

# **American Municipal Power, Inc.**

**Consolidated Financial Statements  
December 31, 2023 and 2022**

# American Municipal Power, Inc.

## Index

December 31, 2023 and 2022

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## **Report of Independent Auditors**

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

### ***Opinion***

We have audited the accompanying consolidated financial statements of American Municipal Power, Inc. and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of revenues and expenses, of changes in member and patron equities, and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are



considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*PricewaterhouseCoopers LLP*

Columbus, Ohio  
April 22, 2024

**American Municipal Power, Inc.**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**

	December 31, 2023	December 31, 2022
Assets		
Utility plant		
Electric plant in service	\$ 5,022,204,543	\$ 4,989,915,714
Accumulated depreciation	<u>(1,239,893,070)</u>	<u>(1,120,383,722)</u>
Total utility plant	<u>3,782,311,473</u>	<u>3,869,531,992</u>
Nonutility property and equipment		
Nonutility property and equipment	29,282,640	26,358,173
Accumulated depreciation	<u>(17,492,247)</u>	<u>(15,177,827)</u>
Total nonutility property and equipment	<u>11,790,393</u>	<u>11,180,346</u>
Construction work-in-progress	61,549,080	43,219,987
Plant held for future use	34,881,075	34,881,075
Coal reserves	17,860,339	18,633,118
Trustee funds and other assets		
Trustee funds	207,247,197	230,547,643
Regulatory assets	512,168,401	515,116,952
Prepaid assets	70,283,535	74,347,263
Intangible and other assets	<u>37,953,504</u>	<u>50,894,071</u>
Total trustee funds and other assets	<u>827,652,637</u>	<u>870,905,929</u>
Current assets		
Cash and cash equivalents	222,868,443	233,759,433
Cash and cash equivalents - restricted	7,550,646	15,828,972
Trustee funds	344,278,727	317,053,597
Trustee funds - restricted	222,284,931	-
Collateral postings	5,432	5,432
Accounts receivable	98,019,828	125,446,021
Interest receivable	27,986,292	33,351,879
Financing receivables - members	30,774,777	28,989,206
Notes Receivable	3,100,000	4,450,000
Inventories	16,991,537	15,360,424
Regulatory assets - current	32,295,291	29,383,947
Prepaid expenses and other assets	<u>13,894,023</u>	<u>15,388,672</u>
Total current assets	<u>1,020,049,927</u>	<u>819,017,583</u>
Total assets	<u>\$ 5,756,094,924</u>	<u>\$ 5,667,370,030</u>

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

**American Municipal Power, Inc.**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equities and Liabilities		
Member and patron equities		
Contributed capital	\$ 828,968	\$ 828,968
Patronage capital	110,161,594	103,634,662
Total member and patron equities	<u>110,990,562</u>	<u>104,463,630</u>
Long-term debt		
Term debt	4,683,212,978	4,810,305,154
Term debt on behalf of others	15,083,330	15,937,497
Revolving credit loan	188,700,000	163,400,000
Total long-term debt	<u>4,886,996,308</u>	<u>4,989,642,651</u>
Current liabilities		
Accounts payable	78,784,053	107,250,263
Accrued interest	103,596,189	109,210,502
Term debt - current portion	324,249,412	100,979,412
Term debt on behalf of others	31,104,167	30,989,167
Collateral postings	3,790,000	43,206,000
Regulatory liabilities	8,478,215	12,375,383
Other liabilities	51,735,892	39,069,923
Total current liabilities	<u>601,737,928</u>	<u>443,080,650</u>
Other noncurrent liabilities		
Asset retirement obligations	14,023,778	12,327,081
Regulatory liabilities	138,561,953	116,192,947
Other liabilities	3,784,395	1,663,071
Total other noncurrent liabilities	<u>156,370,126</u>	<u>130,183,099</u>
Total liabilities	<u>5,645,104,362</u>	<u>5,562,906,400</u>
Total equities and liabilities	<u>\$ 5,756,094,924</u>	<u>\$ 5,667,370,030</u>

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

**American Municipal Power, Inc.**  
**Consolidated Statements of Revenues and Expenses**  
**Years Ended December 31, 2023 and 2022**

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	December 31, 2023	December 31, 2022
<b>Revenues</b>		
Electric revenue	\$ 1,051,940,393	\$ 1,157,686,869
Service fees	11,465,691	11,949,101
Programs and other	69,514,774	59,900,795
Total revenues	1,132,920,858	1,229,536,765
<b>Operating expenses</b>		
Purchased electric power	429,095,879	482,165,778
Production	139,282,560	142,741,169
Fuel	143,217,478	209,692,217
Depreciation and amortization	134,077,431	129,133,669
Administrative and general	53,284,648	53,359,734
Property and real estate taxes	15,482,597	12,500,433
Programs and other	20,068,016	18,858,459
Total operating expenses	934,508,609	1,048,451,459
Operating margin	198,412,249	181,085,306
<b>Nonoperating revenues (expenses)</b>		
Interest expense	(280,694,542)	(265,499,729)
Interest income, subsidy	64,991,619	66,044,417
Interest and other income & expenses	23,817,606	16,415,857
Total nonoperating expenses	(191,885,317)	(183,039,455)
Net margin (loss)	\$ 6,526,932	\$ (1,954,149)

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**  
**Years Ended December 31, 2023 and 2022**

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	<b>Contributed Capital</b>	<b>Patronage Capital</b>	<b>Total</b>
<b>Balances at December 31, 2021</b>	\$ 828,968	\$ 105,588,811	\$ 106,417,779
Net loss	<u>-</u>	<u>(1,954,149)</u>	<u>(1,954,149)</u>
<b>Balances at December 31, 2022</b>	<u>\$ 828,968</u>	<u>\$ 103,634,662</u>	<u>\$ 104,463,630</u>
Net margin	<u>-</u>	<u>6,526,932</u>	<u>6,526,932</u>
<b>Balances at December 31, 2023</b>	<u>\$ 828,968</u>	<u>\$ 110,161,594</u>	<u>\$ 110,990,562</u>

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

**American Municipal Power, Inc.**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	December 31, 2023	December 31, 2022
<b>Cash flows from operating activities</b>		
Net margin (loss)	\$ 6,526,932	\$ (1,954,149)
Adjustments to reconcile net margin to net cash used in operating activities		
Depreciation and amortization	134,077,431	129,133,669
Amortization of bond premium, net of amortization of bond discount and amortization of deferred financing costs	(24,846,823)	(32,451,622)
Amortization of premiums and discounts on held-to-maturity debt securities	(4,619,437)	(5,262,254)
Loss on disposal of utility property and equipment and stranded costs	672,983	186,318
Changes in assets and liabilities		
Collateral postings	(39,416,000)	27,335,000
Accounts and interest receivable	32,791,779	(39,098,014)
Inventories	(1,631,113)	(1,762,298)
Regulatory assets and liabilities, net	37,655,153	39,842,898
Prepaid expenses and other assets	2,993,917	1,159,077
Accounts payable and other liabilities	(4,257,378)	58,552,342
Accrued interest	(5,614,313)	(4,608,669)
Net cash provided by operating activities	<u>134,333,131</u>	<u>171,072,298</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and construction work-in progress	(76,975,191)	(49,313,951)
Proceeds from sale of property, plant and equipment	60,421	-
Proceeds from insurance claims	-	584,042
Proceeds from sale of investments	676,855,470	1,018,765,250
Purchase of investments	(898,445,648)	(393,736,413)
Net cash (used in) provided by investing activities	<u>\$ (298,504,948)</u>	<u>\$ 576,298,928</u>

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

**American Municipal Power, Inc.**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	December 31, 2023	December 31, 2022
<b>Cash flows from financing activities</b>		
Proceeds from revolving credit loan	33,900,000	181,300,000
Payments on revolving credit loan	(8,600,000)	(190,700,000)
Proceeds from issuance of term debt	395,540,589	-
Principal payments on term debt	(272,024,412)	(680,954,412)
Cost of issuance of debt	(2,638,938)	-
Proceeds from issuance of term debt on behalf of others	30,250,000	30,135,000
Principal payments on term debt on behalf of others	(30,989,167)	(32,764,167)
Proceeds from notes receivable	1,350,000	2,181,216
Funding of notes receivable	-	(4,500,000)
Proceeds from financing receivables - members	24,283,275	33,382,252
Funding of financing receivables - members	(26,068,846)	(32,511,133)
Net cash provided by (used in) financing activities	<u>145,002,501</u>	<u>(694,431,244)</u>
Net change in cash, cash equivalents and restricted cash	(19,169,316)	52,939,982
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of period	249,588,405	196,648,423
End of period	<u>\$ 230,419,089</u>	<u>\$ 249,588,405</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the period for interest, net of amount capitalized	<u>\$ 311,155,678</u>	<u>\$ 302,560,020</u>
<b>Supplemental disclosure of noncash investing and financing activities</b>		
Capital expenditures included in accounts payable	<u>\$ 12,907,071</u>	<u>\$ 26,491,649</u>

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

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### 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 that will accrue to states or political subdivision thereof; AMP’s income is excludable from gross income under IRC Section 115. AMP is a membership organization comprised of 84 municipalities throughout Ohio, 29 municipalities in Pennsylvania, five municipalities in Kentucky, five municipalities in Michigan, 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 AMPs municipal members owns and operates an electric system. 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 the Ohio Municipal Electric Association (“OMEA”), the provider of legislative liaison services to AMP and 80 Ohio public power communities. AMP members have also formed the 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. Additionally, 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 currently owns and provides transmission services in Ohio for the benefit of members.

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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## 2. Summary of Significant Accounting Policies

### Basis of Consolidation

The consolidated financial statements include the accounts of AMP and its wholly owned subsidiaries, AMPO, Inc., Meldahl LLC, AMP 368 and AMP Transmission LLC. All intercompany transactions have been eliminated in the preparation of the consolidated financial statements.

### 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.

Depreciation on utility plant assets is provided for by the straight-line method over the estimated useful lives of the property as follows:

Production plant	10-40 years
Transmission plant	5-55 years
General plant	3-20 years
Station equipment	5-23 years

### 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.

Depreciation on nonutility property and equipment is provided for on the straight-line method over the estimated useful lives of the property as follows:

Building	40 years
Furniture and equipment	5-10 years
Computer software	3-5 years
Vehicles	3-5 years

### 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.

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### **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. In 2017, AMP entered into a Solar Lease and Easement Agreement with a third party to develop the AMPGS property. The initial lease term was for four years and has been amended to extend the term of the agreement through February 2, 2027.

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 December 31, 2023, AMP has a remaining regulatory asset of \$5,270,497 for the recovery of these abandoned construction costs.

#### **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.

#### **Coal Reserves**

AMP has purchased coal reserves in conjunction with the construction of the PSEC. The coal reserves are recorded at cost. AMP also has a contractual right of first refusal for additional coal reserves. These reserves are valued at \$17,860,339 and \$18,633,118 (net of depletion) as of December 31, 2023 and 2022, respectively. Depletion occurs as the coal reserves are mined.

#### **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 Accounting Standards Codification ("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.

