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On the cover

Primary photo: The AMP Fremont Energy Center, a nominal 700-megawatt (MW) natural-gas, combined-cycle facility, produces both intermediate and peaking generation.

Secondary photos, from top: Belleville Hydroelectric Facility. Lineworker training at AMP headquarters. Prairie State Energy Campus. AMP Energy Control Center. Napoleon Solar Facility. AMP Environmental Services.

This photo

An aerial view of AMP's 35-MW Willow Island hydro project, located on the Ohio River at the Willow Island Locks and Dam near St. Marys, West Virginia.



LETTER TO MEMBERS

From the record-setting performance of the Belleville Hydroelectric Facility to favorable rating agency reviews and the premiere of the AMP Lineworkers Rodeo, AMP and its members registered several noteworthy achievements in 2014.

We would like to touch upon briefly those and other accomplishments and milestones that represent the clarity of our focus on achieving AMP's vision: "To be public power's leader in wholesale energy supply and value-added Member services." More developments follow in the body of this report.

— STRATEGIC PLAN —

Because of a variety of external factors – including, but certainly not limited to, the rapidly changing regulatory environment, increasing customer interest in distributed generation and transmission cost increases – the existing public power business model is coming under increasing pressure.

That is why one of the most critical things the AMP Board of Trustees and Executive Management Team accomplished in 2014 was to launch the organization-wide effort to redefine AMP's strategy. This Board-driven process, supported by input from the AMP Executive Management Team, took place during multiple Board sessions over several months with the focus on determining how AMP's value proposition was to change to address potential challenges our members are facing. The initial effort involved assessing AMP's current strategy, defining and analyzing future scenarios, and identifying and reviewing various strategic options. It was done under the guidance of a facilitator from MWH Global, a leading provider of strategic consulting, environmental engineering and construction services.

To manage the subsequent stages of the strategic planning process, we also created a new position, vice president of business operations, and selected Chris Easton, a former representative on the Board of Trustees from member community Wadsworth. In 2015, we will be covering a lot of ground as members of the cross-functional initiative teams – Economic Model Refinement, Member Services, Power Supply and Generation, Transmission Risk Monitoring, Growth, Hosted Solutions, Organizational Development, and Implementation Support – tackle the many tasks on their roadmaps. The goal of these teams is to implement their objectives in the Strategic Plan, which essentially will create innovative solutions and programs that deliver more value to our members in a changing environment.

— GENERATION AND POWER SUPPLY —

AMP's strategic power supply plan was visibly on the move in 2014 with the performance of its diversified portfolio of generation assets, both existing and under construction.

AMP's 42-MW Belleville Hydroelectric Facility had a second consecutive record-setting year of generation, and AMP's nominal 707-MW (fired) natural gas combined cycle Fremont Energy Center continued to prove its value as an intermediate/peaking generation and capacity asset.

At Prairie State Energy Campus (PSEC), the Prairie State Generating Co. (PSGC) owners saw significant, continued progress in reliability and availability of the 1,600-MW advanced-coal, mine-mouth generating facility. That was



Steve Dupee (left), AMP Board of Trustees Chair and Director, Oberlin Municipal Light & Power System, and Marc Gerken, AMP President/CEO, view construction progress at AMP's Willow Island hydroelectric project.

reflected in its fourth quarter 2014 capacity factor of 80 percent, followed by 90 percent in January 2015. This improvement reinforces the fact that Prairie State will be a solid, long-term baseload asset providing both energy and capacity to participants.

On the Ohio River, the progress we made over the past year on our run-of-the-river hydro projects – which together will be adding more than 300-MW of new hydro capacity to the region – will result in three of the four – Cannelton, Meldahl and Willow Island – becoming operational in 2015.

Across AMP's member footprint, we continued to pursue options for behind-the-meter solar and gas peaking generation projects. This effort is to mitigate the impact of rising transmission costs and meet important peaking resource needs.

As the year ended, development was continuing at gas peaking sites, while feasibility studies on solar generation sites were being completed for distribution to members. We're excited about seeing a number of these projects take shape in 2015.

— FINANCE —

We are also pleased that Wall Street continued to reward AMP's financial strength and strong management in 2014, with Moody's, Fitch and Standard affirming A1 and A entity and project bond ratings.

AMP also achieved its margin projections in 2014, so we would like to express again our gratitude to the membership, who in 2013 approved modified service fees to accommodate a new

retained earnings policy the Board of Trustees established. Strengthening AMP's non-project General Fund liquidity puts us in a much more favorable position in the views of rating agencies and in our ability to handle any unexpected expenditures.

— NEW PROGRAMS —

As we did with our expanded technical and safety training in 2013, AMP continued to add programs that enhance reliability, safety, knowledge and professionalism for members. We want to congratulate participants in two new AMP programs that we introduced in 2014 and are continuing because of their popularity: our webinar-based Public Power Certification training course completed by more than 100 officials from 49 member communities and the AMP Lineworkers Rodeo, which was a noteworthy display of professionalism by the participants and events judges.

— STRATEGIC MEMBER GROWTH —

In 2014, AMP also continued to grow its membership base strategically, benefiting both new and existing members by providing additional strength through economies of scale, further diversification and increased load.

AMP wrapped up the year by adding a new member in a new state, Cannelton, Indiana, and got 2015 under way by welcoming two more members. Our 131st member is Berlin, Maryland, which also represents a new state in the AMP footprint for a total of nine, and our 132nd member is Benham, Kentucky.

We welcome these new members who are contributing to AMP's remarkable 60 percent membership growth since 2000 and look forward to working with them to meet the challenges of a complicated and ever-changing industry.

— POISED TO REACH SIGNIFICANT MILESTONES —

2015 promises to be an even more productive year for AMP and its members, because, among other anticipated achievements, it will mark the most substantial advancement in AMP generation assets since 2012, when AFEC, PSEC and the Napoleon Solar Facility significantly increased the value and diversity of AMP's portfolio as they began generating power.

We want to thank the AMP Board of Trustees, dedicated representatives of our member communities and their electric utility staff, and AMP staff for their commitment to achieving AMP's strategic vision.



