

2017
ANNUAL
REPORT



The New Norm.



AMERICAN MUNICIPAL POWER, INC.





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American Municipal Power, Inc. (AMP) achieved many things in 2017 that continue the organization's forward-focused course. We saw the last three of eight turbines for Hydro Phase I reach commercial operation in 2017, bringing the project to completion. The Phase II Solar Project accomplished a great deal of progress last year, with facilities in Bowling Green, Marshallville, Prospect and Front Royal reaching commercial operation. These facilities will help to maintain our members' diverse generation portfolio and provide carbon-free, renewable energy for many years to come.

AMP increased our presence and influence in the regulatory world, with a great emphasis placed on rising transmission costs and the need for meaningful oversight of supplemental transmission projects. AMP commissioned an expert in U.S. energy markets to review the rising cost of transmission within the PJM Interconnection region in recent years and the findings were stark — showing a rise in transmission rates as high as 475 percent in some areas of the PJM footprint. AMP's tireless work on this issue has helped place it at the forefront of stakeholder and regulator agendas.

AMP engaged an outside consultant to oversee an update to our Strategic Plan in an effort to adapt to a changing industry. Eight internal strategic plan teams were established and began working to accomplish the newly outlined goals. The updated plan will help to guide AMP forward and position us for success in the coming years as the industry and our focus changes.

The AMP Advanced Metering Program made great strides in 2017. With the first implementation complete and proving more beneficial than initially forecasted, this program promises to continue to offer incredible value to subscribing members.

Additionally, the strength of our member-focused safety and training programs has continued to broaden and evolve. With hundreds of participants in our training programs throughout the year, and an increase of 34 percent in the usage of our Circuit Rider program, we are excited to see how these services continue to provide value to member communities.

With a high-performing staff, completed long-term projects and a forward-looking strategic plan in place, the organization is well positioned for the challenges and opportunities that lie ahead.



Marc S. Gerken, PE
AMP President/CEO



Steve Dupee
AMP Board of Trustees Chair
Village Manager of Wellington

With the completion of many of AMP's long-term generation projects, our focus is shifting toward adapting the new norm of a continuously evolving industry and the financial health of the organization and our members.



*Marc Gerken, PE (right)
AMP President/CEO
and Steve Dupee, AMP
Board of Trustees Chair*



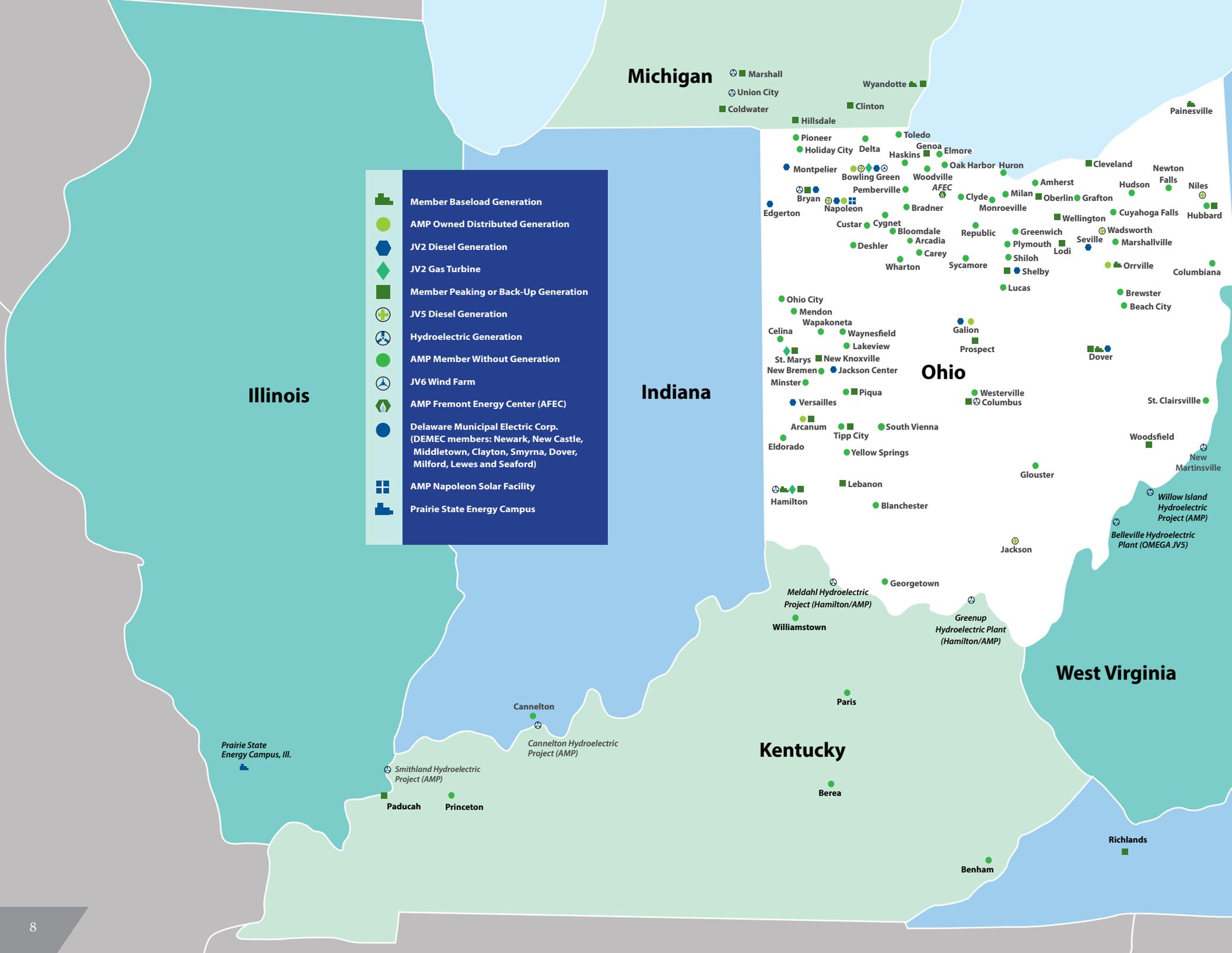
About AMP

Formed in 1971, AMP is headquartered in Columbus, Ohio with approximately 170 fulltime employees at headquarters and generating facilities.