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### **Financing Receivable—Members**

Financing receivable - members is comprised of debt service obligations on AMP's limited recourse tax-exempt debt issued on behalf of its members (Note 9).

In connection with the issuance of municipal project notes, AMP has entered into loan agreements with individual member communities. The terms of these loan agreements provide that the member community will issue its note to AMP in the same amount as the related AMP project note. The member community note issued to AMP is payable solely from the net revenue of the member community's electric system. Certain of these loan agreements also provide that a portion of the proceeds from the issuance of municipal project notes shall be deposited in a project fund held for the purpose of making payments of project costs as designated by the member community. The project fund amounts are invested at the direction of the member community and are disbursed by AMP upon submission of a payment requisition satisfactory to AMP. Project fund deposits are restricted to the payment of designated project costs.

#### **Investment in The Energy Authority**

On January 1, 2014 AMP entered into a membership agreement with The Energy Authority ("TEA"). As a condition of membership, AMP is subject to TEA operations and settlement procedures as AMP receives services from TEA for dispatch services and natural gas management. AMP is also subject to guaranty agreements where if TEA is unable to deliver capacity, energy or gas obligations, AMP is obligated to pay that amount to relevant counterparties the extent of the guaranty limit, which is \$60,000,000 for capacity and energy and \$21,700,000 for natural gas. AMP accounts for their ownership interest in TEA as a cost method investment.

#### **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 were net of \$9,172,860 and \$8,408,455 of accumulated amortization as of December 31, 2023 and 2022, 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.

#### **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 \$73,614,889 and \$77,731,602 as of December 31, 2023 and 2022, respectively. AMP is amortizing the cost of the power over the life of the Prepaid Agreements using a non-straight line method based on power used. 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 \$4,268,928 and \$4,589,383 as of December 31, 2023 and 2022, 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.

#### **Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, cash equivalents consist of highly-liquid cash and short-term investments with original maturities of three months or less.

#### **Restricted Cash**

Restricted cash consists of non-project related funds to support the AMP general fund activity if needed. Cash is generated through Service Fees A and B in our Member's agreements.

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### **Collateral Postings**

At December 31, 2023 and, AMP posted collateral deposits with insurance companies in connection with long-term construction projects. AMP also posted collateral to PJM Interconnection and Midcontinent Independent System Operator, Inc. ("MISO") for the ability to participate in auctions for future transmission rights ("FTRs"). AMP has recorded these collateral postings as current assets in the accompanying consolidated balance sheets. The impact of utilizing FTRs is included in the transmission cost of purchased power. During 2022, AMP engaged The Energy Authority ("TEA"), its energy supply manager, to manage the collateral and margin requirements with PJM and MISO, an existing service offering under the Operating Agreement with TEA.

#### **Concentration of Credit Risk and Accounts Receivable**

AMP periodically maintains cash balances in excess of the federally insured limit.

At December 31, 2023, accounts receivable due from two customers were 15% of the total and at December 31, 2022, these same 2 customers represented 18% of the total. Revenues from two customers were 15% from for the year ended December 31, 2023, and 16% for the year ended December 31, 2022.

#### **Notes Receivable**

Forty-two of AMP's members are members of OMEGA JV5, the Belleville hydroelectric project. In November 2022, OMEGA JV5 borrowed \$4,500,000 from AMP for working capital needs. OMEGA JV5 has been making monthly cash payments on this loan. At December 31, 2023, the balance was \$3,100,000 and is shown in current assets in the Consolidated Balance Sheet. At December 31, 2022, the balance was \$4,450,000.

#### **Inventories**

Inventories consist of fuel inventory and materials and supplies inventories. Fuel inventory is the recorded amount of unused coal inventory at PSEC. This amount is verified semi-annually by a third party and is valued at the weighted average cost. Materials and supplies inventories are recorded at average cost. These items are used primarily for maintenance and daily operational requirements.

#### **Member and Patron Equities**

Contributed capital represents initial capital contributions made by members. Should AMP cease business, these amounts, if available, will be returned to the members, and any available patronage capital will also be distributed to members and former members based on their patronage of AMP while they were members.

#### **Asset Retirement Obligations**

AMP records, at fair value initially, legal obligations associated with the retirement or removal of long-lived assets that can be reasonably estimated. The recognition of a liability is accompanied by a corresponding increase in utility plant. The liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to utility plant) and for accretion due to the passage of time. Certain AMP assets have an indeterminate life, such as hydroelectric facilities, and thus the fair value of the retirement obligation is not reasonably estimable. A liability for these asset retirement obligations will be recorded when a fair value is determinable.

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### **Revenue Recognition and Rates**

Revenues are recognized when service is delivered. AMP's rates for capacity and energy billed to members are designed by the AMP board of trustees to recover actual costs. In general, costs are defined to include AMP's costs of purchased power and operations (except for depreciation and amortization) and debt service requirements.

Rates charged to members for non-project power are based on the actual cost of purchased power. Members also pay a service fee based on kilowatt hours purchased through AMP and retail sales of kilowatt hours in each member electric system.

Programs and other revenues consist of the reimbursement for expenses incurred from programs that AMP offers to its members. Revenue from these programs is recorded as costs are incurred.

Accounts receivable includes \$83,659,126 and \$113,978,892 during the years ended December 31, 2023 and 2022, respectively, for capacity and energy delivered to members that were not billed until the subsequent year.

#### **Project Power Sales Contracts**

AMP's member power sales contracts for AMPGS, AFEC, PSEC, Napoleon Solar, the hydro projects, and the behind the meter projects are long-term take or pay agreements, which must be paid regardless of delivery, construction completion or power availability.

#### **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 (Note 6).

# **American Municipal Power, Inc.**

## **Notes to Consolidated Financial Statements**

### **Years Ended December 31, 2023 and 2022**

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#### **Taxes**

The IRS ruled that AMP is tax-exempt under Section 501(a) as an organization described in Section 501(c)(12) of the IRC, provided 85% of its total revenue consists of amounts collected from its members for the sole purpose of meeting losses and expenses. As AMP derives its income from the exercise of an essential government function and will accrue to a state or a political subdivision thereof; AMP's income is excludable from gross income under IRC Section 115. For the years ended December 31, 2023 and 2022, AMP complied with this requirement. Accordingly, no provision for federal or state income taxes has been made. AMP is subject to State of Ohio personal property, real estate and sales taxes. AMP has signed agreements with the taxing authorities in West Virginia and Kentucky obligating payment of agreed upon amounts in lieu of real estate taxes.

AMPO, Inc. is a for-profit entity subject to federal, state and local income taxes. Deferred taxes result from temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

#### **Market and Credit Risk**

AMP is potentially exposed to market risk associated with commodity prices for electricity and natural gas. AMP manages this risk through the use of long-term power purchase contracts and long-term natural gas supply arrangements.

AMP has credit risk associated with the ability of members to repay amounts due from power sales and other services and of counterparties to long-term power supply arrangements. AMP regularly monitors receivables from its members. AMP does not require collateral with its trade receivables.

AMP has established a risk management function that regularly monitors the credit quality of counterparties to its power purchase arrangements. The risk management function uses multiple sources of information in evaluating credit risk including credit reports, published credit ratings of the counterparty and AMP's historical experience with the counterparty. Credit limits are established depending on the risk evaluation and, when warranted, AMP requires credit protection through letters of credit or other guarantees. The inability of counterparties to deliver power under power supply arrangements could cause the cost of power to members to be in excess of prices in the power supply arrangements.

#### **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 certain power purchase and power sales contracts meeting the definition of derivative instruments qualify to be accounted for as normal purchase or normal sale contracts as provided in ASC815 "Derivatives and Hedging". Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to mark to market accounting treatment and are recognized on AMPS Consolidated Statements of Revenue and Expenses on an accrual basis.

**American Municipal Power, Inc.**  
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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 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 2032. 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 notional amounts under the agreements. Notional amounts under contracts were \$147,128,995 and \$112,997,580 at December 31, 2023 and 2022, respectively.

Unrealized gains on these contracts are shown as assets on the balance sheet and unrealized losses are shown as liabilities on the balance sheet in the following locations and amounts:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Prepaid expenses and other assets - Current	\$ 71,966	\$ 3,435,855
Intangible and other assets - Non-current	6,383,409	17,613,892
<b>Total Assets</b>	<b><u>\$ 6,455,375</u></b>	<b><u>\$ 21,049,747</u></b>
Other liabilities - Current	\$ 10,653,841	\$ 9,244,978
Other liabilities - Non-current	3,673,580	919,403
<b>Total Liabilities</b>	<b><u>\$ 14,327,421</u></b>	<b><u>\$ 10,164,381</u></b>

The impact of counterparty netting as of December 31, 2023 and December 31, 2022 is immaterial.

The change in fair market value for a loss of \$18,757,412 and gain of \$19,221,986 was recognized in fuel on AMP’s consolidated statements of revenues and expenses for the years ending December 31, 2023 and 2022, respectively. The change in fair value, which represents both unrealized gains and losses and realized gains and losses due to settlement, are offset as regulatory assets or liabilities. The losses from the natural gas contracts do not result from other-than-temporary declines in market value.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

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For certain gas risk management contracts, AMP is required to post or receive cash collateral based on third-party contractual agreements and risk profiles. Such amounts for the right to reclaim cash collateral or the obligation to return cash collateral have not been offset against net derivative instrument positions. AMP has cash collateral received from third parties against short-term and long-term risk management assets in the amounts of \$3,790,000 and \$43,206,000 at December 31, 2023 and 2022 respectively.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“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.

**Renewable Energy Credits (RECs)**

AMP views RECs as a government incentive. This perspective states that RECs do not arise because of the physical attributes of the property, but rather are a paper product from a government program (like tax incentives) created to promote the construction of renewable energy facilities. As such, AMP accounts for its RECs as compensation to the owner/operator for the additional costs associated with a green power facility. In addition, RECs are not physically produced or generated. No costs are allocated to the RECs and therefore, while AMP tracks RECs earned, they have no carrying value on the balance sheet.

