirement that shall have accrued during the then current period between the first Deposit Day in such period and the mandatory Sinking Fund redemption date, and

(5) at such time or times as provided in Supplemental Indentures and Parity Debt Indentures, (I) to the credit of the Parity Common Reserve Account, if the amount in the Parity Common Reserve Account is less than the Parity Common Reserve Account Requirement, the amounts required by the Master Indenture to make up such deficiency in the Parity Common Reserve Account plus any other amounts required to reinstate fully any Reserve Alternative Instrument then held to the credit of the Parity Common Reserve Account and (II) to the credit of

any Special Reserve Account, if the amount in any Special Reserve Account is less than the applicable Special Reserve Account Requirement, and deposit, or deliver to the appropriate Depository for deposit, the amounts required by any Supplemental Indenture or Parity Debt Indenture to make up any deficiency in any Special Reserve Account, provided that if there shall not be sufficient Net Receipts to satisfy all such deposits, such deposits shall be made among the Parity Common Reserve Account and each Special Reserve Account ratably according to the amounts so required to be deposited.

(iv) set aside with a Depository for deposit into the Subordinate Obligations Subfund, an amount which together with funds then held to the credit of the Subordinate Obligations Subfund will make the total amount then to the credit of the Subordinate Obligations Subfund equal to the entire aggregate amount of Subordinate Obligations; and

(v) pay to a Depository for deposit into the various accounts in the Reserve and Contingency Subfund, the amounts, if any, provided in the Annual Budget.

The balance, if any, remaining after making the transfers provided in clauses (i), (ii), (iii), (iv) and (v) above, shall be credited to the General Account in the Revenue Subfund.

If any Series of Bonds is secured by a Credit Facility, the Trustee shall establish a separate subaccount within the Interest Account, the Principal Account and the Sinking Fund Account corresponding to the source of moneys for each deposit made into either of such accounts so that the Trustee may at all times ascertain the source and date of deposit of the funds in each such account or subaccount.

Use of Money Held in Certain Accounts in the Revenue Subfund

Operating Account. AMP may withdraw to the credit of the Operating Account, in the event funds to the credit thereof are insufficient, first from the Working Capital Account and then from the Rate Stabilization Account to pay AMP Operating Expenses (except Fuel Expense) as the same come due and payable.

Working Capital Account. Amounts on deposit in the Working Capital Account shall be available to pay AMP Operating Expenses. To the extent moneys held in the Bond Subfund or Subordinate Obligations Subfund and the General Account and the Reserve and Contingency Subfund are insufficient to make required interest and principal payments, moneys in the Working Capital Account shall be used prior to any withdrawal from the Parity Common Reserve Account or Special Account Reserve, if any, to satisfy any deficiency.

General Account. Moneys credited to the General Account may be used by AMP for any lawful purpose related to the PSEC, including the transfer to any Subfund. To the extent moneys held in the Bond Subfund or Subordinate Obligations Subfund are insufficient to make required interest and principal payments, moneys in the General Account shall be used prior to any withdrawal from the Reserve and Contingency Subfund, Working Capital Account, Parity Common Reserve Account or Special Account Reserve, if any, to satisfy any deficiency.

Deposit and Application of Money in the Parity Common Reserve Account and Any Special Reserve Account; Replenishment of Deficiencies

(a) If a Supplemental Indenture or a Parity Debt Indenture provides that the Parity Obligations issued or incurred thereunder are to be additionally secured by the Parity Common Reserve Account,

AMP shall deposit, from the proceeds of such Parity Obligations or from any other available sources, concurrently with the delivery of and payment for such Parity Obligations, to the Parity Common Reserve Account such amount as is required to make the balance to the credit of such Account equal to the Parity Common Reserve Account Requirement. If a Supplemental Indenture or a Parity Debt Indenture provides that the Parity Obligations issued thereunder are to be secured by a Special Reserve Account, AMP shall fund, from the proceeds of such Parity Obligations or from any other available sources, at the time or times and in the manner specified in the applicable Supplemental Indenture or Parity Debt Indenture, such Special Reserve Account in an amount equal to the Special Reserve Account Requirement for such Parity Obligations.

(b) Unless the applicable Supplemental Indenture or a Parity Debt Indenture shall otherwise provide or modify the following, AMP may deposit with the Trustee a Reserve Alternative Instrument in satisfaction of all or any portion of the Parity Common Reserve Account Requirement or may substitute a Reserve Alternative Instrument for all or any portion of the cash or another Reserve Alternative Instrument credited to the Parity Common Reserve Account, provided that the following minimum provisions have been fulfilled:

(i) The Reserve Alternative Instrument shall be payable (upon the giving of notice as required thereunder) to remedy any deficiency in the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Account, or in an account for the payment of interest, or in an account or accounts for the payment of principal, in order to provide for the timely payment of the principal (whether at maturity or pursuant to a Sinking Fund Requirement or an amortization requirement therefor) of and interest on the Parity Obligations secured thereby.

(ii) The provider of a Reserve Alternative Instrument shall be (A) an insurance company or other financial institution that has been assigned, for obligations insured by the provider of the Reserve Alternative Instrument, a rating by at least two Rating Agencies in one of the two highest rating categories (without regard to gradations by numerical modifier or otherwise) or (B) a commercial bank, insurance company or other financial institution the obligations payable or guaranteed by which have been assigned a rating by at least two Rating Agencies in one of the two highest rating categories (without regard to gradations by numerical modifier or otherwise).

(iii) If the Reserve Alternative Instrument is an unconditional irrevocable letter of credit issued to the Trustee, the letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Parity Obligations having the benefit of the Parity Common Reserve Account. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify AMP and the Trustee, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. The Trustee is directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Parity Common Reserve Account is fully funded to the Parity Common Reserve Account Requirement.

(iv) The Trustee shall ascertain the necessity for a claim or draw upon the Reserve Alternative Instrument and shall provide notice to the issuer of the Reserve Alternative Instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Alternative Instrument) prior to each Interest Payment Date.

(v) Except as otherwise provided in a Supplemental Indenture or Parity Debt Indenture, cash on deposit in the Parity Common Reserve Account shall be used (or Investment Obligations purchased with such cash shall be liquidated and the proceeds applied as required) *pro rata* with any drawing on any Reserve Alternative Instrument. If and to the extent that more than one Reserve Alternative Instrument is deposited in the Parity Common Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder and the total amount then required to be to the credit of the Parity Common Reserve Account.