American Municipal Power, Inc. (AMP) is the nonprofit wholesale power supplier and services provider for 135 members, including 134 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. Combined, these member utilities serve more than 650,000 customers.

The organization is governed by a Board of Trustees that consists of 21 AMP members – 20 elected by the members or subgroups of members and AMP member Delaware Municipal Electric Corporation (DEMEC), on behalf of its nine member systems. Each such elected member then appoints a person to represent it on the Board.



-  Member Baseload Generation
-  AMP Owned Distributed 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

Michigan

-  Marshall
-  Union City
-  Coldwater
-  Hillsdale
-  Clinton
-  Wyandotte
-  Pioneer
-  Holiday City
-  Delta
-  Toledo
-  Haskins
-  Genoa
-  Elmore
-  Oak Harbor
-  Huron
-  Cleveland
-  Newton
-  Falls
-  Niles
-  Hubbard
-  Painesville

Ohio

-  Montpelier
-  Bowling Green
-  Woodville
-  AFEC
-  Clyde
-  Milan
-  Amherst
-  Oberlin
-  Grafton
-  Hudson
-  Falls
-  Niles
-  Hubbard
-  Cuyahoga Falls
-  Wadsworth
-  Marshallville
-  Columbusiana
-  Orrville
-  Columbiana
-  Edgerton
-  Napoleon
-  Bryan
-  Bradner
-  Custar
-  Cygnet
-  Bloomdale
-  Arcadia
-  Deshler
-  Carey
-  Wharton
-  Sycamore
-  Republic
-  Greenich
-  Plymouth
-  Shiloh
-  Lodi
-  Seville
-  Lucas
-  Ohio City
-  Mendon
-  Wapakoneta
-  Waynesfield
-  Lakeview
-  Galion
-  Prospect
-  St. Marys
-  New Knoxville
-  Jackson Center
-  Minster
-  Piqua
-  Versailles
-  Westerville
-  Columbus
-  St. Clairsville
-  Celina
-  St. Marys
-  New Bremen
-  Jackson Center
-  Minster
-  Piqua
-  Versailles
-  Westerville
-  Columbus
-  St. Clairsville
-  Arcanum
-  Tipp City
-  South Vienna
-  Eldorado
-  Yellow Springs
-  Lebanon
-  Versailles
-  Westerville
-  Columbus
-  St. Clairsville
-  Hamilton
-  Lebanon
-  Blanchester
-  Versailles
-  Westerville
-  Columbus
-  St. Clairsville
-  Hamilton
-  Lebanon
-  Blanchester
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-  Westerville
-  Columbus
-  St. Clairsville
-  Hamilton
-  Lebanon
-  Blanchester
-  Versailles
-  Westerville
-  Columbus
-  St. Clairsville

Indiana

-  Williamstown
-  Georgetown
-  Meldahl Hydroelectric Project (Hamilton/AMP)
-  Greenup Hydroelectric Plant (Hamilton/AMP)
-  Paris
-  Berea
-  Benham
-  Richlands

