American Municipal Power, Inc.

Interim Consolidated Financial Statements
September 30, 2020

American Municipal Power, Inc.
Index
September 30, 2020 (Unaudited) and December 31, 2019

Report of Independent Auditors

To Board of Trustees and Members of
American Municipal Power, Inc.

We have reviewed the accompanying consolidated interim financial information of American Municipal Power, Inc. and its subsidiaries, which comprise the consolidated balance sheet as of September 30, 2020, and the related consolidated statements of revenues and expenses, of changes in member and patron equities, and of cash flows for the nine-month periods ended September 30, 2020 and 2019.

Management's Responsibility for the Consolidated Interim Financial Information

The Company's management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditors' Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

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Other Matter

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of American Municipal Power, Inc. and its subsidiaries as of December 31, 2019, and the related consolidated statements of revenues and expenses, of changes in member and patron equities, and of cash flows for the year then ended (not presented herein), and in our report dated April 15, 2020, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

December 14, 2020

American Municipal Power, Inc.
Consolidated Balance Sheets
September 30, 2020 (Unaudited) and December 31, 2019

	September 30, 2020	December 31, 2019
Assets		
Utility plant		
Electric plant in service	$ 4,893,690,118	$ 4,888,631,808
Accumulated depreciation	(831,999,693)	(728,592,452)
Total utility plant	4,061,690,425	4,160,039,356
Nonutility property and equipment		
Nonutility property and equipment	23,485,232	23,392,228
Accumulated depreciation	(16,980,281)	(16,180,976)
Total nonutility property and equipment	6,504,951	7,211,252
Construction work-in-progress	71,288,072	46,161,502
Plant held for future use	34,881,075	34,881,075
Coal reserves	20,488,506	21,132,014
Trustee funds and other assets		
Trustee funds	250,065,608	269,693,704
Trustee funds - restricted	270,795,419	279,148,889
Financing receivables - members	-	2,045,688
Regulatory assets	570,486,543	571,224,740
Prepaid assets	79,765,100	72,010,938
Intangible and other assets, net of accumulated amortization of $6,688,618 and $6,115,302 respectively	43,739,544	44,479,292
Total trustee funds and other assets	1,214,852,214	1,238,603,251
Current assets		
Cash and cash equivalents	122,568,057	118,929,976
Cash and cash equivalents - restricted	16,269,291	19,287,700
Trustee funds	221,060,014	272,735,184
Trustee funds - restricted	7,370,730	294,524,948
Collateral postings	25,289,258	22,154,158
Accounts receivable	106,927,401	105,049,887
Interest receivable	45,081,802	32,662,953
Financing receivables - members	25,586,759	22,557,640
Inventories	15,266,607	12,095,526
Regulatory assets - current	37,786,932	43,526,410
Prepaid expenses and other assets	13,009,336	19,979,530
Total current assets	636,216,187	963,503,912
Total assets	$ 6,045,921,430	$ 6,471,532,362

American Municipal Power, Inc.
Consolidated Balance Sheets
September 30, 2020 (Unaudited) and December 31, 2019

	September 30, 2020	December 31, 2019
Equities and Liabilities		
Member and patron equities		
Contributed capital	$ 828,968	$ 828,968
Patronage capital	90,713,367	88,650,241
Total member and patron equities	91,542,335	89,479,209
Long-term debt		
Term debt	5,325,080,589	5,383,472,854
Term debt on behalf of others	17,645,831	18,499,998
Revolving credit loan	206,700,000	189,600,000
Total long-term debt	5,549,426,420	5,591,572,852
Current liabilities		
Accounts payable	108,605,005	103,524,908
Accrued interest	41,858,165	120,381,867
Term debt - current portion	75,894,412	359,799,412
Term debt on behalf of others	31,989,167	33,535,167
Regulatory liabilities	8,985,014	9,009,950
Other liabilities	29,510,703	37,149,049
Total current liabilities	296,842,466	663,400,353
Other noncurrent liabilities		
Asset retirement obligations	8,188,570	7,121,169
Regulatory liabilities	65,833,387	69,998,448
Other liabilities	34,088,252	49,960,331
Total other noncurrent liabilities	108,110,209	127,079,948
Total liabilities	5,954,379,095	6,382,053,153
Total equities and liabilities	$ 6,045,921,430	$ 6,471,532,362

The accompanying notes are an integral part of these financial statements.

American Municipal Power, Inc.
Consolidated Statements of Revenues and Expenses
Nine Months Ended September 30, 2020 and 2019 (Unaudited)

	September 30, 2020	September 30, 2019
Revenues		
Electric revenue	$ 804,142,757	$ 860,717,143
Service fees	8,067,886	8,771,457
Programs and other	16,370,883	14,990,228
Total revenues	828,581,526	884,478,828
Operating expenses		
Purchased electric power	330,584,179	356,019,726
Production	106,978,761	119,847,628
Fuel	88,857,596	105,018,694
Depreciation and amortization	105,275,439	110,085,012
Administrative and general	11,950,758	12,724,617
Property and real estate taxes	6,532,130	9,108,885
Programs and other	15,906,139	17,138,878
Total operating expenses	666,085,002	729,943,440
Operating margin	162,496,524	154,535,388
Nonoperating revenues (expenses)		
Interest expense	(226,541,434)	(223,801,351)
Interest income, subsidy	51,014,160	59,235,989
Interest and other income	15,093,876	14,651,677
Total nonoperating expenses	(160,433,398)	(149,913,685)
Net margin	$ 2,063,126	$ 4,621,703

The accompanying notes are an integral part of these financial statements.