(c) The Trustee shall use amounts in the Parity Common Reserve Account to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the following order, in respect of all Parity Obligations additionally secured by the Parity Common Reserve Account, to the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Account to remedy any deficiency therein as of any Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date as set forth in a Parity Debt Indenture), or to pay the interest on or the principal of or amortization requirements in respect of any Parity Debt when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(d) The Trustee shall use amounts in any Special Reserve Account held by it to make transfers, or use moneys provided under a Reserve Alternative Instrument to make deposits, in the following order, in respect of the particular Parity Obligations secured by such Special Reserve Account, to the appropriate subaccounts in the Interest Account, the Principal Account and the Sinking Account to remedy any deficiency therein as of any Interest Payment Date, principal payment date or sinking fund payment date (or any earlier date as set forth in a Supplemental Indenture or a Parity Debt Indenture) or to pay the interest on or the principal of or amortization requirement in respect thereof on Parity Debt when due, whenever and to the extent the money on deposit for such purposes is insufficient.

(e) Any deficiency in the Parity Common Reserve Account resulting from the withdrawal of moneys therein shall be made up by depositing to the credit of such Account the amount of such deficiency within one year following the date on which such withdrawal is made. Any deficiency in the Parity Common Reserve Account resulting from a draw on a Reserve Alternative Instrument shall be made up as provided in such Reserve Alternative Instrument or documentation relating thereto, but any such deficiency must be made up by not later than the final date when such deficiency would have been required to be made up if there had been a withdrawal of moneys from the Parity Common Reserve Account rather than a draw on a Reserve Alternative Instrument. Deficiencies, whether resulting from withdrawals or draws, may be satisfied through the deposit of additional cash, the delivery of an additional Reserve Alternative Instrument or an increase in the amount available to be drawn under a Reserve Alternative Instrument. Unless otherwise provided in a Supplemental Trust Indenture or a Parity Debt Indenture, cash or Investment Obligations on deposit to the credit of the Parity Common Reserve Account shall be used *pro rata* with draws on any Reserve Alternative Instrument to satisfy deficiencies, as provided above.

(f) Unless a Reserve Alternative Instrument shall be in effect, if on any date of valuation, the amount on deposit in the Parity Common Reserve Account is less than ninety percent (90%) of the Parity Common Reserve Account Requirement, AMP shall deposit into the Parity Common Reserve Account within one year following such date the amount required as of such date to cause the amount then on deposit in the Parity Common Reserve Account to be equal to the Parity Common Reserve Account Requirement. Any such deficiency may be satisfied through the deposit of additional cash, the delivery of an additional Reserve Alternative Instrument or an increase in the amount available to be drawn under a Reserve Alternative Instrument.

(g) Any deficiency in a Special Reserve Account resulting from the withdrawal of moneys therein or a draw on a Reserve Alternative Instrument or resulting from a valuation of the Investment Obligations therein shall be made up as provided in the Supplemental Indenture or the Parity Debt Indenture establishing such Special Reserve Account. The Supplemental Indenture or Parity Debt Indenture providing for the deposit of or the substitution in lieu of cash of a Reserve Alternative Instrument may provide that AMP may be required to post collateral or deposit cash or obtain a substitute Reserve Alternative Instrument in the event that the provider of the Reserve Alternative Instrument is downgraded or its rating is withdrawn or suspended with the result that the Reserve Alternative Instrument no longer meets all of the rating criteria set forth in (b)(ii) above.

(h) If at any time, the amount of moneys held for the credit of the Parity Common Reserve Account or any Special Reserve Account shall exceed the amount then required to be on deposit to the credit of such Account, the excess may be withdrawn and transferred as directed by AMP in accordance with any Supplemental Indenture and any Parity Debt Indenture.

Application of Money in the Redemption Account. Subject to the terms and priorities established in the Master Indenture, the Trustee shall apply money in the Redemption Account to the purchase or redemption of Bonds.

Application of Moneys in the Reserve and Contingency Subfund. Moneys held in the various Accounts of the Reserve and Contingency Subfund may be disbursed by AMP as follows: (a) money held in the Overhaul Account may be used to pay the costs of unusual or extraordinary (as determined by AMP) repairs or maintenance, not occurring annually; (b) money held in the Renewal and Replacement Account may be used to pay the costs of renewals, replacements and repairs to the PSEC resulting from any emergency, engineering and architectural fees and premiums on insurance carried under the terms of the Master Indenture; (c) money in the Capital Improvement Account may be used for paying the costs of fixtures, machinery, equipment, furniture, real property and additions to, or improvements, extensions or enlargements of, the PSEC; (d) money held in the Rate Stabilization Account may be, at AMP's direction, transferred to any other account or subfund, including the payment of interest, principal or redemption of Indebtedness; (e) money held in the Environmental Improvements Account may be used for the mitigation of PSEC or other Power Sales Contract Resources, environmental improvements or otherwise to moderate the costs of environmental compliance; and (f) money in the Self-Insurance Account may be used to pay any losses or liabilities for which AMP was self-insured or uninsured.

Depositories and Investment of Funds

Security for Deposits. All money received by AMP pursuant to the provisions of the Master Indenture shall be deposited with the Trustee or one or more Depositories and, in the case of deposits with the Trustee, be trust funds under the Master Indenture, and shall not be subject to the lien of any creditor of AMP.

All money deposited with and held by the Trustee or any Depository in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of AMP and the Owners, either (a) by lodging with a bank or trust company chosen by the Trustee or Depository or, if then permitted by law, by setting aside under control of the trust department of the bank or trust company holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable state or federal laws and regulations

regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee or any Depository to give security for the deposit of any money with it for the payment of the principal of or the redemption premium, if any, or the interest on any Parity Obligations or Subordinate Obligations, or for the Trustee or any Depository to give security for any money that shall be represented by Investment Obligations purchased under the provisions of this Article as an investment of such money.

Investment of Money. Money held for the credit of all funds, accounts and subaccounts established under the Master Indenture and held by the Trustee shall, in accordance with the written directions of AMP, be continuously invested and reinvested by the Trustee or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable.

No Investment Obligations pertaining to any Series of Bonds in any fund, account or subaccount held by the Trustee or any Depository shall mature on a date beyond the latest maturity date of the Bonds of such Series Outstanding at the time such Investment Obligations are deposited.

AMP shall either enter into agreements with the Trustee or any Depository for the investment of any money required or permitted to be invested under the Master Indenture or give the Trustee or any Depository written directions respecting the investment of such money, subject, however, to the provisions of the Master Indenture, and the Trustee or such Depository shall then invest such money in accordance with such agreements or directions.

Except as provided in the Master Indenture with respect to the Parity Common Reserve Account, Investment Obligations shall mature or be redeemable at the option of the holder thereof not later than the respective dates when the money held for the credit of such funds, accounts and subaccounts will be required for the purposes intended.