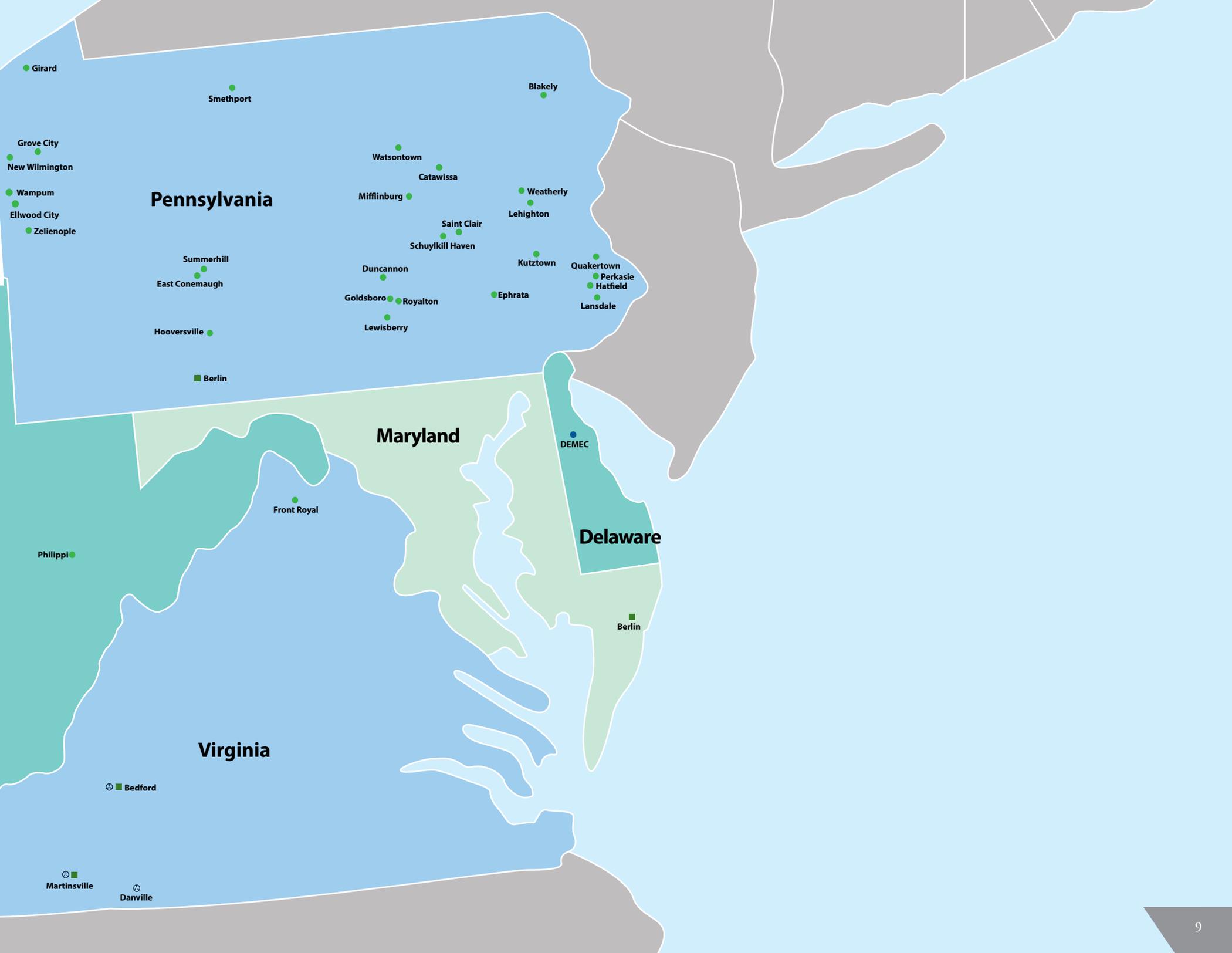
Kentucky

-  Cannelton
-  Cannelton Hydroelectric Project (AMP)
-  Paducah
-  Princeton
-  Smithland Hydroelectric Project (AMP)

West Virginia

-  Willow Island Hydroelectric Project (AMP)
-  Belleville Hydroelectric Plant (OMEGA JV5)

Prairie State Energy Campus, Ill.



Pennsylvania

- Girard
- Smethport
- Blakely
- Grove City
- New Wilmington
- Watsonstown
- Catawissa
- Mifflinburg
- Weatherly
- Lehighon
- Wampum
- Ellwood City
- Zelienople
- Saint Clair
- Schuylkill Haven
- Summerhill
- East Conemaugh
- Duncannon
- Kutztown
- Quakertown
- Perkasie
- Hatfield
- Lansdale
- Goldsboro
- Royalton
- Ephrata
- Hooversville
- Lewisberry

