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# NEWS RELEASE

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## **AMP TO RETIRE GORSUCH GENERATING STATION**

American Municipal Power Inc. (AMP) today announced plans to begin cessation of operations at the Richard H. Gorsuch Generating Station (RHGS), a 1950's vintage coal-fired power plant located near Marietta, Ohio.

AMP has determined it to be in the best interest of the participating member communities to cease operations at the facility by Dec. 15, 2010. The plan is to operate all four boilers during summer peak demand period and then reduce to two boilers through mid December.

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 USEPA that alleged that certain work performed at RHGS in 1981-1986 (before AMP had an interest in RHGS), and in 1988-1991 (after AMP had an interest in the plant) should have triggered a New Source Review. Similar NOVs had previously been issued for nearly all regional utilities with coal-fired generation. Among other provisions contained in the consent decree is the binding obligation that AMP will cease coal-fired electric generation operations at RHGS no later than Dec. 31, 2012.



## AMP announces Gorsuch retirement

Given the provisions in the consent decree, age of the plant, economics of operating the plant and the current attractive power market conditions, AMP determined it to be in the economic interest of the participating member communities to cease operations at the facility by Dec. 15, 2010. This will avoid the need for additional investments in a plant that, given RHGS' expected life, would not be economic. Another factor when making this determination was safety with regard to plant operations. Continuing to invest money to ensure safe plant operations does not make sense given the fact that the consent decree will mandate shutdown in 2012.

“Harry Truman was President when this plant first began generating electricity,” AMP President/CEO Marc Gerken said. “AMP acquired partial ownership in 1988, and since that time the plant has been a reliable source of power for our participating members. We are very appreciative of the Gorsuch staff and the dedication they have shown through the years. Unfortunately, the current situation makes retiring the plant the only reasonable business decision, and the decision that makes the most sense for our participants.”

AMP staff, legal counsel and Board representatives have been meeting with USEPA officials directly and via teleconferences for nearly nine months to achieve a settlement to the NOV.

“It’s important to understand that when considering modifications at a generating facility, the USEPA is not only looking at whether the modifications actually increased emissions, but also whether they had the *potential* to increase emissions,” said AMP Vice President of Generation Operations Mike Perry. “RHGS is in compliance with its operating permits. AMP has responsibly operated the facility since taking ownership and we have made a number of improvements at the facility that have actually *reduced* emissions.”



*AMP announces Gorsuch retirement*

AMP will meet and bargain with the employees union, who has been notified, over the effects of the decision, and plant staff will be reduced after summer peak. AMP has a fully-funded pension fund for plant retirees, and the organization will work with existing employees to ensure awareness of available job training and other resources.

AMP will continue to work with existing steam and water customers on the cessation of current operations, those customers had been notified in 2006 that AMP was unable to renew existing contracts and that cessation of operations at the plant was likely.

AMP is exploring the possibility of a gas peaking project at the site. Such a new project would require a substantially smaller workforce, and would be re-subscribed to AMP members. A decision about moving forward with such a project will be made later this year. AMP is also working on deployment of a significant retail energy efficiency program for our member communities as part of the consent decree, an undertaking that is projected to create approximately 30 new jobs in Ohio.

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**ABOUT AMP:** American Municipal Power Inc. is the wholesale power supplier and services provider for 128 member municipal electric communities in Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia. Headquartered in Columbus, Ohio, the organization provides a variety of services for its members including, power supply planning, engineering, financial, environmental, generation, legal, public relations and other support services. AMP members receive their power supply from a diversified resource mix that includes: wholesale power purchases through AMP and on the open market from investor-owned utilities and marketers; and energy produced from a variety of base load and distributed generation assets utilizing hydro, wind, landfill gas and fossil fuels. **For more information about American Municipal Power, please visit our web site: [www.ampppartners.org](http://www.ampppartners.org)**