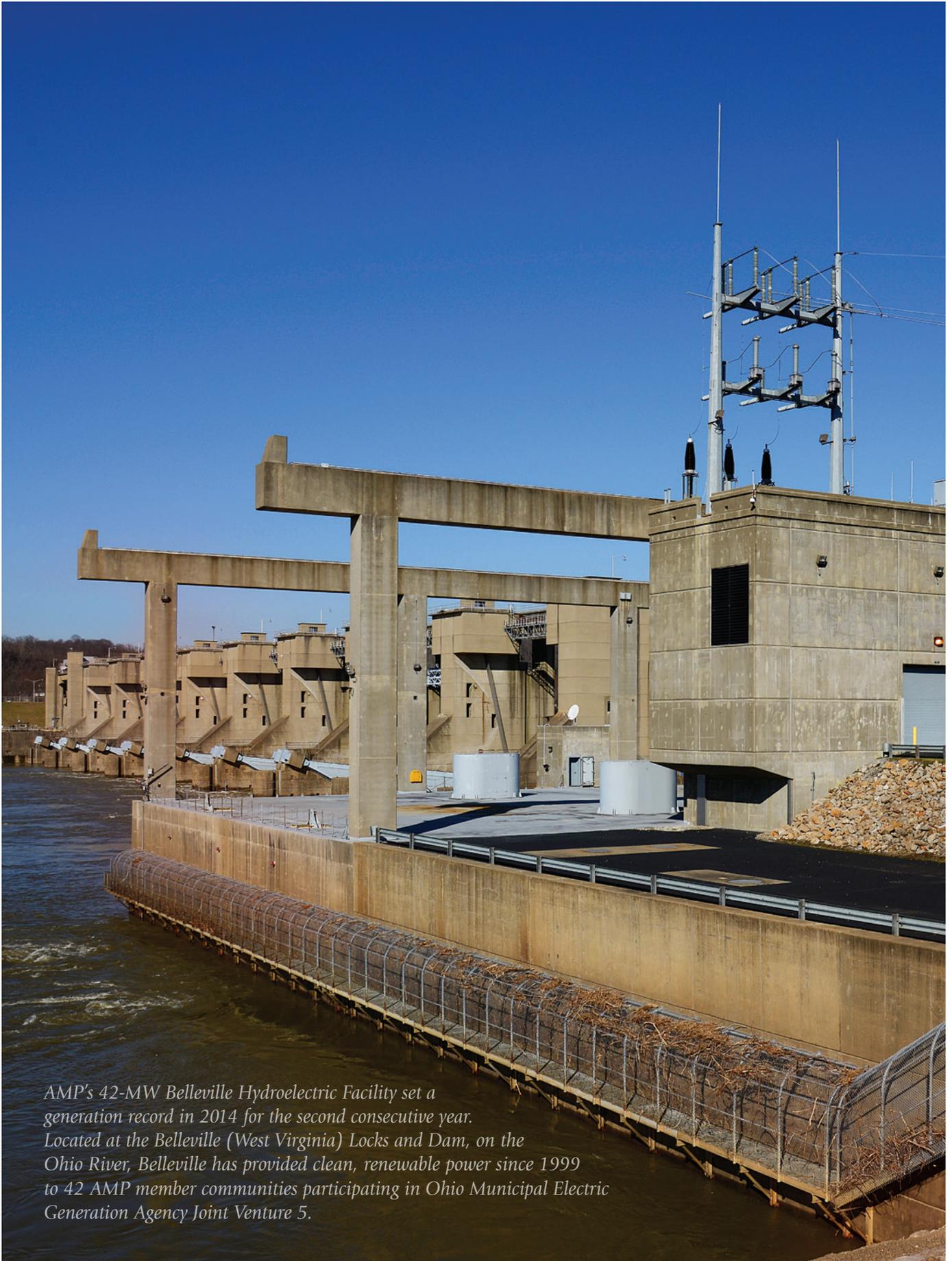
Mark S. Gerken, PE
AMP President/CEO



Steve Dupee, AMP Board of Trustees
Chair and Director, Oberlin Municipal
Light & Power System



AMP developed and managed construction of the 3.54-MW (AC) Napoleon Solar Facility (shown here), which was completed in 2012 and is connected to the electric system of AMP member Napoleon. AMP continues to pursue solar and natural-gas options for behind-the-meter generation in its member communities.



AMP's 42-MW Belleville Hydroelectric Facility set a generation record in 2014 for the second consecutive year. Located at the Belleville (West Virginia) Locks and Dam, on the Ohio River, Belleville has provided clean, renewable power since 1999 to 42 AMP member communities participating in Ohio Municipal Electric Generation Agency Joint Venture 5.

INTRODUCTION

American Municipal Power, Inc. (AMP) is the nonprofit wholesale power supplier and services provider for 132 members, who include 131 member municipal electric systems in Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia, Indiana and Maryland, as well as the Delaware Municipal Electric Corporation, a joint action agency with nine members headquartered in Smyrna, Delaware (see the member and facilities map on pages 10 and 11). Combined, these member utilities serve more than 637,000 customers.

Formed in 1971, AMP is headquartered in Columbus with approximately 180 employees at headquarters and generating facilities. The organization is governed by a Board of Trustees consisting of 20 AMP member communities. Nineteen are elected by the members or subgroups of members and AMP member Delaware Municipal Electric Corporation, on behalf of its nine member systems. Each such elected member then appoints a person to represent it on the Board.

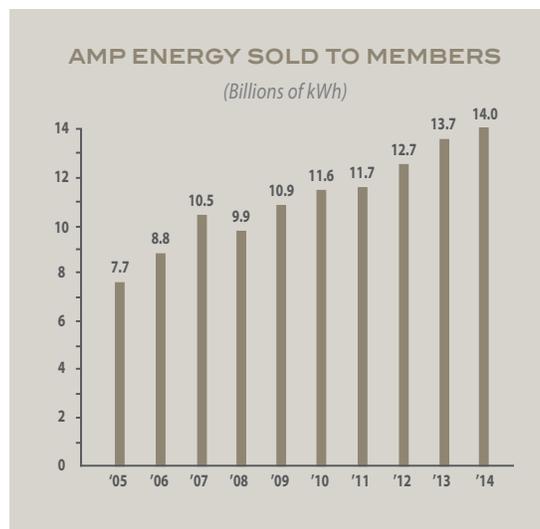
In 2014, the organization had a system peak of 3,386 MW and sold 14 million megawatt-hours of energy. Power sales revenue for the year was approximately \$1.012 billion with total assets of approximately \$5.6 billion.

AMP's financial strength and strong management have been consistently recognized by rating agencies and the financial community as a whole. Since 2000, all AMP construction project financing and entity ratings have been in the A category. The organization works to maintain these ratings through its member credit scoring program, sound financial practices and relationship management. In February 2014, Moody's Investors Service gave AMP an A1 entity, or counterparty, rating.

AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the market, and energy produced at AMP and member-owned generating facilities using fossil fuel, hydroelectric, wind, solar and other renewable resources.

AMP has undertaken a generation asset development effort with new resources in four states. On average, these projects will reduce its members' energy market exposure to about 38 percent of their portfolio and will result in a portfolio that is 21 percent renewable in 2016.

In addition to fulfilling its mission of providing for the power supply needs of member communities, AMP also provides members with valuable services such as generation operations, legal/regulatory involvement and assistance, on-behalf-of financing, sustainability programs, energy efficiency, engineering assistance, training, safety, environmental compliance, economic development/key accounts, and marketing and public power promotion. Both strategic and operational in nature, these services are developed and managed with the guidance and input of AMP's Board of Trustees.





The steam turbine at the nominal 700-MW natural-gas, combined-cycle AMP Fremont Energy Center.

Michigan

-  Marshall
-  Union City
-  Coldwater

- Wyandotte
- Clinton

- Pioneer
- Holiday City
- Montpelier
- Bryan
- Edgerton
- Hillsdale
- Union City
- Coldwater
- Wyandotte
- Clinton
- Hillsdale
- Pioneer
- Holiday City
- Montpelier
- Bryan
- Edgerton
- Marshall
- Union City
- Coldwater
- Wyandotte
- Clinton
- Hillsdale
- Toledo
- Genoa
- Haskins
- Elmore
- Woodville
- AFEC
- Oak Harbor
- Huron
- Cleveland
- Amherst
- Hudson
- Wellington
- Cuyahoga
- Wadsworth
- Marshall
- Orrville
- Brew
- Bea
- Greenwich
- Plymouth
- Shiloh
- Shelby
- Lucas
- Seville
- Lodi
- Prospect
- Dover
- Ohio City
- Mendon
- Wapakoneta
- Celina
- Waynesfield
- Lakeview
- St. Marys
- New Knoxville
- New Bremen
- Jackson Center
- Minster
- Versailles
- Piqua
- Westerville
- Columbus
- South Vienna
- Yellow Springs- Glouster
- Lebanon
- Blanchester
- Hamilton
- Georgetown
- Greenup Hydroelectric Plant (Hamilton/AMP)
- Williamstown
- Meldahl Hydroelectric Project (Hamilton/AMP)
- Jackson
- Bellefonte Plant (C)
- Richlands

Ohio

-  Member Baseload Generation
-  AMP Owned Distributed Generation
-  JV1 Diesel Generation
-  JV2 Diesel Generation
-  JV2 Gas Turbine
-  Member Peaking or Back-Up Generation
-  JV5 Diesel Generation
-  Hydroelectric Generation
-  AMP Member Without Generation
-  JV6 Wind Farm
-  AMP Fremont Energy Center (AFEC)
-  Delaware Municipal Electric Corp. (DEMEC members: Newark, New Castle, Middletown, Clayton, Smyrna, Dover, Milford, Lewes and Seaford)
-  AMP Napoleon Solar Facility
-  Prairie State Energy Campus

Indiana

-  Prairie State Energy Campus, Ill.
-  Smithland Hydroelectric Project, Ky. (AMP)

- Cannelton
- Cannelton Hydroelectric Project (AMP)