■ Berlin

Maryland

● Front Royal

● DEMEC

Delaware

■ Berlin

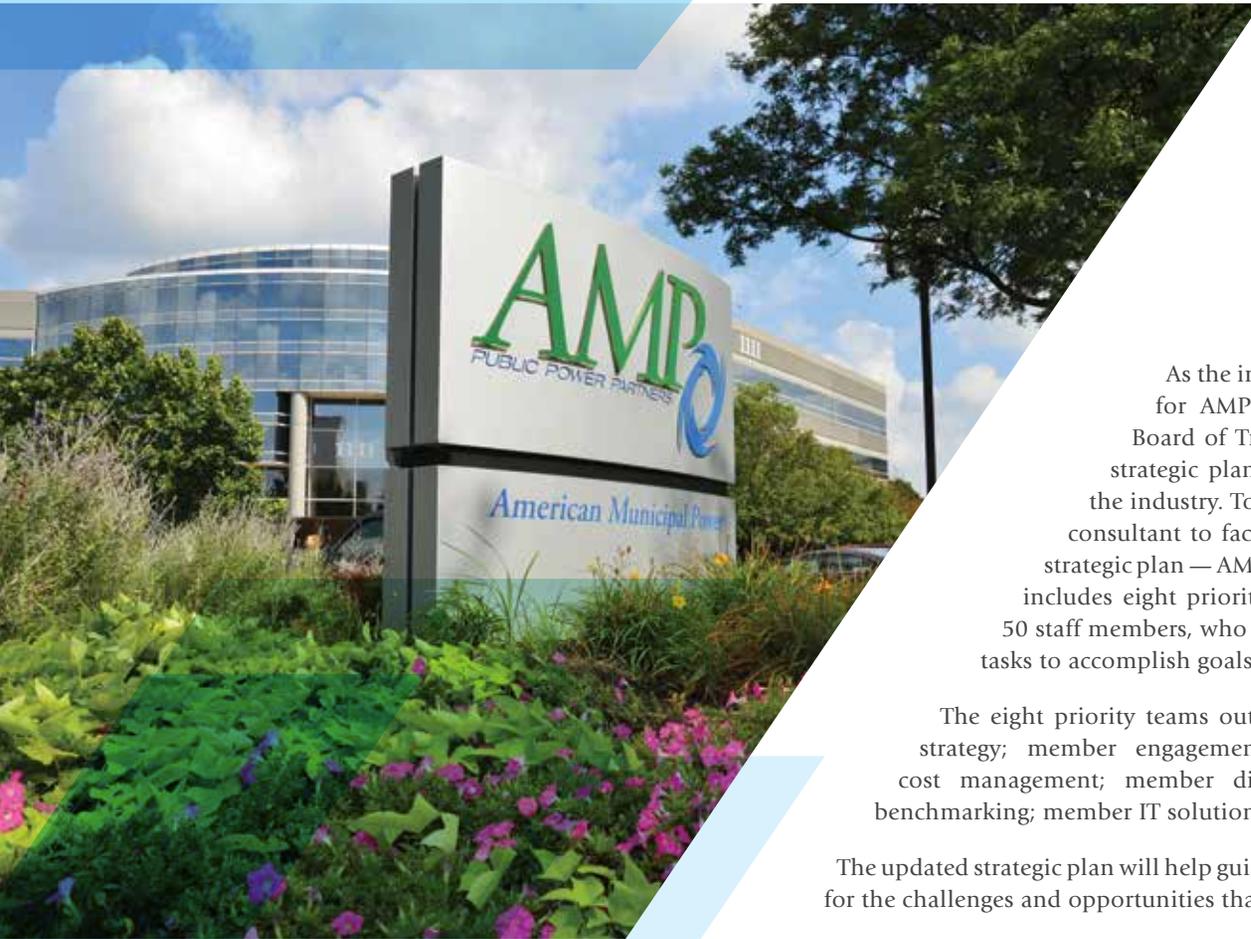
Virginia

⊗ ■ Bedford

⊗ ■ Martinsville

⊗ Danville

Strategic Plan



As the industry continues to evolve, it is critical for AMP to adapt to change. In 2017, AMP Board of Trustees adopted an updated three-year strategic plan to address the many changes within the industry. To achieve this, AMP engaged an outside consultant to facilitate an update to the organization's strategic plan — AMP Strategic Plan 2020. The updated plan includes eight priority teams, comprised of approximately 50 staff members, who have established 51 initiatives and 171 tasks to accomplish goals outlined in AMP Strategic Plan 2020.

The eight priority teams outlined are power supply; transmission strategy; member engagement and communications; value and cost management; member distribution systems; member system benchmarking; member IT solutions; and high-performance culture.

The updated strategic plan will help guide AMP in positioning the organization for the challenges and opportunities that lie ahead.

Finance

In 2017, the member compliance group was restructured and a dedicated debt manager was added to staff in order to expand AMP's financial expertise. Additionally, AMP collaborated with its financial partners and Moody's Investor Service (Moody's) in an effort to better understand what rating agencies are currently looking for and what metrics are no longer relevant to credit monitoring trends. These collaborations helped to provide a great deal of feedback and insight into the credit rating process, helping AMP to determine a better path forward.

In 2017, all projects remain rated in the A category. Moody's reaffirmed AMP's A1 issuer rating with a stable outlook, AMP's Prairie State Energy Campus (PSEC) Project ratings, and AMP Fremont Energy Center (AFEC) Project ratings. Fitch reaffirmed its ratings for OMEGA JV5's Belleville Hydroelectric Project, AMP's PSEC Project, and AMP's AFEC Project. S&P Global Ratings reaffirmed its A rating for AMP's PSEC Project and AMP's AFEC Project.

AMP entered into a five-year, \$600 million Revolving Credit Agreement with a syndicate of nine commercial banks led by Royal Bank of Canada as the administrative agent. This commitment ultimately improves AMP's access to liquidity and is expandable to \$850 million. The new agreement reduces AMP's fixed draw fee, lowers the commitment amount by \$150 million, adds three new financial partners and results in annual savings of approximately \$300,000 in unused line fees.

The National Federation of Municipal Analysts' (NFMA) awarded AMP with the 2017 Excellence in Disclosure Award, citing tireless work to interact with and inform the investor community. NFMA highlighted that AMP has "a notable track record of presenting at investor events and making time for one-on-one meetings to ensure that investors have the information they need."



Information Technology

Following years of work to make an IT hosted solutions approach a reality for members, in 2017, AMP completed the configuration of back office systems, partnered with Silver Spring Networks, Electsolve, BlueBridge Networks and stood up the necessary infrastructure to allow for the launch of AMP's Advanced Metering Program. This led to the successful implementation of an advanced metering infrastructure (AMI) network for the Borough of Ephrata and has made the service a possibility for all AMP members.

In addition to the rollout of the Advanced Metering Program, AMP also released a new real-time data portal to allow members to view their wholesale metering data.

AMP also finalized IT system implementations at all newly built hydroelectric and solar facilities, and continues to support systems across the entire generation asset fleet. AMP's aging enterprise storage system was replaced in 2017, which has resulted in a nearly 70 percent data reduction across data center IT systems.

In a continuing effort to monitor cybersecurity, AMP has taken steps to make its systems more secure by completing the rollout of next generation security devices across all AMP facilities. These new security measures allow for faster detection of cyber threats and a more effective response. AMP is also increasing employee education and outreach regarding cybersecurity, to help everyone better identify and defend against cyber threats.

An accounts-payable automation system was deployed and integrated with AMP's enterprise resource planning financial module in 2017. Additionally, third-party vendors were selected as part of an ongoing renewal of all AMP telecommunications circuits, which is expected to result in a significant annual savings beginning in 2019.





Power Supply and Generation

Throughout the year, AMP completed development on a number of generation facilities. The Smithland Hydro Plant achieved commercial operation in 2017, marking completion of the Phase I Hydro Project – the largest deployment of its kind currently in the United States.

AMP's strategic coordination of peak shaving was successful throughout 2017, resulting in around \$59 million in savings from AMP and members' behind-the-meter generation for the upcoming planning and calendar years. AMP entered into 34 remaining requirements power supply arrangements, as well as a long-term natural gas purchase agreement for AFEC, which will help to stabilize fuel costs for the period of 2018–2027. Throughout 2017, AMP conducted more than 110 one-on-one meetings with member community representatives helping to educate members on the many issues facing public power and to help strategize each community's power supply.

PHASE II SOLAR

In January 2017, the first facility of the AMP Phase II Solar Project went into operation. The 20 MW project is in Bowling Green, Ohio and consists of 85,690 solar panels spanning 165 acres. The generation facilities are owned and operated by NextEra Energy Resources, and AMP purchases all generation output. An additional nine sites totaling 12.1 MW are also now in operation in Ohio, Michigan and Virginia, and more sites in Ohio and Delaware are in development. The project will provide peaking energy, as well as capacity and transmission savings for participating members.