Investment Obligations in the Parity Common Reserve Account shall mature or be redeemable at the option of the Trustee not later than the final maturity date of the Parity Obligations to which such Parity Common Reserve Account is pledged.

Money held for the credit of all funds, accounts and subaccounts established under the Master Indenture and held by the Trustee shall, in accordance with the written directions of AMP, be continuously invested and reinvested by the Trustee or the Depositaries, whichever is applicable, in Investment Obligations to the extent practicable. Except as provided in the Master Indenture with respect to the disposition of investment income, the particular investments to be made and other related matters in respect of investments shall, as to each Series of Bonds, be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Valuation. For the purpose of determining the amount on deposit in any fund, account or subaccount established under the Master Indenture, Investment Obligations in which money in such fund, account or subaccount is invested shall, so long as no Event of Default shall have occurred and continue, be valued at Amortized Cost. During the pendency of any Event of Default, Investment Obligations in which money in such fund, account or subaccount is invested shall be valued at the lower of Amortized Cost or market.

All Investment Obligations in all of the subfunds, accounts and subaccounts established under the Master Indenture shall be valued as of the Business Day immediately preceding each Principal Payment Date and, at the written request of an AMP Representative, each or any Interest Payment Date.

Certain Covenants of AMP

Covenants to Construct and Maintain the Project. Subject to the provisions of the Project Agreements, AMP will fulfill all of its obligations under such Project Agreements, including its obligations in respect of the construction, operation and maintenance of the PSEC. AMP will further take all lawful measures required to issue and sell Bonds required to pay the Costs of the Project subject to the Incurrence Test.

Insurance. AMP covenants that it will retain the services of an Independent Insurance Consultant to advise AMP with respect to appropriate insurance coverage and programs of self-insurance to protect the PSEC Fund. To the extent not otherwise provided in accordance with the provisions of the Project Agreements, AMP covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs, which AMP determines (i) will afford adequate protection against loss caused by damage to or destruction of the PSEC or any part thereof and (ii) will include reasonable liability insurance on all of the PSEC for bodily injury and property damage resulting from the construction or operation of the PSEC.

Subject to the provisions of the Project Agreements, AMP further covenants that, immediately after any substantial damage to or destruction of any part of the PSEC, it will cause plans and specifications for repairing, replacing or reconstructing the damaged or destroyed property (either in accordance with the original or a different design) and an estimate of the cost thereof to be prepared.

Subject to the provisions of the Project Agreements, the proceeds of all insurance received in the circumstances described in the preceding paragraph shall be paid to a Depository and made available for, and shall to the extent necessary be applied to, the repair, replacement or reconstruction of the damaged or destroyed property, and such disbursements by the Depository for such purposes shall be made in accordance with the provisions of the Master Indenture for payments from the Construction Subfund to the extent that such provisions may be applicable.

Incurrence Test. Subsequent to the Commercial Operation Date, additional Parity Obligations may be issued or incurred only in compliance with the following Incurrence Test:

(a) AMP may issue or incur Parity Obligations at one time or from time to time in any form or combination of forms permitted by the Master Indenture for the purpose of providing funds, with any other available funds, for additional Costs of the Project, AMP shall file or cause to be filed with the Trustee an Officer's Certificate (which may rely upon certificates or other documentation delivered by an Independent Consultant) certifying that (i) the Debt Service Coverage Ratio is not less than 1.10x Maximum Annual Debt Service Requirement for all of the Parity Obligations, including the proposed additional Parity Obligations, that will be Outstanding immediately following the issuance of such proposed Parity Obligations, and (ii) the Debt Service Coverage Ratio is not less than 1.00x of the Maximum Annual Debt Service Requirement for all of the Indebtedness, including the proposed additional Parity Obligations, that will be Outstanding immediately following the issuance of such proposed Parity Obligations. The Officer’s Certificate shall detail (x) the improvements to be financed by such additional Parity Obligations, (y) the relative necessity of such improvements to the proper maintenance and operation of the PSEC and (z) the effect of the such improvements on the useful life of the PSEC.

(b) AMP may incur Parity Obligations for the purpose of refunding or reissuing any Outstanding Indebtedness if, prior to the incurrence of such Parity Obligations, either (i) the Trustee receives from AMP an Officer's Certificate (which may rely upon certificates or other documentation delivered by an Independent Consultant) stating that, taking into account the Parity Obligations proposed

to be incurred, the Parity Obligations to remain Outstanding after the refunding of the Outstanding Indebtedness proposed to be refunded, the Maximum Debt Service Requirement will not be increased by more than five percent (5%), or (ii) AMP files or causes to be filed with the Trustee an Officer's Certificate of AMP (which may rely upon certificates or other documentation delivered by an Independent Consultant) certifying that the Debt Service Coverage Ratio, taking into account the Parity Obligations proposed to be incurred, the refunding of the Outstanding Indebtedness proposed to be refunded and the Parity Obligations to remain Outstanding after the refunding, is not less than 1.10x, and (iii) the Trustee receives a report by an Independent Consultant verifying the computations supporting the determination in (i) or (ii) above.

(c) For purposes of demonstrating compliance with the Incurrence Test set forth in paragraphs (a) or (b), AMP may (but is not required to) elect in the applicable Supplemental Indenture to treat all Parity Obligations authorized in a Credit Facility (including, for example and without limitation, a line of credit or a liquidity facility supporting a commercial paper program), but not immediately issued or incurred under such Credit Facility, as subject to such Incurrence Test as of a single date, notwithstanding that none, or less than all, of the authorized principal amount of such Parity Obligations shall have been issued or incurred as of such date.

(d) Short-Term Indebtedness may be incurred under the Master Indebtedness as a Parity Obligation only in compliance with the Incurrence Test. In addition, AMP may incur Short-Term Indebtedness as Subordinate Obligations under the Master Indenture.

(e) Notwithstanding the foregoing provisions, nothing contained in the Master Indenture shall preclude AMP from incurring any obligation under a Credit Facility.

(f) Notwithstanding the foregoing provisions, nothing contained in the Master Indenture shall preclude AMP from entering into a Derivative Agreement either in connection with Indebtedness or otherwise.

Rate Covenant. AMP covenants that it will at all times fix, charge and collect reasonable rates and charges for the use of, and for the services and facilities furnished by, the PSEC and that from time to time, and as often as it shall appear necessary, it will adjust such rates and charges so that the Net Revenues will be sufficient to provide an amount in each Fiscal Year at least equal to greater of (A) one hundred ten per centum (110%) of the Debt Service Requirements for such Fiscal Year on account of all the Bonds and Parity Debt then outstanding and (B) one hundred per centum (100%) of the sum of the Debt Service Requirements for such Fiscal Year on account of all Bonds and Parity Debt then outstanding and the amount required to make all other deposits required by the Master Indenture and to pay all other obligations of AMP related to the PSEC, including Subordinate Obligations, as the same become due.

