American Municipal Power, Inc.

Interim Consolidated Financial Statements and Supplemental Financial Information
June 30, 2012

American Municipal Power, Inc.
Index
Six Months Through and Ended June 30, 2012 (unaudited)

pwc

Report of Independent Accountants

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

We have reviewed the accompanying consolidated balance sheet of American Municipal Power, Inc. and its subsidiaries (the "Organization") as of June 30, 2012, and the related consolidated statements of revenues and expenses, changes in member and patron equities and cash flows for the six months ended June 30, 2012 and 2011. This interim financial information is the responsibility of the Organization's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. 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.

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 conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Organization as of December 31, 2011, and the related consolidated statements of revenues and expenses, changes in member and patron equities and of cash flows for the year then ended (not presented herein), and in our report dated March 21, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2011 and the consolidated statement of changes in member and patron equities for the year ended December 31, 2011, is fairly stated in all material respects in relation to the consolidated balance sheet and the

This report is intended solely for the information and use of management and the Board of Trustees of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

September 20, 2012

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American Municipal Power, Inc.
Consolidated Balance Sheets
June 30, 2012 (unaudited) and December 31, 2011

	June 30, 2012	December 31, 2011
Assets		
Utility plant		
Electric plant in service	$ 1,508,758,306	$ 107,174,249
Accumulated depreciation	(103,090,930)	(93,443,645)
Total utility plant	1,405,667,376	13,730,604
Nonutility property and equipment		
Nonutility property and equipment	20,865,382	20,411,987
Accumulated depreciation	(5,739,524)	(4,433,059)
Total nonutility property and equipment	15,125,858	15,978,928
Construction work-in-progress	1,566,635,234	2,693,115,785
Plant held for future use	34,881,075	34,881,075
Coal reserves	26,269,291	26,612,000
Trustee funds and other assets		
Trustee funds	1,613,483,768	1,824,901,292
Financing receivables - members	33,704,814	35,782,920
Note receivable	3,075,000	3,075,000
Regulatory assets	107,409,581	132,270,481
Prepaid power purchase asset	37,548	75,114
Prepaid pension costs	1,995,983	1,827,164
Intangible and other assets, net of accumulated amortization of $11,682,543 and $9,919,154, respectively	52,867,618	48,039,795
Total trustee funds and other assets	1,812,574,312	2,045,971,766
Current assets		
Cash and cash equivalents	56,374,717	70,481,931
Cash and cash equivalents - restricted	47,458,308	49,490,097
Trustee funds	450,205,296	475,926,129
Investments	13,857,698	13,565,020
Collateral postings	41,969,253	27,287,167
Accounts receivable	65,322,269	64,036,063
Interest receivable	39,364,125	42,096,787
Financing receivables - members	13,531,012	14,930,186
Inventories	8,649,508	-
Emission allowances	1,744,713	1,802,350
Regulatory assets	25,854,053	14,084,184
Prepaid power purchase asset	29,077,583	57,839,106
Prepaid expenses and other assets	5,798,013	4,762,957
Total current assets	799,206,548	836,301,977
Total assets	$ 5,660,359,694	$ 5,666,592,135

American Municipal Power, Inc.
Consolidated Balance Sheets
June 30, 2012 (unaudited) and December 31, 2011

	June 30, 2012	December 31, 2011
Equities and Liabilities		
Member and patron equities		
Contributed capital	$ 801,208	$ 801,208
Patronage capital	52,146,068	51,222,984
Total member and patron equities	52,947,276	52,024,192
Long-term debt		
Term debt	5,022,489,202	4,503,967,938
Term debt on behalf of members	6,834,000	14,617,000
Term debt on behalf of Central Virginia Electric Cooperative	24,479,167	-
Lines of credit	194,000,000	152,000,000
Total long-term debt	5,247,802,369	4,670,584,938
Current liabilities		
Accounts payable	73,294,473	94,284,622
Accrued salaries and related benefits	709,166	190,520
Accrued postretirement benefits	627,000	627,000
Accrued interest	107,497,829	108,931,519
Term debt	90,327,966	87,052,966
Term debt on behalf of members	19,287,000	21,001,000
Term debt on behalf of Central Virginia Electric Cooperative	520,833	-
Lines of credit	-	600,000,000
Regulatory liabilities	2,021,420	1,092,672
Other liabilities	16,104,543	7,402,212
Total current liabilities	310,390,230	920,582,511
Other noncurrent liabilities		
Accrued postretirement benefits	5,316,940	5,434,638
Deferred gain on sale of real estate	1,276,789	1,276,789
Asset retirement obligations	9,268,646	9,443,671
Regulatory liabilities	33,357,444	7,245,396
Total other noncurrent liabilities	49,219,819	23,400,494
Total liabilities	5,607,412,418	5,614,567,943
Total equities and liabilities	$ 5,660,359,694	$ 5,666,592,135

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

American Municipal Power, Inc.
Consolidated Statements of Revenue and Expenses
Six Months Ended June 30, 2012 and 2011 (unaudited)

	June 30, 2012	June 30, 2011
Revenues		
Electric revenue	$ 369,971,049	$ 348,890,506
Service fees	3,214,152	3,156,195
Programs and other	9,896,406	9,258,936
Total revenues	383,081,607	361,305,637
Operating expenses		
Purchased electric power	281,021,176	332,811,373
Production	16,071,606	10,479,280
Fuel	53,041,932	587,543
Depreciation	11,315,088	1,677,985
Administrative and general	2,325,341	2,761,694
Property and real estate taxes	378,534	331,712
Programs and other	8,814,828	7,485,268
Total operating expenses	372,968,505	356,134,855
Operating margin	10,113,102	5,170,782
Nonoperating revenues and expenses		
Interest expense	(10,511,121)	(4,580,242)
Interest income, subsidy	459,217	-
Interest income, other	581,344	122,723
Other, net	280,542	284,271
Total nonoperating revenues and expenses	(9,190,018)	(4,173,248)
Net margin	$ 923,084	$ 997,534