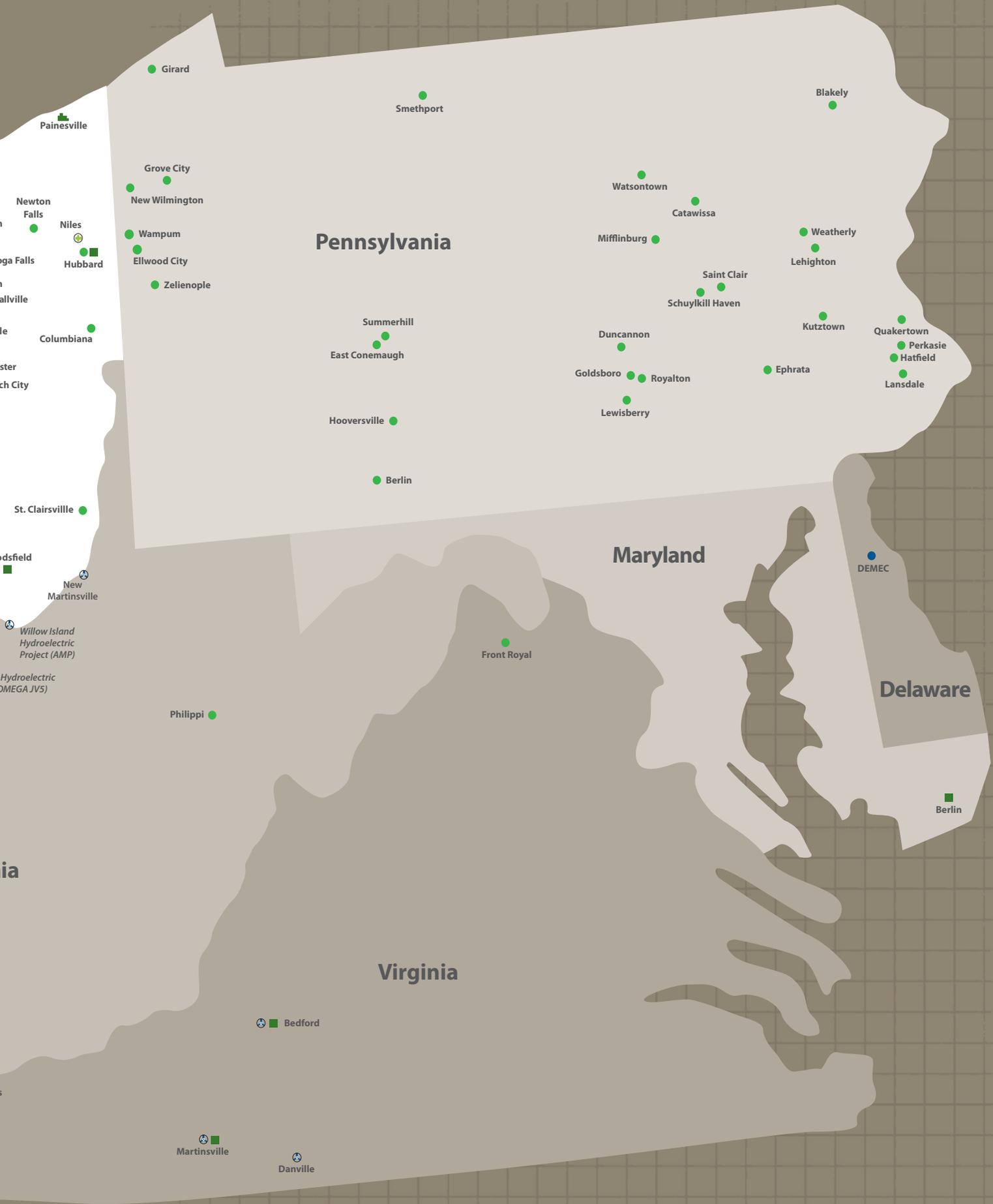
-  Princeton
-  Paducah

Kentucky

West Virginia

- Greenup Hydroelectric Plant (Hamilton/AMP)

- Benham



FINANCE

AMP's financial strength and strong management continued to be recognized by the rating agencies in 2014. Moody's Investors Service affirmed AMP's A1 issuer, or entity, rating, identifying the outlook as stable.

An A1 rating as opposed to a lower rating means the diligent work AMP and its members did to maintain creditworthiness will pay off in significant savings in power supply costs, interest rates and borrowing costs over the long-term.

AMP also had ratings affirmed on bonds for its major generation projects:

- PSEC: Fitch affirmed its A rating in August, with a stable outlook.
- AFEC: Moody's Investors Service affirmed its A1 rating in March, with a stable outlook. Fitch Ratings affirmed its A rating in May, with a stable outlook.
- Combined Hydro: Fitch affirmed its A rating in November, with a stable outlook. Standard & Poor's affirmed its A rating in April, with a stable outlook.

Regarding PSEC, AMP entered the market once again in late December 2014, taking advantage of an opportunity to save money for the project participants.

AMP holds a 23.26 percent ownership in the advanced-coal generation facility and Lively Grove coal mine on behalf of its 68 participating member communities in four states – the largest equity ownership among the nine owners.

The new bonds – sold to refinance an approximately \$600 million portion of the PSEC debt – produced an estimated savings of \$49.5 million net present value. They were rated by each of the rating agencies as follows:

- Moody's Investors Service rated the new bonds at A1, with a stable outlook.
- Standard & Poor's rated the new bonds A, with a stable outlook.
- Fitch Ratings rated the new bonds A, with a negative outlook.

On Jan. 14, 2015, in an advance refunding of a portion of PSEC debt, AMP issued its Project Revenue bonds consisting of three refunding series (\$507,875,000 PSEC 2015A; \$135,350,000 PSEC 2015B; and \$95,100,000 PSEC 2015C). The bonds were issued to refund a portion of AMP's PSEC Project Revenue Bonds and to pay the costs of issuing the PSEC 2015 bonds.

AMP also achieved its margin projections in 2014, the first year under AMP's modified service fees

that members approved in 2013 to accommodate a new retained earnings policy the Board established. Strengthening its non-project General Fund liquidity makes AMP look more favorable to rating agencies, and favorably positions it to meet cash requirements for any unexpected expenditures.



Member community representatives listen to Dawn Lund, vice president of Utility Financial Solutions, review cost-of-service concepts during a Finance & Accounting Subcommittee meeting held at AMP headquarters.

INFORMATION TECHNOLOGY

In 2014, AMP continued to upgrade and secure its information technologies as the need for and demands on IT-based solutions, infrastructure, connectivity and cyber-security grew.

On the generation side, AMP started implementing an Enterprise Asset Management system, which is fully integrated with the financial system, to manage all AMP generating assets. It also began implementing an Enterprise Data Warehouse Corporate Plant Historian for operation data, which will provide AMP staff and all members real-time access to dashboards and data for all generating facilities. In support of hydro operations at existing – Greenup and Belleville – and new facilities, AMP was also busy building out connectivity and core infrastructure.

On the distribution side, AMP, at the Board of Trustees' direction, identified the opportunity to facilitate collaboration among AMP members in deploying advanced metering infrastructure (AMI)/smart grid technologies. AMP completed an AMI cost/benefits study that recommended joint purchase of field equipment (meters and communications networks), and AMP investment in advanced-metering back-office systems that would provide a

viable alternative to locally deployed solutions to members. The approach would also move the technical and administrative burden of supporting these technologies to AMP.



Secure offsite servers supporting the growing IT demands of AMP and its members.

established a position to oversee the project. The new system will streamline and add greater efficiency and security across the organization for document creation, sharing/collaboration, storage and retrieval.

In January 2015, AMP initiated a project beginning with a member outreach phase to determine if a critical mass of AMP members was interested. Eleven members signed on to help AMP define an AMI hosted solutions offering for AMI services. The project will involve a request for information and request for proposal processes and a member workshop, with pricing and subscription scheduled to be provided to the pilot group of communities in July.