American Municipal Power, Inc.
Consolidated Statements of Changes in Member and Patron Equities
Nine Months Ended September 30, 2020 and 2019 (Unaudited)

	Contributed Capital	Patronage Capital	Total
Balances at December 31, 2018	$ 828,968	$ 83,379,309	$ 84,208,277
Net margin	-	4,621,703	4,621,703
Balances at September 30, 2019	$ 828,968	$ 88,001,012	$ 88,829,980
Balances at December 31, 2019	$ 828,968	$ 88,650,241	$ 89,479,209
Net margin	-	2,063,126	2,063,126
Balances at September 30, 2020	$ 828,968	$ 90,713,367	$ 91,542,335

The accompanying notes are an integral part of these financial statements.

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2020 and 2019 (Unaudited)

	September 30, 2020	September 30, 2019
Cash flows from operating activities		
Net margin	$ 2,063,126	$ 4,621,703
Adjustments to reconcile net margin to net cash used in operating activities		
Depreciation and amortization	105,275,439	110,085,012
Amortization of bond premium, net of amortization of bond discount and amortization of deferred financing costs	(12,996,656)	(16,224,697)
Accretion of interest on asset retirement obligations	190,807	182,191
Loss on disposal of utility property and equipment	474,000	209,022
Unrealized loss (gain) on investments	6,566,707	(3,136,159)
Changes in assets and liabilities		
Collateral postings	(3,135,100)	(2,657,078)
Accounts and interest receivable	(11,612,404)	21,485,922
Inventories	(3,171,081)	1,191,642
Regulatory assets and liabilities, net	(24,689,544)	(19,753,327)
Prepaid expenses and other assets	166,441	(14,970,666)
Accounts payable and other liabilities	4,714,904	(9,776,436)
Accrued interest	(78,523,702)	(84,135,148)
Asset retirement obligations	876,594	101,010
Net cash used in operating activities	(13,800,469)	(12,777,009)
Cash flows from investing activities		
Purchase of property plant, equipment and construction work-in progress	(32,224,901)	(33,761,532)
Sale of property, plant and equipment	-	383,542
Proceeds from sale of investments	744,043,034	837,690,637
Purchase of investments	(379,188,893)	(669,261,208)
Net cash provided by investing activities	$ 332,629,240	$ 135,051,439

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2020 and 2019 (Unaudited)

	September 30, 2020	September 30, 2019
Cash flows from financing activities		
Proceeds from revolving credit loan	60,500,000	36,800,000
Payments on revolving credit loan	(43,400,000)	(65,200,000)
Cost of issuance of debt	(1,347,380)	(2,164,050)
Principal payments on term debt	(487,830,000)	(326,800,000)
Principal payments on term debt on behalf of others	(10,095,167)	(22,726,167)
Proceeds from issuance of term debt	159,935,838	231,849,397
Proceeds from issuance of term debt on behalf of others	7,695,000	26,241,000
Proceeds from financing receivables - members	1,800,940	2,000,248
Funding of financing receivables - members	(5,468,330)	(6,794,949)
Net cash used in financing activities	(318,209,099)	(126,794,521)
Net change in cash, cash equivalents and restricted cash	619,672	(4,520,091)
Cash, cash equivalents and restricted cash		
Beginning of period	138,217,676	146,530,522
End of period	$ 138,837,348	$ 142,010,431
Supplemental disclosure of cash flow information		
Cash paid during the period for interest, net of amount capitalized	$ 318,061,792	$ 307,936,499
Supplemental disclosure of noncash investing and financing activities		
Capital expenditures included in accounts payable	$ 42,777,722	$ 41,057,530

The accompanying notes are an integral part of these financial statements.

1. Description of Business

American Municipal Power, Inc. ("AMP") is a not-for-profit Ohio corporation organized to provide electric capacity and energy and to furnish other services to its members on a cooperative basis. AMP is a tax-exempt organization for federal tax purposes under Section 501(c) (12) of the Internal Revenue Service Code ("IRC"). As AMP derives its income from the exercise of an essential government function and will accrue to a state or a political subdivision there of; AMP's income is excludable from gross income under IRC Section 115. AMP is a membership organization comprised of 85 municipalities throughout Ohio, 29 municipalities in Pennsylvania, six municipalities in Michigan, five municipalities in Kentucky, five municipalities in Virginia, two municipalities in West Virginia, one municipality in Indiana, one municipality in Maryland, and one joint action agency in Delaware, all but one of which own and operate electric systems. AMP purchases and generates electric capacity and energy for sale to its members. AMPO, Inc. is a for-profit subsidiary that provides electric and natural gas aggregation consulting services to both members and nonmembers in Ohio.