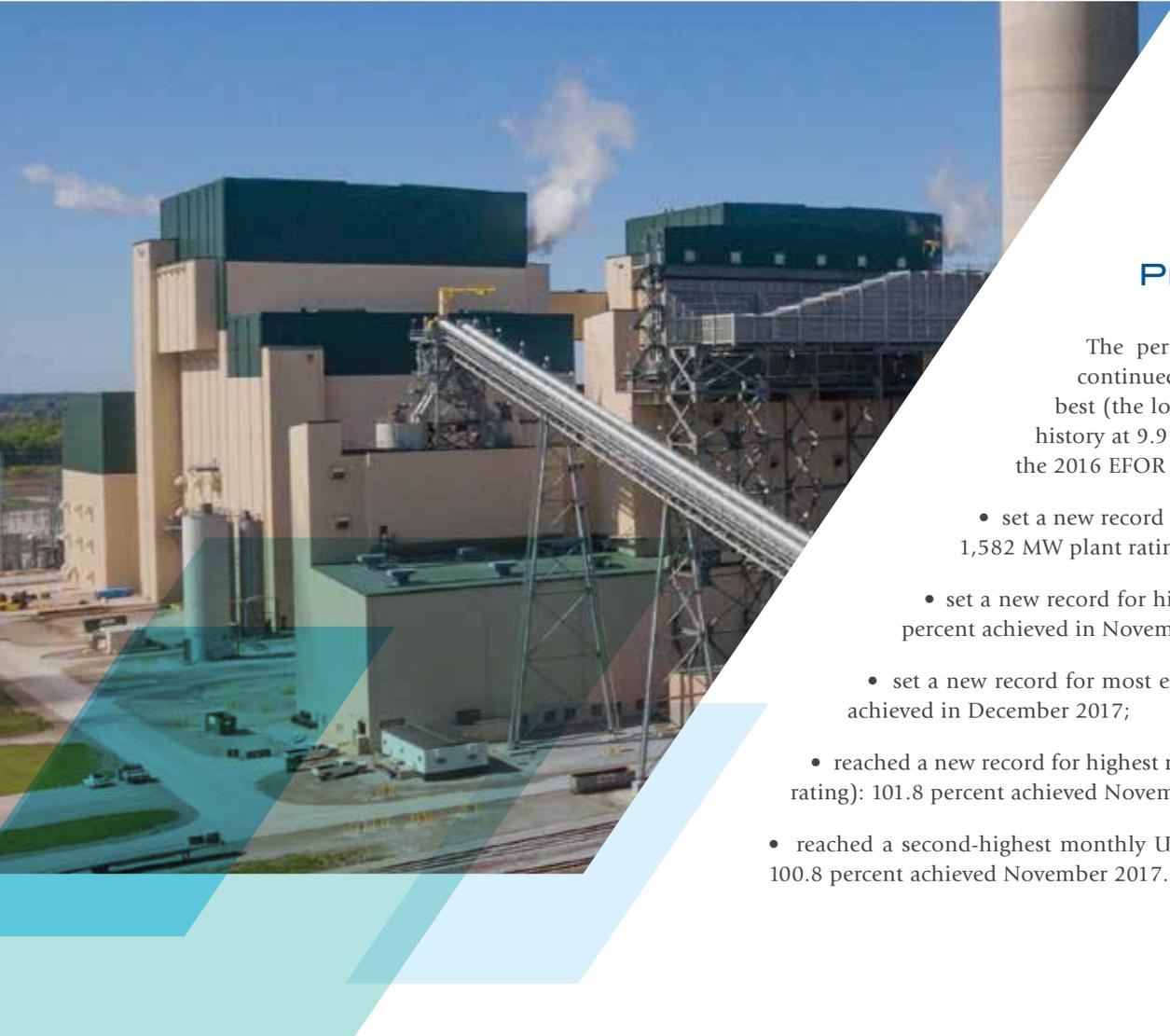


HYDRO DEVELOPMENT

Over the past several years, AMP has worked to develop four run-of-the-river hydroelectric facilities on existing dams along the Ohio River, adding more than 300 MW of renewable generation to the region.

As of 2017, the Willow Island, Cannelton and Smithland hydroelectric plants have all achieved commercial operation, completing the Phase I Hydro Project. Combined, these hydroelectric plants are estimated to produce an average annual output of more than 1.6 billion kWh. Currently, 79 member communities from Kentucky, Michigan, Ohio, Virginia and West Virginia are participating in the Phase I Hydro Project.

The Meldahl and Greenup hydroelectric projects continued successful operation through 2017. Combined, these two hydroelectric plants are estimated to produce an average annual output of more than 800 million kWh. Currently, 48 member communities are participating in the Meldahl and Greenup hydro projects.



PRAIRIE STATE ENERGY CAMPUS

The performance of the Prairie State Energy Campus (PSEC) continued to improve in 2017. The plant finished the year with its best (the lowest) annual equivalent forced outage rate (EFOR) in its history at 9.9 percent. This represents a significant improvement from the 2016 EFOR of 12.7 percent. Additionally, during 2017 PSEC:

- set a new record for highest monthly plant capacity factor (based on 1,582 MW plant rating): 101.3 percent achieved in November 2017;
- set a new record for highest monthly plant equivalent availability factor: 99.28 percent achieved in November 2017;
- set a new record for most energy generated in a month by Unit Two: 595,392 MWh achieved in December 2017;
- reached a new record for highest monthly Unit Two capacity factor (based on 791 MW unit rating): 101.8 percent achieved November 2017; and
- reached a second-highest monthly Unit One capacity factor (based on 791 MW unit rating): 100.8 percent achieved November 2017.

AMP FREMONT ENERGY CENTER

The AMP Fremont Energy Center (AFEC) continued its excellent string of success, recording no lost-time accidents or recordable events through operations during 2017. There has been no lost-time accident or recordable event on-site at AFEC in the past six years of operation. This coincides with an operation and maintenance (O&M) agreement that staff made with NAES Corporation (NAES).