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

American Municipal Power, Inc.
Consolidated Statements of Changes in Member and Patron Equities
Six Months Ended June 30, 2012 (unaudited) and December 31, 2011

	Contributed Capital	Patronage Capital	Total
Balances, December 31, 2010	$ 790,528	$ 48,581,505	$ 49,372,033
Capital contributions	10,680	-	10,680
Net margin	-	2,641,479	2,641,479
Balances, December 31, 2011	801,208	51,222,984	52,024,192
Net margin	-	923,084	923,084
Balances, June 30, 2012	$ 801,208	$ 52,146,068	$ 52,947,276

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

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2012 and 2011 (unaudited)

	June 30, 2012	June 30, 2011
Cash flows from operating activities		
Net margin	$ 923,084	$ 997,534
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation	11,315,088	1,677,985
Amortization of deferred financing costs	1,763,389	1,954,610
Amortization of bond premium, net of amortization of bond discount	(747,754)	(747,761)
Accretion of interest on asset retirement obligations	27,608	27,606
Unrealized gain on investments	(354,892)	(365,137)
Changes in assets and liabilities		
Investments	62,214	-
Accounts receivable	(18,269)	4,255,080
Interest receivable	(459,400)	-
Collateral deposits	(14,682,086)	16,189,816
Emission allowances	57,637	57,818
Prepaid expenses and other assets	(1,699,566)	791,365
Regulatory assets and liabilities, net	4,596,379	6,529,175
Prepaid power purchase asset	28,799,089	28,627,673
Accounts payable	(5,068,143)	(7,958,904)
Accrued salaries and related benefits	(2,272)	(110,715)
Accrued postretirement benefits	(286,517)	(94,855)
Accrued interest	1,490,450	(1,877,794)
Asset retirement obligations	(233,877)	-
Other liabilities	5,155,986	(2,606,078)
Net cash provided by operating activities	30,638,148	47,347,418
Cash flows from investing activities		
Proceeds from sale of investments, net of purchases of investments	237,138,357	314,892,105
Purchase of utility property and equipment	(476,454)	(56,239)
Purchase of nonutility property and equipment	(453,395)	(35,713)
Sale of utility property and equipment	30,882,700	-
Purchase of construction work-in-progress	(291,144,251)	(239,213,273)
Restricted cash and cash equivalents	2,031,789	(10,162,721)
Net cash (used in) provided by investing activities	(22,021,254)	65,424,159

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2012 and 2011 (unaudited)

		June 30, 2012		June 30, 2011
Cash flows from financing activities				
Proceeds from revolving credit loan		139,445,731		28,889,833
Payments on revolving credit loan		(697,445,731)		(40,389,833)
Cost of issuance and remarketing of debt		(6,248,406)		(2,186,004)
Principal payments on term debt		(68,955,004)		(62,025,000)
Proceeds from issuance of term debt		591,499,022		-
Principal payments on term debt on behalf of members		(13,783,000)		(36,231,000)
Proceeds from issuance of term debt on behalf of members		4,286,000		2,745,000
Proceeds from issuance of term debt on behalf of Central Virginia Electric Cooperative		25,000,000		-
Proceeds from financing receivable - members		3,988,162		8,539,945
Funding of financing receivable - members		(510,882)		(4,566,020)
Net cash used in financing activities		(22,724,108)		(105,223,079)
Net change in cash and cash equivalents		(14,107,214)		7,548,498
Cash and cash equivalents, beginning of year		70,481,931		34,849,485
Cash and cash equivalents, end of period	$	56,374,717	$	42,397,983
Supplemental disclosure of cash flow information				
Cash paid during the period for interest	$	7,691,777	$	6,461,700
Supplemental disclosure of non-cash investing and financing activities				
Capital expenditures included in accounts payable and other liabilities	$	25,122,258	$	35,408,243
Capital expenditures included in accrued interest, net of interest receivable	$	63,901,327	$	57,467,387

The accompanying notes are an integral part of these consolidated 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. AMP is a membership organization comprised of 82 municipalities throughout Ohio, two municipalities in West Virginia, 30 municipalities in Pennsylvania, six municipalities in Michigan, five municipalities in Virginia, three municipalities in Kentucky 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: 1, 2, 4, 5, and 6 (“OMEGA” “JV1,” “JV2,” “JV4,” “JV5,” and “JV6”) (collectively, the “OMEGA Joint Ventures”).

AMP is closely aligned with Ohio Municipal Electric Association (“OMEA”), the legislative liaison for the state’s municipal electric systems. In addition to the OMEGA Joint Ventures, Municipal Energy Services Agency (“MESA”) has also been formed by the members. MESA provides management and technical services to AMP, its members, 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. Additionally, AMP has issued tax-exempt bonds to finance the construction of its generating projects.

AMP 368 is a wholly owned and consolidated subsidiary of AMP, which through AMP 368 is the owner of a 23.26%, or 368MW, undivided interest in the Prairie State Energy Campus (“PSEC”). The PSEC is a mine-mouth, pulverized coal-fired generating station in southwest Illinois.

Meldahl LLC is a wholly owned and consolidated subsidiary of AMP, which through Meldahl LLC, is the owner of the 105 MW Meldahl project under construction as a run-of-the river hydroelectric facility on the Ohio River.

2. Summary of Significant Accounting Policies

Basis of Presentation

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 June 30, 2012 should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2011.

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 six months ended June 30, 2012 are not necessarily indicative of the results to be expected for the full year ending December 31, 2012.

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.

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. There is $914,880 and $4,144,728 of land included in the construction work-in-progress account at June 30, 2012 and December 31, 2011, respectively. AMP capitalized interest costs in the amount of $115,712,600 and $118,314,913 for the six month periods ended June 30, 2012 and 2011, respectively.