In addition, AMP serves as a project manager for Ohio members participating in joint venture projects to share ownership of power generation and transmission facilities, known as Ohio Municipal Electric Generation Agency Joint Ventures: 2, 4, 5, and 6 ("OMEGA" "JV2," "JV4," "JV5," and "JV6") (collectively, the "OMEGA Joint Ventures"). AMP is closely aligned with Ohio Municipal Electric Association ("OMEA"), the provider of legislative liaison services to AMP and 80 Ohio public power communities. AMP members have also formed Municipal Energy Services Agency ("MESA") whose purpose is to provide administrative, management and technical services to AMP, its members, OMEA and the OMEGA Joint Ventures.

AMP has received approval pursuant to a private letter ruling from the Internal Revenue Service ("IRS") to issue tax-exempt securities on behalf of its members. In connection with the financing of projects undertaken by the electric systems of certain member communities, AMP has issued tax exempt debt on their behalf. AMP has issued tax-exempt bonds to finance the construction of its generating projects.

AMP 368 LLC ("AMP 368"), a wholly owned and consolidated subsidiary of AMP, is the owner of a 23.26%, or 368 MW, undivided interest in the Prairie State Energy Campus ("PSEC"). PSEC, located in Washington County, Illinois, includes a coal-fired generating plant and adjacent coal mine.

Meldahl LLC, a wholly owned and consolidated subsidiary of AMP, is the owner of the 105 MW Meldahl project, a run-of-the river hydroelectric facility on the Ohio River near Maysville, Kentucky.

AMP Transmission LLC, a wholly owned and consolidated subsidiary of AMP, is an Ohio not-for-profit formed to own and provide transmission services in Delaware, Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia and West Virginia for the Members.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all entities in which AMP has control, which are its majority-owned subsidiaries. The interim consolidated financial statements have been prepared without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements as of September 30, 2020 should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2019. The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the nine-months ended September 30, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates. All intercompany transactions and balances have been eliminated.

Utility Plant

AMP records amounts expended in connection with the purchase or construction of utility plant assets at cost. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. Operations are charged with labor, material, supervision and other costs incurred to maintain the utility plant. When utility plant assets are retired, accumulated depreciation is charged with the cost of assets, plus removal costs, less any salvage value, and any resulting gain or loss is reflected in other nonoperating revenues (expenses), net in the consolidated statements of revenues and expenses.

The Company has ownership interest in two generation plants, Greenup, a hydroelectric plant with 48.60% ownership, and Prairie State with 23.26% ownership.

	September 30, 2020	December 31, 2019
Greenup		
Utility plant in service	$ 139,218,932	$ 139,218,932
Prairie State		
Utility plant in service	$ 1,155,391,680	$ 1,154,776,002
Construction work-in-progress	11,034,223	5,224,252

AMP's coal reserves are valued at $20,488,506 and $21,132,014 (net of depletion) as of September 30, 2020 and December 31, 2019, respectively.

Nonutility Property and Equipment

Nonutility property and equipment is recorded at cost. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When nonutility property and equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and the related gains or losses are reflected in other nonoperating revenues (expenses), net in the consolidated statements of revenues and expenses.

Construction Work-in-Progress
AMP records amounts expended in connection with construction work-in-progress projects at cost. Upon completion of a project, AMP places the asset in service and the related costs are recorded as either utility plant or nonutility property and equipment.

Construction work-in-progress projects consist of the following:

	September 30, 2020	December 31, 2019
'Behind-the-meter' Sub-peaking facilities	$ 27,393,442	$ 20,631,025
AMP Fremont Energy Center	19,529,984	13,387,566
Prairie State Energy Campus	11,034,223	5,224,252
Hydro Plants	3,326,492	1,634,089
Other	10,003,931	5,284,570
	$ 71,288,072	$ 46,161,502

Plant Held for Future Use
In November 2009, the participants in the AMP Generating Station Project (the “AMPGS Project”) voted to terminate the development of the pulverized coal power plant in Meigs County, Ohio. The AMPGS Project was to be a 1,000 MW base load, clean-coal technology plant scheduled to go on-line in 2014. This pulverized coal plant was estimated to be a $3 billion project, but the project’s targeted capital costs increased by 37% and the engineer, procure and construct contractor could not guarantee that the costs would not continue to escalate. At the termination date, minimal construction had been performed on the AMPGS Project at the Meigs County site. AMP still intends to develop this site for the construction of a generating asset; however, at September 30, 2020, the type of future generating asset had not been determined.

The AMPGS project participants signed “take or pay” contracts with AMP. As such, the participants of the project are obligated to pay any costs incurred for the project.

As a result of the decision to terminate further development of a coal plant at AMPGS, the AMPGS Project costs have been reclassified out of construction work-in-progress and into plant held for future use or regulatory assets in the consolidated balance sheets. At December 31, 2010, AMP reclassified $34,881,075 of costs to plant held for future use in the consolidated balance sheets. These costs were determined to be associated with the undeveloped Meigs County site regardless of the type of generating asset ultimately developed on the site.

The remaining costs previously incurred were determined to be impaired but reclassified as a regulatory asset which is fully recoverable from the AMPGS Project participants as part of their unconditional obligation under the “take or pay” contract. These stranded costs are being recovered through collections from Participants and Members over a 15-year term and from service fee and other member related revenues over the same term. At September 30, 2020, AMP has a remaining regulatory asset of $11,697,404 for the recovery of these abandoned construction costs.