AMP further covenants that if the moneys available for the payment of the sum of the amounts set forth in the preceding paragraph shall not equal or exceed the amount required above for any Fiscal Year, it will revise the rates and charges for the services and facilities furnished by the PSEC and, if necessary, it will revise its plan of operation in relation to the collection of bills for such services and facilities, so that such deficiency will be made up before the end of the Fiscal Year following that Fiscal Year in which such deficiency occurred. Should any deficiency not be made up in such following Fiscal Year, the requirement therefor shall be cumulative and AMP shall continue to revise such rates until such deficiency shall have been completely made up.

Power Sales Contract; Project Agreements. AMP covenants and agrees that it will not suffer, permit or take any action or do anything or fail to take any action or fail to do anything which may result in the termination of the Power Sales Contract so long as any Parity Obligations are outstanding; that it

will fulfill its obligations and will require the Participants to perform punctually their duties and obligations under the Power Sales Contract and will otherwise administer the Power Sales Contract in accordance with its terms to assure the timely payment of all amounts payable by the Participants thereunder, all in accordance with the terms of the Power Sales Contract; that it will not execute or agree to any change, amendment or modification of or supplement to the Power Sales Contract except by supplemental contract, as the case may be, duly executed by the applicable Participants and AMP, and upon the further terms and conditions set forth the Master Indenture; and that, except as provided the Master Indenture, it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of any Participant under the Power Sales Contract to meet its obligations as provided in such Contract.

So long as any Parity Obligations are outstanding, AMP shall (i) perform all of its obligations under the Project Agreements and take such actions and proceedings from time to time as shall be necessary to protect and safeguard the security for the payment of the Bonds afforded by the provisions of such Project Agreements and (ii) not voluntarily consent to or permit any rescission or consent to any amendment to or otherwise take any action under or in connection with any Project Agreement which will limit or reduce the obligation of the other parties thereto to make payments provided therein or which will have a material adverse effect on the security for the payment of Parity Obligations.

Covenant Against Sale or Encumbrances; Exceptions. AMP covenants that, except as provided below, it will not sell, exchange or otherwise dispose of or encumber the AMP Entitlement or any part thereof.

AMP may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the PSEC, and the proceeds thereof shall be applied to the replacement of the properties so sold, exchanged or disposed of or shall be transferred first to the Parity Common Reserve Account and any Special Reserve Account pro rata to the extent of any deficiency therein, then to the Reserve and Contingency Subfund to the extent of any deficiency therein, and then to the Acquisition and Construction Subfund or to the Redemption Account in the Bond Subfund for the purchase or redemption of Parity Obligations in accordance with the provisions of the Master Indenture, all as directed in an Officer's Certificate.

Subject to the provisions of the Project Agreements, AMP may from time to time sell, exchange or otherwise dispose of (but not lease or contract for the use thereof except where AMP remains fully obligated under the Master Indenture and, if the rent in question exceeds 5% of the Gross Revenues of AMP for the preceding Fiscal Year, AMP shall expressly determine that such lease, contract or agreement will not materially impair the ability of AMP to meet the Rate Covenant) any other property of the PSEC if it determines by resolution:

1. that such property is no longer needed or is no longer useful in connection with the PSEC, or

2. that the sale, exchange or other disposition thereof would not materially adversely affect the operating efficiency of the PSEC,

and the proceeds, if any, thereof shall be transferred first to the Parity Common Reserve Account or any Special Reserve Account to the extent of any deficiency therein, then to the Reserve and Contingency Subfund to the extent of any deficiency therein, and then to the Acquisition and Construction Subfund or the Redemption Account in the Bond Subfund for the purchase or redemption of Bonds in accordance with the provisions of the Master Indenture, all as directed in an Officer's Certificate.

Annual Budget. Subject to the provision of the required information from the other parties to the Project Agreements, AMP covenants that, on or before the 45th day preceding the first day of each Fiscal Year, it will prepare with respect to the PSEC a preliminary budget of Gross Revenues and AMP Operating Expenses and a preliminary budget of capital expenditures for the ensuing Fiscal Year.

AMP further covenants that on or before the last day in such Fiscal Year it will finally adopt the budget of Gross Revenues and Operating Expenses and the budget of capital expenditures for the ensuing Fiscal Year (which budgets together with any amendments thereof or supplements thereto as hereinafter permitted being herein sometimes collectively called the "Annual Budget").

If for any reason AMP shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year or, if there is none, the budget for the preceding Fiscal Year, shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget.

Defaults and Remedies

Events of Default. Under the Master Indenture, the following events constitute an Event of Default: (a) failure to make any payment of the principal of and the redemption premium, if any, on any of the Bonds or any Parity Debt when and as the same shall be due and payable, either at maturity or by redemption or otherwise; (b) failure to make any payment of the interest on any of the Bonds or any Parity Debt when and as the same shall be due and payable; (c) an event of default shall have occurred under any Supplemental Indenture or the Trustee shall have received written notice from any Holder of an event of default under any Parity Debt Indenture; (d) AMP's failure perform, observe or comply with any covenant or agreement on its part under the Master Indenture for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to AMP by the Trustee; provided, however, that if such failure be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall not constitute an Event of Default if corrective action is instituted within such 30-day period and diligently pursued until the Event of Default is corrected; (e) AMP fails to make any required payment with respect to any Subordinate Obligations or other indebtedness (other than any Bond, Parity Debt or Subordinate Obligations), whether such indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness, whether such indebtedness now exists or shall hereafter be created, shall occur, which event of default shall not have been waived by the holder of such mortgage, indenture or instrument or a trustee acting on its behalf, and as a result of such failure to pay or other event of default such indebtedness shall have been accelerated and such acceleration, in the opinion of the Trustee, does or could materially adversely affect the Owners of Bonds and the Holders of Parity Debt; or (f) certain events relating to bankruptcy, insolvency, reorganization or other related proceedings.

Upon the occurrence of an Event of Default, the Trustee shall give prompt written notice to AMP specifying the nature of the Event of Default. AMP shall give the Trustee notice of all events of which it is aware that either constitute Events of Default under the Master Indenture or, upon notice by AMP or the Trustee or the passage of time, would constitute Events of Default.