AMP also began implementing an enterprise content, workflow and document-management solution, and

POWER SUPPLY, GENERATION AND PROJECTS

Last year, through the work of AMP's Power Supply Group and Generation Operations, the organization's peak-shaving strategy resulted in more than \$38 million value of transmission and capacity savings for AMP's behind-the-meter projects.

AMP negotiated an agreement with Comverge to allow members to offer demand response to their retail customers, providing additional transmission and capacity savings.

As part of its strategy to manage rising transmission costs and cost effectively add generation capacity and on-peak energy, AMP continued to pursue peaking generation options to meet members' needs. Twenty-two member sites were short-listed in 2014 for behind-the-meter solar project development. The Project Feasibility Study will be completed in 2015 and the subscription process will follow.

AMP also negotiated engineering, procurement and construction (EPC) contracts for two initial solar sites – at AMP member community Coldwater, Michigan, and in Smyrna, Delaware, where AMP member Delaware Municipal Electric Corporation is headquartered.

As 2014 came to a close, development of behind-the-meter gas peaking generation was continuing at four sites. Noise studies, air modeling and preliminary design for those sites were in progress.

— BELLEVILLE —

2014 was the second consecutive record-setting year of performance for AMP's 42-MW Belleville Hydroelectric Facility, which provides power to 42 AMP member communities participating in Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Belleville's generation was 304,007 megawatt-hours, which exceeded the previous record, set in

2013, by 7,773 MWh. With a capacity factor of 82.6 percent, Belleville's generated 59,162 MWh more than the 1992 feasibility study projections and 50,477 MWh over its historical annual average.

Belleville staff also spent part of their record-setting year hosting and assisting in training staff operators for AMP's hydroelectric projects that were in the commissioning stage in preparation for 2015 operation. Staff provided training in plant equipment/systems, as well as in operations and maintenance.

— HYDRO PROJECTS —

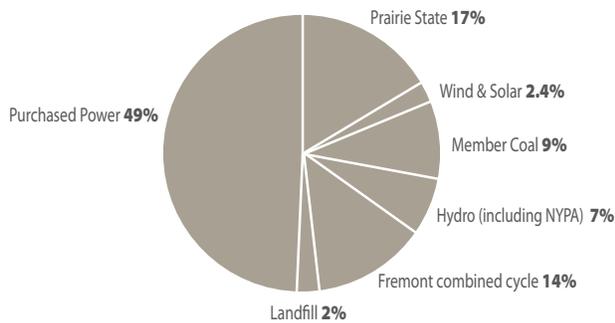
Efforts on AMP's hydroelectric projects last year were focused on preparing three of its four Ohio River projects to be operational in 2015: the 84-MW Cannelton, 105-MW Meldahl and 35-MW Willow Island.

On behalf of 79 participating member communities in five states, AMP owns three of the hydro projects under construction – Cannelton, Smithland and Willow Island (Phase I). AMP also owns, through a separate wholly owned limited liability company, a fourth project, Meldahl (Phase II, also known as Meldahl/Greenup), that it is developing with the member community of Hamilton. Hamilton retains the rights for a 51 percent share. Forty-eight AMP members from four states are participating in Phase II, which also includes acquiring a portion of the ownership and power produced from the existing 70-MW Greenup hydroelectric generating facility. Greenup, currently owned by Hamilton, is also on the Ohio River.

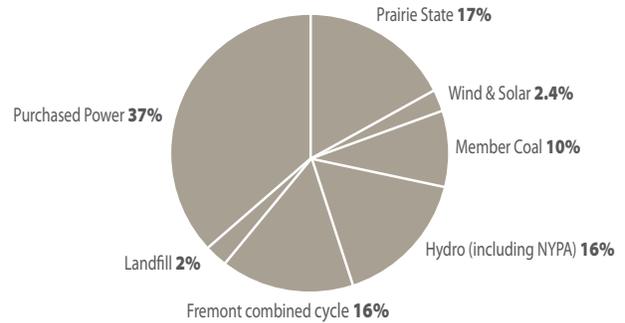


The 105-MW Meldahl hydroelectric project, located on the Capt. Anthony Meldahl Locks and Dam near Maysville, Kentucky, was in the advanced stages of commissioning by the end of 2014. When completed, it will be the largest hydroelectric plant on the Ohio River.

2014 AMP MEMBER ENERGY RESOURCE MIX
(16,000,000 MWh)



2017 AMP MEMBER PROJECTED ENERGY RESOURCE MIX
(16,800,000 MWh)



1. Member Coal includes Paducah and Princeton's Prairie State participation through the Kentucky Municipal Power Association.
2. Wind & Solar includes member-owned solar.
3. Hydro includes member-owned hydro.

The energy resource mix charts reflect a 12 percent decrease in purchased power by 2017. That is largely the result of the new hydroelectric assets, which are also helping increase the amount of energy produced by renewable resources to 20.4 percent of the 2017 mix.

These four projects, which total more than 300 MW in clean, renewable energy and \$2.7 billion in investment, represent the largest development of new run-of-the-river hydropower in the United States today.

In 2014, work was significantly advanced on the turbine/generator fit-up and commissioning process at Cannelton and Meldahl. At Cannelton, as the year ended, its 138-kilovolt transmission line had been energized, 34 out of 39 plant systems had been tested and were in service, electrical component installation in the bulbs of the three turbine/generator units was continuing, and tree planting and building construction in the recreation area were largely done.

Meldahl closed out 2014 with its powerhouse concrete and closure structures substantially complete, its turbine/generator installation

91 percent complete, and excavation of approach and tailrace channels completed with riprap placement continuing.

At year end, commissioning had begun at Willow Island for waterup, with the plant to be watertight in mid-January 2015 and a controlled fill scheduled to begin in March. Commissioning work on Willow Island's other plant systems was also beginning.

At the 72-MW Smithland project, construction also progressed, with approximately 66 percent of structural concrete placement done by the end of 2014. The project did experience difficulties that slowed progress on the second-stage concrete involving bulb turbine housing and stay cone embedment. Excavation work, both upstream and downstream, was substantially completed to allow for the final installation of riprap. Riprap is used to prevent the river from scouring the approach and tailrace channels.



AFEC, as seen from across the storm water pond on the east side of the facility.

— AFEC —

AFEC continued to prove itself to be the workhorse AMP knew it was getting in 2011, growing in value as a flexible generation asset producing both intermediate and peaking generation, as well as capacity. AMP owns 90.69 percent of this nominal 700-MW natural-gas, combined-cycle facility on behalf of 87 participating member communities in seven states and 4.15 percent on behalf of the Central Virginia Electric Cooperative. The Michigan Public Power Agency owns the remaining 5.16 percent.

AFEC's capacity factor in 2014 was 40 percent. During the hours that AFEC operated and delivered energy to members, energy costs from the plant were a cumulative \$50 million lower than the PJM market.

AMP also continued to implement its 36-month rolling gas hedging strategy developed by The Energy Authority (TEA) for AFEC, as well as to transact opportunistic long-term fixed hedge swaps.

— PSEC —

The performance of PSEC, a 1,600-megawatt advanced-coal generating facility, continued to improve in 2014. That was reflected in its fourth quarter 2014 capacity factor of 80 percent, followed by 90 percent in January 2015. 2014 also saw the hiring by the Prairie State Generating Co. (PSGC) owners of a new chief operating officer, Randy Short, and a new chief executive officer, Donald Gaston, who has an extensive background in supercritical fossil generation, environmental controls technology and improving power plant reliability.



AMP generation and environmental staff, Ohio Municipal Electric Generation Agency Joint Venture 2 participants and AMP members with their own units focused in 2014 on retrofitting options that would allow them to use their diesel units as a peaking resource. In early 2015, AMP staff and vendors began installing diesel oxidation catalysts on diesel units located in member communities to reduce emissions and make them compliant with the National Emissions Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines.

AMP holds a 23.26 percent ownership in the southern Illinois facility and adjacent Lively Grove coal mine on behalf of its 68 participating member communities in Ohio, Michigan, Virginia and West Virginia. Two AMP Kentucky member communities are participating separately through their joint action agency.