Trustee Funds
AMP maintains funds on deposit with the trustees ("trustee funds") under its various trust indentures securing bonds issued for its various projects. Investments of the trustee funds include money market funds and debt securities. The debt securities are classified as held-to-maturity in accordance with ASC 320 *Investments – Debt and Equity Securities* and are recorded at amortized cost. The debt securities mature at various dates through February 2050. The money market funds are valued at the net asset value of the underlying fund determined on the valuation date.

Realized gains and losses on investment transactions are determined on the basis of specific identification. Gross unrealized holding losses (gains) for the nine months ended September 30, 2020 and 2019 were $6,566,707 and ($3,136,159), respectively. Gross unrealized holding gains and losses are included in interest and other income in the consolidated statements of revenues and expenses.

Impairment of Long-lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, as compared with the carrying value of the assets. If an impairment has occurred, the amount of the impairment recognized is the excess of the carrying value of the assets over fair value of the assets.

Intangible and Other Assets
Included in intangible assets are two interconnections contracts for offsite facilities which were a part of the acquisition cost for the AMP Fremont Energy Center ("AFEC") project. These contracts were valued at $28,665,190 and are net of $6,688,544 and $6,115,240 of accumulated amortization as of September 30, 2020 and December 31, 2019, respectively. The contracts are being amortized over a 37.5-year period at a rate of $764,405 per year, which is recognized in depreciation and amortization in the accompanying consolidated statements of revenues and expenses.

Prepaid Assets
AMP prepays for 25-year power supply solar agreements (the "Prepaid Agreements") which are included in prepaid assets in the accompanying consolidated balance sheets. The amount of the Prepaid Agreements was $86,685,663 and $76,402,976 as of September 30, 2020 and December 31, 2019, respectively. AMP is amortizing the cost of the power over the life of the Prepaid Agreements. AMP records the amount expected to be amortized over the next twelve months as a current asset in prepaid expenses and other assets in the accompanying consolidated balance sheets, which was $7,426,910 and $4,909,649 as of September 30, 2020 and December 31, 2019, respectively. AMP has concluded that the Prepaid Agreements qualify for the normal purchase sale exemption in accordance with FASB's standard on accounting for derivative instruments.

Derivative Instruments
AMP accounts for derivative instruments on its consolidated balance sheets at fair value unless the instruments qualify to be accounted for as normal purchases and normal sales. The fair values of derivative instruments accounted for using mark-to-market accounting are based on exchange prices and broker quotes, when available. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and supply and demand market data and other assumptions. The fair values determined are reduced by the appropriate valuation adjustments for items such as discounting, liquidity, credit quality and modeling risk. There is inherent risk in valuation modeling given the complexity and volatility of energy markets. Therefore, it is possible that results in future periods may be materially different as contracts are ultimately settled.

AMP has determined each of its power purchase and power sales contracts which meet the definition of a derivative instrument qualifies to be accounted for as normal purchases and normal sales.

AMP has adopted a fuel procurement and hedging program which contemplates that AMP will, subject to market conditions, undertake to secure, at times when AMP deems such advantageous and prudent, contracts with fuel providers and financial institutions, the effect which will be to hedge, on a rolling 36-month basis, the price of up to 80% of the natural gas volume that AMP projects will be consumed by AFEC operating at its base capacity. AMP has entered into a number of International Swaps and Derivatives Association agreements that are specific to AFEC in managing its natural gas supply requirements. All of these agreements are with investment grade or higher counterparties (Baa3/BBB-). AMP utilizes fixed-for-floating swap contracts to economically hedge the total natural gas fuel expense and records them at fair value. AMP does not utilize derivative financial instruments for speculative purposes, nor does it have trading operations.

The maturities of the swaps highly correlate to forecasted purchases of natural gas, during time frames through December 2027. Under such agreements, AMP pays the counterparty at a fixed rate and receives from the counterparty a floating rate per MMBtu (“decatherm” or “Dth”) of natural gas. Only the net differential is actually paid or received. The differential is calculated based on the notional amounts under the agreements. Notional amounts under contracts were $145,428,980 and $172,439,430 at September 30, 2020 and December 31, 2019, respectively.

On the short-term agreements, there was an unrealized loss of $10,605,134 and $18,008,459 at September 30, 2020 and December 31, 2019, respectively, which is included in other liabilities. On the long-term agreements, there was an unrealized loss of $31,137,474 and $45,415,826 at September 30, 2020 and December 31, 2019, respectively, which is included in other liabilities. A net gain of $21,681,676 and a net loss of $867,427 was recognized in fuel on AMP’s consolidated statements of revenues and expenses for the nine-month periods ending September 30, 2020 and 2019, respectively. Net margin loss or gain is deferred via regulatory liabilities or assets for recovery in future periods. The gains from the natural gas contracts do not result from other-than-temporary declines in market value.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements
In September 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses of Financial Instruments*. The new guidance requires an allowance to be recorded for all expected credit losses for financial assets. The allowance for credit losses is based on historical information, current conditions, and reasonable and supportable forecasts. The Company adopted the new standard effective January 1, 2020. The adoption did not have a material impact on the consolidated financial statements.