Construction work-in-progress projects consist of the following at June 30, 2012 and December 31, 2011:

	June 30, 2012	December 31, 2011
Prairie State Energy Campus	$ 491,616,874	$ 1,287,300,942
Hydro Plants	1,065,065,359	869,561,557
AMP Fremont Energy Center	424,629	535,552,415
Other	9,528,372	700,871
	$ 1,566,635,234	$ 2,693,115,785

On January 21, 2012 the AMP Fremont Energy Center began commercial operation. The AMP Fremont Energy Center is a 707 MW natural gas fired combined cycle generation plant, located in the city of Fremont, Ohio. The plant was acquired by entering into an additional dedicated line of credit for $600,000,000 secured for the purpose of purchasing the plant. The total cost of construction of the AMP Fremont Energy Center at the date it was placed in service was $582,200,642. This amount includes a development fee of $35,535,448 elected to be paid by AMP Fremont Energy Center participants to AMP Generating Station participants who are also AMP Fremont Energy Center participants. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011.

On June 12, 2012, Unit 1 of PSEC began commercial operation. The second and final unit is expected to begin commercial operation in the fourth quarter of 2012.

Under joint ownership agreements with other municipal utilities, AMP has an undivided ownership interests in the Prairie State Energy Campus ("PSEC"). Each of the respective owners is responsible for the issuance of its own securities to finance its portion of the construction costs. Kilowatt-hour generation and operating expenses are divided on an owner's percentage of dispatched power with each owner reflecting its respective costs in its Statements of Revenue and Expenses. AMP's ownership interest in PSEC includes the proportionate share of PSEC's balance sheet as provided for under ASC 970-810-45, *Undivided Interests*. This Accounting Standard requires the recording of undivided interests in assets and liabilities when given conditions are met. Information relative to AMP's ownership interest in these facilities at June 30, 2012, is as follows:

	PSEC Unit 1	PSEC Unit 2
Utility plant in service	$ 836,067,602	$ -
Accumulated depreciation	1,696,461	-
Construction work in progress	-	491,616,874
Plant capacity - MW	800 Mw	800 Mw
AMP's ownership share	23.26%	23.26%
In service date	June 2012	Expected 4th quarter 2012

In addition, AMP owns a $26,269,291 interest (net of depletion) in the coal reserves located at PSEC facility as of June 30, 2012.

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 purchase 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's interest rate management strategy uses derivative instruments to minimize earnings fluctuations caused by interest rate volatility associated with AMP's variable rate debt. The derivative instruments used to meet AMP's risk management objectives are interest rate swaps.

AMP has entered into three interest rate swap agreements which are carried at their fair value on the consolidated balance sheets. The unrealized loss on the swaps was $(3,159,631) and $(3,381,166) at June 30, 2012 and December 31, 2011, respectively, and is included in other liabilities. A corresponding regulatory asset has been recorded equal to the unrealized loss.

AMP has adopted a fuel procurement and hedging program ("Corporate Energy Risk Control Policy") 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 ("ISDA") 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 ("swaps") to economically hedge the total natural gas fuel expense and are recorded 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 ranging from July 2012 through April 2015. Under such agreements, AMP pays the counterparty at a fixed rate and receives from the counterparty a floating rate per MMBtu ("dekatherm" or "DTH") of natural gas. Only the net differential is actually paid or received. The differential is calculated based on the notational amounts under the agreements.

On the short term agreements, there was an unrealized loss of $(5,378,232) at June 30, 2012 and zero at December 31, 2011 which is included in other liabilities. On the long-term agreements, there was an unrealized gain of $348,932 at June 30, 2012 and zero at December 31, 2011 which is included in intangible and other assets. A net loss of $(5,029,300) and zero was recognized in AMP's consolidated statements of revenues and expenses for the six month periods ending June 30, 2012 and 2011, respectively. A corresponding regulatory asset and liability has been recorded equal to the unrealized gain and loss.

On August 15, 2012, the AMP Board of Directors authorized the Company to execute a ten year natural gas hedging agreement for the AFEC facility. No such agreement has yet been executed by the Company.

Presentation
Certain prior year balances have been reclassified to conform with current year presentation.

3. Gorsuch Project

On May 19, 2010, AMP announced plans to begin cessation of operation at the Gorsuch Project, a 1950’s vintage coal-fired plant located near Marietta, Ohio. AMP determined it to be in the best interest of the participating member communities to cease operations at the facility. The facility ceased electric generation on November 11, 2010. The decision stems from a consent decree reached between the U.S. EPA and AMP that resolves all issues related to a Notice of Violation (“NOV”) issued by the U.S. EPA. The settlement includes a binding obligation that AMP cease coal-fired generation operation at the Gorsuch Project no later than December 31, 2012 and also requires AMP to spend $15,000,000 on an environmental mitigation project over the next several years and pay a civil penalty of $850,000. This amount was paid in October of 2010. The $15,000,000 required to be spent on the environmental mitigation project will be expensed as project expenditures are incurred. The environmental mitigation project is in the form of robust energy efficiency initiatives administered by a third party, The Vermont Energy Investment Corp. This project includes services for residential, commercial and industrial customers and is designed to assist participating AMP member communities with energy conservation. Through June 30, 2012, $7,517,860 of the $15,000,000 requirement has been incurred and expensed.

AMP has a regulatory asset of $29,717,161 and $37,213,372 at June 30, 2012 and December 31, 2011, respectively, related to costs incurred for the shut-down and closure of the Gorsuch Project. The decline in the regulatory asset during 2012 represents 2012 recoveries of these costs. AMP expects to fully recover the regulatory asset by December 31, 2014.