A new O&M agreement was successfully negotiated with NAES in 2017 and went into effect in January 2018. This agreement will again charge NAES with oversight of O&M at AFEC for five years. (As of April 2017, NAES also oversees O&M at AMP's peaking, solar and wind distributed generation facilities.) Look for more detailed information about the AFEC facility in the separate 2017 AFEC Annual Report.

AFEC had a strong 2017, operating for over 6,000 hours with a capacity factor above 50 percent and a forced outage rate (FOR) of 0.32 percent. AMP completed several upgrades and modifications during the spring outage, including installation of new high-pressure isolation valves to allow for improved operating flexibility. AMP also completed the scheduled combustion inspection on Unit One combustion turbine (CT1) in October. AFEC set a new record for highest generation in a single month with 394,501 MWh in December. 2017 was the second highest operating hour year, closing the year strong — being online the entire month of December.



RTO/Transmission

AMP continued to increase its presence and influence at the Federal Energy Regulatory Commission (FERC) and as a stakeholder within PJM Interconnection (PJM) and the MidContinent Independent System Operator (MISO), as well as other non-RTO areas. Throughout 2017, AMP was involved in many issues before FERC, and at PJM and MISO, resulting in several achievements for AMP and our members. To highlight a few, AMP defeated transmission owners' attempts to continue a hiatus on addressing a deficient transmission planning process for transmission projects; AMP sponsored a problem statement and obtained stakeholder support to force discussions regarding modifications to the capacity construct in PJM; identified deficiencies and inaccuracies in PJM's assessment of the Ohio Valley Electric Corporation (OVEC) integration, and garnered support from other stakeholders to oppose the integration.

AMP achieved several transmission cost-controlling initiatives for its members throughout 2017. AMP was able to reach settlements with American Electric Power (AEP) and the Mid-Atlantic Interstate Transmission to ensure that the formulas for their forward-looking transmission rates were appropriate. AMP also filed a complaint against AEP asserting that AEP's return-on-equity (ROE) was too high. AMP also reached a settlement in the AEP ROE complaint, which is pending before FERC.

To better address the changes in the transmission side of the industry and deal with rising costs, AMP brought on a director of transmission planning. The addition has helped AMP improve expertise of the issues and ultimately increase our influence within the PJM and MISO regions.

Additionally, as a result of AMP's leadership, to compliment AMP's efforts, The Energy Authority also hired a transmission planner and procured transmission planning power flow models that cover both PJM and MISO.

In 2017, AMP made incredible strides spotlighting an issue that is heavily affecting the PJM region. Transmission projects are on the rise across the country and associated costs have increased dramatically in recent years. From 2011 to 2017, transmission rates rose by more than 475 percent in some areas. Recognizing this alarming increase along with trends indicating intent by investor owned utilities to shift capital to even greater investments in regulated transmission assets, AMP commissioned Dr. Ken Rose, a nationally recognized expert in the structure, regulation and economics of the U.S. energy markets, to study the trends.

Rose's study found that much of these cost increases are due to a rise in supplemental transmission projects, which are not required to satisfy reliability standards, operational performance or economic criteria. Supplemental projects do not receive the same rigorous review and oversight from PJM as would baseline projects (projects addressing reliability concerns), even though the project costs are passed through to consumers.

In response, AMP worked to bring this issue to the forefront by working with legislative and regulatory bodies, raising awareness with key industry leaders and educating other stakeholder organizations on the issue. AMP has also increased its efforts to bring attention to this matter through social and traditional media, and published an opinion editorial — To avoid skyrocketing costs, FERC scrutiny of ‘supplemental’ projects needed — with the Cleveland Plain Dealer.

AMP will continue to engage and advocate for meaningful oversight of supplemental transmission projects and continue efforts to mitigate increasing transmission costs.