3. Revolving Credit Loan and Term Debt

Revolving Credit Loan

AMP has a revolving credit loan facility (“Facility”) with a syndicate of nine lenders. The Facility allows AMP to obtain loans with different interest rates and terms and letters of credit. The Facility expires on May 3, 2022. AMP’s base borrowing capacity under the Facility is $600,000,000, with an accordion feature to expand to $850,000,000. At September 30, 2020, AMP had $206,700,000 outstanding under the Facility with an effective interest rate of 0.972% . At December 31, 2019, AMP had $189,600,000 outstanding under the Facility with an effective interest rate of 2.624%.

Term Debt

AMP has issued term debt in the form of notes payable and bonds for the financing of its own assets and on behalf of specific members. AMP is the primary obligor on term debt issued to finance its assets.

Bonds and notes payable related to financing AMP assets consists of the following:

	September 30, 2020	December 31, 2019
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009B	30,105,000	32,950,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009C	282,515,000	282,515,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2010	300,000,000	300,000,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2015A	264,855,000	283,235,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2017A	61,955,000	64,910,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2019A	168,455,000	168,455,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2019B	126,505,000	127,315,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2019C	87,485,000	87,485,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2019D	148,380,000	148,380,000
AMP Prairie State Energy Campus Project Revenue Bonds, Escrow	137,820,000	391,330,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009B	364,180,000	497,005,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009C	-	21,610,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009D	7,976,470	7,976,470
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	130,385,000	132,750,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010B	1,109,995,000	1,109,995,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010C	116,000,000	116,000,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2016A	208,695,000	209,530,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2018A	99,530,000	99,530,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2020A	105,310,000	-
AMP Combined Hydroelectric Project Revenue Bond, Escrow	-	28,390,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010A	2,910,000	12,285,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010B	260,000,000	260,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010C	20,000,000	20,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010D	4,570,000	4,570,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010E	300,000,000	300,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2016A	78,150,000	78,825,000
AMP Fremont Energy Center Project Revenue Bonds, Series 2012B	354,580,000	364,895,000
AMP Fremont Energy Center Project Revenue Bonds, Series 2017A	124,385,000	124,385,000
AMP Fremont Energy Center Project Revenue Bonds, Escrow	127,630,000	127,630,000
AMP Greenup Hydroelectric Project Revenue Bonds, Series 2016A	122,350,000	124,035,000
AMP Solar Electric Prepayment Project Revenue Bonds, Series 2019A	53,940,000	55,195,000
AMP Solar Electric Prepayment Project Revenue Bonds, Series 2020A	25,480,000	-
Subtotal	5,224,141,470	5,581,181,470
Less: Current portion	(75,894,412)	(359,799,412)
Plus: Unamortized premium and discount, net	209,582,574	196,810,261
Plus: Unamortized debt issuance costs, net	(32,749,043)	(34,719,465)
Long-term debt	$ 5,325,080,589	$ 5,383,472,854

Combined Hydro 2020A Bonds

On February 18, 2020, AMP issued, pursuant to the Hydro MTI, the Combined Hydroelectric Projects Revenue Bonds, Series 2020A ("Hydro 2020A Bonds"), with a par amount of $105,310,000. Interest is payable semiannually, beginning August 15, 2020 at a fixed rate of 5.0%. The Hydro 2020A Bonds were issued with a premium of $23,614,775. The Hydro 2020A Bonds were issued to refund a portion ($129,360,000) of AMP's outstanding Combined Hydroelectric Project Revenue Bonds, Series 2009B, issued on December 9, 2009 in the aggregate principal amount of $497,005,000.

The Hydro Series 2020A Bonds outstanding at September 30, 2020 are as follows:

Year	Principal Amount
2022	$ 2,250,000
2023	12,395,000
2024	13,240,000
2025	13,985,000
2026	14,705,000
2027	15,455,000
2028	16,240,000
2029	17,040,000
	$ 105,310,000

Solar Phase II 2020A Bonds

On August 20, 2020, AMP issued, pursuant to the Solar MTI, the Solar Electricity Prepayment Project Revenue Bonds, Series 2020A ("Solar 2020A Bonds"), with a par amount of $25,480,000. Interest is payable semiannually, beginning February 15, 2021 at rates between 4.0% and 5.0%. The Solar 2020A Bonds were issued with a premium of $5,531,063. The Solar 2020A Bonds were issued to fund the final 3 solar sites in Piqua and Wadsworth.

The Solar 2020A Bonds outstanding at September 30, 2020 are as follows:

Maturity Date - February 15	Principal Amount	Interest Rate
2021	$ 395,000	4.000 %
2022	700,000	5.000 %
2023	730,000	5.000 %
2024	755,000	5.000 %
2025	785,000	5.000 %
2026	820,000	5.000 %
2027	850,000	5.000 %
2028	885,000	5.000 %
2029	920,000	5.000 %
2030	960,000	5.000 %
2031	1,000,000	5.000 %
2032	1,045,000	5.000 %
2033	1,090,000	5.000 %
2034	1,135,000	5.000 %
2035	1,180,000	4.000 %
2036	1,220,000	4.000 %
2037	1,260,000	4.000 %
2038	1,300,000	4.000 %
2039	1,345,000	4.000 %
2040	1,390,000	4.000 %
2044	5,715,000	4.000 %
	$ 25,480,000	

The Solar 2020A Bonds maturing on and before February 15, 2029 are not subject to redemption prior to maturity. The Series 2020A Bonds maturing on and after February 15, 2030 are subject to redemption prior to maturity, at the option of AMP, from any source of available funds, in whole or in part (and, if in part, in such order of maturity as AMP shall direct), at any time on or after February 15, 2029, at a Redemption Price equal to the principal amount of the Series 2020A Bonds or portions thereof to be redeemed, without premium, together with accrued interest to the redemption date.