**3. Utility Plant**

Utility plant cost consists of the following:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Land	\$ 48,174,677	\$ 49,867,204
Production Plant	4,473,306,257	4,440,302,292
Station Equipment	41,360,214	41,360,214
Transmission Plant	241,702,754	237,737,812
General Plant	217,660,642	220,648,192
	<u>\$ 5,022,204,543</u>	<u>\$ 4,989,915,714</u>

Depreciation expense for utility plant for the years ended December 31, 2023 and 2022 was \$129,626,766 and \$127,317,902 respectively.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

**Jointly-Owned Utility Plant**

AMP has ownership interest in electric facilities that are jointly-owned with non-affiliated companies. AMP's ownership interest in these facilities is recorded in accordance with ASC 970-810-45, Undivided Interests. Each owner is obligated to pay its share of the costs of this jointly-owned property in the same proportion as its ownership interest. AMP's portion of the operating costs associated with these facilities are included in AMP's consolidated statements of revenues and expenses and the assets are reflected in AMP's consolidated balance sheets under total utility plant in the following table. The amounts below are inclusive of costs incurred by the developer and AMP:

	Ownership Interest	December 31, 2023	December 31, 2022
<b>Greenup</b>	48.60%		
Utility Plant in Service		\$ 145,117,908	\$ 144,656,063
Accumulated Depreciation		(35,806,010)	(31,090,181)
 <b>Prairie State</b>	 23.26%		
Utility Plant in Service		\$ 1,408,824,431	\$ 1,406,067,550
Construction Work-in-Progress		14,599,888	12,382,330
Accumulated Depreciation		(418,623,997)	(384,308,069)

**4. Nonutility Property and Equipment**

Nonutility property and equipment cost consists of the following:

	December 31, 2023	December 31, 2022
Land	\$ 3,238,376	\$ 1,679,102
Building	10,335,102	10,162,613
Furniture and equipment	1,817,246	866,259
Computer software	13,154,546	13,034,594
Vehicles	737,370	615,605
	<u>\$ 29,282,640</u>	<u>\$ 26,358,173</u>

Depreciation expense for nonutility property and equipment for the years ended December 31, 2023 and 2022 was \$2,363,528 and \$1,416,640, respectively.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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**5. Construction Work-in-Progress**

Construction work-in-progress consists of the following:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
'Behind-the-meter' Sub-peaking facilities	\$ 16,545,181	\$ 21,945,533
Prairie State Energy Campus	14,599,888	12,382,330
Transmission projects	20,201,881	3,476,065
Other	10,202,130	5,416,059
	<u>\$ 61,549,080</u>	<u>\$ 43,219,987</u>

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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**6. Regulatory Assets and Liabilities**

Regulatory assets and liabilities consist of the following:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Regulatory assets</b>		
Debt service costs	\$ 443,003,208	\$ 457,128,856
Operating and maintenance expenditures	19,049,598	15,127,116
Rate stabilization programs	40,183,302	29,662,327
Projects on behalf of	5,613,462	11,132,423
Closure of Gorsuch Project costs	10,549,544	10,989,108
Abandoned construction costs	12,852,987	8,985,017
Fair value of derivative instruments	7,872,046	-
Pension plan and postretirement healthcare plan obligations	3,500,825	4,667,766
Asset retirement costs	1,127,628	1,243,193
Other	711,092	5,565,093
Total regulatory assets	<u>544,463,692</u>	<u>544,500,899</u>
Current portion	<u>(32,295,291)</u>	<u>(29,383,947)</u>
Noncurrent portion	<u>\$ 512,168,401</u>	<u>\$ 515,116,952</u>
<b>Regulatory liabilities</b>		
Debt service costs	\$ 33,187,348	\$ 13,220,927
Operating and maintenance expenditures	11,396,336	24,667,690
Rate stabilization programs	49,387,519	39,127,974
Other	26,728,473	13,466,926
Working capital expenditures	14,944,588	14,944,588
Fair value of derivative instruments	-	10,885,365
Projects on behalf of	9,176,995	10,027,490
Capital improvement expenditures	2,218,909	2,227,370
Total regulatory liabilities	<u>147,040,168</u>	<u>128,568,330</u>
Current portion	<u>(8,478,215)</u>	<u>(12,375,383)</u>
Noncurrent portion	<u>\$ 138,561,953</u>	<u>\$ 116,192,947</u>

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

### Years Ended December 31, 2023 and 2022

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#### 7. Related Parties

AMP has entered into agreements for management and agency services (“Service Agreements”) with the OMEGA Joint Ventures, MESA, and OMEA. Participants in these organizations are all members of AMP. The AMP board of trustees has established a joint venture oversight committee that is responsible for reviewing financial information and operating matters related to the OMEGA Joint Ventures. Under these Service Agreements, AMP serves as agent and provides planning, construction and financial management, operations, and other professional and technical services. AMP is compensated based on an allocation of direct expenses and overhead.

MESA provides engineering, administrative and other services to AMP and its members. The expense related to these services for the years ended December 31, 2023 and 2022 was \$10,815,680 and \$11,393,204, respectively. An immaterial amount of these charges from MESA are rebilled to non-consolidated affiliated companies.

Certain members of AMP are also members of OMEGA: JV2, JV4, JV5, and JV6. AMP purchases power and fuel on behalf of OMEGA JV5. Power and fuel purchases for the years ended December 31, 2023 and 2022 were \$3,684,706 and \$3,502,955, respectively.

For the years ended December 31, 2023 and 2022, AMP made contributions to OMEA \$220,000 and \$220,000 respectively.

At December 31, 2023, accounts receivable and accounts payable include \$3,644,801 and \$4,354,782, respectively, of amounts due from/to affiliates. At December 31, 2022, accounts receivable and accounts payable include \$855,871 and \$1,197,521, respectively, of amounts due from/to affiliates.

TEA provides various power scheduling and commodity management services to AMP as well as purchases natural gas on behalf of AMP. Expenses related to these services were \$83,230,455 for 2023 and \$212,961,527 for 2022, which are recorded in Production expense and Administrative and general expense.

#### 8. Revolving Credit Loan and Term Debt

##### Revolving Credit Loan

On March 18, 2022 AMP entered into an Amended and Restated Credit Agreement (“2022 Credit Agreement”) under which it may borrow, from time to time, in an aggregate amount not to exceed \$600,000,000 with Royal Bank of Canada (“RBC”), as administrative agent for the Lenders and a syndicate of banks, financial institutions and other entities arranged by RBC Capital Markets, LLC, Bank of America, N.A., The Huntington National Bank, and PNC Bank, as joint lead arrangers and joint bookrunners. The term of the 2022 Credit Agreement is five (5) years with a maturity of March 17, 2027. AMP may elect to increase the overall commitment to \$850,000,000 with a minimum of \$50,000,000 and a 10 day business day notice. This cannot be any more than 4 times during the term of the agreement.

At December 31, 2023, AMP had \$188,700,000 outstanding under the Facility and the effective interest rate was 6.256%. At December 31, 2022, AMP had \$163,400,000 outstanding under the Facility and the effective interest rate was 5.223%.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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**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:

	December 31, 2023	December 31, 2022
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009B	\$ 20,335,000	\$ 23,790,000
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	129,045,000	300,000,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2015A	218,790,000	218,790,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2017A	56,385,000	57,595,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2019B	107,430,000	124,955,000
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	130,775,000	143,520,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2021A	142,010,000	142,010,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2023A	359,470,000	-
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009B	364,180,000	364,180,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009D	2,658,823	3,988,235
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	122,325,000	122,325,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010B	1,109,995,000	1,109,995,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010C	96,765,000	106,265,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2016A	179,655,000	189,220,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2020A	90,665,000	103,060,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2021A	93,645,000	96,005,000
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 2010E	279,695,000	289,035,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2016A	72,690,000	74,930,000
AMP Fremont Energy Center Project Revenue Bonds, Series 2017A	112,745,000	124,385,000
AMP Fremont Energy Center Project Revenue Bonds, Series 2021A	266,045,000	269,520,000
AMP Greenup Hydroelectric Project Revenue Bonds, Series 2016A	116,830,000	118,760,000
AMP Solar Electric Prepayment Project Revenue Bonds, Series 2019A	49,500,000	51,040,000
AMP Solar Electric Prepayment Project Revenue Bonds, Series 2020A	23,655,000	24,385,000
Subtotal	<u>4,795,288,823</u>	<u>4,707,753,235</u>
Less: Current portion	(324,249,412)	(100,979,412)
Plus: Unamortized premium and discount, net	238,970,819	231,265,783
Less: Unamortized debt issuance costs, net	<u>(26,797,252)</u>	<u>(27,734,451)</u>
Long-term debt	<u>\$ 4,683,212,978</u>	<u>\$ 4,810,305,154</u>

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

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**Build America Bonds and New Clean Renewable Energy Bonds**

Certain AMP bonds have been designated as Build America Bonds (“BABs”) and New Clean Renewable Energy Bonds (“New CREBs”) pursuant to the provisions of the American Recovery and Reinvestment Act (the “Recovery Act.”). As of the date of issuance of the bonds designated as BABs, AMP expected to receive a federal cash subsidy in the amount of 35% of the interest payable on or about each interest payment date. As of the date of issuance of the bonds designated as New CREBs, AMP expected to receive a cash subsidy payment from the United States Treasury over the term of the bonds equal to 70% of interest which would have been payable on the designated bonds if the interest on such bonds were determined by reference to the applicable tax credit rate under Section 54A (b)(3) of the Internal Revenue Code. These federal subsidies do not constitute a full faith and credit guarantee of the United States but are required to be paid by the Treasury under the Recovery Act. AMP is obligated to make all payments of principal and interest on the bonds designated as BABs and New CREBs whether or not it receives the federal subsidy pursuant to the Recovery Act. The federal government mandated budget sequestration that went into effect beginning March 1, 2013, applied to direct credit subsidy payments. The federal subsidy payment rate to issuers of BABs and New CREBs for relevant periods was:

10/1/2019 - 9/30/2020	5.9%
10/1/2020 - 9/30/2021	5.7%
10/1/2021 - 9/30/2022	5.7%
10/1/2022 - 9/30/2023	5.7%

The reductions in subsidies related to the sequestration have been extended through 2031.

**PSEC 2009B Bonds**

The Prairie State Energy Campus Project Revenue Bonds, Series 2009B (“PSEC 2009B Bonds”) were issued on October 15, 2009, pursuant to the PSEC MTI, in the form of serial and term bonds with an aggregate par amount of \$83,745,000. Interest is payable semiannually, beginning February 15, 2010. AMP has the right to redeem the PSEC 2009B Bonds on any date, in whole or in part, at the make-whole premium.

The PSEC 2009B Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 3,685,000	5.355 %
2028	<u>16,650,000</u>	5.803 %
	<u>\$ 20,335,000</u>	

The PSEC 2009B Bonds due on February 15, 2024 and February 15, 2028, 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:

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The PSEC 2009B Bonds maturing on February 15, 2024:

Year	Principal Amount
2024	\$ 3,685,000
	<u>\$ 3,685,000</u>

The PSEC 2009B Bonds maturing on February 15, 2028:

Year	Principal Amount
2025	\$ 3,955,000
2026	4,245,000
2027	4,550,000
2028	<u>3,900,000</u>
	<u>\$ 16,650,000</u>

**PSEC 2009C Bonds**

The Prairie State Energy Campus Project Revenue Bonds, Series 2009C (“PSEC 2009C Bonds”) were issued on October 15, 2009, pursuant to the PSEC MTI, in the form of serial and term bonds with an aggregate par amount of \$385,835,000. The PSEC 2009C Bonds mature between 2034 and 2043 with interest at fixed rates between 5.953% and 6.053%. Interest is payable semiannually, beginning February 15, 2010.

AMP designated the PSEC 2009C Bonds as BABs. See “Build America Bonds and New Clean Renewable Energy Bonds” above.

The PSEC 2009C Bonds outstanding at December 31, 2023 are as follows:

Maturity Date - February 15	Principal Amount	Interest Rate
2034	\$ 10,000,000	5.953 %
2043	<u>272,515,000</u>	6.053 %
	<u>\$ 282,515,000</u>	

AMP has the right to redeem any or all of the PSEC 2009C Bonds on any date, in whole or in part, at the make-whole premium. The PSEC 2009C Bonds are subject to redemption from any available funds, at the option of AMP, prior to their maturity, in whole or in part upon the occurrence of certain extraordinary events, at a make-whole redemption price.