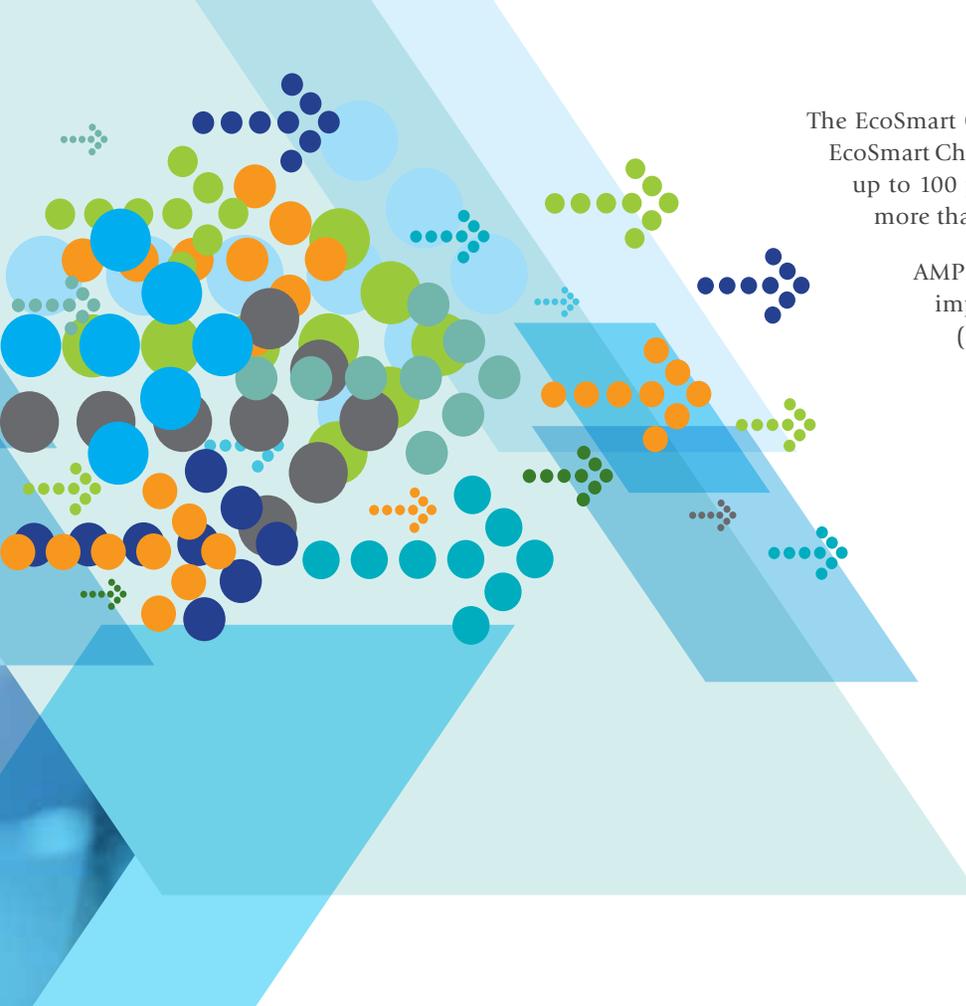
Enterprise Risk Management

In 2017, AMP's Enterprise Risk Management (ERM) process continued to improve and adapt to the growing complexity and informational needs of the organization.

Through collaboration with The Energy Authority, AMP's Risk Management Committee developed a Risk Index Model, to better manage energy procurement risk and replace an outdated method of evaluating potential counterparties that provide energy to member communities.

As AMP continues to grow, the organization continues to evaluate insurance products and increase coverages to mitigate potential exposures, such as developing an endorsement for the generation assets property policy that ties premium costs to the value of claims made, which allows for premium reductions and caps premium increases, and increased the professional liability from \$1 million to \$2 million. AMP also added advanced metering infrastructure and safety training to the professional liability policy to provide further coverage of these services while exploring cyber, debt service and capacity performance insurance products.





The EcoSmart Choice program continued to grow in 2017, adding a new member and nearly 200 customers. EcoSmart Choice offers a green-pricing option for individuals and companies who are interested in purchasing up to 100 percent renewable energy through the purchase of RECs. Participating communities purchased more than 43,419 MWh of green power through the program in 2017.

AMP continued its efforts in the Focus Forward Advisory Council (FFAC). A new strategic plan was implemented for the FFAC, the member extranet was simplified and distributed energy resource (DER) interconnection templates were developed for members.

AMP members asked for more flexible energy efficiency options, which became available with the rollout of Efficiency Smart 3.0. Efficiency Smart can now better serve the different needs of different communities. The Efficiency Smart program grew by two members in 2017, with the addition of Versailles and Montpelier. The program currently is under active consideration by four additional communities.

The results of the Efficiency Smart contract for 2014–2016 were completed and verified in 2017, and the program exceeded expectations, achieving 146 percent of its three-year MWh savings target. All participating member communities achieved guaranteed energy savings.

In addition to work performed under the Efficiency Smart program, the AMP Direct Connections (Key Accounts) program orchestrated and finalized nine U.S. Department of Energy (USDOE) grant-subsidized energy audits and 14 U.S. Department of Agriculture (USDA) grant-subsidized energy audits for members subscribed to the Direct Connection program. Since its inception, the Direct Connections program has been awarded nearly \$600,000 in grant funds to assist program participants with their business retention efforts by providing energy efficiency education, training and energy audits for key accounts located in member communities.

Look for more detailed information regarding AMP's sustainability, including reforestation efforts and environmental filings in the separate 2017 Sustainability Report.

Environmental Compliance and Sustainability

AMP submitted more than 325 compliance reports, performed more than 100 site inspections of AMP assets — with no violations cited by any regulatory agencies — and submitted nine Renewable Energy Certification (REC) applications for five facilities across six states. In addition, a recently developed environmental audit program was conducted at three hydroelectric plants.

Legislative

AMP remained active in the legislative process at the state and federal level in 2017. Maintaining our influence in Washington, D.C., AMP was able to work with the White House and Congress to protect the ability to use tax-exempt municipal bonds and Build America Bonds (BABs) in the new tax plan. Lawmakers adopted legislation to waive the Pay-as-You-Go Act of 2010 requirement, which prevented the elimination of the payments to issuers of BABs and New Clean Renewable Energy Bonds. AMP and OMEA continue the work of addressing the adverse effect that sequestration has on BABs.

During the 2017 APPA Legislative Rally, AMP focused heavily on the issues of tax-exempt municipal bonds and BABs, as well as on rising transmission costs, capacity market impacts on customers and environmental policy.

AMP is consistently involved in legislative efforts at the state level, representing members and industry-related interests. In Ohio, AMP worked to ensure that AMP/ OMEA amendments were adopted and included in the annual state spending bill. Included in the amendments are provisions beneficial to small hydro; clarifying language on kWh tax, ensuring members aren't put at a competitive disadvantage; and language to protect and preserve municipal utility assets in the event of village dissolutions. Additionally, AMP helped defeat (via line-item veto) a burdensome service territory provision.

In 2017, Pennsylvania was facing anti-municipal legislation and AMP is assisting members by securing appropriate resources to fight against the onerous legislative efforts. In West Virginia, AMP is assisting members in their efforts to simplify the rate making process by reducing regulatory hurdles.



A woman with short brown hair, wearing a black blazer over a white scarf and a light-colored top, is speaking at a white podium. The podium features a dark blue circular logo with a stylized 'A' or 'O' shape. The background is a solid purple color. The image is partially obscured by a large blue geometric graphic on the left side of the page.