The Solar 2020A Bonds due on February 15, 2044 are term bonds subject to mandatory sinking fund redemption on February 15 in the following years in the following principal amounts at a redemption price equal to par, together with interest accrued to the date of redemption.

The Solar 2020A Bonds maturing on February 15, 2044:

Year	Principal Amount
2041	$ 1,440,000
2042	1,490,000
2043	1,545,000
2044	1,240,000
	$ 5,715,000

4. Fair Value of Financial Instruments

As defined in the fair value measurements standard, fair value is the price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date. This standard establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy defined by the fair value measurement standard are as follows:

Level 1 Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those where transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. AMP's Level 1 assets primarily consist of money market funds which are included in trustee funds on the consolidated balance sheets. AMP does not have any liabilities that meet the definition of Level 1.

Level 2 Pricing inputs are either directly or indirectly observable in the market as of the reporting date, other than quoted prices in active markets included in Level 1. Level 2 includes those financial instruments that are valued using models or other valuation methodologies based on assumptions that are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Liabilities in this category include natural gas swaps.

Level 3 Pricing inputs include inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. AMP does not have any assets or liabilities that met the definition of Level 3.

AMP utilizes market data and assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. AMP primarily applies the market approach for recurring fair value measurements using the best information available. Accordingly, AMP maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The following table presents the carrying amounts and fair values of financial instruments not recognized at fair value in the consolidated balance sheets:

	September 30, 2020		December 31, 2019	
Financial Instruments	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Assets				
Debt securities held in trustee funds, restricted and non-restricted	$ 565,196,239	$ 613,681,265	$ 885,788,215	$ 913,438,879
Liabilities				
Fixed rate term debt, including current maturities, AMP	$ 5,433,724,044	$ 7,225,773,351	$ 5,777,991,731	$ 7,229,636,207
Fixed rate term debt, including current maturities, on behalf of others	$ 49,634,998	$ 49,634,998	$ 52,035,165	$ 52,035,165

The carrying amounts of cash, accounts receivable, accounts payable, the AMP project note, the municipal project notes, and the revolving credit loan approximate their fair value due to their short maturities. The fair value of trustee funds is determined based on market observable inputs that include, but are not limited to, benchmark yields, reportable trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, and offers. The fair value of debt securities included trustee funds is within Level 2 of the fair value hierarchy. The fair value of long-term debt reflects the present value of cash outflows relating to those obligations based on the current call price or the yield to maturity as deemed appropriate at the end of each respective year. The yields assumed were based on municipal bond ratings offered by organizations similar to AMP. The fair value of long-term debt is within Level 2 of the fair value hierarchy.

The estimated fair values of the natural gas swaps were determined using New York Mercantile Exchange (“NYMEX”) futures settlement prices for delivery of natural gas at Henry Hub adjusted by the price of NYMEX ClearPort basis swaps, which reflect the difference between the price of natural gas at a given delivery basin and the Henry Hub pricing points.

The following tables set forth AMP's financial assets and financial liabilities that are accounted for on a recurring basis at fair value by level within the fair value hierarchy as of September 30, 2020 and December 31, 2019. As required by the fair value measurement standard, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. AMP's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	September 30, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Money market funds	$ 184,095,532	$ -	$ -	$ 184,095,532
	$ 184,095,532	$ -	$ -	$ 184,095,532
Liabilities				
Natural gas swaps	$ -	$ 41,742,608	$ -	$ 41,742,608
	$ -	$ 41,742,608	$ -	$ 41,742,608

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Money market funds	$ 230,314,510	$ -	$ -	$ 230,314,510
	$ 230,314,510	$ -	$ -	$ 230,314,510
Liabilities				
Natural gas swaps	$ -	$ 63,424,285	$ -	$ 63,424,285
	$ -	$ 63,424,285	$ -	$ 63,424,285

The determination of the above fair value measures takes into consideration various factors required under the fair value measurement standard. These factors include nonperformance risk, including counterparty credit risk and the impact of credit enhancements (such as cash deposits, line of credit and priority interests). The impact of nonperformance risk was immaterial in the fair value measurements.

5. Regulatory Assets and Liabilities

In accordance with the FASB standard for accounting for regulated entities, AMP records regulatory assets (capitalized expenses to be recovered in rates in future periods) and regulatory liabilities (deferred revenues for rates collected for expenses not yet incurred). Regulatory assets include the deferral of depreciation expense, the costs associated with the abandoned AMPGS Project, funds for member rate stabilization plans, unrecognized actuarial losses associated with the pension plan, and other capital expenditures not yet recovered through rates approved by the AMP board of trustees. Regulatory liabilities include revenues collected and intended to fund future capital expenditures, funds for member rate stabilization plans, and other differences between the rates collected from members and expense recognition. As the capital expenditures are depreciated and inventories are used, regulatory assets and liabilities are amortized to match revenues with the related expenditures. Regulatory liabilities or regulatory assets are also recognized for unrealized mark-to-market gains and losses on derivative instruments that are subject to the ratemaking process when realized.