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The PSEC 2009C Bonds due on February 15, 2034 and February 15, 2043, 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:

The PSEC 2009C Bonds bearing interest at 5.953% and maturing on February 15, 2034:

Year	Principal Amount
2028	\$ 950,000
2029	1,330,000
2030	1,395,000
2031	1,460,000
2032	1,545,000
2033	1,625,000
2034	1,695,000
	<hr/>
	\$ 10,000,000

The PSEC 2009C Bonds bearing interest at 6.053% maturing on February 15, 2043:

Year	Principal Amount
2040	\$ 64,140,000
2041	66,730,000
2042	69,425,000
2043	72,220,000
	<hr/>
	\$ 272,515,000

**PSEC 2010 Bonds**

The Prairie State Energy Campus Project Revenue Bonds, Series 2010 (“PSEC 2010 Bonds”) were issued on September 29, 2010, pursuant to the PSEC MTI, in the form of term bonds due February 15, 2047 with an aggregate par amount of \$300,000,000. The PSEC 2010 Bonds carry interest at a fixed rate of 5.939%. Interest is payable semiannually, beginning February 15, 2011. In December 2023 the PSEC 2023A bonds issuance was partially used to pay \$170,955,000 of the \$300,000,000 principal.

AMP designated the PSEC 2010 Bonds as BABs. See “Build America Bonds and New Clean Renewable Energy Bonds” above.

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The PSEC 2010 Bonds are 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:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2044	37,720,000	5.939 %
2045	39,210,000	5.939 %
2046	40,750,000	5.939 %
2047	11,365,000	5.939 %
	<u>\$ 129,045,000</u>	

AMP has the right to redeem the PSEC 2010 Bonds on any date in whole or in part, at the make-whole redemption price. The PSEC 2010 Bonds are subject to redemption from any available funds at the option of AMP, prior to their maturity, in whole or in part, upon the occurrence of certain extraordinary events, at a make-whole redemption price.

The PSEC includes adjacent coal reserves and all associated mine, rail, water, coal combustion waste storage and ancillary support. The generating station consists of two supercritical units with a nominal net output capacity of 800MW each. The plant incorporates state-of-the-art emissions control technology consistent with other plants that have been successfully permitted. All permits required for the construction of the power plant have been issued. PSEC Unit 1 was declared to be in commercial operation in June 2012 and PSEC Unit 2 was declared to be in commercial operation in November 2012. AMP entered into a power sales contract dated November 1, 2007 with 68 of its members (the "PSEC Participants") for its share of the electric output of the PSEC (the "AMP Entitlement"). The PSEC Participants' obligations to make payments pursuant to the power sales contract are limited obligations payable solely out of the revenues, and, with two exceptions, as an operating expense, of their respective electric systems. Each PSEC Participant's obligation to make payments pursuant to the power sales contract is a take-or-pay obligation. Therefore, such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise; and such payments shall be made whether or not either unit of PSEC or any other power sales contract resource is completed, operable, operating and notwithstanding the suspension, interruption, interference, reduction or curtailment, in whole or in part, for any reason whatsoever, of the AMP Entitlement or the PSEC Participants' power sales contract resources share, including step-up power. The power sales contract contains a step-up provision that requires, in the event of default by an PSEC Participant, the nondefaulting PSEC Participants to purchase a pro rata share, based upon each nondefaulting PSEC Participant's original power sales contract resources share which, together with the shares of the other nondefaulting PSEC Participants, is equal to the defaulting PSEC Participant's power sales resources share. No nondefaulting participant is obligated to accept step-up power in excess of 25% of its original power sales contract resources share. There have been no incidents of default by the Participants.

The proceeds of the PSEC 2009A Bonds, the PSEC 2009B Bonds, the PSEC 2009C Bonds and the PSEC 2010 Bonds were used to fund the cost of construction of the PSEC.

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**PSEC 2015A Bonds**

The PSEC 2015A Bonds mature between 2022 and 2043 at fixed rates between 4.00% and 5.00%. Interest is payable semiannually, beginning August 15, 2015. The PSEC 2015A Bonds were issued at an aggregate premium of \$67,353,331.

The PSEC Series 2015A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	<u>\$ 218,790,000</u>	5.000 %
	<u>\$ 218,790,000</u>	

These bonds were paid in full at maturity in February 2024.

**PSEC 2017A Bonds**

The PSEC 2017A Bonds mature between 2022 and 2038 with interest at a fixed rate of 5.00%.

Interest is payable semiannually, beginning February 15, 2019. The PSEC 2017A Bonds were issued at an aggregate premium of \$11,127,985.

The PSEC 2017A Bonds outstanding at December 31, 2023 are as follows:

	<b>Principal Amount</b>
2024	\$ 410,000
2025	710,000
2026	925,000
2027	1,465,000
2028	1,545,000
2029	1,745,000
2030	1,835,000
2031	1,925,000
2032	1,590,000
2033	1,665,000
2034	7,705,000
2035	8,090,000
2036	8,490,000
2037	8,920,000
2038	9,365,000
	<u>\$ 56,385,000</u>

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**PSEC 2019B Bonds**

The PSEC 2019B Bonds mature between 2022 and 2036 with interest at a fixed rate of 5.00%. Interest is payable semiannually, beginning February 15, 2020. The PSEC 2019B Bonds were issued at an aggregate premium of \$23,590,192.

The PSEC Series 2019B Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>
2024	\$ 25,580,000
2025	30,605,000
2035	35,670,000
2036	15,575,000
	<u>\$ 107,430,000</u>

**PSEC 2019C Bonds**

The PSEC 2019C Bonds mature between 2033 and 2039 and bear interest at fixed rates between 4.00% and 5.00%. Interest is payable semiannually, beginning February 15, 2020. The PSEC 2019C Bonds were issued at an aggregate premium of \$16,285,591.

The PSEC Series 2019C Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2033	\$ 32,185,000	5.000 %
2035	7,560,000	5.000 %
2036	8,050,000	5.000 %
2039	39,690,000	4.000 %
	<u>\$ 87,485,000</u>	

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**PSEC 2019D Bonds**

The PSEC 2019D Bonds mature between 2022 and 2032 and bear interest with fixed rates between 2.085% and 3.114%. Interest is payable semiannually, beginning February 15, 2020.

The PSEC Series 2019D Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 6,795,000	2.299 %
2025	2,960,000	2.453 %
2026	3,170,000	2.563 %
2027	3,250,000	2.714 %
2028	3,340,000	2.764 %
2029	7,170,000	2.814 %
2030	36,105,000	2.914 %
2031	37,020,000	3.014 %
2032	<u>30,965,000</u>	3.114 %
	<u>\$ 130,775,000</u>	

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**PSEC 2021A Bonds**

The PSEC 2021A bonds were issued November 3, 2021 for the purpose of paying down a line of credit draw from AMP that was utilized to refund the PSEC 2019A bonds. The PSEC 2021A Bonds mature between 2030 and 2036 with interest at a fixed rates between 4.00% and 5.00%. Interest is payable semi-annually, beginning February 15, 2022. The PSEC 2021A Bonds were issued at an aggregate premium of \$27,616,182.

The PSEC Series 2021A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2030	\$ 9,010,000	5.000 %
2031	10,285,000	5.000 %
2032	18,370,000	5.000 %
2033	19,020,000	5.000 %
2034	47,460,000	4.000 %
2035	7,890,000	4.000 %
2036	<u>29,975,000</u>	4.000 %
	<u>\$ 142,010,000</u>	

**PSEC 2023A Bonds**

The PSEC 2023A bonds were issued December 20, 2023 for the purpose of paying down the PSEC 2015A bonds and a partial pay down of PSEC 2010 bonds. The PSEC 2023A Bonds mature in 2039 with interest at a fixed rate of 5.00%. Interest is payable semi-annually, beginning February 15, 2024. The PSEC 2023A Bonds were issued at an aggregate premium of \$36,070,589.

The PSEC Series 2023A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>
2025	\$ 4,875,000
2026	36,900,000
2027	38,245,000
2028	40,150,000
2029	42,075,000
2030	6,220,000
2031	6,530,000
2032	6,855,000
2033	7,200,000
2034	7,900,000
2035	8,295,000
2036	8,705,000
2037	55,630,000
2038	58,415,000
2039	<u>31,475,000</u>
	<u>\$ 359,470,000</u>

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**Combined Hydroelectric Projects Financings**

The Combined Hydroelectric Projects Revenue Bonds, Series 2009A, 2009B and 2009C (“Hydro 2009A Bonds”, “Hydro 2009B Bonds” and “Hydro 2009C Bonds”) were issued on December 9, 2009, pursuant to the terms of a Master Trust Indenture, dated as of November 1, 2009 (as amended and supplemented, (“Hydro MTI”), in the form of serial and term bonds with an aggregate par amount of \$643,835,000. Interest is payable semiannually, beginning February 15, 2010.

AMP designated the Hydro 2009B Bonds as BABs. See “Build America Bonds and New Clean Renewable Energy Bonds” above.

**Hydro 2009B Bonds**

The Hydro 2009B Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2032	\$ 55,810,000	6.424 %
2044	<u>308,370,000</u>	6.449 %
	<u>\$ 364,180,000</u>	

AMP has the right to redeem any or all the Hydro 2009B Bonds, on any date, in whole or in part, at the make-whole redemption price.

The Hydro 2009B Bonds due on February 15, 2032 and 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.

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The Hydro 2009B Bonds maturing on February 15, 2032:

Year	Principal Amount
2030	\$ 17,835,000
2031	18,590,000
2032	<u>19,385,000</u>
	<u>\$ 55,810,000</u>

The Hydro 2009B Bonds maturing on February 15, 2044:

Year	Principal Amount
2033	\$ 20,210,000
2034	21,070,000
2035	21,975,000
2036	22,910,000
2037	23,885,000
2038	24,910,000
2039	25,965,000
2040	27,080,000
2041	28,230,000
2042	29,435,000
2043	30,695,000
2044	<u>32,005,000</u>
	<u>\$ 308,370,000</u>

**Hydro 2009D Bonds**

The Combined Hydroelectric Project Revenue Bonds, Series 2009D (“Hydro 2009D Bonds”) were issued on December 2, 2009, pursuant to the Hydro MTI, as clean renewable energy bonds, pursuant to the Energy Tax Incentive Act of 2005, at a par amount of \$22,600,000. The Hydro 2009D Bonds were issued at a discount of \$3,000,000 and do not bear interest. AMP is required to make annual debt service payments on the Hydro 2009D Bonds in the amount of \$1,329,412 on December 15 of each year, beginning in 2009 and ending in 2025. The Hydro 2009D Bonds are subject to redemption in whole or in part in the case of certain extraordinary events.

Maturity Date - December 15	Principal Amount
2024	\$ 1,329,412
2025	<u>1,329,412</u>
	<u>\$ 2,658,824</u>

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**Hydro 2010A, 2010B and 2010C Bonds**

The Combined Hydroelectric Projects Revenue Bonds, Series 2010A, 2010B and 2010C (“Hydro 2010A Bonds”, “Hydro 2010B Bonds” and “Hydro 2010C Bonds”, collectively “Hydro 2010 Bonds”) were issued on December 21, 2010, pursuant to the Hydro MTI, with an aggregate par amount of \$1,378,990,000. Interest is payable semiannually, beginning February 15, 2011.

