

American Municipal Power, Inc., Ohio

Greenup Hydroelectric Project Revenue Bonds New Issue Report

Ratings

New Issue

\$144,000,000 Greenup Hydroelectric
Project Revenue Bonds, Series
2016A^a A-

^aAMP has issued bonds under other specific
project indentures.

Rating Outlook

Stable

Related Criteria

[U.S. Public Power Rating Criteria](#)
(May 2015)

[Revenue-Supported Rating Criteria](#)
(June 2014)

Related Research

[2016 Outlook: U.S. Public Power and
Electric Cooperative Sector](#)
(December 2015)

[U.S. Public Finance — Public Power —
Fitch Analytical Comparative Tool \(FACT\)](#)
— June 2015 (July 2015)

[U.S. Public Power \(Peer Study\)](#)
(July 2015)

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New Issue Details

Sale Information: Approximately \$144,000,000 Greenup Hydroelectric Project Revenue Bonds, Series 2016A. The bonds are expected to sell via negotiation in early May.

Security: Net revenues and other income received from American Municipal Power, Inc.'s (AMP) 48.6% ownership interest in the Greenup Hydroelectric Facility (Greenup), including payments made by the participants under the power sales contracts (PSCs).

Purpose: Proceeds will be used to finance AMP's purchase of an ownership interest in the Greenup project, fund its share of capital expenses for Greenup, repay an interim line of credit, fund capitalized interest, make a deposit into the debt service reserve and pay issuance costs.

Final Maturity: Feb. 15, 2052.

Key Rating Drivers

Continued Resource Diversification: AMP's ownership interest in Greenup, an existing 70.2-MW hydroelectric facility, will continue the long-term strategy to expand its resource platform with additional base load projects. Greenup power will be above current market prices, but the power supplied will be environmentally friendly and compose a small amount of each participant's own base load needs.

Rating Reflects Participant Credit Quality: The rating reflects the credit quality of the project participants, particularly two of the largest — Cleveland, OH, and Paducah, KY (BBB/Stable) — which together hold a 26.5% entitlement share of the project. Although unrated by Fitch Ratings, Cleveland exhibits operating risk and credit quality consistent with the bond rating.

Strong Take-or-Pay Contracts: Take-or-pay PSCs obligate the 47 participating municipally owned electric systems to pay for their respective shares of all project costs, including debt service on the bonds, whether or not the project is operating or any power is delivered.

Standard Contract Step-Up Provisions: The PSCs include standard step-up provisions that require each participant to purchase up to 125% of its original allocation of the output in the event another participant defaults. This step-up is sufficient to absorb the loss of the largest participant's share in the event of a default.

Rating Sensitivities

Changes in Participant Credit Metrics: The rating on the AMP Greenup project bonds is sensitive to shifts in the credit quality of the project participants, particularly the largest. Changes in credit quality as a result of regional economic trends, fluctuating power project costs and adopted financial policies could result in corresponding rating changes.

Rating History

Rating	Action	Outlook/ Watch	Date
A-	Assigned	Stable	4/7/16

Credit Profile

Transaction Summary

AMP expects to issue up to \$144 million of new project revenue bonds to finance the acquisition of an ownership interest in the Greenup facility and its share of related capital expenses. The 2016A bonds will be issued as fixed rate, and are expected to include three months of capitalized interest and a 35-year amortization schedule. Annual debt service (ADS) is structured with interest-only payments of approximately \$5 million in 2017, increasing to \$7 million in 2018–2021. The first principal payment is due in 2022, increasing ADS to roughly \$8.3 million, and to \$9.5 million from 2025 through final maturity in 2052.

American Municipal Power, Inc.

The company is a nonprofit wholesale power supplier and services provider organized in 1971 for the benefit of its members. It reported 132 members as of Feb. 1, 2016, located throughout nine states: Delaware, Kentucky, Michigan, Ohio, Pennsylvania, Indiana, Maryland, Virginia and West Virginia. AMP members supplied a total of approximately 16 million MWhs of electricity to approximately 637,000 retail electric customers in 2015, for a total of \$1.1 billion in gross sales.