Regulatory assets and liabilities consist of the following:

	September 30, 2020	December 31, 2019
Regulatory assets		
Asset retirement costs	$ 2,029,305	$ 1,397,961
Debt service costs	451,339,103	420,046,672
Abandoned construction costs	15,323,393	17,868,444
Projects on behalf of	15,891,492	14,629,373
Operating and maintenance expenditures	15,160,568	34,666,649
Fair value of derivative instruments	41,742,608	63,424,285
Rate stabilization programs	38,536,840	31,112,260
Pension plan and postretirement healthcare plan obligations	8,747,689	8,747,689
Closure of Gorsuch Project costs	10,750,571	11,955,451
Other	8,751,906	10,902,366
Total regulatory assets	608,273,475	614,751,150
Current portion	(37,786,932)	(43,526,410)
Noncurrent portion	$ 570,486,543	$ 571,224,740
Regulatory liabilities		
Capital improvement expenditures	$ 2,004,042	$ 1,657,521
Debt service costs	816,332	1,587,365
Projects on behalf of	9,040,930	7,417,417
Operating and maintenance expenditures	20,838,087	26,219,665
Working capital expenditures	14,944,588	14,944,588
Rate stabilization programs	16,734,364	16,834,851
Other	10,440,058	10,346,991
Total regulatory liabilities	74,818,401	79,008,398
Current portion	(8,985,014)	(9,009,950)
Noncurrent portion	$ 65,833,387	$ 69,998,448

6. Revenue

Revenues are recognized in an amount that reflects the consideration AMP expects to receive in exchange for goods or services, when control of the promised goods or services is transferred to AMP's customers. Our primary types of revenue streams are Electric, Service fees, and Program and other.

The nature of AMP's revenue from contracts provides an unconditional right to consideration upon service delivery; therefore, no customer contract assets or liabilities exist. The unconditional right to consideration is represented by the balance in AMP's Accounts Receivable. AMP does not typically incur costs that would be capitalized to obtain or fulfill a contract.

Electric revenue – Electricity is provided on demand throughout the month, measured by meters located at delivery points located at Member interconnections. Electric rates, which are approved by the AMP board of trustees, are designed to recover actual costs incurred, generally purchased power and operations, exclusive of depreciation and amortization, and debt service requirements. At the time of rate design, all costs to be recovered are not known and as such, the use of estimates is required. Differences between expected, estimated costs and actual costs incurred are reconciled and recovered from or returned to customers through future adjustments to rates. Electric revenues are variable based on quantities delivered, influenced by seasonal business and weather patterns.

Service fees – AMP collects service fees from its members which entitle members to various AMP-provided services not based on electric consumption. AMP also collects service fees for utilization of its Energy Control Center. Fee structure is based on membership class.

Program and other – Programs include optional service offerings to members such as line worker training.

AMP has determined that, as it relates to its contracts with customers, its obligation to deliver electricity, services, and programs are satisfied over time as the customer simultaneously receives and consumes benefits as AMP performs. Billings typically occur monthly with related payments due within 30 days, depending on contract requirements. In no event does the timing between payment and delivery of the goods and services exceed one year. In general, revenue recognized from contracts with customers is equivalent to the value of the electricity, services, and programs supplied and billed each period and an estimate for delivery completed during the period but not yet billed to customers. Therefore, AMP recognizes revenue in an amount equal to what AMP has the right to bill customers.

AMP has revenue contract performance obligations with the same or similar characteristics, and management reasonably expects that the financial statement impact of applying the new revenue ASU guidance to a portfolio of contracts would not differ materially from applying this guidance to the individual contracts or performance obligations within the portfolio. Therefore, AMP has elected the portfolio approach in applying the new revenue guidance.

7. Commitments and Contingencies

Environmental Matters

AMP is subject to regulation by federal and state authorities with respect to air pollution and water quality, and other environmental matters.

Federal Greenhouse Gas Emission Standards

On June 19, 2019, USEPA promulgated the Affordable Clean Energy (ACE) rule, which requires efficiency improvements at large power plants in order to reduce greenhouse gas emissions. As an affected source, Prairie State is evaluating the rule and assessing potential obligations.

RICE NESHAP

This USEPA rule regulates emissions of hazardous air pollutants from reciprocating internal combustion engines (“RICE”) by establishing emission limits and work practice standards. Some diesel engines owned or operated by AMP are affected and maintain compliance by using pollution control equipment.

Cross-State Air Pollution Rule and Acid Rain Program

USEPA requires large electric generating units to purchase allowances for air pollutant emissions impacting air quality in downwind states. AMP owned or operated facilities subject to these programs either have been allocated sufficient allowances for continued operation or, if necessary, are able to purchase allowances as needed to comply.

Clean Water Act §401/§404 permits
Permits are required when performing activities that impact streams and other water bodies, such as the construction of generation or distribution assets. The jurisdictional boundary between the state and federal authority is delineated in the definition of "waters of the United States" (or WOTUS). USEPA promulgated the Navigable Waters Protection Rule on April 21, 2020, which re-defines which waters are considered WOTUS.