AMP designated the Hydro 2010B Bonds as BABs and the Hydro 2010C Bonds as New CREBs. See “Build America Bonds and New Clean Renewable Energy Bonds” above.

**Hydro 2010A Bonds**

The Hydro 2010A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2029	\$ 22,570,000	7.200 %
2030	24,265,000	7.300 %
2033	75,490,000	7.734 %
	<u>\$ 122,325,000</u>	

The Hydro 2010A Bonds due on February 15, 2033 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.

<b>Year</b>	<b>Principal Amount</b>
2031	\$ 26,165,000
2032	28,270,000
2033	21,055,000
	<u>\$ 75,490,000</u>

**Hydro 2010B Bonds**

The Hydro 2010B Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2041	\$ 324,130,000	7.834 %
2050	785,865,000	8.084 %
	<u>\$ 1,109,995,000</u>	

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The Hydro 2010B Bonds due on February 15, 2041 and due on February 15, 2050 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:

<b>Year</b>	<b>Principal Amount</b>
2033	\$ 9,405,000
2034	32,420,000
2035	34,185,000
2036	36,055,000
2037	38,030,000
2038	40,100,000
2039	42,300,000
2040	44,600,000
2041	47,035,000
	<u>\$ 324,130,000</u>

<b>Year</b>	<b>Principal Amount</b>
2042	\$ 49,645,000
2043	52,435,000
2044	55,380,000
2045	91,900,000
2046	96,685,000
2047	101,725,000
2048	107,025,000
2049	112,600,000
2050	118,470,000
	<u>\$ 785,865,000</u>

**Hydro 2010C Bonds**

The Hydro 2010C Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 16,095,000	6.973 %
2028	80,670,000	7.334 %
	<u>\$ 96,765,000</u>	

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The Hydro 2010C Bonds due on February 15, 2028 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:

Year	Principal Amount
2025	\$ 18,730,000
2026	19,930,000
2027	20,640,000
2028	21,370,000
	<u>\$ 80,670,000</u>

From any available moneys, AMP may, at its option, redeem, on any business day, prior to their respective maturities, in whole or in part, the Hydro 2010 Bonds at the make whole-redemption price.

The Hydro 2010B Bonds and Hydro 2010C Bonds are subject to redemption from any available moneys, at the option of AMP, prior to their maturity, in whole or in part upon the occurrence of certain extraordinary events, at a make-whole.

The proceeds of the Hydro 2009 and 2010 Bonds were used to fund the cost of construction of the Hydro projects.

**Hydro 2016A Bonds**

On October 6, 2016, AMP issued, pursuant to the Hydro MTI, its Combined Hydroelectric Project Revenue Bonds, Series 2016A, (“Hydro 2016A Bonds”) with an aggregate par amount of \$209,530,000. The Hydro 2016A Bonds were issued at an aggregate premium of \$34,152,726. The Hydro 2016A Bonds were issued to in order to (i) finance construction of the Combined Hydroelectric Projects, (ii) repay draws on the line of credit used as interim financing, (iii) fund a Parity Common Reserve Account, (iv) refund a portion of the Hydro 2009C Bonds (“Hydro Escrow Bonds”), and (v) pay the cost of issuance.

The Hydro 2016A Bonds mature between 2022 and 2046 and bear interest at fixed rates ranging from 4.000% to 5.000%. Interest is payable semiannually, beginning February 15, 2017.

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The Hydro 2016A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 3,490,000	5.000 %
2025	1,510,000	5.000 %
2026	5,445,000	5.000 %
2027	5,665,000	5.000 %
2028	5,895,000	5.000 %
2029	6,165,000	5.000 %
2030	6,450,000	4.000 %
2031	6,715,000	5.000 %
2032	6,985,000	5.000 %
2033	7,230,000	5.000 %
2034	7,485,000	5.000 %
2035	7,755,000	4.000 %
2036	8,040,000	5.000 %
2037	8,365,000	5.000 %
2038	8,710,000	5.000 %
2041	28,315,000	5.000 %
2046	21,935,000	4.000 %
2046	33,500,000	5.000 %
	<u>\$ 179,655,000</u>	

The Hydro 2016A Bonds due on February 15, 2041 and February 15, 2046 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.

Hydro 2016A Bonds bearing interest at 5.00% and maturing February 15, 2041:

<b>Year</b>	<b>Principal Amount</b>
2039	\$ 9,060,000
2040	9,435,000
2041	9,820,000
	<u>\$ 28,315,000</u>

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Hydro 2016A Bonds bearing interest at 4.00% and maturing at February 15, 2046:

Year	Principal Amount
2042	\$ 4,085,000
2043	4,210,000
2044	4,335,000
2045	4,520,000
2046	4,785,000
	<u>\$ 21,935,000</u>

Hydro 2016A Bonds bearing interest at 5.00% and maturing on February 15, 2046:

Year	Principal Amount
2042	\$ 6,115,000
2043	6,360,000
2044	6,620,000
2045	6,975,000
2046	7,430,000
	<u>\$ 33,500,000</u>

**Hydro 2020A Bonds**

The Hydro 2020A Bonds mature between 2022 and 2029 with interest at a fixed rate of 5.00%. Interest is payable semi-annually, beginning February 15, 2021. The Hydro 2020A Bonds were issued at an aggregate premium of \$23,614,775.

The Hydro Series 2020A Bonds outstanding at December 31, 2023 are as follows:

Maturity Date - February 15	Principal Amount	Interest Rate
2024	\$ 13,240,000	5.000 %
2025	13,985,000	5.000 %
2026	14,705,000	5.000 %
2027	15,455,000	5.000 %
2028	16,240,000	5.000 %
2029	17,040,000	5.000 %
	<u>\$ 90,665,000</u>	

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**Hydro 2021A Bonds**

The Hydro 2021A bonds were issued April 29, 2021 for the purpose of paying down a line of credit draw from AMP which was used to retire the Hydro 2018A bonds. The Hydro 2021A Bonds mature between 2022 and 2048 with interest at a fixed rates between 1.00% and 4.00%. Interest is payable semi-annually, beginning August 15, 2021. The Hydro 2021A Bonds were issued at an aggregate premium of \$1,877,935.

The Hydro Series 2021A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 2,460,000	4.000 %
2048	91,185,000	1.000 %
	<u>\$ 93,645,000</u>	

The Hydro 2021A Bonds due on February 15, 2048 are Put 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.

<b>Year</b>	<b>Principal Amount</b>
2025	\$ 2,905,000
2026	2,970,000
2027	3,040,000
2028	3,110,000
2029	3,180,000
2030	3,250,000
2031	3,320,000
2032	3,395,000
2033	3,475,000
2034	3,550,000
2035	3,630,000
2036	3,715,000
2037	3,795,000
2038	3,880,000
2039	3,970,000
2040	4,060,000
2041	4,150,000
2042	4,245,000
2043	4,340,000
2044	4,435,000
2045	4,535,000
2046	4,640,000
2047	4,745,000
2048	4,850,000
	<u>\$ 91,185,000</u>

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The Hydro 2021A Bonds due on February 15, 2048 have a mandatory tender date of August 15, 2023 and AMP may, at its option, redeem the bonds on any date beginning February 15, 2023 at the redemption price of par, together with interest accrued to the date fixed for redemption.

AMP has entered into a power sales contract dated as of November 1, 2007 with 79 of its members (the “Hydro Participants”) by the terms of which AMP agrees to sell, and the Hydro Participants agree to buy on a take-or-pay basis, the electric output of three hydroelectric facilities with an aggregate capacity of 208 MW on the Ohio River. The take-or-pay obligations of the Hydro Participants under the Hydro power sales contract are limited obligations payable solely out of the revenues, and, with two exceptions, as an operating expense, of their respective electric systems and are subject to step up to the same extent as are the obligations of the PSEC Participants under the PSEC power sales contract. There have been no incidents of default by the Participants.

**Meldahl Financings**

The Meldahl Hydroelectric Project Revenue Bonds, Series 2010A, 2010B, 2010C, and 2010D (“Meldahl 2010A Bonds”, “Meldahl 2010B Bonds”, “Meldahl 2010C Bonds” and “Meldahl 2010D Bonds”, collectively “Meldahl A-D Bonds”) were issued on December 7, 2010, pursuant to a Master Trust Indenture, dated as of October 1, 2010 (as amended and supplemented, “Meldahl MTI”), with an aggregate par amount of \$330,065,000. Interest is payable semiannually, beginning February 15, 2011.

AMP designated the Meldahl 2010B Bonds and the Meldahl 2010E Bonds as BABs and the Meldahl 2010C Bonds as New CREBs. See “Build America Bonds and New Clean Renewable Energy Bonds” above.

**Meldahl 2010B Bonds**

The Meldahl 2010B Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2035	\$ 10,000,000	7.000 %
2048	250,000,000	7.499 %
	<u>\$ 260,000,000</u>	

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The Meldahl 2010B Bonds due on February 15, 2050 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:

Year	Principal Amount
2024	\$ 3,710,000
2025	3,985,000
2026	4,285,000
2027	4,600,000
2029	4,945,000
2030	5,310,000
2031	5,705,000
2032	6,130,000
2033	6,585,000
2034	7,075,000
2036	7,605,000
2037	8,170,000
2038	8,775,000
2039	9,430,000
2040	10,130,000
2041	10,885,000
2042	11,695,000
2043	12,565,000
2044	13,500,000
2045	14,505,000
2046	15,585,000
2047	16,745,000
2048	17,990,000
2049	19,325,000
2050	20,765,000
	<u>\$ 250,000,000</u>

**Meldahl 2010C Bonds**

The Meldahl 2010C Bonds were issued at a par amount of \$20,000,000, bearing interest at a rate of 6.849% and mature on February 15, 2028. From any available moneys, AMP may, at its option, redeem, on any business day, prior to their respective maturities, in whole or in part, the Meldahl 2010A Bonds, the Meldahl 2010B Bonds and the Meldahl 2010C Bonds, at the make whole-redemption price. The Meldahl 2010B Bonds and the Meldahl 2010C Bonds are subject to redemption from any available moneys, at the option of AMP, prior to their maturity, in whole or in part upon the occurrence of certain extraordinary events, at a make-whole redemption price.

Maturity Date - February 15	Principal Amount
2028	\$ 20,000,000
	<u>\$ 20,000,000</u>

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**Meldahl Series 2010E Bonds**

The Meldahl Hydroelectric Project Revenue Bonds, Series 2010E (“Meldahl 2010E Bonds”) were issued on December 17, 2010, pursuant to the Meldahl MTI, with an aggregate par amount of \$355,035,000. From the date of issuance to May 23, 2011, the bonds bore interest at the three- month LIBOR rate plus a 2.95% fixed spread.

On May 23, 2011, \$300,000,000 of the Meldahl 2010E Bonds was remarketed. The Meldahl 2010E Bonds will mature in 2050 and bear interest at a fixed rate of 6.270%. Interest is payable semiannually, beginning August 15, 2011.