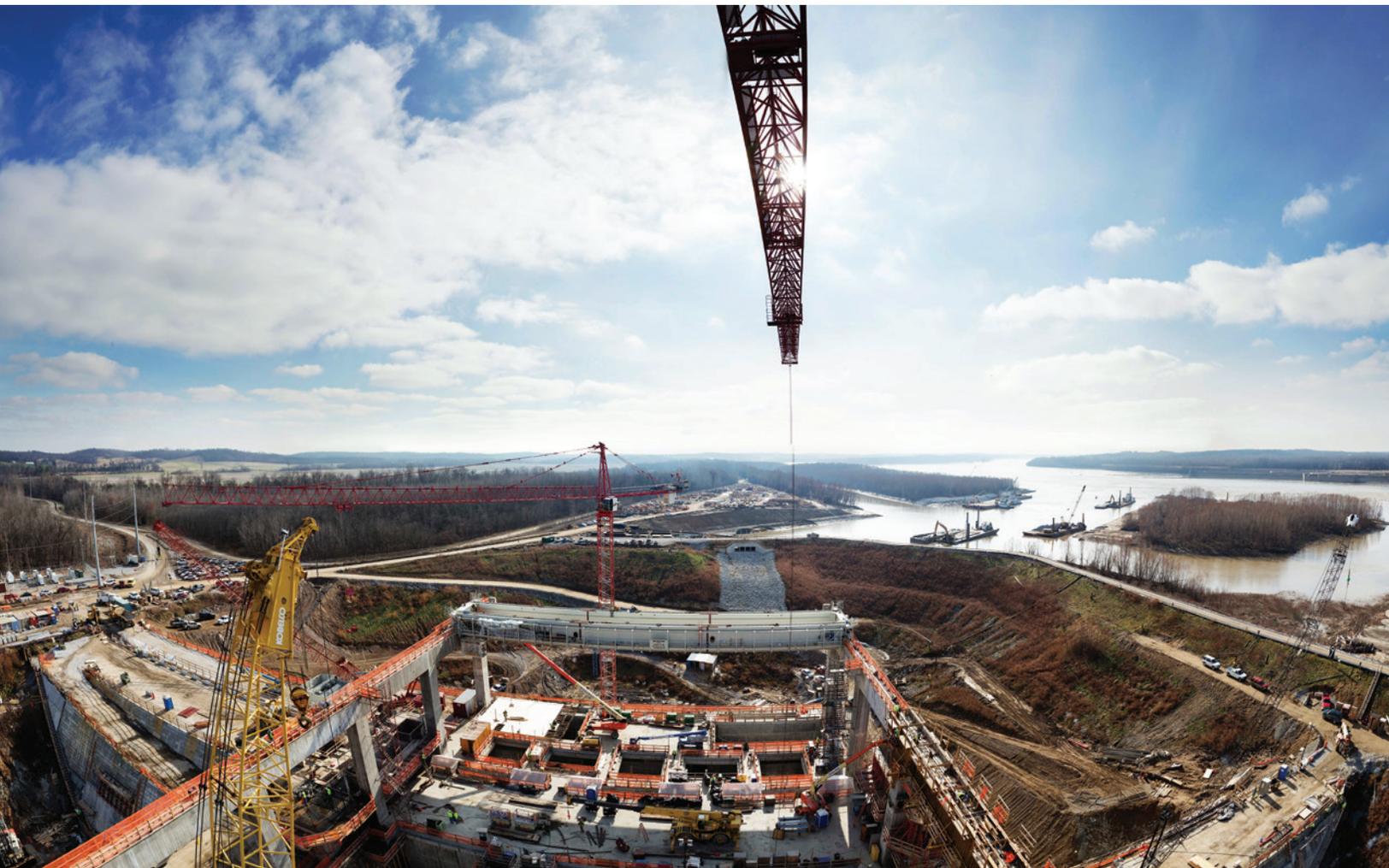
Equipped with state-of-the-art emissions controls, PSEC is one of the cleanest coal facilities in the nation. It is part of a balanced energy portfolio for AMP and its participating members, providing baseload energy and capacity.

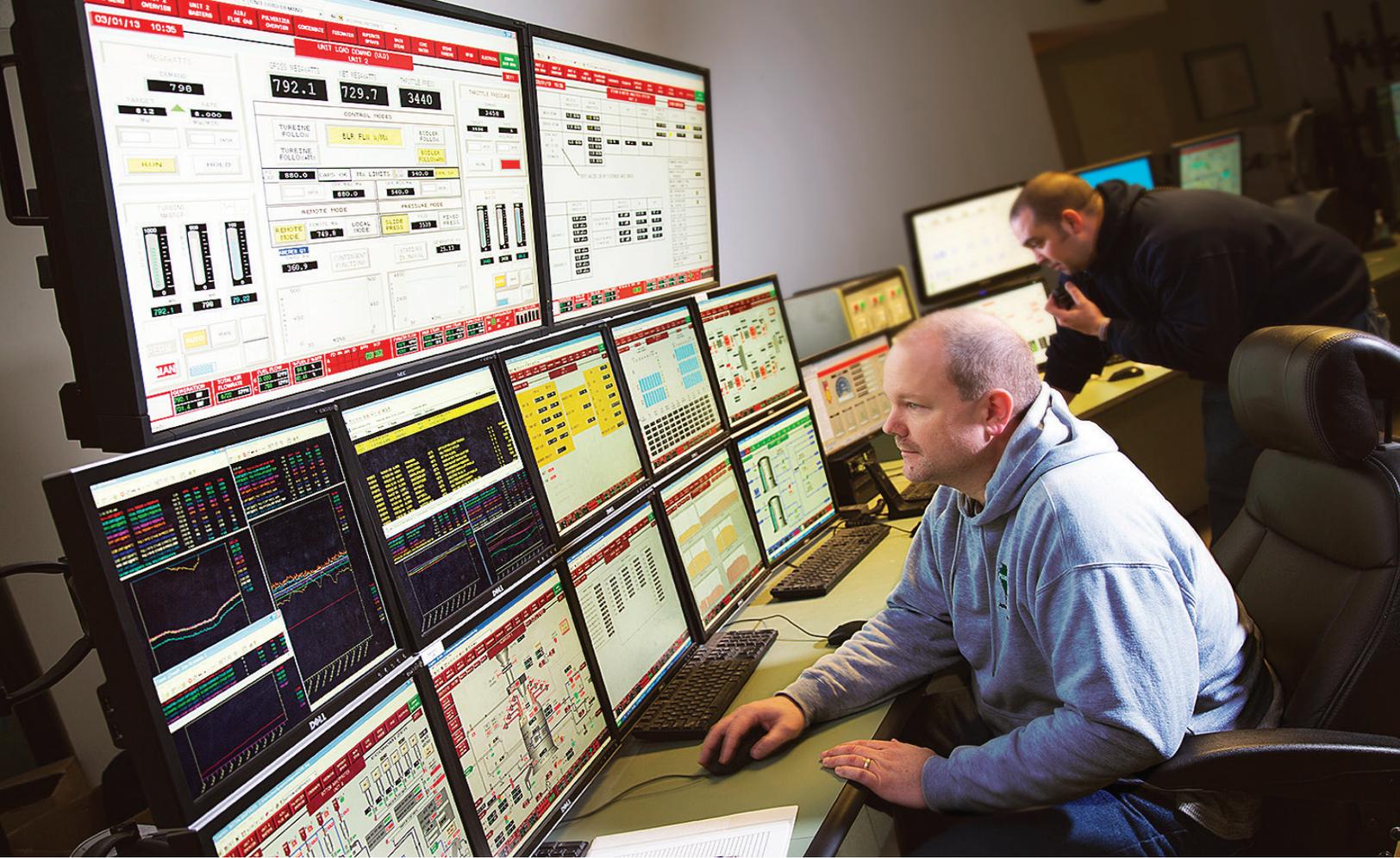
— ENVIRONMENTAL REGULATION —

In 2014, the U.S. Environmental Protection Agency (USEPA) issued its long-anticipated proposals for limiting carbon dioxide (CO₂) emissions from existing and modified/reconstructed electric generating units.