Federal Power Act and National Environmental Policy Act
Under the Federal Power Act, FERC issues and enforces licenses to construct and operate hydropower projects. The licensing process incudes review under NEPA. The Council on Environmental Quality (CEQ) issued updated rules for NEPA reviews on July 12, 2020. AMP hydropower plants operate under such licenses, which include environmental requirements and obligations.

Other Commitments

Voith
On August 14, 2017, after the expiration of a tolling agreement and exhaustion of informal resolution efforts, AMP filed a complaint against Voith Hydro, Inc. (Voith) in federal court in Columbus, Ohio alleging breach of contract and breach of express warranty claims against Voith for each of the four hydro projects. AMP's breach of contract claim states that Voith materially breached the contracts on the projects as follows:

(a) delivering drawings and equipment late and out of sequence;
(b) delivering defective, incomplete and uncoordinated drawings and defective installation instructions;
(c) delivering defectively manufactured guide bearings and discharge rings;
(d) defectively designing and/or manufacturing equipment and equipment components;
(e) delivering equipment that was not completely and/or properly manufactured and required significant additional field work to install;
(f) failing to deliver "Category C" parts necessary for Voith Equipment assembly;
(g) failing to timely and completely address installation issues with the Voith Equipment, including but not limited to, failing to timely and completely address turbine alignment issues;
(h) failing to provide check sheets consistent with the Contracts' specifications;
(i) refusing to promptly and accurately address problems with the Voith Equipment; and
(j) failing to maintain a consistent executive and project management team and site representatives who were informed and prepared to address ongoing issues; and causing substantial delay and damage to the Hydro Projects, all in material breach of the Contracts.

The Complaint alleges that Voith's material breaches caused extensive damages to AMP. The Complaint notes that the contracts entitled AMP to withhold payment from Voith, and AMP withheld approximately $40 million in payments from Voith to offset the damages and costs incurred by AMP and its general contractors due to Voith's material breaches of the Contracts. After taking an agreed extension, Voith filed its Answer and Counterclaim on October 16, 2017. Voith's Answer denied AMP's claims, and Voith's Counterclaim for breach of contract and unjust enrichment made the following allegations against AMP:

(a) that a series of material interferences, hindrances, delays and defective performance by AMP, MWH and other Installation Contractors adversely impacted Voith, absolve Voith from liability to AMP, and make AMP liable to Voith;
(b) that AMP materially breached its contract with Voith by inappropriately modifying and increasing Voith's scope of work and refusing to pay Voith for the added scope and legitimate requests for additional payments;
(c) that AMP has failed and refused to pay the balance of the contract price and other amounts owed to Voith under the contract; and
(d) that Voith has been damaged in an amount in excess of $40M, plus interest and attorney fees.

On December 1, 2017, AMP filed its Answer and denied liability to Voith.

Affirmative expert reports were exchanged on December 6, 2019. After several case schedule extensions, on February 27, 2020, the Court again extended the case schedule in this matter at Voith's request. On October 6, 2020, a COVID-19-related case schedule was entered by agreement. The current case schedule establishes the following deadlines:

February 15, 2021	Defensive Expert Reports
April 5, 2021	Fact Discovery Completed
June 8, 2021	Rebuttal Expert Reports
August 31, 2021	Expert Discovery Completed
October 18, 2021	Dispositive Motion Deadline

The Magistrate Judge has been monitoring the discovery in this case closely. The Parties have had, and will continue to have, status conferences with the Magistrate Judge roughly every month during the discovery phase of the case. The Magistrate Judge has ruled on various discovery disputes throughout the pendency of this case and the parties have supplemented their discovery responses accordingly.

Both sides responded to initial written discovery on October 5, 2018 and produced Electronically Stored Information (ESI) discovery in December 2018. Fact depositions have begun and are expected to continue through the end of the fact discovery in April 2021.

At the request of the Magistrate Judge during the May 2019 status conference, the Parties began the process of selecting a mediator to serve in this case. A mediation occurred on December 11 and 12, 2019 in Baltimore, which was unsuccessful.

Since the mediation, the parties have continued with depositions and discovery. However, starting in approximately the second week of March 2020 with the emergence of the COVID-19 pandemic and federal, state and local guidelines and orders concerning social distancing and travel restrictions, the parties jointly agreed to put scheduled depositions for April and May on hold; those depositions were rescheduled as COVID-19 conditions allowed.

As disclosed in expert reports to date, AMP is claiming damages totaling approximately $119M and Voith is claiming damages totaling approximately $70M. These damage figures continue to be refined by the parties as discovery and expert review proceed forward.

AMP will vigorously pursue its claims and defend against Voith's Counterclaim. All costs associated with these claims are project costs recoverable from the project participants under their power sales agreement with AMP.

Other

AMP is also a party to various legal actions and complaints arising in the ordinary course of business. AMP does not believe that the ultimate resolution of such matters will have a material adverse effect on AMP's financial position or results of operations.

8. Subsequent Events

The Company has evaluated subsequent events through December 14, 2020 as this was the date the interim consolidated financial statements were available to be issued.