4. Lines of Credit and Term Debt

Credit Agreements

AMP has a revolving credit loan facility ("Facility") with a syndicate of lenders led by JPMorgan Chase Bank, N.A. Other members of the syndicate include KeyBank, N.A.; Wells Fargo, N.A.; Suntrust Bank; U.S. Bank, N.A.; Bank of America, N.A.; Huntington National Bank, N.A.; Royal Bank of Canada; Barclays Bank plc; and Bank of Montreal. The Facility allows for different types of loans with different interest rates and terms and includes the ability to issue letters of credit. The Facility expires on January 10, 2017. AMP's base borrowing capacity under the Facility is $750,000,000 with an accordion feature expandable to $1,000,000,000, if deemed necessary. At June 30, 2012, AMP had $194,000,000 outstanding under the Facility and the effective interest rate was 1.125%. At December 31, 2011, AMP had $152,000,000 outstanding under the Facility and the effective interest rate was 1.6125%.

On July 28, 2011 AMP entered into a dedicated bank line of credit, with a syndicate of commercial banks led by JP Morgan Chase Bank, NA, with an additional total available line of credit of $600,000,000. The agreement was for a 364-day Senior Secured Term Loan Facility, due in full on the maturity date. The proceeds of the loan provided transitional financing toward the purchase of the Fremont Energy Center. On June 29, 2012 AMP repaid this line of credit in full with the proceeds plus unpaid accrued interest from operation of the proceeds of the FEC Series 2012 Bonds.

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 at June 30, 2012 and December 31, 2011:

	June 30, 2012	December 31, 2011
AMP Bond Anticipation Note due October 26, 2012 with interest at 1.25% payable at maturity	$ 16,768,550	$ 16,768,550
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2008A	760,655,000	760,655,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009A	166,565,000	166,565,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009B	83,745,000	83,745,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009C	385,835,000	385,835,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2010	300,000,000	300,000,000
Unamortized discount of Prairie State Campus Revenue Bonds	(11,117,593)	(11,436,364)
AMP Electricity Purchase Revenue Bonds Prepayment Issue, Series 2007A	63,505,000	123,770,000
Unamortized premium on Electricity Purchase Revenue Bonds Prepayment Issue, Series 2007A	803,800	1,492,772
AMP Multi-Mode Variable Rate Combustion Turbine Project Revenue Bonds, Series 2006	9,930,000	10,620,000
AMP Hydro Project Revenue Bonds, Series 2009A	24,425,000	24,425,000
AMP Hydro Project Revenue Bonds, Series 2009B	497,005,000	497,005,000
AMP Hydro Project Revenue Bonds, Series 2009C	122,405,000	122,405,000
AMP Hydro Project Revenue Bonds, Series 2009D	18,611,765	18,611,765
Unamortized discount on AMP Hydro Project Revenue Bonds, Series 2009D	(2,516,883)	(2,610,390)
Unamortized premium on AMP Hydro Project Revenue Bonds, Series 2009C	6,450,728	6,930,670
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	152,995,000	152,995,000
Unamortized discount on AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	(733,406)	(755,304)
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 Meldahl Hydroelectric Project Revenue Bonds, Series 2010A	45,495,000	45,495,000
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 2011A	55,035,000	55,035,000
Unamortized premium on Meldahl Hydroelectric Revenue Bonds, Series 2010	224,531	237,547
AMP Fremont Energy Center Revenue Bonds, Series 2012A	20,540,000	-
AMP Fremont Energy Center Revenue Bonds, Series 2012B	525,545,000	-
Unamortized premium on AMP Fremont Energy Center Revenue Bonds, Series 2012B	45,414,022	-
Gorsuch Term Notes	14,666,654	22,666,658
	5,112,817,168	4,591,020,904
Current portion	(90,327,966)	(87,052,966)
Noncurrent portion	$ 5,022,489,202	$ 4,503,967,938

AMP Fremont Energy Center 2012A Bonds

The AMP Fremont Energy Center Revenue Bonds, Series 2012A (the "AFEC 2012A Bonds") were issued on June 29, 2012 in the form of term bonds with an aggregate par amount of $20,540,000. The bonds will mature between 2014 and 2016 and bear interest at fixed rates between 1.10% and 1.74%. Interest is payable semiannually beginning February 15, 2013. AMP has the right to redeem the AFEC 2012A Bonds on any date in whole or in part, at the make-whole premium.

The AFEC 2012A Bonds outstanding at June 30, 2012 are as follows:

Maturity Date - February 15	Principal Amount	Interest Rate
2014	$ 8,385,000	1.10%
2015	8,475,000	1.50%
2016	3,680,000	1.74%
	$ 20,540,000	

AMP Fremont Energy Center 2012B Bonds

The AMP Fremont Energy Center Revenue Bonds, Series 2012B (the "AFEC 2012B Bond") were issued June 29, 2012 in the form of serial and term bonds with an aggregate par amount of $525,545,000. The bonds will mature between 2016 and 2044 and bear interest at fixed rates between 4.00% and 5.25%. Interest is payable semiannually beginning February 15, 2013. AMP has the right to redeem the AFEC 2012B Bonds on any date in whole or in part, at the make-whole premium.

The AFEC 2012B Bonds outstanding at June 30, 2012 are as follows:

Maturity Date - February 15	Principal Amount	Interest Rate
2016	$ 4,925,000	5.00%
2017	8,910,000	5.00%
2018	9,360,000	5.00%
2019	9,825,000	5.00%
2020	10,315,000	5.00%
2021	10,830,000	5.00%
2022	11,375,000	5.00%
2023	11,940,000	5.00%
2024	12,540,000	5.00%
2025	13,165,000	5.00%
2026	13,825,000	5.25%
2027	14,550,000	5.25%
2028	15,315,000	5.25%
2029	16,120,000	5.25%
2030	16,965,000	4.00%
2031	17,645,000	5.00%
2032	18,525,000	5.00%
2037	107,485,000	4.03%
2042	137,175,000	4.11%
2044	64,755,000	4.48%
	$ 525,545,000	

The AFEC 2012B Bonds due on February 15, 2037, February 15, 2042 and February 15, 2044 are term bonds subject to mandatory sinking fund redemption on the principal payment date 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.