Acceleration. Upon the occurrence of, and continuance for a period of not less than 90 days, the Events of Default detailed in (a) and (b) above, the Trustee may, and upon the written request of the Owners or Holders of not less than a majority in aggregate principal amount of Parity Obligations then outstanding shall, by notice to AMP, declare the principal of all Parity Obligations then Outstanding immediately due and payable. If, however, at any time after the principal of the Parity Obligations shall

been accelerated and before the entry of final judgment or decree in any suit instituted on account of such default, money sufficient to pay the principal of all matured Parity Obligations and all arrears of interest, if any, upon all Parity Obligations then Outstanding (including any sinking fund requirement, but excluding the principal on any Parity Obligation not due and payable in accordance with its terms) shall have been deposited with the Trustee and all other defaults known to the Trustee in the observance of the covenants contained in the Bonds, any Parity Debt, the Master Indenture or any Parity Debt Indenture shall have been remedied to the satisfaction of the Trustee, the Trustee shall rescind and annul such declaration.

Remedies. Upon the happening and continuance of any Event of Default, then and in every case the Trustee may, and upon the written request of the Owners or Holders of not less than a majority in aggregate principal amount of Parity Obligations then outstanding shall, proceed to enforce its rights and the rights of the Owners and Holders of the Parity Obligations then Outstanding under applicable laws and under the Master Indenture by such suits or other actions, in equity or at law.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Owners or Holders of not less than a majority of the aggregate principal amount of the Parity Obligations then Outstanding, shall, subject to appropriate indemnification, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Master Indenture by any acts which may be unlawful or in violation of the Master Indenture, or (ii) to preserve or protect the interests of the Owners and Holders, provided that such request and the action to be taken by the Trustee are not in conflict with any applicable law or the provisions of the Master Indenture and, in the sole judgment of the Trustee, are not unduly prejudicial to the interest of the Owners and Holders not making such request..

Control of Proceedings. Anything in the Master Indenture to the contrary notwithstanding, the Owners or Holders of a majority in aggregate principal amount of Parity Obligations at any time Outstanding shall have the right, subject to the provisions of the Master Indenture relating to indemnification of the Trustee, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Master Indenture, provided that such direction shall be in accordance with law and the provisions of the Master Indenture, and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of any Owners or Holders not joining in such direction, and provided further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceeding so directed would involve it in personal liability, and provided further that nothing shall impair the right of the Trustee in its discretion to take any other action under the Master Indenture which it may deem proper and which is not inconsistent with such direction by the Owners or Holders.

Restriction on Individual Action. Except in respect of an Owner's or Holder's right to enforce payment of a Parity Obligation, no Owner or Holder shall have any right to institute any suit, action or proceeding in equity or at law on any Bond or Parity Debt or for the execution of any trust under the Master Indenture or for any other remedy under the Master Indenture unless such Owner or Holder previously shall (a) has given to the Trustee written notice of the Event of Default on account of which suit, action or proceeding is to be instituted, (b) has requested the Trustee to take action after the right to exercise such powers or right of action, as the case may be, shall have accrued, (c) has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Master Indenture or to institute such action, suit or proceedings in its or their name, and (d) has offered to the Trustee reasonable security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Supplements and Amendments

Supplemental Indentures Without Consent. AMP and the Trustee may execute and deliver Supplemental Indentures without the consent of or notice to any of the Owners or Holders to: (a) cure any ambiguity or formal defect or omission in the Master Indenture, or any conflict between the provisions of the Master Indenture and of the Power Sales Contract or of any Parity Debt Indenture delivered to the Trustee at the same time as AMP delivers the Master Indenture, to correct or supplement any provision the Master Indenture that may be inconsistent with any other provision therein, to make any other provisions with respect to matters or questions arising under the Master Indenture, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in the Master Indenture; (b) grant or confer upon the Trustee, for the benefit of the Owners or Holders, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, the Holders or the Trustee, (c) add to the provisions of the Master Indenture other conditions, limitations and restrictions thereafter to be observed; (d) add to the covenants and agreements of AMP in the Master Indenture other covenants and agreements thereafter to be observed by AMP or to surrender any right or power in the Master Indenture reserved to or conferred upon AMP, (e) obtain a Credit Facility, Reserve Alternative Instrument, a Derivative Agreement, or other credit enhancement; provided, however, that no Rating Agency shall reduce or withdraw its rating on any of the Parity Obligations then Outstanding as a consequence of any such provision of such Supplemental Indenture, (f) enable AMP to comply with its obligations, covenants and agreements made in the Master Indenture or in any Parity Debt Indenture for the purpose of maintaining the tax status of interest on any Tax-Exempt Parity Obligations, provided that such change shall not materially adversely affect the security for any Parity Obligations, or (g) make any other change that, in the opinion of the Trustee, which may, but is not required to, rely upon one or more of affirmation of ratings by the Rating Agencies, certificates of Independent Consultants and Opinions of Counsel for such purpose, shall not materially adversely affect the security for the Parity Obligations.

Supplemental Indentures With Consent. The Owners and Holders of not less than a majority in aggregate principal amount of the Parity Obligations then Outstanding shall have the right, from time to time, anything contained in the Master Indenture to the contrary notwithstanding, to consent to and approve the execution and delivery of such Supplemental Indentures as are deemed necessary or desirable by AMP for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Indenture; provided, however, that nothing contained in the Master Indenture shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond or Parity Debt without the consent of the Owner of such Bond or the Holder of such Parity Debt, (b) a reduction in the principal amount of any Bond or Parity Debt or the redemption premium or the rate of interest thereon without the consent of the Owner of such Bond or the Holder of such Parity Debt, (c) the creation of a security interest in or a pledge of Net Receipts other than the security interest and pledge created by the Master Indenture without the consent of the Owners of all Bonds Outstanding and the Holders of all Parity Debt Outstanding, (d) a preference or priority of any Bond or Parity Debt over any other Bond or Parity Debt without the consent of the Owners of all Bonds Outstanding and the Holders of all Parity Debt Outstanding or (e) a reduction in the aggregate principal amount of the Parity Obligations required for consent to such Supplemental Indenture without the consent of the Owners of all Bonds Outstanding and the Holders of all Parity Debt Outstanding.

Supplemental Power Sales Contract Without Consent. AMP and the Participants may, from time to time and at any time, consent to such contracts, supplemental or amendatory to the Power Sales Contract as shall not be inconsistent with the terms and provisions of the Master Indenture,

1. to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in the Power Sales Contract or in any supplemental or amendatory contract, or

2. to grant to AMP for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or AMP, or

3. to make any other change in, or waive any provision of, the Power Sales Contract, provided only that the ability of AMP to comply with the provisions of the Rate Covenant shall not thereby be materially impaired.