AMP and its members have continued to shift from market purchases to owners of generating assets. AMP's project activities include the construction of four hydroelectric projects totaling 313 MW, including the recently completed 105-MW Meldahl hydroelectric facility, an ownership interest in the Prairie State Energy Campus and the 2011 acquisition of the Fremont Energy Center. The projects represent the cornerstone of AMP's strategy to own an increasing portion of member power supply resources. AMP anticipates power purchases will compose 39% of its resource mix by 2017, down from roughly 75% just 10 years prior.

Governance and Management Strategy

AMP is governed by a board of trustees composed of representatives from 20 of its member municipalities. Twelve trustees are selected by the AMP membership and include one member from each of AMP's geographically based service groups, ensuring broad and dispersed representation. The remaining eight trustees are elected at large. Over 20 individual board committees and subcommittees are more actively involved in the functional operations of the organization, including power supply and generation, finance and joint venture oversight.

AMP is led by an experienced and tenured executive management team. Its current president has been at the helm since 2000, leading a team of nine executive managers and four senior staff members who have established a strong record of member oversight and project development that Fitch views favorably.

In recent years, Fitch has observed the development of AMP's organizationwide operating and financial policies. These initiatives have become increasingly important as AMP's largest power projects enter commercial operation. In addition to policies related to corporate energy risk control, debt and interest rate risk management, investment and capitalization, AMP maintains new member credit criteria and member credit review scoring policies to preserve AMP's consolidated credit quality. All of AMP's members are subject to continuing annual reviews and credit scoring.

Business and Power Supply Strategy

AMP has assisted its membership in procuring reliable and competitively priced wholesale power since its inception. AMP has worked with the membership over the last decade to adopt strategic long-term power resource plans for each member, which ultimately led to the development of a wide range of new resources to meet power requirements. A summary of AMP's operating projects and projects currently under development is provided in the *AMP Power Supply Projects* table below.

AMP Power Supply Projects

Project Name	Project Description	Project Status	Participants
Gorsuch Station	213-MW coal-fired generation plant	Acquired in 1988; ceased electric operations November 2010	47
OMEGA JV1	9 MW of distributive generation (six 1.5-MW diesel units)	Purchased from AMP in 1992	21
OMEGA JV2	138.65 MW of distributive generation consisting of two 32-MW gas-fired turbines, one 11-MW gas-fired turbine, and one 1.6-MW and 34 1.825-MW diesel generators	Purchased from AMP in 2002	36
OMEGA JV4	69-kV transmission line in Williams County, OH	Transferred from AMP in 1995	4
OMEGA JV5	42-MW hydroelectric generating facility near Belleville, OH, and 28 MW of back-up diesel generation	Hydroelectric facility entered commercial operation in 1999	42
OMEGA JV6	Four 1.8-MW wind turbines located in Bowling Green, OH		10
Combustion Turbine Project	145.5 MW of gas-fired turbine capacity, consisting of six generating units at three locations	Acquired in 2003	33
Fremont Energy Center	675-MW natural gas combined-cycle facility	Acquired in July 2011; commercial operation achieved in January 2012	87
Prairie State Energy Campus	23.26% ownership interest in a 1,600-MW coal-fired unit in southwest Illinois	Commercial operation achieved in June 2012 for Unit 1 and November 2012 for Unit 2	68
Greenup Hydroelectric Project	70.2 MW run-of-the-river hydroelectric generating facility located on the Ohio River	Existing facility owned and operated by Hamilton, OH; AMP will purchase a 48.6% ownership interest with 2016 bond proceeds	47
Meldahl Hydroelectric Project	105-MW run-of-the-river hydroelectric generating facility located on the Ohio River	Commercial operation achieved in April 2016	48
Projects Under Development			
Combined Hydroelectric Project	Three run-of-the-river hydroelectric generating facilities — Cannelton, Smithland and Willow Island on the Ohio River, with an aggregate capacity of 208 MW	Under construction; Willow already operational; Cannelton and Smithland expected to enter commercial operation in 2016	79

JV – Joint venture.
Source: AMP.

Most of the members participate in full-requirement power pools that consolidate available member resources, including interests in AMP-developed projects, and ensure adequate power supply to meet demand. In this capacity, AMP also purchases wholesale electric power and energy, and resells to its members as necessary. The power pools are typically grouped around geographic areas that correspond to the investor-owned utility that provides transmission service to the group. AMP's energy control center monitors load and transmission availability, and is responsible for dispatching all member resources.