The Meldahl 2010E Bonds are term bonds with an interest rate of 6.27%, 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 Meldahl 2010E bonds outstanding at December 31, 2023 are as follows:

Year	Principal Amount	Interest Rate
2024	\$ 6,665,000	6.270 %
2025	6,915,000	6.270 %
2026	7,170,000	6.270 %
2027	2,125,000	6.270 %
2028	125,000	6.270 %
2029	7,965,000	6.270 %
2030	8,250,000	6.270 %
2031	8,545,000	6.270 %
2032	8,845,000	6.270 %
2033	9,145,000	6.270 %
2034	9,455,000	6.270 %
2035	7,735,000	6.270 %
2036	10,535,000	6.270 %
2037	10,890,000	6.270 %
2038	11,260,000	6.270 %
2039	11,625,000	6.270 %
2040	11,995,000	6.270 %
2041	12,365,000	6.270 %
2042	12,745,000	6.270 %
2043	13,120,000	6.270 %
2044	13,500,000	6.270 %
2045	13,875,000	6.270 %
2046	14,245,000	6.270 %
2047	14,615,000	6.270 %
2048	14,980,000	6.270 %
2049	15,330,000	6.270 %
2050	15,675,000	6.270 %
	<u>\$ 279,695,000</u>	

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From any available funds, AMP may, at its option, redeem, on any business day, prior to their respective maturities, in whole or in part, the Meldahl 2010E bonds at the make-whole redemption price. The Meldahl 2010E Bonds are subject to redemption from any available funds, at the option of AMP, prior to their maturity, in whole or in part upon the occurrence of certain extraordinary events, at a make-whole redemption price.

**Meldahl 2016A Bonds**

The Meldahl Hydroelectric Project Revenue Bonds, Series 2016A (“Meldahl 2016A Bonds”), were issued on July 27, 2016, pursuant to the terms of Meldahl MTI, with an aggregate par amount of \$80,050,000. The Meldahl 2016A Bonds were issued at an aggregate premium of \$13,247,689. The Meldahl 2016A Bonds mature between 2022 and 2046 and bear interest at fixed rates ranging from 2.000% to 5.000%. Interest is payable semiannually, beginning February 15, 2017. AMP has the option to redeem the Meldahl 2016A Bonds on any date in whole or in part, at the make-whole premium on or after February 15, 2026.

The Meldahl 2016A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 1,735,000	5.000 %
2025	1,780,000	5.000 %
2026	2,735,000	5.000 %
2027	1,780,000	5.000 %
2028	1,305,000	2.000 %
2029	3,000,000	5.000 %
2030	3,080,000	5.000 %
2031	3,160,000	5.000 %
2032	3,235,000	5.000 %
2033	3,320,000	5.000 %
2034	3,385,000	4.000 %
2035	3,060,000	4.000 %
2036	3,550,000	3.000 %
2041	18,225,000	4.000 %
2046	19,340,000	5.000 %
	<u>\$ 72,690,000</u>	

The Meldahl 2016A Bonds due February 15, 2041 and February 15, 2046 are term bonds subject to mandatory sinking fund redemption on the principal payment date in the following years in the following principal amounts as a redemption price equal to par, together with interest accrued to the date of redemption.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

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Meldahl 2016A Bonds bearing interest at 4.000% and maturing on February 15, 2041:

Year	Principal Amount
2037	\$ 3,580,000
2038	3,610,000
2039	3,645,000
2040	3,680,000
2041	3,710,000
	<u>\$ 18,225,000</u>

Meldahl 2016A Bonds bearing interest at 5.000% and maturing on February 15, 2046:

Year	Principal Amount
2042	\$ 3,750,000
2043	3,815,000
2044	3,870,000
2045	3,925,000
2046	3,980,000
	<u>\$ 19,340,000</u>

The proceeds of the Meldahl 2016A funds were used to (i) repay draws on the line of credit used as interim financing, (ii) fund a parity common reserve account, and (iii) pay the cost of issuance.

AMP has entered into a power sales contract dated as of March 1, 2009 with 48 of its members (the "Meldahl Participants") by the terms of which AMP agrees to sell, and the Meldahl Participants agree to buy on a take-or-pay basis, the electric output of a hydroelectric facility with an aggregate capacity of 105 MW on the Ohio River. The take-or-pay obligations of the Meldahl Participants under the Meldahl power sales contract are limited obligations payable solely out of the revenues, and, with two exceptions, as an operating expense, of their respective electric systems and are subject to step up to the same extent as the obligations of the PSEC Participants under the PSEC power sales contract, except that the maximum step-up percentage is 106%. There have been no incidents of default by the Participants.

**Fremont Energy Center Projects Financings**

The AMP Fremont Energy Center Revenue Bonds, Series 2012B (the "AFEC 2012B Bonds") were issued June 29, 2012, pursuant to a Master Trust Indenture, dated as of June 1, 2012, as supplemented ("AFEC MTI"), in the form of serial and term bonds with an aggregate par amount of \$525,545,000. Interest is payable semiannually beginning February 15, 2013. AMP has the right to redeem the AFEC 2012B Bonds maturing after February 15, 2022, prior to their respective maturities, in whole or in part, on any date beginning February 15, 2022, at a redemption price of par, plus accrued interest.

# **American Municipal Power, Inc.**

## **Notes to Consolidated Financial Statements**

### **Years Ended December 31, 2023 and 2022**

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On December 20, 2017, AMP issued, pursuant to the AFEC MTI, its AMP Fremont Energy Campus Project Revenue Bonds, Refunding Series 2017A, (“AFEC 2017A Bonds”) with an aggregate par amount of \$124,385,000. The AFEC 2017A Bonds were issued to in order to (i) refund a portion (\$127,630,000) of the AMP’s Fremont Energy Campus Project Bonds, Series 2012B (“the AFEC 2012B Bonds”), issued on June 29, 2012 in the aggregate principal amount of \$525,545,000, and (ii) pay the costs of issuance of the AFEC 2017A Bonds. Specifically, a portion of the proceeds of the AFEC 2017A Bonds were deposited in an Escrow Fund established by AMP to be used exclusively to advance refund portions of AFEC 2012B Bonds.

On November 18, 2021, AMP issued, pursuant to the AFEC MTI, its AMP Fremont Energy Campus Project Revenue Bonds, Refunding Series 2021A, (“AFEC 2021A Bonds”) with an aggregate par amount of \$269,520,000. The AFEC 2021A Bonds were issued to in order to (i) refund a portion (\$343,750,000) of the AMP’s Fremont Energy Campus Project Bonds, Series 2012B (“the AFEC 2012B Bonds”), issued on June 29, 2012 in the aggregate principal amount of \$525,545,000, and (ii) pay the costs of issuance of the AFEC 2021A Bonds. Specifically, a portion of the proceeds of the

AFEC 2021A Bonds were deposited in an Escrow Fund established by AMP to be used exclusively to advance refund portions of AFEC 2012B Bonds.

In the consolidated balance sheets, the funds held in escrow are presented in Trustee funds – restricted. The proceeds in the Escrow Fund from the AFEC 2017A Bonds and the AFEC 2021A Bonds were utilized to refund a portion of the AFEC 2012B Bonds on February 15, 2022.

#### **AMP Fremont Energy Center 2012B Bonds**

The remaining outstanding AFEC 2012B Bonds were retired on their scheduled maturity date of February 15, 2022.

AMP has entered into a power sales contract dated as of June 1, 2012 with 87 of its members (the “AFEC Participants”) by the terms of which AMP agrees to sell, and the AFEC Participants agree to buy, on a take-or-pay basis, the electric output of an AMP 90.69% undivided ownership interest in AFEC with an aggregate capacity of 641 MW. The take-or-pay obligations of the AFEC Participants under the AFEC power sales contract are limited obligations, payable solely out of the revenues, and, with two exceptions, as an operating expense, of their respective electric systems and are subject to step up to the same extent as the obligations of the PSEC Participants under the PSEC power sales contract. There have been no incidents of default by the Participants.

#### **AMP Fremont Energy Center 2017A Bonds**

AFEC 2017A Bonds mature beginning February 15, 2019 through 2042. Interest is payable semiannually beginning February 15, 2018. AMP has the right to redeem the AFEC 2017A Bonds maturing on or after February 15, 2029, prior to their respective maturities, in whole or in part, on any date beginning February 15, 2028, at a redemption price of par, plus accrued interest.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

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The AMP Fremont Energy Center 2017A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	12,225,000	5.000 %
2025	12,835,000	5.000 %
2026	13,480,000	5.000 %
2027	14,150,000	5.000 %
2028	14,860,000	5.000 %
2029	15,605,000	5.000 %
2042	29,590,000	4.000 %
	<b>\$ 112,745,000</b>	

**AMP Fremont Energy Center 2021A Bonds**

The AFEC 2021A Bonds mature between 2023 and 2038 with interest at a fixed rates between 4.00% and 5.00%. Interest is payable semi-annually, beginning February 15, 2022. The AFEC 2021A Bonds were issued at an aggregate premium of \$67,173,076. AMP has the right to redeem the AFEC 2021A Bonds maturing on or after February 15, 2032 prior to their respective maturities, in whole or in part, on any date beginning February 15, 2031, at a redemption price of par plus accrued interest.

The AFEC Series 2021A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 3,650,000	5.000 %
2025	3,830,000	5.000 %
2026	4,020,000	5.000 %
2027	4,225,000	5.000 %
2028	4,435,000	5.000 %
2029	4,655,000	5.000 %
2030	21,960,000	5.000 %
2031	23,060,000	5.000 %
2032	24,210,000	5.000 %
2033	25,420,000	5.000 %
2034	26,690,000	5.000 %
2035	28,025,000	5.000 %
2036	29,430,000	4.000 %
2037	30,605,000	4.000 %
2038	31,830,000	4.000 %
	<b>\$ 266,045,000</b>	

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2023 and 2022**

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**Greenup Hydroelectric Project 2016A Revenue Bonds**

The Greenup Hydroelectric Project Revenue Bonds, Series 2016A ("Greenup 2016A Bonds") were issued May 11, 2016 in the form of serial and term bonds with an aggregate par amount of \$125,630,000. The Greenup 2016A Bonds were issued at an aggregate premium of \$21,832,548. The bonds will mature between 2018 and 2046 and bear interest at fixed rates between 3.00% and 5.00%. Interest is payable semiannually beginning August 15, 2016. AMP has the option to redeem the Greenup 2016A Bonds maturing after February 15, 2026, at a redemption price of par plus accrued interest.

The Greenup 2016A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2024	\$ 2,030,000	5.000 %
2025	2,130,000	5.000 %
2026	3,235,000	5.000 %
2027	3,395,000	5.000 %
2028	3,565,000	5.000 %
2029	3,745,000	5.000 %
2030	3,930,000	5.000 %
2031	4,130,000	5.000 %
2032	4,335,000	4.000 %
2033	4,550,000	5.000 %
2034	4,780,000	3.000 %
2035	4,920,000	4.000 %
2036	5,120,000	4.000 %
2041	29,420,000	5.000 %
2046	<u>37,545,000</u>	5.000 %
	<u>\$ 116,830,000</u>	

The Greenup 2016A Bonds due on February 15, 2041 and February 15, 2046 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.