Supplemental Power Sales Contract with Consent. Except for as provided above, AMP shall not agree to any supplemental or amendatory contract respecting the Power Sales Contract, unless notice of the proposed execution of such supplemental or amendatory contract shall have been given and the Owners and Holders of not less than a majority in aggregate principal amount of the Bonds and Parity Debt then outstanding shall have consented to and approved the execution thereof, such consent to be obtained in the same manner as Supplemental Indentures requiring the consent of Owners or Holders.

Defeasance. The lien of the Master Trust Indenture shall be released when:

(a) the Bonds and any Parity Debt shall have become due and payable in accordance with their terms or otherwise as provided in the Master Indenture, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Parity Obligations shall be paid, or

(b) if the Bonds and any Parity Debt shall not have become due and payable in accordance with their terms, the Trustee or the Bond Registrar shall hold sufficient money or Defeasance Obligations, or a combination of money and Defeasance Obligations, the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all Parity Obligations then Outstanding to the maturity date or dates of such Parity Obligations or to the date or dates specified for the redemption thereof, as verified by a nationally recognized Independent Consultant, and, if Bonds or any Parity Debt are to be called for redemption, irrevocable instructions to call the Bonds or Parity Debt for redemption shall have been given by AMP to the Trustee, and

(c) sufficient funds shall also have been provided or provision made for paying all other obligations payable under the Master Indenture by AMP.

Special Covenants Relating to Series 2010 Bonds

For purposes of this subheading, the following terms have the following meanings:

"2010 Bonds" means AMP's Prairie State Energy Campus Revenue Bonds, Series 2010 (Federally Taxable – Issuer Subsidy – Build America Bonds).

"Federal Subsidy" means an amount equal to 35% of each scheduled interest payment on the 2010 Bonds payable in accordance with Section 6431 of the Code.

"Federal Subsidy Payment" means the amount of the Federal Subsidy actually paid to and received by the Trustee in respect of an Interest Payment Date on the 2010 Bonds.

Federal Subsidy Payments as Gross Receipts. The definition of Gross Revenues as used in computing the Incurrence Test in Section 707 and the rate covenant in Section 708 of the Master

Indenture shall include on an accrual basis the Federal Subsidy; provided, however, that if the Federal Subsidy Payment in respect of any Interest Payment Date is less that the Federal Subsidy in respect of such Date, then until the next Interest Payment Date in respect of which the full Federal Subsidy shown in Schedule 1 is received, AMP shall receive credit for purposes of such Section 707 and 708 of the percentage of the Federal Subsidy determined by dividing the Federal Subsidy Payment received by the amount of the full Federal Subsidy scheduled for such Interest Payment Date.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E-1

PROPOSED FORM OF OPINION OF BOND COUNSEL

December ____, 2019

American Municipal Power, Inc.
Columbus, Ohio

Ladies and Gentlemen:

We have examined the transcript of proceedings relating to the issuance of $127,315,000 Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B, $87,485,000 Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019C, and $148,380,000 Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019D (Federally Taxable) (collectively, the "Bonds") issued by American Municipal Power, Inc. ("AMP") for the purpose of refunding a portion of its Prairie State Energy Campus Revenue Bonds, Series 2009 (Federally Taxable - Issuer Subsidy – Build America Bonds), Refunding Series 2015A and Refunding Series 2015B (Subseries 2015B-2), the proceeds of which were used to finance or refund outstanding obligations originally issued to finance capital expenditures, costs and expenses associated with the Prairie State Energy Campus (the "PSEC"). The transcript documents include executed counterparts of: (i) Resolution No. 19-09-4149 adopted by the Board of Trustees of AMP on September 23, 2019 (the "Resolution"); (ii) the Power Sales Contract dated as of November 1, 2007 (the "Power Sales Contract") between AMP and 68 of its members, located in Ohio, Virginia, Michigan and West Virginia (the "Participants"); (iii) the Master Trust Indenture dated as of November 1, 2007 between AMP and U.S. Bank National Association, as trustee (the "Master Indenture"); (iv) the Twelfth Supplemental Indenture, dated as of November 1, 2019, between AMP and U.S. Bank National Association, as trustee (the "Twelfth Supplemental Indenture"); (v) the Thirteenth Supplemental Indenture, dated as of November 1, 2019, between AMP and U.S. Bank National Association as trustee (the "Thirteenth Supplemental Indenture"); (vi) the Fourteenth Supplemental Indenture, dated as of November 1, 2019, between AMP and U.S. Bank National Association, as trustee, the "Fourteenth Supplemental Indenture" and, together with the Master Indenture, as previously supplemented, the "Indenture"); and (vii) other documents executed and delivered in connection with the issuance of the Bonds. We have also examined the Constitution and laws of the State of Ohio and such other documents, certifications and records as we have deemed necessary for purposes of this opinion. We have also examined the form of the Bonds.

Based upon the examinations above referred to, we are of the opinion that, under the law in effect on the date of this opinion:

1. The Bonds have been duly authorized, executed, issued and delivered by AMP and constitute legal, valid and binding special obligations of AMP, enforceable in accordance with their terms. The principal of and interest on the Bonds are payable solely from and secured by: (a) the Gross Receipts, as defined in the Master Indenture, (b) all moneys and investments in certain funds established by the Indenture, and (c) all rights, interests and property pledged and assigned to the Trustee under the Indenture. The Bonds do not constitute a debt, or a pledge of the faith and credit of the Participants or of any political subdivision of the State of Ohio and the registered owners thereof will have no right to have excises or taxes levied by the General

Assembly of the State, the Participants or any other political subdivision of the State for the payment of debt service on the Bonds. AMP has no taxing power.

2. The Indenture has been duly authorized executed and delivered by AMP and constitutes a valid and binding obligation of AMP, enforceable in accordance with its terms.

3. Interest on the Bonds is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax, and also excludible from the net income base used in calculating the Ohio corporate franchise tax. We express no other opinion as to the federal or state tax consequences of purchasing, holding or disposing of the Bonds.

In giving this opinion, we have relied upon covenants and certifications of facts made by officials of AMP and others contained in the transcript which we have not independently verified. We have also relied upon the opinion of AMP's General Counsel for Corporate Affairs, as to the matters contained therein. It is to be understood that the enforceability of the Bonds, the Indenture and all other documents relating to the issuance of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion. Capitalized terms not defined herein have the meanings given them in the Official Statement dated November 6, 2019 relating to the offering of the Bonds.

We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guaranty of a result.

We do not undertake to advise you of matters which may come to our attention subsequent to the date hereof which may affect our legal opinions expressed herein.