AMP's role in coordinating member supply will not change over the near term, but the consolidated power supply mix will change fairly dramatically, consistent with its objective, as many of the projects under development enter commercial operation. The AMP membership

received 75% of its power supply from market purchases in 2007. AMP expects only 39% of total member requirements will be met with purchased power by 2017.

Project Assets and Operations

Greenup Hydroelectric Project

Greenup is an existing 70.2-MW run-of-the-river hydroelectric generating facility located at the Greenup Lock and Dam — maintained by the Army Corps of Engineers — on the Ohio River. Originally built in 1982 by the city of Vanceburg, KY, Greenup has been owned and operated by the city of Hamilton, OH (the city) since 1988. The powerhouse consists of three bulb-type turbine-generating units, utilizing diverted water from the existing dam to generate electricity.

After receiving a Federal Energy Regulatory Commission (FERC) license in 2008 to develop, construct, and operate Meldahl, AMP and the city (also an AMP member) negotiated and agreed the city would sell a 48.6% undivided, approximately 34-MW ownership interest in Greenup to AMP within 60 days of the projected date of Meldahl's commercial operation, which occurred on April 12, 2016. For more information on the Meldahl project, please see [Fitch Affirms American Muni Power Meldahl Project Bonds at 'A': Outlook Stable](#).

The FERC operating license for the Greenup facility, for which AMP is a co-licensee, expires in February 2026. AMP and the city will file for a 30-year renewal of the license several years prior to its expiration. A condition assessment performed by an independent consulting engineer determined Greenup to be in good overall condition. The assessment also included identification of intermediate-term capital maintenance needs totaling approximately \$24 million, which both AMP and the city will pay proportionally.

Rate and Cost Structure and Project Operations

Greenup is a simple run-of-the-river hydroelectric plant located between Grays Branch, KY and Franklin Furnace, OH, on the Ohio River. The project is located downstream of other AMP hydro facilities and is an integral part of the Greenup Lock and Dam, maintained by the Army Corps of Engineers. Electric generation at the project is dependent on several factors, some of which are outside the operator's direct control and can result in variability in energy production. These include the amount and timing of precipitation, natural volatility of water flows, planned and forced outages, and river management.

The project's average capacity factor over the past 15 years has been 44%, which is somewhat low compared with AMP's Belleville facility and projections for Meldahl. Higher than average plant downtime in 2014 and 2015 was a result of planned and forced outages, related in most cases to required capital needs. Anticipated capital improvements over the next 10 years suggests the plant's capacity factory

Greenup Availability

Year	Plant Historical Production (MWh)	Capacity Factor (%)
2000	352,451	57
2001	299,836	49
2002	284,646	46
2003	234,975	38
2004	214,334	35
2005	294,787	48
2006	335,283	55
2007	222,613	36
2008	247,304	40
2009	311,711	51
2010	276,415	45
2011	239,269	39
2012	263,602	43
2013	322,469	52
2014	205,792	33
2015	228,298	37
Average	270,862	44

Source: AMP.

will remain near its long-term average, with spending expected to total an aggregate \$24 million over that time. AMP's share is \$11 million, and some of the initial capital spending is funded from bond proceeds.

Greenup's gross cost of power to the participants is expected to be above current market prices. Projections indicate costs will escalate from roughly \$68/MWh in fiscal 2016 to over \$91/MWh by fiscal 2020, tracking an anticipated rise in ADS on the 2016 bonds and including the recovery of planned capital improvements. Power costs will be influenced somewhat by revenues obtained from offering some Greenup capacity into the PJM reliability pricing model and the sale of renewable energy certificates. Net power costs are projected to be closer to \$76/MWh in 2020, which is still relatively high, but in line with costs at AMP's other hydroelectric facilities, Belleville and Meldahl. Greenup composes a very small amount of the participants' total load requirements, thus mitigating any effect the cost of power delivered from the project will have on the total power supply cost for a given participant.