Greenup 2016A Bonds bearing interest at 5.000% and maturing on February 15, 2041:

<b>Year</b>	<b>Principal Amount</b>
2037	\$ 5,325,000
2038	5,590,000
2039	5,870,000
2040	6,165,000
2041	<u>6,470,000</u>
	<u>\$ 29,420,000</u>

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**Notes to Consolidated Financial Statements**  
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Greenup 2016A Bonds bearing interest at 5.000% and maturing on February 15, 2046:

Year	Principal Amount
2042	\$ 6,795,000
2043	7,135,000
2044	7,490,000
2045	7,865,000
2046	8,260,000
	<u>\$ 37,545,000</u>

The proceeds of the Greenup 2016A Bonds were used to (i) finance the purchase price of the 48.6% undivided ownership interest in the Greenup Hydroelectric facility (see Note 3), (ii) provide funds for capital construction, (iii) repay draws on the line of credit used as interim financing, (iv) fund a portion of interest due on the Greenup 2016A Bonds, and (v) pay the cost of issuance.

**AMP Solar Phase II 2019A Bonds**

The Solar Electricity Prepayment Project Revenue Bonds Series 2019A (Green Bonds) (“Solar 2019A Bonds”) were issued on January 31, 2019, pursuant to the terms of a Master Trust Indenture, dated as of January 1, 2019 (as amended and supplemented), (“Solar MTI”), in the form of serial and term bonds with an aggregate par amount of \$55,195,000. The Solar 2019A Bonds were issued at an aggregate premium of \$8,199,396.90. The bonds will mature between 2020 and 2044 and bear interest at a fixed rate of 5.000%. Interest is payable semiannually, beginning August 15, 2020.

The Solar 2019A Bonds were issued by AMP for the purpose of (i) refinancing the prepayment for a specified supply of electricity from thirteen (13) solar photovoltaic generating facilities with a rated capacity of approximately 36.825 megawatts located in the States of Delaware, Michigan, Ohio and Virginia pursuant to the terms of a Power Purchase Agreement, between DG AMP Solar, LLC and AMP, dated March 29, 2016, (ii) funding a deposit to the Parity Common Reserve Fund, and (iii) paying costs of issuance of the Series 2019A Bonds.

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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The Solar II Series 2019A Bonds outstanding at December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>
2024	\$ 1,605,000
2025	1,670,000
2026	1,740,000
2027	1,815,000
2028	1,890,000
2029	1,970,000
2030	2,055,000
2031	2,145,000
2032	2,240,000
2033	2,340,000
2034	2,445,000
2035	2,550,000
2036	2,665,000
2037	2,790,000
2038	2,915,000
2039	3,045,000
2044	13,620,000
	<u>\$ 49,500,000</u>

From any available moneys, AMP may, at its option, redeem, prior to their respective maturities, in whole or in part, the Solar 2019A Bonds stated to mature on February 15, 2030 through February 15, 2039, inclusive, and February 15, 2044, on any date beginning February 15, 2029 at the redemption price of par, together with interest accrued to the date fixed for redemption.

The Solar 2019A 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 2019A Bonds maturing on February 15, 2044:

<b>Year</b>	<b>Principal Amount</b>
2040	\$ 3,185,000
2041	3,335,000
2042	3,490,000
2043	2,070,000
2044	1,540,000
	<u>\$ 13,620,000</u>

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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**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 December 31, 2023 are as follows:

<b>Maturity Date - February 15</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
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 %
	<u>\$ 23,655,000</u>	

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.

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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 bearing interest at 4.000% and maturing on February 15, 2044:

Year	Principal Amount
2041	\$ 1,440,000
2042	1,490,000
2043	1,545,000
2044	1,240,000
	<u>\$ 5,715,000</u>

**Term Debt on Behalf of Others**

**Central Virginia Electric Cooperative**

AMP and 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 the “4.15% Interest”. On June 26, 2012, to finance the cost of the 4.15% Interest, AMP obtained from the National Cooperative Services Corporation, an affiliate of the Rural Utilities Cooperative Financial Corporation (commonly known as “CFC”), a \$25,000,000 term loan to be amortized over 30 years.

This loan is secured by the CVEC power sales contract, a mortgage on and security interest in the 4.15% Interest and a CVEC payment guaranty. 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 the security interest in the 4.15% Interest.

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

As of December 31, 2023 and 2022, \$15,937,497 and \$16,791,664 remained as outstanding principal, respectively.

**American Municipal Power, Inc.**  
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**Term debt on behalf of Members (Nonrecourse)**

The individual municipality is the primary obligor on term debt issued on its behalf. "On behalf of" financings are nonrecourse to AMP and are presented in the consolidated balance sheets with a corresponding receivable from the project or member to which the on-behalf-of financing relates.

Bonds and notes payable issued by AMP on behalf of member communities consist of the following at December 31:

	2023	2022
Municipal project notes, due on various dates through December 2024 with interest from 2.00% to 5.00% at December 31, 2023 and 2022	\$ 30,250,000	\$ 30,135,000
	30,250,000	30,135,000
Current portion	(30,250,000)	(30,135,000)
Noncurrent portion	\$ -	\$ -

**Aggregate Future Maturities**

The aggregate amounts of future maturities for AMPs revolving credit loan, term debt and term debt on behalf of others are as follows:

Years Ending December 31	Term Debt AMP	Term Debt On Behalf Of Others	Revolving Credit Line
2024	\$ 324,249,412	\$ 31,104,167	\$ -
2025	115,494,412	854,167	-
2026	127,104,411	854,167	-
2027	125,250,000	854,167	188,700,000
2028	148,510,000	854,167	-
2029 +	3,956,010,000	11,666,662	-
	<u>\$ 4,796,618,235</u>	<u>\$ 46,187,497</u>	<u>\$ 188,700,000</u>

**9. Trustee Funds**

Bond proceeds and funds collected in advance of contractually scheduled principal and interest payments for certain bond offerings are held in trust. Trustee funds related to these bond offerings consist of the following at December 31:

**American Municipal Power, Inc.**  
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	2023	2022
PSEC Parity Common Reserve	\$ 108,811,766	\$ 110,028,533
PSEC Revenue 2009B Bonds	4,086,314	3,819,273
PSEC Revenue 2009C Bonds	4,822,180	4,794,399
PSEC Revenue 2010 Bonds	1,057,499	4,976,916
PSEC Revenue 2015A Bonds	15,289	4,508,906
PSEC Revenue 2017A Bonds	1,661,861	2,346,065
PSEC Revenue 2019B Bonds	26,356,628	18,133,470
PSEC Revenue 2019C Bonds	1,719,926	1,671,860
PSEC Revenue 2019D Bonds	8,147,892	13,091,782
PSEC Revenue 2021A Bonds	2,693,100	2,649,854
PSEC Revenue 2023A Bonds	1,422,662	-
PSEC Escrow	222,284,931	-
Hydro Parity Common Reserve	144,832,289	144,239,099
Hydro 2009B Bonds	10,653,545	10,783,853
Hydro 2009C Bonds	3,316	-
Hydro 2009D Bonds	154,452	158,658
Hydro 2010A Bonds	3,859,955	3,827,826
Hydro 2010B Bonds	40,857,078	40,999,713
Hydro 2010C Bonds	19,032,998	12,937,463
Hydro 2016A Bonds	6,731,543	12,468,865
Hydro 2020A COI	3,765	-
Hydro 2020A Bonds	14,264,174	13,804,971
Hydro 2021A Bonds	2,668,500	2,625,179
Hydro ARB Trustee Funds 2021A	268,031	-
Hydro ARB Trustee Funds	397,870	-
Meldahl Parity Common Reserve	42,143,770	42,223,885
Meldahl 2010B Bonds	12,249,715	8,612,378
Meldahl 2010C Bonds	1,015,692	684,075
Meldahl 2010E Bonds	14,328,172	13,465,687
Meldahl ARB Trustee Funds	81,541	-
Meldahl 2016A Bonds	3,040,843	3,449,132
AFEC Parity Common Reserve	34,624,243	34,637,376
AFEC 2012A Bonds	6,353,060	6,060,879
AFEC 2012B Bonds	2,647,900	5
AFEC 2017A Bonds	12,288,687	12,433,804
AFEC 2021A Bonds	7,457,009	7,526,729
AFEC ARB Trustee Funds 2021A	171,030	-
Greenup 2016A Bonds	4,361,093	4,562,610
Solar Rate Stabilization Fund	633,511	603,926
Solar Phase II 2019A Bonds	4,115,302	4,003,167
Solar Phase II 2020A Bonds	1,182,303	1,174,828
Rate Stabilization Plans	309,420	296,074
	<u>773,810,855</u>	<u>547,601,240</u>
Current portion	<u>(566,563,658)</u>	<u>(317,053,597)</u>
Noncurrent portion	<u>\$ 207,247,197</u>	<u>\$ 230,547,643</u>

**American Municipal Power, Inc.**  
**Notes to Consolidated Financial Statements**  
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Investments held in the trustee funds consist of the following at December 31:

	2023	2022
Money market funds	\$ 306,752,054	\$ 288,632,853
Debt securities	<u>467,058,801</u>	<u>258,968,387</u>
	<u>\$ 773,810,855</u>	<u>\$ 547,601,240</u>

**PSEC Bonds**

The PSEC MTI contains a provision, among others, that AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the PSEC. These rates and charges are to provide net revenues at least 110% of the net annual debt service requirements of the PSEC Bonds.

As supplemented by supplemental trust agreements executed in connection with each series of the PSEC Bonds, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for each such series of PSEC Bonds: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in connection with the construction of the PSEC); (b) Cost of Issuance Account (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the PSEC Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount, and the Parity Common Reserve Account; (d) Subordinate Obligations Subfund; and (e) Reserve and Contingency Subfund (consisting of the Overhaul Account, the Renewal and Replacement Account, the Capital Improvement Account, the Rate Stabilization Account, the Environmental Improvement Account and the Self -Insurance Account).

Certain of the supplemental trust indentures also create Tracking Interest Subaccounts for the series of BABs and tax-exempt bonds to hold capitalized funds to pay interest on such bonds subsequent to the commercial operation dates of the project units.

**Hydro Bonds**

The Hydro MTI contains a provision that AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the Hydro plants. These rates and charges should provide net revenues at least 110% of the net annual debt service requirements of the Hydro Bonds.

As supplemented by supplemental trust agreements executed in connection with each series of the Hydro Bonds, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for each such series of Hydro Bonds: (a) Acquisition and Construction Account (containing amounts to be paid for costs incurred by AMP in construction of the Hydro plants); (b) Cost of Issuance Account (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the series of Hydro Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account; (d) Subordinate Obligations Subfund; and (e) Reserve and Contingency Subfund (consisting of the Overhaul Account, the Renewal and Replacement Account, the Capital

# American Municipal Power, Inc.

## Notes to Consolidated Financial Statements

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Improvement Account, the Rate Stabilization Account, the Environmental Improvement Account and the Self-Insurance Account).