In response, AMP, the Ohio Municipal Electric Association (OMEA) and their members, along with a multitude of other industry groups and state agencies, filed comments questioning aspects of the proposed standards. AMP/OMEA also supported filings by both the American Public Power Association (APPA) and the Prairie State Generating Co. AMP/OMEA also was actively engaged with the USEPA and state agencies to raise its view. USEPA is expected to issue final rules late in 2015.

AMP/OMEA also filed comments with the USEPA on its proposed rule to establish new source performance standards to limit emissions of greenhouse gases from certain new electric generating units. AMP/OMEA's comments identified several categories of units that should not be subject to the requirements of the proposed new unit rules. AMP/OMEA also challenged USEPA's consideration of carbon capture and sequestration as an acceptable control technology and also stressed the need for maintaining operational flexibility to keep compliance costs down while ensuring grid stability.





Above: The control room of the 1,600-MW advanced-coal PSEC, which is one of the cleanest coal facilities in the nation. Left: The 72-MW Smithland hydroelectric project is located on the Ohio River at the Smithland Locks and Dam near Smithland, Kentucky.

— RTOs/FERC MONITORING —

AMP continued to represent the interests of its members by providing a strong voice in the stakeholder processes at PJM Interconnection (PJM) and MidContinent Independent System Operator (MISO) regional transmission organizations and at the Federal Energy Regulatory Commission (FERC). For example, in 2014, AMP monitored or was an active participant in approximately 1,130 MISO, PJM and other FERC filings and approximately 160 ongoing North American Electric Reliability (NERC) cases.

Also progressing were AMP's efforts to help manage rising transmission costs, which are largely the result of investor-owned utilities' increasing focus on transmission because of the attractive guaranteed return on equity (ROE) FERC is

granting them. AMP has challenged the transmission owners on their transmission rate proposals and ROEs through FERC rate cases. One of its successes in 2014 resulted in an ongoing FERC investigation to determine whether the ROE in effect for American Transmission Systems Inc. (ATSI, FirstEnergy's transmission affiliate), remains reasonable, as well as an investigation into the reasonableness of ATSI's proposed transmission rate structure changes.

AMP also participated in negotiations on behalf of its Pennsylvania members to help resolve disputes over the annual formula transmission rate updates of PPL, a PJM transmission owner. The disputes had been ongoing since 2010, and in 2013, the Pennsylvania boroughs asked AMP to assist in the negotiations. The parties reached a settlement that was filed with FERC in September 2014.

SUSTAINABILITY

AMP and its members are committed to the balance of being responsible corporate citizens, governmental entities, employers, and environmental stewards, while maintaining a supply of cost-competitive reliable electric power.

That commitment is reflected in AMP's Sustainability Principles, which reflect the importance of the broader nature of sustainability. They are:

1. Providing a Balanced and Sustainable Power Supply Portfolio
2. Reducing Our Overall Emissions Profile
3. Using Less
4. Making Smart Investments
5. Assisting Member Communities
6. Reaching Out to Stakeholders
7. Leading by Example

(For a detailed look at how AMP applies these principles over a broad range of programs and initiatives, please see AMP's 2014 Report on Sustainability, available online at amppartners.org.)

— EFFICIENCY SMART —

Reflecting adherence to several of AMP's Sustainability Principles is AMP's Efficiency Smart program, which was implemented and is administered by Vermont Energy Investment Corporation under a performance-based contract with AMP.

Calendar year 2014 marked a year of continued success by Efficiency Smart program. First, AMP's independent evaluation, measurement and verification (EMV) contractor verified that the program's 2013 savings were 61,110 MWh for a three-year total verified savings of 121,016 MWh, or approximately 150 percent of the three-year target. Most of the program's third-year savings, and most of the three-year total

savings, were from custom projects – approximately 54,229 MWh in 2013 and 105,087 MWh in three years, respectively. All 49 members participating in the first three-year contract met their guaranteed savings goal.

Claimed 2014 MWh savings for the program's 27 participants were 21,550 MWh, or approximately 57.5 percent of the project's new three-year target. These were awaiting EMV verification. The project also gained its 28th participant in early 2015 as the City of Hamilton signed a three-year contract.

AMP continued with the Efficiency Smart subscription process to encourage all its members to benefit from an investment in this low-cost, lowest-risk resource.

— CARBON OFFSET PROJECTS —

In keeping with the AMP Sustainability Principle "Reducing Our Overall Emissions Profile," AMP issued a carbon-offset RFP in 2014 that resulted in it signing contracts with Element Markets and Blue Source. The contracts involved purchasing a large carbon-offset portfolio of landfill gas and forestry carbon-offset projects in a number of AMP footprint states.

As 2014 ended, AMP was also in the final stages of completing a new contract with the Ohio Department of Natural Resources Division of Forestry regarding reforestation of reclaimed mining land in two parks in Harrison County. These forestry projects could total more than 300 acres and will join the two forestry projects AMP currently has in Ohio – totaling 210 acres – that will generate carbon offsets in future years.



Several participating AMP member communities have upgraded to higher-efficiency street lighting through the Efficiency Smart program, which provides rebates on top of the cost savings from reduced power use. Shown here is a Georgetown Electric Department crew working on an LED street lighting project completed in 2014.

— RENEWABLE ENERGY CERTIFICATES —

AMP also filed for – and in February 2015 received – Public Utilities Commission of Ohio (PUCO) approval of certification of the 70-MW Greenup hydroelectric facility for renewable energy certificates (RECs). As a result, any RECs the plant generates would count toward compliance with Ohio’s Alternative Energy Portfolio Standard.

The ability to sell RECs adds value for the AMP members participating in Phase II hydro, also known as the Meldahl-Greenup project, because while the City of Hamilton currently owns Greenup, Phase II involves participants acquiring a portion of the ownership and power produced by Greenup. Following PUCO certification, AMP also began pursuing registration/certification of the Greenup facility in other states in the PJM footprint. This would allow the sale of Greenup RECs into these states for compliance with their renewable requirements.

RISK MANAGEMENT

AMP focused its efforts in 2014 on building a formalized risk management program – Enterprise Risk Management (ERM) – around best practices designed to protect AMP and its members from vulnerabilities.

AMP's Board of Trustees and Executive Management Team have embraced ERM as the way to define risks, identify their probability and impact on business drivers, and develop the thinking throughout the organization on actions to take in response to those risks. Throughout the year, Risk Department staff completed training and assessment interviews of AMP employees and provided reports to AMP's Board and Executive Management.

Lineworkers participate in one of several events at AMP's inaugural Lineworkers Rodeo, the first of its kind held in central Ohio.



MEMBER SERVICES



More than 100 elected and appointed officials from 49 communities in Ohio, Pennsylvania, Michigan and Delaware completed AMP's new webinar-based Public Power Certification training course in 2014. The course sessions, presented by AMP and American Public Power Association (APPA) officials, covered both technical and regulatory aspects of the public power industry, as well as provided an overview of public power and AMP.

— RELIABLE PUBLIC POWER PROVIDER —



AMP members once again made a strong showing in earning APPA's Reliable Public Power Provider (RP3) designations, reflecting the high regard AMP members have for reliability, safety and operational efficiency. Two members – the City of Wapakoneta and Cuyahoga Falls Electric System – received RP3's top designation, the Diamond level. Before 2014, the Piqua Municipal Power System was the only AMP member to achieve this level.

Eleven other AMP members earned RP3 designations for 2014-2017. They join eight AMP members, including Piqua, who were awarded RP3 designations for 2013-2015.

(The complete list of RP3 communities may be found in the AMP's 2014 Report on Sustainability, available online at amppartners.org).

— AMP LINEWORKERS RODEO —

AMP's inaugural Lineworkers Rodeo – the first of its kind for Central Ohio – was a successful start to what will become an annual display of public power professionalism in Columbus. (The 2015 rodeo is set for Aug. 28-29 at AMP headquarters, Columbus.)