AFEC 2012B Bonds bearing interest at 4.03% and maturing on February 15, 2037:

Maturity Date - February 15	Principal Amount
2033	$ 19,450,000
2034	20,425,000
2035	21,445,000
2036	22,520,000
2037	23,645,000
	$ 107,485,000

AFEC 2012B Bonds bearing interest at 4.11% and maturing on February 15, 2042:

Maturity Date - February 15	Principal Amount
2038	$ 24,825,000
2039	26,065,000
2040	27,370,000
2041	28,740,000
2042	30,175,000
	$137,175,000

AFEC 2012B Bonds bearing interest at 4.48% and maturing on February 15, 2044:

Maturity Date - February 15	Principal Amount
2043	$ 31,685,000
2044	33,070,000
	$ 64,755,000

Term Debt on Behalf of Central Virginia Electric Cooperative

AMP and the Central Virginia Electric Cooperative ("CVEC") entered into a power sales contract dated July 26, 2011 under which AMP sells and CVEC purchases on a take-or-pay basis, the output associated with a 4.15% of AFEC. On June 26, 2012, AMP obtained a commitment from the National Cooperative Services Corporation ("NCSC"), an affiliate of the Rural Utilities Cooperative Financial Corporation (commonly known as "CFC") for a term loan of $25,000,000 to be amortized over 30 years.

This loan is secured by the CVEC power sales contract and a mortgage on and security interest in CVEC's 4.15% interest. AMP's obligations for the term loan are nonrecourse to AMP except to the extent of AMP's rights under the CVEC power sales contract and the mortgage on and security interest in the 4.15% output.

The term loan has variable interest rates ranging from 2.75% to 5.60% throughout the life of the loan and the term loan matures on February 15, 2042.

5. Fair Value of Financial Instruments

	June 30, 2012		December 31, 2011	
Financial Instruments	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Assets				
Investments	$ 13,857,698	$ 13,857,698	$ 13,565,020	$ 13,565,020
Trustee funds, AMP	2,033,401,631	2,009,060,843	2,238,622,915	2,293,974,153
Trustee funds on behalf of members	30,287,433	30,287,433	62,164,506	62,164,506
Natural gas swaps	348,932	348,932	-	-
Liabilities				
Fixed rate term debt, including current maturities, AMP	5,088,220,523	6,162,056,914	4,557,734,246	5,451,485,504
Fixed rate term debt, including current maturities, on behalf of members	22,667,000	27,792,978	31,670,000	31,834,787
Fixed rate term debt, including current maturities, on behalf Central Virginia Electric Cooperative	25,000,000	25,000,000	-	-
Variable rate term debt, including current maturities, AMP and on behalf of members	28,050,654	28,050,654	37,234,658	37,234,658
Interest rate swaps	3,159,631	3,159,631	3,381,166	3,381,166
Natural gas swaps	5,378,232	5,378,232	-	-

The carrying amounts of cash, accounts receivable, accounts payable, the AMP project notes, the municipal project notes and the revolving credit loan approximate their fair value due to their short maturities. The carrying amount of the Gorsuch Term Notes, the Combustion Turbine Bonds and the OMEGA JV6 Bonds approximate their fair value due to their variable rates of interest. The fair value of long-term debt reflect 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 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.

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 equity securities, mutual funds and money market funds that are listed on active exchanges which are included in investments and 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. AMP's Level 2 assets consist primarily of debt securities and guaranteed investment contracts. Liabilities in this category include AMP's interest rate swaps and natural gas swaps. Interest rate swaps are included in other liabilities on AMP's consolidated balance sheets. Natural gas swaps are included in other liabilities and intangible and other assets on AMP's consolidated balance sheets.

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's Level 3 assets consist of its investment in hedge funds, which are included in investments on the consolidated balance sheets.

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 tables set forth AMP's financial assets and financial liabilities that are accounted for at fair value by level within the fair value hierarchy as of June 30, 2012 and December 31, 2011. 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.

	June 30, 2012			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 6,511,428	$ -	$ -	$ 6,511,428
Money market funds	420,489,866	-	-	420,489,866
Guaranteed investment contract	-	27,214,783	-	27,214,783
Debt securities	-	1,598,925,508	-	1,598,925,508
Hedge funds	-	-	64,389	64,389
Natural gas swaps	-	348,932	-	348,932
	$ 427,001,294	$ 1,626,489,223	$ 64,389	$ 2,053,554,906
Liabilities				
Interest rate swaps	$ -	$ 3,159,631	$ -	$ 3,159,631
Natural gas swaps	-	5,378,232	-	5,378,232
	$ -	$ 8,537,863	$ -	$ 8,537,863

	December 31, 2011			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 4,592,305	$ -	$ -	$ 4,592,305
Money market funds	373,975,747	-	-	373,975,747
Guaranteed investment contract	-	57,424,293	-	57,424,293
Debt securities	-	1,933,646,320	-	1,933,646,320
Hedge funds	-	-	65,014	65,014
	$ 378,568,052	$ 1,991,070,613	$ 65,014	$ 2,369,703,679
Liabilities				
Interest rate swaps	$ -	$ 3,381,166	$ -	$ 3,381,166
	$ -	$ 3,381,166	$ -	$ 3,381,166

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, LOCs and priority interests). The impact of nonperformance risk was immaterial in the fair value measurements.