Very truly yours,

APPENDIX E-2

PROPOSED FORM OF FEDERAL TAX OPINION OF NORTON ROSE FULBRIGHT US LLP

December __, 2019

American Municipal Power, Inc.
Columbus, Ohio

American Municipal Power, Inc.
$127,315,000 Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B
$87,485,000 Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019C

We have acted as Federal Tax Counsel in connection with the issuance by American Municipal Power, Inc., an Ohio non-profit corporation ("AMP"), of its bonds described above (the "Bonds"). For purposes of rendering this opinion, we have examined, among other things, certified copies of:

(i) Resolution No. 19-09-4149, adopted on September 23, 2019, by the Board of Trustees of AMP authorizing the Bonds (the "Authorizing Resolution");

(ii) the Power Sales Contract, dated as of November 1, 2007, between AMP and 68 of its members, located in Ohio, Virginia, Michigan and West Virginia (such members, the "Participants," and such contract, the "Power Sales Contract");w

(iii) the Master Trust Indenture, dated as of November 1, 2007, between AMP and U.S. Bank National Association, as trustee (the "Master Indenture");

(iv) the Twelfth Supplemental Indenture, dated as of November 1, 2019, between AMP and U.S. Bank National Association, as trustee (the "Twelfth Supplemental Indenture");

(v) the Thirteenth Supplemental Indenture, dated as of November 1, 2019, between AMP and U.S. Bank National Association, as trustee (the "Thirteenth Supplemental Indenture" and, together with the Twelfth Supplemental Indenture, the "Supplemental Indentures");

(vi) the Tax Certificate delivered on the date hereof by AMP (the "Tax Certificate") in which it has made certain representations and covenants concerning prior, current, and future compliance with the Internal Revenue Code of 1986, as amended (the "Code");

(vii) the form of Certificate of the Participants addressing certain representations and covenants of the Participants concerning prior, current and future compliance with the Code (the "Participant Certificates");

(viii) the opinion of Dinsmore & Shohl LLP, Bond Counsel, dated the date hereof, that the Bonds constitute valid and binding obligations of AMP (the "Dinsmore Opinion"); and

(ix) the Certificate of Prairie State Generating Company, LLC ("PSGC") in which PSGC has made certain representations and covenants concerning past, current and future compliance with the Code (the "PSGC Certificate");

and such other documents, proceedings and matters relating to the federal tax status of the Bonds as we deemed relevant to this opinion.

We have assumed, without independent verification, (i) the genuineness of certificates, records and other documents submitted to us and the accuracy and completeness of the statements contained therein; (ii) that all documents and certificates submitted to us as originals are accurate and complete; (iii)

that all documents and certificates submitted to us as copies are true and correct copies of the originals thereof; and (iv) that all information submitted to us, and all representations and warranties made, in the Tax Certificate and otherwise are accurate and complete. We have also assumed, without independent investigation, the correctness of the Dinsmore Opinion that the Bonds constitute valid and binding obligations of AMP. We have also assumed that each of the Authorizing Resolution, the Power Sales Contract, the Master Indenture and the Supplemental Indentures has been duly authorized, executed and delivered by the parties thereto and is valid and binding in accordance its terms.

On the basis of the foregoing examination, and in reliance thereon, and our consideration of such questions of law as we have deemed relevant in the circumstances, we are of the opinion that, under current law:

1. Except as provided in the following sentences in this paragraph and assuming continuing compliance by AMP, PSGC and the Participants with their respective covenants to comply with the requirements of the Code, interest on the Bonds is not includable in gross income for federal income tax purposes under current law. Interest on the Bonds will be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds in the event of either a failure by AMP to comply with the applicable requirements of the Code, and the covenants contained in the Tax Certificate regarding the use, expenditure and investment of proceeds of the Bonds and the timely payment of certain investment earnings to the United States, or a failure by either PSGC or the Participants to comply with the applicable requirements of the Code and the covenants contained in the PSGC Certificate and the Participant Certificates, respectively. We express no opinion as to the effect on the exclusion from gross income of the interest on the Bonds for federal income tax purposes of any change to any document pertaining to the Bonds or of any action taken or not taken when such change is made or action is taken or not taken without our approval or upon the advice or approval of counsel other than ourselves.

2. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

The Code contains other provisions that could result in tax consequences as a result of ownership of the Bonds or the inclusion in certain computations of interest that is excluded from gross income. Other than as described herein, we have not addressed and we are not opining on the tax consequences to any investor of the investment in, or receipt of any interest on, the Bonds.

You have received the opinion of Dinsmore & Shohl LLP, regarding the State of Ohio tax consequences of ownership of or receipt or accrual of interest on the Bonds, and we express no opinion as to such matters.

Our services did not include financial or other non-legal advice. Further, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated November 6, 2019 relating to the offering of the Bonds, or other offering material relating to the Bonds and express no opinion with respect thereto.

We bring to your attention the fact that our legal opinions and conclusions are an expression of professional judgment and are not a guarantee of a result. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. Such opinions may be adversely affected by actions taken or events occurring, including a change in law, regulation or ruling (or in the application or official interpretation of any law, regulation or ruling) after the date hereof.

Respectfully submitted,

APPENDIX F

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each Series of the Series 2019 Bonds, in the aggregate principal amount of such issues, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to AMP as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from AMP or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or AMP, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of AMP or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to AMP or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

AMP may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that AMP believes to be reliable, but neither AMP nor the Underwriters takes any responsibility for the accuracy thereof.

APPENDIX G

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement"), is executed and delivered as of December __, 2019 by American Municipal Power, Inc. ("AMP") in connection with the issuance of AMP Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B, Refunding Series 2019C and Refunding Series 2019D (Federally Taxable) (collectively, the "Bonds"). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of November 1, 2007 (as heretofore supplemented, the "Master Trust Indenture"), as supplemented by the Twelfth Supplemental Indenture, Thirteenth Supplemental Indenture and Fourteenth Supplemental Indenture, each dated as of November 1, 2019, each between AMP and U.S. Bank National Association, Columbus, Ohio, as trustee (the "Trustee"), in each such case, in substantially the form thereof heretofore provided to the Participating Underwriters. The Master Trust Indenture, as so supplemented, is herein called the "Indenture". AMP covenants and agrees as follows:

1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by AMP for the benefit of the holders of the Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). AMP acknowledges that it is undertaking responsibility for any reports, notices or disclosures that may be required under this Agreement. AMP and its officials and its employees shall have no liability by reason of any act taken or not taken by reason of this Disclosure Agreement except to the extent required for the agreements contained in this Disclosure Agreement to satisfy the requirements of the Rule.