Fitch believes the higher project costs are at least partially mitigated by the fuel diversity offered by the addition of Greenup and Meldahl, particularly given the participants' reliance on fossil fuel generation, and the potential for climate change legislation or renewable energy standards to regain traction over the next few years. Longer term cost estimates should become more competitive, reflecting the absence of volatile fuel costs and manageable additional capital investment.

Participant rates are expected to be set annually based on budgeted expenditures. Rates must be set, pursuant to the indenture rate covenant, at a level sufficient to cover all annual operating costs, including debt service, at no less than 110% of the debt service requirement and 100% of all debt service. AMP projects approximately 75% of Greenup's annual expenses will be fixed-debt service costs, making the project's costs highly predictable.

Power Sales Contract

Each participant's obligation under the PSCs is made on a take-or-pay basis. The strength of a take-or-pay agreement lies in the participant's requirement to make payment regardless of the unit operation and as long as the bonds remain outstanding. Contract payments are considered an operating expense for all but two participants, the cities of Coldwater and Wyandotte, MI, where payments may be subordinated to their own utility system debt.

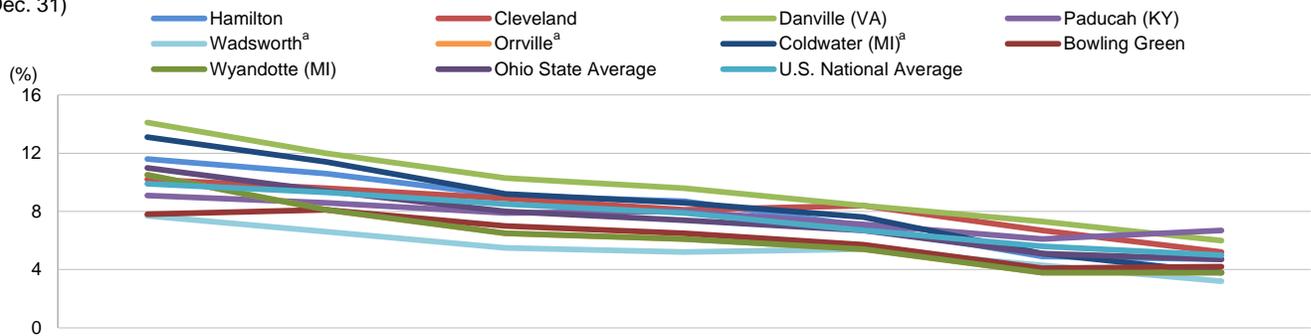
The PSCs also feature a step-up provision that would require nondefaulting participants to purchase a pro rata share of any defaulting participants' allocation up to 125% of their original allocation. This provision helps mitigate participant default risk, particularly for the weakest and smallest participants. In this case, the required step-up has been sized to cover a default of the largest entitlement of 17.6%, held by the city of Cleveland Public Power System (CPP).

Greenup Project Participants

The Greenup project rating will also continue to reflect the creditworthiness of the underlying participants, which have historically exhibited satisfactory cash flows, modest leverage and healthy cash balances. The Greenup participants consist of 47 municipal electric systems located throughout Ohio, Kentucky, Michigan and Virginia, and collectively serve a wide variety of cities and towns dispersed over a broad geographic area. Energy sales reflect factors including regional trends in population, economic activity and weather. Thirty-nine of the participants are located in Ohio, including CPP.

Unemployment Rates

(As of Dec. 31)



	2009	2010	2011	2012	2013	2014	2015
Hamilton	11.6	10.6	9.1	8.7	7.0	4.9	4.7
Cleveland	10.2	9.6	8.9	8.1	8.4	6.7	5.2
Danville (VA)	14.1	12.0	10.3	9.6	8.4	7.3	6.0
Paducah (KY)	9.1	8.6	7.9	8.0	7.1	6.1	6.7
Wadsworth	7.7	6.6	5.5	5.2	5.4	4.3	3.2
Orrville	10.5	8.1	6.5	6.1	5.4	3.8	3.8
Coldwater (MI)	13.1	11.4	9.2	8.6	7.6	5.1	3.8
Bowling Green	7.8	8.1	7.0	6.5	5.7	4.1	4.2
Wyandotte (MI)	10.5	8.1	6.5	6.1	5.4	3.8	3.8
Ohio State Average	11.0	9.4	8.0	7.4	6.7	5.1	4.7
U.S. National Average	9.9	9.3	8.5	7.9	6.7	5.6	5.0

^aCounty-level data.
Source: Bureau of Labor Statistics.