The following table provides a reconciliation of changes in the fair value of hedge fund investments classified as Level 3 in the fair value hierarchy during the six months ended June 30, 2012 and the year ended December 31, 2011:

Balance as of January 1, 2011	$ 2,357,833
Settlements	(2,292,819)
Balance as of December 31, 2011	65,014
Unrealized loss	(625)
Balance as of June 30, 2012	$ 64,389

6. Employee Benefits

Pension Plan

AMP has a defined benefit pension plan (the “Pension Plan”) covering substantially all hourly employees at the Gorsuch Project. Benefits for eligible employees at retirement are based primarily on years of service and compensation rates. Assets held by the Pension Plan consist primarily of treasury notes, marketable securities, and alternative investments.

Postretirement Plan

AMP sponsors a postretirement benefit plan (the “Postretirement Plan”) covering salaried and hourly employees at the Gorsuch Project who were hired before November 1, 2003. The Postretirement Plan provides prescription drug and medical, dental, and life insurance benefits. Benefits are available to employees who retire under provisions of the Postretirement Plan. The eligible employees’ share of the medical insurance premiums in the postretirement period is increased on the basis of the provisions of the Postretirement Plan. At June 30, 2012 and December 31, 2011, $13,857,698 and $13,565,020 respectively, of investments in the accompanying consolidated balance sheets are designated to fund Postretirement Plan benefits.

The following table sets forth the components of net periodic benefit cost, for the Pension Plan and Postretirement Plan at June 30, 2012 and 2011:

	Pension Plan	
	June 30, 2012	June 30, 2011
Components of net periodic benefit costs		
Service cost	$ 24,000	$ 20,000
Interest cost	280,839	384,382
Expected return on plan assets	(629,333)	(795,950)
Recognized actuarial loss	291,500	744,882
Settlement loss	-	5,676,024
Net periodic benefit cost	$ (32,994)	$ 6,029,338

	Postretirement Plan	
	June 30, 2012	June 30, 2011
Components of net periodic benefit costs		
Service cost	$ 10,000	$ 10,000
Interest cost	129,845	138,594
Amortization of transition obligation	39,300	39,300
Recognized actuarial loss	142,500	145,000
Net periodic benefit cost	$ 321,645	$ 332,894

7. Commitments and Contingencies

Environmental Matters

AMP is subject to regulation by federal and state authorities with respect to air and water quality control and other environmental matters and is subject to zoning and other regulations by local authorities.

Originally proposed in February 2010 and finalized in August 2010, USEPA’s original RICE NESHAP Rule established emission limits and working practice standards for compression-ignited diesel engines and spark-ignited engines at area and major sources nationwide. The rule has been under reconsideration, settlement discussions, and reproposal since January 2011. In June 2012, USEPA proposed a number of significant amendments to the final rule, on which AMP filed comments. The diesel engines that are owned by AMP are affected by this rule, and compliance must be demonstrated by May 2013 (AMP has requested an extension of the compliance dates to reflect USEPA’s delays and a final rule is not expected until December 2012). AMP is evaluating its compliance options while awaiting a final rule.

Every five years, USEPA is to propose new National Ambient Air Quality Standards ("NAAQS") for various criteria pollutants. USEPA’s NAAQS for ozone was to have been issued in 2010; having missed this deadline, the agency indicated its intention to issue the ozone NAAQS by July 2011. The Administration withdrew the proposal in September 2011, but the President acknowledged that the standard would be reconsidered in 2013. Details as to the level of the upcoming ozone NAAQS are unknown at this time.

In addition, under agency consideration since 2007 and delayed since 2011, USEPA proposed new NAAQS for fine particulate matter ("PM") in June 2012 and intends to issue final NAAQS for PM by December 2012. Both the ozone and PM NAAQS can have significant impacts on general economic development throughout AMP's footprint states, based on the final standards. For example, many metropolitan or industrialized counties would be expected to become nonattainment areas under the new ozone and PM standards if the levels are set low enough. This could require substantial local reductions of nitrogen oxides, volatile organic compounds, sulfur dioxide, and particulate matter. In addition to emission reductions required to achieve local compliance, additional reductions may be required to achieve compliance in down-wind neighboring states. At this point, however, USEPA's Cross-State Air Pollution Rule (CSAPR) has been overturned by the U.S. Court of Appeals and sent back to the agency to be rewritten. The Clean Air Interstate Rule ("CAIR") remains in place for allowance allocations.

Power Purchase Commitments
AMP's general practice is to enter into long-term power purchase contracts only when such contracts are supported by corresponding sales contracts to its members. All such contracts are considered normal pursuant to the FASB's guidance on derivative instruments. All such purchases are "covered" by corresponding power sales arrangements either with individual members or one of AMP's power pools.

AMP has certain power supply agreements that include provisions that would require collateral upon a decrease in AMP's credit rating below investment grade, or power prices below certain thresholds.

Other Commitments
AMP is 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 September 20, 2012 as this was the date the interim consolidated financial statements were made available to be issued. No matters were identified that would materially impact the financial statements or require disclosure.

Supplemental Financial Information

Report of Independent Auditors on Supplemental Financial Information

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

The report on our review of the consolidated financial statements of American Municipal Power, Inc. ("AMP") and its subsidiaries at June 30, 2012 and for the six-months then ended appears on page one of this document. That review was conducted for the purpose of becoming aware of any material modifications that should be made to the consolidated interim financial statements taken as a whole. Based on the our review, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America. The consolidating balance sheet at June 30, 2012 and the consolidating statements of revenues and expenses and of cash flows for the six-months ended June 30, 2012 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual entities. Accordingly, we do not express an opinion on the financial position, results of operations and cash flow of the individual entities. However, the consolidating interim information has been subjected to the review procedures applied in the review of the consolidated financial statements and based on the procedures performed, we are not aware of any material modifications that should be made to the consolidating information in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

September 20, 2012

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American Municipal Power, Inc.
Consolidating Balance Sheet
June 30, 2012