Featuring a range of professional skills challenges in three levels of competition – team, journeyman and apprentice – this family-friendly event involved 30 participating lineworkers, as well as nine judges and auditors, from across the AMP membership and Central Virginia Electric Cooperative.

— REDESIGNED WEBSITE —

To stay current with users' needs and their technologies, AMP redesigned its website to enhance its appearance, simplify site navigation and make it responsive, or more mobile compatible, for the steadily growing number of visitors who use mobile devices to view AMP's pages. Twenty percent of the approximately 58,000 sessions on amppartners.org in 2014 involved use of mobile devices – smart phones and tablets – which is up more than 5 percent from the previous year.

AMP EXECUTIVE MANAGEMENT TEAM



Marc S. Gerken, PE, has served as president and chief executive officer of AMP since February 2000. Previously, Gerken served as vice president of business and operations from 1998 to 2000. He began his public service career in 1990 as a city engineer with the City of Napoleon. In 1995, he was named city manager of Napoleon and served in that capacity until his employment by AMP. Gerken is past chairman of the American Public Power Association Board of Directors, having served on the 10-member Executive Committee from 2004 to 2010, and as chairman from June 2009 to June 2010. He received the APPA Harold Kramer-John Preston Personal Service Award in 2005, was recognized as a finalist for the Platt's Global Energy CEO of the Year Award in December 2010, and received the Alex Radin Distinguished Service Award from APPA in June 2012. He also serves as president of the National Hydropower Association Board of Directors and as chair of the Prairie State Generating Company Management Committee. Gerken has provided testimony on numerous occasions to the Federal Energy Regulatory Commission and Congress regarding electric industry issues. He holds a bachelor of science degree in civil engineering from the University of Dayton. He is a registered engineer in Ohio and Florida.



John W. Bentine, Esq., has served as general counsel for AMP and the OMEA since 1981. He joined AMP full time in 2012 as senior vice president/general counsel. Bentine was with the law firm of Chester, Wilcox and Saxbe LLP from 1991 to 2012, serving as managing partner. The firm merged with Taft Stettinius & Hollister LLP in 2012. He also served on the technical staff of the Public Utilities Commission of Ohio (PUCO), as assistant attorney general and counsel to the PUCO, and as assistant city attorney and senior assistant city attorney for the City of Columbus. He holds a bachelor of business administration degree from Marshall University and a Juris Doctor degree cum laude from Ohio State University.



Bobby Little, senior vice president and chief risk officer, chairs AMP's Risk Management Committee and provides overall management of AMP's independent oversight, compliance, control and monitoring office. Little joined AMP in 2013 with more than 25 years of related industry experience. He is former executive director of risk management for Southern California Edison. In addition, he was audit/compliance manager for Williams Power and held various management positions at Progress Energy. Little holds a bachelor of science degree in business administration from the University of North Carolina and an MBA in finance from Campbell University.



Brannndon Kelley, chief information officer, sets, facilitates and leads technology strategy and tactical execution at AMP. In that role, he oversees all information technology, information security and SCADA functions. Kelley joined AMP in 2009 with more than 15 years of IT leadership experience. He was named Intelligent Utility's CIO of the Year in 2013 and served as 2013 chair of APPA's IT Committee. Kelley earned a bachelor of science degree in computer information systems from DeVry University and an MBA in finance and general management



Scott Kiesewetter, was named senior vice president of generation operations in 2014 and oversees all functions of the Power Generation Group. Kiesewetter has worked for AMP since 1992. His experience with the organization includes engineering and supervisory positions at the former Richard H. Gorsuch Generating Station and at headquarters overseeing

transmission/distribution design, distributed generation, operations engineering/accounting, new plant engineering and project development. Prior to AMP, Kiesewetter held various positions with the Philadelphia Electric Company. He holds a bachelor's degree in electrical engineering from Ohio State University.



Pamala M. Sullivan, senior vice president of marketing and operations since 2008, oversees AMP's power supply services and markets its power supply projects to members. Sullivan joined AMP in 2003 as director of marketing and development, and was later promoted to vice president of marketing. Before joining AMP, she was vice president of marketing for SFT, a consulting engineering firm specializing in power supply and distribution. She also served as city electrical engineer for the AMP member community of Napoleon. She holds a bachelor of science degree in electrical engineering from the University of Toledo.



Jolene M. Thompson, AMP's senior vice president of member services and external affairs since 2008, provides oversight to AMP's energy policy and sustainability, government affairs, technical services, environmental compliance, energy efficiency, key accounts/business development, communications, and human resources and safety services. She is also executive director of the Ohio Municipal Electric Association. Thompson, who has been with AMP since 1990, is active nationally. She currently serves on the APPA, Consumer Federation of America and Power PAC boards of directors and is the legislative committee chair of the Transmission Access Policy Study (TAPS) Group Board. She holds a bachelor of arts degree in journalism from Otterbein University.



Robert W. Trippe, was named senior vice president of finance in 2008 and continues to serve as chief financial officer (CFO). Trippe served as vice president of finance and CFO of AMP since April 1991. Before joining AMP, he worked at Detroit Edison from 1978 to 1991. During that time, Trippe served as the vice president and CFO for SYNDECO Inc., a wholly owned, diversification subsidiary of Detroit Edison. Trippe holds a bachelor of science degree in accounting and finance from Southwest Missouri State University, a bachelor of science degree in accounting and finance from Missouri State University.

AMP BOARD OF TRUSTEES



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At Large-2015
Representative
 Steve Dupee
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 Oberlin Municipal Light
 & Power System



Member
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 City of Orrville



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 Tracy Reimbold
Treasurer
Finance Director
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Member
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NWASG-2016
Representative
 Brian O'Connell, PE
Director of Utilities
 City of Bowling Green



Member
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Representative
 Brian Carlin
Director of Utilities
 Bryan Municipal
 Utilities



Member
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Representative
 Roy Johnson
Village Administrator
 Village of Carey



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NASG-2016
Representative
 Ivan Henderson
Commissioner
 Cleveland Public Power



Member
COLDWATER
MASG-2016
Representative
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Director
 Coldwater Board
 of Public Utilities



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At Large-2014
Representative
 Michael Dougherty,
 CMRP
Superintendent
 Cuyahoga Falls Electric
 Department



Member
DELAWARE
MUNICIPAL ELECTRIC
CORP. DASG-2016
Representative
 Patrick McCullar
President & CEO
 Delaware Municipal
 Electric Corporation



Member
DOVER
At Large-2017
Representative
 Dave Filippi
Plant Superintendent
 Dover Light & Power



Member
EPHRATA
PASG - 2016
Representative
 Tom Natarian, PE
Director of Operations
 Borough of Ephrata



Member
DANVILLE
VASG-2016
Representative
 Jason Grey
Broadband Network
Manager
 City of Danville



Member
HAMILTON
SWASG-2016
Representative
 Kevin Maynard
Director
 Department of Electric
 City of Hamilton



Member
NAPOLEON
At Large-2017
Representative
 Monica Irelan
City Manager
 City of Napoleon



Member
NEW MARTINSVILLE
OASG-2016
Representative
 Chuck Stora
Plant Manager
 New Martinsville
 Municipal Electric



Member
PIQUA
WASG-2016
Representative
 Ed Krieger
Director
 Piqua Municipal
 Power System

AMP SERVICE GROUP KEY

CASG: Central AMP Service Group
 DASG: Delaware AMP Service Group
 MASG: Michigan AMP Service Group
 NASG: Northern AMP Service Group
 NCASG: North Central AMP Service Group
 NEASG: Northeast AMP Service Group
 NWASG: Northwest AMP Service Group
 OASG: Other AMP Service Group
 PASG: Pennsylvania AMP Service Group
 SEASG: Southwest AMP Service Group
 VASG: Virginia AMP Service Group
 WASG: Western AMP Service Group



Member
WADSWORTH
NEASG-2016
Representative
 Robert Patrick
Director of Public Service
 City of Wadsworth



Member
WESTERVILLE
CASG-2016
Representative
 Andrew Boatright, PE
Manager
 Westerville Electric Division