Participant Demographic and Financial Overview

The participants all own and operate municipal electric systems and are the only authorized suppliers of electricity within their corporate limits, with the exception of CPP, which is in direct competition with Cleveland Electric Illuminating Company. Although the power supply arrangements for the participants vary, each has agreed to purchase its respective share of Greenup power to meet a portion of its system demand. Entitlement interests in Greenup range from CPP's 17.6% to a low of just 0.01%. The largest eight participants account for 63.3% of total project capacity and entitlement, while a total of 33 participants have shares totaling less than 2%. Greenup capacity will account for only a small portion of each of the largest participants' peak demand — a maximum of 4.9% — and adds diversity to a resource mix that still relies on coal and purchased power.

The majority of the participants are located in Ohio, where the economy continues to gradually improve following the 2008–2009 recession. Energy sales among the largest eight participants are fairly balanced, but several have a relatively high concentration of industrial customers. None are publicly rated by Fitch, with the exception of Paducah Power System (Paducah, BBB/Stable).

AMP Greenup Participants' Allocation

Name	Ownership Interest (%)	Base Capacity (MW)	% of Peak Demand
Cleveland, OH	17.60	6.0	1.75
Danville, VA	9.68	3.3	1.25
Paducah, KY	8.86	3.0	1.88
Wadsworth, OH	7.69	2.6	3.71
Orrville, OH	6.74	2.3	3.44
Bowling Green, OH	5.84	2.0	1.77
Coldwater, MI	3.45	1.2	1.27
Wyandotte, MI	3.39	1.2	1.65
Other Participants	36.76	12.5	N.A.
Total	100.00	31.4	N.A.

N.A. – Not applicable.
Source: AMP.

As indicated in the *Largest Participant Customer Profile* table below, customer concentration at the individual member level varies from relatively modest amounts for Danville, Paducah and Wadsworth, to a somewhat high level of concentration for other large participants. Customer concentration for CPP is manageable, but competition within its service area is a concern. However, CPP's customer base has been stable with leading customers, led by the Medical Center, composing 20.4% of system sales and nearly 13% of total system revenues.

Largest Participant Customer Profile

Participant	Largest Customer (MWh)	Industry	% Total		Five Largest Customers (MWh)	% Total	
			MWh Sales	% of Total Revenue		MWh Sales	% Total Revenue
Cleveland, OH	235,013	Medical	14.5	7.2	329,581	20.4	12.9
Danville, VA	52,415	Manufacturing	5.3	3.5	144,527	14.7	9.7
Paducah, KY	32,465	Healthcare	5.6	4.7	80,831	13.9	12.1
Wadsworth, OH	13,114	Manufacturing	4.6	4.3	54,370	19.0	17.0
Orrville, OH	62,345	Manufacturing	20.1	18.4	141,461	47.4	42.3
Bowling Green, OH	71,732	Higher Education	13.9	12.4	224,603	43.5	37.1
Coldwater, MI	91,288	Manufacturing	25.3	23.8	166,790	46.2	38.7
Wyandotte, MI	142,252	Manufacturing	49.2	26.5	192,313	66.5	41.3

Source: AMP.

The cities of Orrville, Coldwater and Wyandotte — combining for 13.6% share of Greenup — serve large industrial bases. Energy sales to Orrville's largest customer composed 18% of the city's total revenues, while the five largest accounted for 47.4% of total systems sales and 42.3% of total revenues. A state university tops Bowling Green's largest customer list at 13.9% of system sales and 12.4% of revenues, which is fairly modest. The next four customers — all manufacturing based — account for an additional 25% of system revenues. Many of the large participants also continue to be challenged by service areas that exhibit below-average demographics, albeit materially improved from post-recession levels, as evidenced by stronger local employment and income metrics.

Fitch has reviewed financial metrics for the eight largest participants — equivalent to a cumulative 63% of Greenup participation — and believes the blended credit quality, on balance, is stable and reflects financial and debt metrics of retail systems in the low 'A' category.