Certain of the supplemental trust agreements also create (i) Tracking Interest Subaccounts for the series of BABs, New CREBs and tax-exempt bonds to hold capitalized funds to pay interest on such bonds subsequent to the commercial operation dates of the project units and (ii) Special Reserve Accounts to hold amounts pledged particular series of BABs and New CREBs.

#### **Meldahl Bonds**

The Meldahl MTI contains a provision that AMP will at all times fix, change and collect rates and charges for the use of, and for the services and facilities furnished by, the Meldahl Hydro plant. These rates and charges should provide net revenues at least equal to 110% of the net annual debt service requirements of the Meldahl Bonds.

As supplemented by supplemental trust agreements executed in connection with each series of the Meldahl Bonds, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for each such series of Meldahl Bonds: (a) Acquisition and Construction Account (containing amounts to be paid for costs incurred by AMP in construction of the Meldahl Hydro plant); (b) Cost of Issuance Account (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Meldahl Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account (containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund; and (e) Reserve and Contingency Subfund (consisting of the Overhaul Account, the Renewal and Replacement Account, the Capital Improvement Account, the Rate Stabilization Account, the Environmental Improvement Account and the Self-Insurance Account).

Certain of the supplemental trust agreements also create (i) Tracking Interest Subaccounts for the series of BABs, New CREBs and tax-exempt bonds to hold capitalized funds to pay interest on such bonds subsequent to the commercial operation date of the project units and (ii) Special Reserve Accounts to hold amounts pledged to particular series of BABs and New CREBs.

#### **AFEC Bonds**

The AFEC MTI contains a provision that AMP will at all times fix, change and collect rates and charges for the use of, and for the services and facilities furnished by, the AFEC plant. These rates and charges should provide net revenues equal to at least 110% of the net annual debt service requirements of the AFEC Bonds.

As supplemented by the first and second supplemental trust indentures executed in connection with the two series of the AFEC Bonds, and a third supplemental trust agreement that secures AMP's fuel hedge agreement counterparties, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for each such series of AFEC Bonds: (a) Acquisition and Construction Account (containing amounts to be paid for costs incurred by AMP in construction of the AFEC plant); (b) Cost of Issuance Account (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the series of AFEC Bonds); (c) Revenue Subfund (consisting of the Operating Subaccount, the Fuel Reserve Subaccount, the Working Capital Subaccount, the Derivative Receipt Subaccount, and the General Subaccount and the Fuel Hedge Subaccount to be held by the trustee); (d) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payment Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount, and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (e) Subordinate Obligations Subfund; (f) Reserve and Contingency Subfund

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(consisting of the Overhaul Account, the Renewal and Replacement Account, the Capital Improvement Account, the Environmental Improvement Account, the Rate Stabilization Account, the Self-Insurance Account and with the trustee the Fuel Hedge Reserve Account).

#### **Greenup Bonds**

The Greenup MTI contains a provision that AMP will at all times fix, change and collect rates and charges for the use of, and for the services and facilities furnished by, the Greenup Hydro plant. These rates and charges should provide net revenues at least equal to 110% of the net annual debt service requirements of the Greenup Bonds.

As supplemented by the supplemental trust agreement executed in connection with the one series of the Greenup Bonds, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for the series of Greenup Bonds: (a) Acquisition and Construction Account (containing amounts to be paid for costs incurred by AMP to acquire an ownership interest in and in the construction of the Greenup Hydro plant); (b) Cost of Issuance Account (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Greenup Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account (containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund; and (e) Reserve and Contingency Subfund (consisting of the Overhaul Account, the Renewal and Replacement Account, the Major Maintenance Account, the FERC Relicensing Reserve Account, the Rate Stabilization Account, the Environmental Improvement Account and the Self-Insurance Account).

#### **Solar Electricity Prepay Bonds**

The Solar MTI contains a provision that AMP will at all times fix, adjust and collect the demand charge for the cost of the project associated with debt service on the Solar Bonds and operating expenses associated with the issuance of the Solar Bonds. The demand charge should provide revenues at least equal to 110% of the net annual debt service requirements of the Solar Bonds, as well as the amounts, if any, required to be paid to AMP for Operating Expenses, the Parity Common Reserve Fund, the Reserve and Contingency Fund, the Decommissioning Fund, the Rate Stabilization fund, the General Reserve Fund or any other funds or accounts required by the MTI or supplemental indentures.

As supplemented by the supplemental trust agreement executed in connection with the one series of the Solar Bonds, the trust agreement also provides for the creation with the trustee of the following subfunds and accounts for the series of Solar Bonds: (a) Project Fund; (b) Revenue Fund; (c) Operating Fund (consisting of the Operating Account and the Operating Reserve Account); (d) Debt Service Fund; (e) the Parity Common Reserve Fund; (f) Reserve and Contingency Fund; (g) Rate Stabilization Fund; (g) Redemption Fund; (h) Decommissioning Fund; and (i) General Reserve Fund. The Project Fund includes the Solar Series 2019A Subaccount and the Solar Series 2019A Cost of Issuance Subaccount therein as established under the First Supplemental Indenture. The Debt Service Fund include the (i) Solar Series 2019A Debt Service Account as established under the First Supplemental Indenture.

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#### 10. 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 has money market funds that meet the definition of Level 1. 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. Assets and 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.

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

Financial Instruments	December 31, 2023		December 31, 2022	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
<b>Assets</b>				
Debt securities held in trustee funds, restricted and non-restricted	\$ 467,058,801	\$ 463,792,130	\$ 258,968,387	\$ 253,127,566
<b>Liabilities</b>				
Fixed rate term debt, including current maturities, AMP	5,034,259,643	5,456,310,184	4,939,019,018	5,151,192,983
Fixed rate term debt, including current maturities, on behalf of others	46,187,497	46,187,497	46,926,664	46,926,664

The carrying amounts of cash, accounts receivable, accounts payable and the municipal project notes approximate their fair value due to their short maturities. The carrying amount of the revolving credit loan approximates fair value because it carries a variable interest rate. 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 December 31, 2023 and December 31, 2022. 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.

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	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Money market funds	\$ 306,752,054	\$ -	\$ -	\$ 306,752,054
Natural gas swaps	-	6,455,375	-	6,455,375
	<u>\$ 306,752,054</u>	<u>\$ 6,455,375</u>	<u>\$ -</u>	<u>\$ 313,207,429</u>
<b>Liabilities</b>				
Natural gas swaps	\$ -	\$ 14,327,421	\$ -	\$ 14,327,421
	<u>\$ -</u>	<u>\$ 14,327,421</u>	<u>\$ -</u>	<u>\$ 14,327,421</u>
	<b>December 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Money market funds	\$ 288,632,853	\$ -	\$ -	\$ 288,632,853
Natural gas swaps	-	21,049,747	-	21,049,747
	<u>\$ 288,632,853</u>	<u>\$ 21,049,747</u>	<u>\$ -</u>	<u>\$ 309,682,600</u>
<b>Liabilities</b>				
Natural gas swaps	\$ -	\$ 10,164,381	\$ -	\$ 10,164,381
	<u>\$ -</u>	<u>\$ 10,164,381</u>	<u>\$ -</u>	<u>\$ 10,164,381</u>

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.

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**11. Asset Retirement Obligations**

Asset retirement obligations consist of the following:

	<b>2023</b>	<b>2022</b>
<b>Asset retirement obligation, beginning of year</b>	\$ 12,327,081	\$ 10,465,875
Accretion	180,972	119,870
Change in estimates	<u>1,515,725</u>	<u>1,741,336</u>
<b>Asset retirement obligation, end of year</b>	<u>\$ 14,023,778</u>	<u>\$ 12,327,081</u>

**12. 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.

**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 of acid rain precursors and those impacting air quality in downwind states. AMP owned or operated facilities subject to the CSAPR have been allocated allowances for continued operation, and additional allowances may be purchased as needed to comply.

**Clean Water Act §401**

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). State certifications issued pursuant to Clean Water Act §401 contain requirements to maintain compliance with water quality standards. Hydropower plants owned or operated by AMP are affected and maintain compliance with these certifications using a variety of monitoring strategies and internal controls.

**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 requires a review of environmental impacts under NEPA, and requirements from consulting agencies be included as license provisions. Hydropower plants owned or operated by AMP are affected and maintain compliance with these Acts using a variety of monitoring strategies and internal controls.

# **American Municipal Power, Inc.**

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#### **Illinois Legislation**

On September 15, 2021, the Illinois Legislature passed, and Governor J.B. Pritzker signed into law comprehensive energy legislation in the form of SB 2408, the Climate and Equitable Jobs Act (the "CEJA"). Among other things, CEJA includes nearly \$700 million in subsidies for three nuclear plants, requires sweeping reductions in power plant emissions, and provides support in numerous ways for the State's solar industry. Regarding the PSEC, the CEJA requires a 45% reduction in existing carbon dioxide equivalent (CO<sub>2</sub>e) emissions, by no later than January 1, 2035. If the reduction in existing CO<sub>2</sub>e emissions cannot be achieved by December 31, 2035, the CEJA would require action or actions, including the possible retirement of one or more generating units, to achieve the 45% reduction by September 30, 2038.

In addition, all coal-fired generating units, including the PSEC, must permanently reduce CO<sub>2</sub>e emissions to zero by no later than December 31, 2045.

Prior to passage of the CEJA, AMP and the other PSEC Owners engaged consultants to develop various contingency plans to manage the impacts of comprehensive energy legislation that had previously been introduced in Illinois, and that planning continues. AMP and the other PSEC Owners will continue to advocate for favorable treatment of the PSEC that recognizes its value to the PSEC Owners and their ratepayers and the impact its closure would have on the community. The PSEC Owners continue to evaluate potential mitigation measures including as identified in the CEJA. Nevertheless, the ultimate impact on the PSEC, AMP and the Participants may be material, particularly after 2038. Such potential impacts cannot be gauged with certainty at this time, as any evaluation would be based on several variables, including, but not limited to, the availability and cost of control technologies, such as carbon capture and sequestration, Participant load requirements and cost of power, including replacement power. Closure of the PSEC would not terminate the Power Sales Contract, dated November 1, 2007 (the "Power Sales Contract") by and between AMP and 68 of its members (the "Participants") or relieve the Participants from their payment obligations thereunder.

#### **Other Commitments**

##### **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.

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**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 standard on derivative instruments. All such purchases are "covered" by corresponding power sales arrangements either with individual members or one of AMP's power pools.

2024	\$ 183,931,656
2025	140,005,174
2026	80,632,059
2027	84,938,076
2028	61,873,754
2029 - 2032	<u>131,926,586</u>
	<u>\$ 683,307,305</u>

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.

AMP has also entered into long-term natural gas purchase contracts to provide fuel for AFEC. Natural gas purchase commitments at December 31, 2023 are as follows:

2024	\$ 45,069,805
2025	22,938,090
2026	19,089,300
2027	13,576,200
2028	14,391,600
2029 - 2032	<u>32,064,000</u>
	<u>\$ 147,128,995</u>

Additionally, AMP has gas contracts for long-term gas purchases which have variable pricing which pricing is not determinable at December 31, 2023.

**13. Subsequent Events**

The Company has evaluated subsequent events through April 22, 2024 as this was the date the consolidated financial statements were available to be issued.