Ex-Officio
AMP
 Marc S. Gerken, PE
President/CEO



Ex-Officio
AMP
 John W. Bentine, Esq.
*Senior Vice President/
 General Counsel*

AMP MEMBER ELECTRIC SYSTEMS AT A GLANCE

<i>Community</i>	<i>Number of Meters</i>	<i>2014 System Peak (kW)</i>	<i>Installed Generation (kW) (as of 12/31/14)</i>
Central AMP Service Group (CASG)			
Columbus	12,151	146,503	12,470
Glouster	1,003	2,390	
Jackson	4,175	34,554	3,600 ₃
Westerville	16,459	99,943	
CASG subtotal	33,788	283,390	16,070
Northern AMP Service Group (NASG)			
Cleveland	72,494	295,760	59,950 ₅
Painesville	12,261	54,001	37,500
NASG subtotal	84,755	349,761	97,450
North Central AMP Service Group (NCASG)			
Arcadia	305	1,148	
Bloomdale	319*	1,329	
Bryan	6,030	38,415	54,450 ₆
Carey	1,907	15,159	2,000
Clyde	2,998	37,549	
Cygnets	271	797	
Deshler	1,002	3,860	
Dover	6,863	44,977	51,850 ₆
Greenwich	731	3,594	
Marshallville	492	n/a	
New Knoxville	448	2,471	1,000
Ohio City	430*	1,449	
Orrville	7,220	59,970	70,475 ₅
Plymouth	850	2,946	
Republic	325	768	
St. Clairsville	2,957	11,617	
St. Marys	4,136	39,341	21,000 ₂
Shelby	5,053	19,940	6,600
Shiloh	280	1,140	
Sycamore	509*	1,620	
Wapakoneta	5,369	33,688	3,000
Wharton	171*	680	
Woodsfield	1,496	4,866	6,000
NCASG subtotal	50,162	327,324	216,375

<i>Community</i>	<i>Number of Meters</i>	<i>2014 System Peak (kW)</i>	<i>Installed Generation (kW) (as of 12/31/14)</i>
Northeast AMP Service Group (NEASG)			
Amherst	5,933	27,106	
Beach City	824	2,260	500
Brewster	941	8,553	
Columbiana	3,568	16,026	
Cuyahoga Falls	24,850	101,104	9,000 ₁
Galion	6,052	22,582	53,305 _{2,4,6}
Grafton	1,334	6,159	
Hubbard	4,364	14,611	5,400
Hudson	6,615	41,137	
Huron	4*	398	
Lodi	1,787*	9,915	1,800
Lucas	349	783	
Milan	726	2,770	
Monroeville	831*	9,448	
Newton Falls	2,558	9,472	1,000
Niles	12,695*	61,741	5,400 ₃
Oberlin	3,099	20,639	20,656
Prospect	737*	2,249	1,800
Seville	1,812	15,757	5,475 ₂
South Vienna	231*	960	
Wadsworth	12,626	60,658	5,400 ₃
Wellington	3,006*	15,080	1,000
NEASG subtotal	94,942	449,408	110,736

AMP MEMBER ELECTRIC SYSTEMS AT A GLANCE

<i>Community</i>	<i>Number of Meters</i>	<i>2014 System Peak (kW)</i>	<i>Installed Generation (kW) (as of 12/31/14)</i>
Northwest AMP Service Group (NWASG)			
Bowling Green	14,643	101,474	91,530 _{2,3,4,7}
Bradner	604	1,509	
Custar	119*	783	
Edgerton	1,100	6,744	3,650 ₂
Elmore	939	3,373	
Genoa	1,131	3,793	5,400
Haskins	529*	1,592	
Holiday City	38	4,470	
Montpelier	2,331	14,540	10,950 ₂
Napoleon	6,213	30,421	61,595 _{2,3,4,5}
Oak Harbor	1,562	5,370	1,500
Pemberville	710	3,340	
Pioneer	827	7,387	
Toledo	1*	7,013	
Woodville	1,051	3,142	750
NWASG subtotal	31,798	194,951	175,379
Southwest AMP Service Group (SWASG)			
Blanchester	2,198*	n/a	
Georgetown	2,129	13,266	
Hamilton	29,042	133,000	211,800 ₆
Lebanon	9,187	64,852	32,800
SWASG subtotal	42,556	211,118	244,600
Western AMP Service Group (WASG)			
Arcanum	1,572	6,056	2,725 ₅
Celina	7,659	42,726	5,000
Eldorado	279	1,129	
Jackson Center	889	3,846	1,825 ₂
Lakeview	946	2,458	
Mendon	334	1,628	
Minster	1,467	21,746	
New Bremen	1,576	13,026	
Piqua	10,719	64,000	27,000
Tipp City	4,914*	31,751	
Versailles	1,863	13,478	2,735 ₂
Waynesfield	485	2,100	
Yellow Springs	2,120	7,382	1,000
WASG subtotal	34,823	211,326	40,285

AMP MEMBER ELECTRIC SYSTEMS AT A GLANCE

<i>Community</i>	<i>Number of Meters</i>	<i>2014 System Peak (kW)</i>	<i>Installed Generation (kW) (as of 12/31/14)</i>
Michigan AMP Service Group (MASG)			
Clinton	1,369	5,692	2,000
Coldwater	6,982	79,247	8,500
Hillsdale	6,353	28,332	11,000
Marshall	4,514	22,785	10,000
Union City	1,494*	4,032	375
Wyandotte	12,400*	63,500	72,500
MASG subtotal	33,112	203,588	104,375
Virginia AMP Service Group (VASG)			
Bedford	6,536*	56,460	5,000
Danville	49,087	229,703	9,000
Front Royal	7,378	50,979	
Martinsville	7,716	39,371	2,300
Richlands	2,563	24,414	1,200
VASG subtotal	73,280	400,927	17,500
Other AMP Service Group (OASG)			
Benham	317	3,047	
Berlin (Md.)	2,459	14,216	
Cannelton	935	3,600	
New Martinsville	1,722	7,636	37,400
Paducah	22,734*	134,608	124,000
Philippi	1,686*	8,677	
Princeton	3,909	24,191	
Williamstown	1,730*	11,214	
OASG subtotal	35,132	207,189	161,400
AMP Total	643,143	3,337,221₁₀	1,276,666

* 2013 total; 2014 not available

¹ Owned by OMEGA JV1

² Owned by OMEGA JV2

³ Owned by OMEGA JV5

⁴ AMP distributed generation

⁵ Member and distributed generation

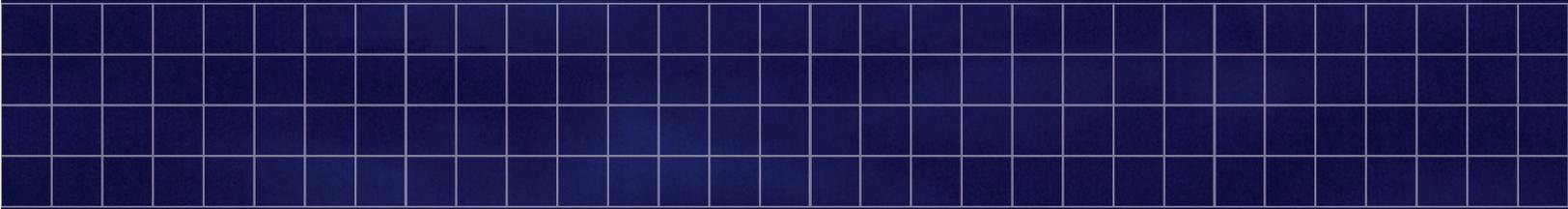
⁶ Member and OMEGA JV2

⁷ Owned by OMEGA JV6

⁸ The AMP Wind Farm is also included in the Bowling Green installed generation total; it is counted only once in the Ohio total.

⁹ The Napoleon Solar Project is also included in the Napoleon installed generation total; it is counted only once in the Ohio total.

¹⁰ System peaks of two members were unavailable for inclusion in AMP total.



The Smithland hydro project under the lights at dawn.

For financial information

The 2014 AMP Consolidated Financials and other financial reports may be found on the Investors page at AMP's website: www.amppartners.org/investors



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