Legal Provisions

Security

Pursuant to the indenture, AMP grants a pledge of, security interest in and lien upon its net receipts received under the Greenup PSCs to bondholders, and assigns all of its right, title and interest in and to the PSC to the trustee. AMP has covenanted to set rates and charges at a level sufficient to generate 110% debt service coverage on Greenup project bonds from net revenues. AMP may issue additional bonds if net revenues are at least equal to 110% of proposed maximum annual debt service (MADS) on parity bonds and 100% MADS coverage for all bonds to be outstanding, including any subordinate bonds.

Debt Service Reserve

The indenture provides for a common debt service reserve, which is expected to be funded at closing with cash from bond proceeds. The reserve requirement is the standard, lesser of three-pronged test.

Largest Participants Summary — AMP Greenup

Project Summary

(Fiscal Year Ends)	Paducah Power System, KY 6/30/15	Cleveland (City of) 12/31/14	Wadsworth, OH 12/31/14	Danville, VA 6/30/15	Wyandotte, MI 9/30/14	Coldwater, MI 6/30/15	Bowling Green, OH 12/31/14	Orrville, OH 12/31/14
Ownership and Entitlement (MW)								
Project Capacity	34	34	34	34	34	34	34	34
Member Ownership and Entitlement	3	6	3	3	1	1	2	2
Project Peak Demand	—	—	—	—	—	—	—	—
Member Peak Demand	140	296	62	230	61	80	98	58
Share of Project Capacity (%)	8.9	17.6	7.7	9.7	3.4	3.5	5.8	6.8
Share of Peak Demand (%)	1.9	1.8	3.7	1.3	1.7	1.3	1.8	3.4
Customer Base								
Residential	18,675	64,336	11,122	36,894	11,335	5,595	12,684	6,379
Commercial	3,191	6,962	1,566	11,017	978	1,326	1,816	879
Industrial	531	1,194	138	36	99	62	91	13
Total Customers	22,397	72,492	12,826	47,947	12,412	6,983	14,591	7,271
Residential Revenue (\$ 000)	31,647	50,557	12,302	59,752	11,519	4,646	12,416	7,802
Revenue from Five Largest Customers (%)	12.1	12.9	17.0	9.9	41.3	38.7	37.1	42.3
Residential Customers (%)	83.4	88.7	86.7	76.9	91.3	80.1	86.9	87.7
Residential Revenue (%)	39.5	27.8	39.4	51.5	27.6	13.7	24.9	21.8
Sales								
Energy Sales (000 kWh)	556,184	1,618,081	285,577	506,068	289,286	398,899	515,960	298,691
Sales Growth (%)	(4.3)	(0.2)	3.5	—	0.6	10.5	10.5	1.7
Residential Sales (000 kWh)	213,160	399,023	102,171	467,970	79,912	40,039	100,498	77,530
Residential (%)	38.3	24.7	35.8	92.5	27.6	10.0	19.5	26.0
Service Area Profile								
Total Population	25,018	390,113	21,842	42,907	25,255	10,846	31,591	8,432
Unemployment Rate (%)	—	—	5.5	9.7	3.8	3.8	4.1	5.7
Per Capita Income (\$)	41,934	16,992	44,547	20,243	22,185	18,041	19,480	33,952
State Per Capita Income (\$)	36,214	41,049	41,049	33,145	25,918	25,918	28,555	41,049
State Unemployment Rate (%)	6.7	7.1	6.7	5.4	—	—	5.1	7.1
Population Growth (%)	4.5	(1.5)	0.5	(0.1)	(2.3)	(1.3)	(0.3)	(0.0)
Per Capita Income Versus State (x)	1.2	0.4	1.1	0.6	0.9	0.7	0.7	0.8
Financial Information (\$ 000)^a								
Customer Revenue	80,108	181,843	31,213	116,039	43,521	34,003	49,962	35,802
Other Revenue ^b	(17)	—	176	—	—	—	436	613
Total Revenues	80,091	181,843	31,389	116,039	43,521	34,003	50,398	36,415
Revenue Growth (%)	(5.4)	6.8	2.2	(7.7)	2.0	1.7	8.6	11.0
Purchased Power	50,457	115,923	21,470	84,079	34,520	26,446	42,428	19,416
Other G&A Expenses ^c	11,922	38,192	5,968	11,875	7,619	4,685	3,409	10,313
Total Expenditures	62,379	154,115	27,438	95,954	42,139	31,131	45,837	29,729
Opex Growth (%)	(8.7)	9.2	(1.1)	(8.9)	24.4	(4.0)	7.5	(0.9)
Operating Income	17,712	27,728	3,951	20,085	1,382	2,872	4,561	6,686
Adjusted to Operating Income for DSC ^d	9,102	18,534	2,061	7,867	—	848	1,297	—
FADS	26,814	46,262	6,012	27,592	1,382	3,720	5,858	6,686
Adjustment for Purchased Power	15,137	34,777	6,441	25,224	10,356	7,934	12,728	5,825
Adjusted FADS (Including Adjustment for PP)	41,951	81,039	12,453	53,176	11,738	11,654	18,586	12,511
Total Annual Debt Service	15,283	18,844	865	2,981	6,365	867	3,524	—
Total Annual Adjusted Debt Service (Including Adjustment for PP)	30,420	53,621	7,306	28,205	16,721	8,801	16,252	5,825
Unrestricted Cash ^e	8,143	47,870	13,708	47,716	2,217	10,236	23,082	27,095
Long-Term Debt	146,033	231,072	8,335	38,455	5,788	1,975	2,505	—
Total Debt	151,133	231,072	4,526	42,385	25,091	1,975	2,575	—
Equity	25,557	212,390	31,477	188,483	19,023	38,776	46,999	52,076