	AMP *	PSEC	AFEC	Eliminating	Total
Assets					
Utility plant					
Electric plant in service	$ 107,550,700	$ 836,067,602	$ 565,140,004	$ -	$ 1,508,758,306
Accumulated depreciation	(94,044,269)	(1,696,461)	(7,350,200)	-	(103,090,930)
Total utility plant	13,506,431	834,371,141	557,789,804	-	1,405,667,376
Nonutility property and equipment					
Nonutility property and equipment	20,865,382	-	-	-	20,865,382
Accumulated depreciation	(5,739,524)	-	-	-	(5,739,524)
Total nonutility property and equipment	15,125,858	-	-	-	15,125,858
Construction work-in-process	1,074,593,731	491,616,874	424,629	-	1,566,635,234
Plant held for future use	34,881,075	-	-	-	34,881,075
Coal reserves	-	26,269,291	-	-	26,269,291
Trustee funds and other assets					
Trustee funds	1,290,484,868	276,475,441	46,523,459	-	1,613,483,768
Financing receivables-members	33,704,814	-	-	-	33,704,814
Notes receivable	3,075,000	-	-	-	3,075,000
Regulatory assets	98,905,088	1,035,562	7,468,931	-	107,409,581
Prepaid power purchase asset	37,548	-	-	-	37,548
Prepaid pension costs	1,995,983	-	-	-	1,995,983
Intangible and other assets	29,998,471	17,997,549	4,871,598	-	52,867,618
Total trustee funds and other assets	1,458,201,772	295,508,552	58,863,988	-	1,812,574,312
Current assets					
Cash and cash equivalents	45,829,560	7,734,352	2,810,805	-	56,374,717
Cash and cash equivalents - restricted	46,104,269	1,354,039	-	-	47,458,308
Trustee funds	390,582,697	58,325,240	1,297,359	-	450,205,296
Investments	13,857,698	-	-	-	13,857,698
Collateral postings	40,827,505	-	1,141,748	-	41,969,253
Accounts receivable	46,275,368	3,081,158	17,675,125	(1,709,382)	65,322,269
Interest receivable	33,137,866	6,226,075	184		39,364,125
Financing receivables - members	13,531,012	-	-	-	13,531,012
Inventories	-	8,649,508	-	-	8,649,508
Emission allowances	1,744,713	-	-	-	1,744,713
Regulatory assets	13,931,293	6,544,528	5,378,232	-	25,854,053
Prepaid power purchase asset	29,077,583	-	-	-	29,077,583
Prepaid expenses and other assets	3,401,929	1,124,016	1,272,068		5,798,013
Total current assets	678,301,493	93,038,916	29,575,521	(1,709,382)	799,206,548
Total assets	$ 3,274,610,360	$ 1,740,804,774	$ 646,653,942	$ (1,709,382)	$ 5,660,359,694

*This column represents all consolidated AMP entities except for AFEC and PSEC.

American Municipal Power, Inc.
Consolidating Balance Sheet
June 30, 2012

	AMP*	PSEC	AFEC	Eliminating	Total
Equities and Liabilities					
Member and patron equities					
Contributed capital	$ 801,208	$ -	$ -	$ -	$ 801,208
Patronage capital	52,146,068	-	-	-	52,146,068
Total member and patron equities	52,947,276	-	-	-	52,947,276
Long-term debt					
Term debt	2,745,307,773	1,685,682,407	591,499,022	-	5,022,489,202
Term debt on behalf of members	6,834,000	-	-	-	6,834,000
Term debt on behalf of Central Virginia Electric Cooperative	-	-	24,479,167	-	24,479,167
Lines of credit	194,000,000	-	-	-	194,000,000
Total long-term debt	2,946,141,773	1,685,682,407	615,978,189	-	5,247,802,369
Current liabilities					
Accounts payable	65,447,624	1,806,206	7,750,025	(1,709,382)	73,294,473
Accrued salaries and related benefits	188,248	520,918	-	-	709,166
Accrued postretirement benefits	627,000	-	-	-	627,000
Accrued interest	72,742,627	34,755,202	-	-	107,497,829
Term debt	90,327,966	-	-	-	90,327,966
Term debt on behalf of members	19,287,000	-	-	-	19,287,000
Term debt on behalf of Central Virginia Electric Cooperative	-	-	520,833	-	520,833
Lines of credit	-	-	-	-	-
Regulatory liabilities	915,420	-	1,106,000	-	2,021,420
Other liabilities	4,768,048	4,500,185	6,836,310	-	16,104,543
Total current liabilities	254,303,933	41,582,511	16,213,168	(1,709,382)	310,390,230
Other noncurrent liabilities					
Accrued postretirement benefits	5,316,940	-	-	-	5,316,940
Deferred gain on sale of real estate	1,276,789	-	-	-	1,276,789
Asset retirement obligations	6,890,230	2,378,416	-	-	9,268,646
Regulatory liabilities	7,733,419	11,161,440	14,462,585	-	33,357,444
Total other noncurrent liabilities	21,217,378	13,539,856	14,462,585	-	49,219,819
Total liabilities	3,221,663,084	1,740,804,774	646,653,942	(1,709,382)	5,607,412,418
Total equities and liabilities	$ 3,274,610,360	$ 1,740,804,774	$ 646,653,942	$ (1,709,382)	5,660,359,694

*This column represents all consolidated AMP entities except for AFEC and PSEC.