2. DEFINITIONS. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by AMP pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean, for purposes of this Disclosure Agreement, any person who is a beneficial owner of a Bond.

"Dissemination Agent" shall mean AMP, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by AMP and which has filed with AMP a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosure (http://emma.msrb.org) or any other single dissemination agent or conduit required, designated or permitted by the SEC.

"Filing Date" shall have the meaning given to such term in Section 3.1 hereof.

"Financial Obligation" is defined in the Rule to mean "a (A) [d]ebt obligation; (B) [d]erivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) [g]uarantee of a debt obligation or derivative instrument" and does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, AMP's and each MOP's Fiscal Year begins January 1 and continues through December 31 of the same calendar year, with the exception of the City of Danville, Virginia, whose Fiscal Year begins July 1 and ends June 30 of the following calendar year as specified in Section 4 hereof.

"Listed Events" shall mean, with respect to the Bonds, any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person[1];

(13) The consummation of a merger, consolidation, or acquisition involving AMP or an obligated person or the sale of all or substantially all of the assets of AMP or an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

[1] For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for AMP or an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of AMP or an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of AMP.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

"MOP" shall mean an "obligated person" within the meaning of the Rule. Each of the cities of Danville, Virginia; Hamilton, Ohio; Bowling Green, Ohio; Cleveland, Ohio; Piqua, Ohio; and Celina, Ohio, is deemed a MOP.

"MSRB" means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Official Statement" shall mean the Official Statement dated November 6, 2019 relating to the Bonds.

"Participating Underwriter" shall mean each original Underwriter of the Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

3. PROVISION OF ANNUAL REPORTS.

3.1 AMP shall, or shall cause the Dissemination Agent to, provide to the MSRB via EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than November 30 of the succeeding Fiscal Year commencing with the report for the fiscal year ending December 31, 2019. Not later than ten (10) days prior to the Filing Date, AMP shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report must be submitted in electronic format and accompanying information as prescribed by the MSRB and (i) may be submitted as a single document or as separate documents comprising a package, (ii) may include by specific reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include such financial statements as may be required by the Rule.

3.2 The annual financial statements of AMP and the MOPs shall be prepared on the basis of generally accepted accounting principles, will be copies of the audited annual financial statements and will be filed with the MSRB when they become publicly available. Such annual financial statements may be filed separately from the Annual Report.

3.3 If AMP or the Dissemination Agent (if applicable) fails to provide an Annual Report to the MSRB by the date required in subsection (3.1) hereto AMP or the Dissemination Agent, if applicable, shall send a notice to the MSRB in substantially the form attached hereto as Exhibit B.

4. CONTENT OF ANNUAL REPORTS. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, (i) an updated table presenting the Participants and their allocation in the PSEC expressed in kilowatts and percentages as shown on page A-1 of the Official Statement, (ii) with respect to the MOPs, annual statistical and financial information, including operating data as described in Exhibit A attached hereto, (iii) AMP's audited financial statements and (iv) a description of the capacity factor of the PSEC for the last fiscal year. For purposes of the Annual Report, it is recognized that the fiscal year for the City of Danville, Virginia begins on July 1 and ends on June 30 of the following calendar year and, as such, annual statistical and financial information for such City will be as of the end of its fiscal year.

Any or all of such information may be included by specific reference from other documents, including offering memoranda of securities issues with respect to which AMP or a MOP is an "obligated person" (within the meaning of the Rule), which have been filed with the MSRB via EMMA or the Securities and Exchange Commission. If the document included by specific reference is a final Official Statement, it must be available from the MSRB via EMMA. AMP shall clearly identify each such other document so included by specific reference.

5. REPORTING OF LISTED EVENTS. AMP will provide in a timely manner not in excess of ten business days after the occurrence of the event to the MSRB via EMMA, if any, notice of any of the Listed Events

6. TERMINATION OF REPORTING OBLIGATION. AMP's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the Bonds.

7. DISSEMINATION AGENT. American Municipal Power, Inc. shall be the Dissemination Agent. AMP may, from time to time, appoint or engage another Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

8. AMENDMENT. Notwithstanding any other provision of this Disclosure Agreement, AMP may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is not inconsistent with or is required by the Rule.

9. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent AMP from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If AMP chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, AMP shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. DEFAULT. Any Beneficial Owner may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause AMP to file its Annual Report or to give notice of a Listed Event. The Beneficial Owners of not less than a majority in aggregate principal amount of Bonds outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of AMP hereunder. A default under this Disclosure Agreement shall not be deemed an event of default

under the Indenture or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of AMP to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

It shall be a condition precedent to the right, power and standing of any person to bring an action to compel performance under this Disclosure Agreement that, such person, not less than 30 days prior to commencement of such action, shall have actually delivered to AMP notice of such person's intent to commence such action and the nature of the non-performance complained of, together with reasonable proof that such person is a person otherwise having such right, power and standing, and AMP shall not have cured the non-performance complained of.

Neither the commencement nor the successful completion of an action to compel performance under this Disclosure Agreement shall entitle any person to any other relief other than an order or injunction compelling performance.

11. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity

AMERICAN MUNICIPAL POWER, INC.

By: _____
Senior Vice President of Finance and
Chief Financial Officer

EXHIBIT A

PARTICIPANT INFORMATION

(a) Updates for the previous calendar or fiscal year, as applicable, of the statistical and financial data presented in Appendix B to the Official Statement.

(b) The audited financial statements for the electric system or, if separate financial statements are not prepared and audited for the electric system, then the audited general purpose financial statements of the MOP. The basis of presentation of such financial statements shall be generally accepted accounting principles or such other manner of presentation as may be required by law.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT

RE: American Municipal Power, Inc. Prairie State Energy Campus Project Revenue Bonds, Refunding Series 2019B, Refunding Series 2019C and Refunding Series 2019D (Federally Taxable)

CUSIP NOS. _____

Dated: December __, 2019

NOTICE IS HEREBY GIVEN that American Municipal Power, Inc. ("AMP") has not provided an Annual Report as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named Bonds issued pursuant to that certain Master Trust Indenture, dated as of November 1, 2007, as supplemented by the Twelfth Supplemental Indenture, the Thirteenth Supplemental Indenture and Fourteenth Supplemental Indenture, each dated as of January 1, 2019, each between AMP and U.S. Bank National Association, Columbus, Ohio, as trustee. AMP anticipates that the Annual Report will be filed by _____.

Dated: _____ AMERICAN MUNICIPAL POWER, INC.

By: _____
Senior Vice President of Finance and
Chief Financial Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]