^aFinancials reflect the most recent year available. ^bOther Revenue includes sales for resale. ^cOther G&A Expenses equals total operating expenses minus purchased power contracts. ^dAdjustment to Operating Income for DSC refers to depreciation and amortization if included in operating expenses. ^eUnrestricted Cash can include cash and cash equivalents, renewal and repair, and rate stabilization funds. G&A – General and administrative. DSC – Debt service coverage. FADS – Funds available for debt service. PP – Purchased power. Note: Percent of debt service in purchased power assumed at 30%. Multiple for purchased power adjustment to debt assumed at 8.0x. (Continued on next page.)
Source: AMP.

Largest Participants Summary — AMP Greenup (Continued)

Project Summary

(Fiscal Year Ends)	Paducah Power System, KY 6/30/15	Cleveland (City of) 12/31/14	Wadsworth, Medina County 12/31/14	Danville, VA 6/30/15	Wyandotte, MI 9/30/14	Coldwater, MI 6/30/15	Bowling Green, OH 12/31/14	Orrville, Wayne County 12/31/14
Financial Metrics								
Cash Flow (x)								
DSC	1.75	2.45	6.95	9.38	0.22	5.27	1.66	—
Adjusted DSC	1.38	1.51	1.70	1.89	0.70	1.42	1.14	2.15
Liquidity								
Days Cash on Hand	48	113	182	182	19	123	184	333
Leverage (x)								
Debt/FADS	5.7	5.0	0.8	1.5	4.2	0.4	28.6	—
Adjusted Debt/FADS	6.54	6.3	4.5	4.6	7.6	5.2	14.5	3.7
Equity/Capitalization (%)	14.3	47.9	87.4	81.7	81.3	95.2	94.9	100.0
Adjusted Equity/Capitalization (%)	8.5	29.4	36.0	43.6	22.1	37.2	31.1	52.8
Profitability (%)								
Operating Margin	22.1	15.2	12.6	17.3	3.2	10.9	9.0	18.4
Debt Service to Operating Expenses	128.2	49.3	14.5	25.1	83.5	22.6	103.4	—

^aFinancials reflect the most recent year available. ^bOther Revenue includes sales for resale. ^cOther G&A Expenses equals total operating expenses minus purchased power contracts. ^dAdjustment to Operating Income for DSC refers to depreciation and amortization if included in operating expenses. ^eUnrestricted Cash can include cash and cash equivalents, renewal and repair, and rate stabilization funds. G&A – General and administrative. DSC – Debt service coverage. FADS – Funds available for debt service. PP – Purchased power. Note: Percent of debt service in purchased power assumed at 30%. Multiple for purchased power adjustment to debt assumed at 8.0x.
Source: AMP.

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