American Municipal Power, Inc.
Consolidating Statement of Revenues and Expenses
June 30, 2012

	AMP *	PSEC	AFEC	Eliminating	Total
Revenues					
Electric revenue	$ 286,404,194	$ 8,027,787	$ 77,460,236	$ (1,921,168)	$ 369,971,049
Service fees	3,214,152	-	-	-	3,214,152
Programs and other	9,896,406	-	-	-	9,896,406
Total revenues	299,514,752	8,027,787	77,460,236	(1,921,168)	383,081,607
Operating expenses					
Purchased electric power	279,519,763	-	1,501,413	-	281,021,176
Production	3,690,549	1,585,874	12,716,351	(1,921,168)	16,071,606
Fuel	119,878	466,391	52,455,663	-	53,041,932
Depreciation	1,907,087	2,057,801	7,350,200	-	11,315,088
Administrative and general	2,325,341	-	-	-	2,325,341
Property and real estate taxes	353,274	904	24,356	-	378,534
Programs and other	8,762,925	51,903	-	-	8,814,828
Total operating expenses	296,678,817	4,162,873	74,047,983	(1,921,168)	372,968,505
Operating margin	2,835,935	3,864,914	3,412,253	-	10,113,102
Nonoperating revenues and expenses					
Interest expense	(3,052,904)	(4,039,736)	(3,418,481)	-	(10,511,121)
Interest income, subsidy	459,217	-	-	-	459,217
Interest income, other	405,297	174,822	1,225	-	581,344
Other, net	275,539	-	5,003	-	280,542
Total nonoperating revenues and expenses	(1,912,851)	(3,864,914)	(3,412,253)	-	(9,190,018)
Net margin	$ 923,084	$ -	$ -	$ -	$ 923,084

*This column represents all consolidated AMP entities except for AFEC and PSEC.

American Municipal Power, Inc.
Consolidating Statement of Cash Flows
June 30, 2012

	AMP *	PSEC	AFEC	Eliminating	Total
Cash flows from operating activities					
Net margin	$ 923,084	$ -	$ -	$ -	$ 923,084
Adjustments to reconcile net margin to net cash provided by operating activates					
Depreciation	1,907,087	2,057,801	7,350,200	-	11,315,088
Amortization of deferred financing costs	1,218,260	521,072	24,057	-	1,763,389
Amortization of bond premium, net of amortization of bond discount	(1,066,526)	318,772	-	-	(747,754)
Accretion of interest on asset retirement obligations	6,062	21,546	-	-	27,608
Unrealized gain on investment	(354,892)	-	-	-	(354,892)
Changes in assets and liabilities					
Investments	62,214	-	-	-	62,214
Accounts receivable	14,459,722	(1,270,429)	(14,892,017)	1,684,455	(18,269)
Interest receivable	-	(459,217)	(183)	-	(459,400)
Collateral deposits	(13,540,338)	-	(1,141,748)	-	(14,682,086)
Emission allowances	57,637	-	-	-	57,637
Prepaid expenses and other assets	(977,612)	(1,433,628)	711,674	-	(1,699,566)
Regulatory assets and liabilities, net	(2,424,689)	4,299,646	2,721,422	-	4,596,379
Prepaid power purchase asset	28,799,089	-	-	-	28,799,089
Accounts payable	(13,597,189)	2,858,099	7,355,402	(1,684,455)	(5,068,143)
Accrued salaries and related benefits	(2,272)	-	-	-	(2,272)
Accrued postretirement benefits	(286,517)	-	-	-	(286,517)
Accrued interest	(1,428,986)	2,919,436	-	-	1,490,450
Asset retirement obligations	(233,877)	-	-	-	(233,877)
Other liabilities	(909,613)	(190,310)	6,255,909	-	5,155,986
Net cash provided by operating activities	12,610,644	9,642,788	8,384,716	-	30,638,148
Cash flows from investing activities					
Proceeds from sale of investments, net of purchase of investments	233,978,128	50,981,047	(47,820,818)	-	237,138,357
Purchase of utility property' and equipment	(476,454)	-	-	-	(476,454)
Purchase of non utility property and equipment	(453,395)	-	-	-	(453,395)
Sale of utility property and equipment	100,000	-	30,782,700	-	30,882,700
Purchase of construction work-in-process	(208,495,619)	(54,206,090)	(28,442,542)	-	(291,144,251)
Restricted cash and cash equivalents	2,031,856	(67)	-	-	2,031,789
Net cash (used in) provided by investing activities	26,684,516	(3,225,110)	(45,480,660)	-	(22,021,254)

*This column represents all consolidated AMP entities except for AFEC and PSEC.

American Municipal Power, Inc.
Consolidating Statement of Cash Flows
June 30, 2012

	AMP*	PSEC	AFEC	Eliminating	Total
Cash flows from financing activities					
Proceeds from revolving credit loan	139,445,731	-	-	-	139,445,731
Payments on revolving credit loan	(96,520,869)	-	(600,924,862)	-	(697,445,731)
Cost of issuance and remarketing of debt	(1,648,118)	(53,565)	(4,546,723)	-	(6,248,406)
Principal payments on term debt	(68,955,004)	-	-	-	(68,955,004)
Proceeds from issuance of term debt	-	-	591,499,022	-	591,499,022
Principal payments on term debt on behalf of members	(13,783,000)	-	-	-	(13,783,000)
Proceeds from issuance of term debt on behalf of members	4,286,000	-	-	-	4,286,000
Proceeds from issuance of term debt on behalf of Central Virginia Electric Cooperative	-	-	25,000,000	-	25,000,000
Proceeds from financing receivable members	3,988,162	-	-	-	3,988,162
Funding of financing receivable members	(510,882)	-	-	-	(510,882)
Net cash (used in) financing activities	(33,697,980)	(53,565)	11,027,437	-	(22,724,108)
Net cash in cash and cash equivalents	5,597,180	6,364,113	(26,068,507)	-	(14,107,214)
Cash and cash equivalents, beginning of year	40,232,380	1,370,239	28,879,312	-	70,481,931
Cash and cash equivalents, end of year	$ 45,829,560	$ 7,734,352	$ 2,810,805	$ -	$ 56,374,717

*This column represents all consolidated AMP entities except for AFEC and PSEC.