Communications and Publications

AMP increased its communications activity throughout 2017, with an across the board expansion of member outreach efforts. Social media activity increased, including the creation of an AMP Twitter account. There were more than 200 informational posts across AMP social media platforms in 2017, including Facebook, LinkedIn and Twitter. These posts aim to keep members better informed and to provide easily sharable social media content to bolster each member community's local outreach efforts and enhance awareness of the benefits of public power. These efforts will continue in 2018.

In 2017, annual reports for AMP, OMEGA JV2, OMEGA JV5, OMEGA JV6, AFEC, Sustainability and OMEA were developed, printed and distributed, and made publicly available on the AMP website. Three editions of the Amplifier were distributed to approximately 2,300 people; annual calendars were distributed to more than 800 people; and the Update, AMP's weekly member newsletter, was transitioned to an email format and is distributed to more than 1,300 people each week.

AMP continued its scholarships program in 2017, with the Richard H. Gorsuch Scholarship and the Lyle B. Wright Scholarship programs, each of which honored four winners. Drew Hanna of Arcadia, Courtney Slider of New Martinsville, Haley Suffel of Montpelier and Kyle Pape of Oak Harbor were the 2017 Richard H. Gorsuch Scholarship recipients. Amanda Lehmkuhl of Minster, Madison Summers of Montpelier, Paige Kuck of New Bremen and Kyle Turner of Jackson were the 2017 Lyle B. Wright Scholarship recipients. Since 1988, AMP has distributed \$308,000 in scholarship awards.

AMP/OMEA CONFERENCE

More than 400 participants attended the 2017 AMP/OMEA Conference, Sept. 25-28, 2017, at the Hilton Columbus at Easton. The conference featured speakers from the American Public Power Association, Smart Electric Power Alliance, the Council on Foreign Relations in New York and other industry experts.

During the conference, Bruce Metz, village administrator of Jackson Center, was named the 2017 Seven Hats Award winner for his impressive work in the areas of planning and design, administration, public relations, field supervision, accounting, personnel or employee direction, and community leadership. Additionally, numerous other AMP members were recognized and presented awards for finance, innovation, system improvement, public power promotion, electric system sustainability and safety, as well as commendations for mutual aid.



Human Resources and Facilities

AMP had yet another year of growth, hiring 36 new employees for positions at both AMP headquarters and for AMP generation facilities. Many of these new employees report to the new hydro facilities. In response, human resources has a greatly expanded presence in the plants — providing job interviews, open enrollment meetings and other services on-site.

AMP made several improvements to the benefits offered to employees. It is hoped that these efforts will help to attract and retain the high-performance talent that AMP continually seeks.

AMP facilities were upgraded and repaired throughout 2017 as part of the routine maintenance schedule. The first and fourth floor of headquarters underwent construction and needed upgrades, a three-phase AMI meter demonstration room has been added, a new chiller and control system has been installed and a full roof replacement has been completed. Additionally, a new lease has been negotiated and executed with tenants on the second floor.

In an effort to further improve employee engagement, the Corporate Responsibility Engagement Team was established and has organized charitable giving events and efforts at AMP headquarters and generating facilities. In 2017, AMP staff members contributed more than \$21,000 to charitable organizations through payroll deductions, provided nearly \$4,000 toward Hurricane Harvey relief efforts and donated more than \$1,400 and 400 lbs. of food, clothing, essentials and toys during the annual Holiday Giving Program.



Technical Services

Throughout 2017, AMP again offered member communities access to its broad offering of training courses and service programs. Hundreds of participants from member communities took advantage of technical, lineworker, safety and Occupational Safety and Health Administration (OSHA) training courses, as well as the many additional member services programs, such as Reliable Public Power Provider (RP3) application assistance, legislative services and annual events. The Board of Trustees approved the restructure and increase of OSHA rates, which was successfully implemented with all members remaining in the program.

AMP worked to ensure compliance with NERC's Critical Infrastructure Protection (CIP) cyber security plan in 2017, and successfully implemented all necessary changes in a timely manner. Following these adjustments, AMP successfully completed an in-depth tabletop exercise, which tested the details of the plan and helped to ensure compliance.

Usage of the Circuit Rider program increased by 34 percent from 2016 to 2017, due to the addition of member communities Lucas and Prospect, as well as the ability to provide services after-hours and for storm restoration. The Circuit Rider program offers AMP member communities the services of an experienced, qualified field superintendent. AMP energy services consultants offer guidance to municipal employees and expertise on electric system operation and maintenance. This service can also provide smaller communities with assistance or training on a scheduled or special-project basis including capital improvements, equipment troubleshooting, safety and system design or mapping.

Utilization of the eReliability Tracker increased by 20 percent in 2017, bringing the total number of member communities utilizing the program to 42. The eReliability Tracker program, a service provided through the American Public Power Association (APPA), assists public power utilities to simplify operations decisions by providing detailed outage summary reports and mobile support for field employees. AMP has arranged to provide the web-based eReliability Tracker service to all AMP members. Active participation in the program earns points toward the RP3 designation. As of 2017, 27 AMP members hold RP3 designations, and nine of those members recently applied for renewal to the program.

Continuing strong corporate safety efforts into 2017, AMP had no lost time accidents and only one recordable incident in 2017.



AMP LINeworkERS RODEO

The fourth annual AMP Lineworkers Rodeo was held Aug. 25–26, 2017, at AMP headquarters in Columbus and featured competitors from Bryan, Coldwater, Cleveland, Cuyahoga Falls, Jackson Center, Piqua, Tipp City, Wadsworth and Westerville. Participants competed in three levels of competition (team, individual journeyman and individual apprentice) and were judged on safety, work practices, neatness, ability, equipment handling and timely event completion. The event also provided participants the opportunity to take part in training sessions to enhance on-the-job skills and improve safety practices. Overall winners from each category receive AMP sponsorship to attend and compete in the national APPA Lineworkers Rodeo.

TECHNICAL SERVICES CONFERENCE

The AMP Technical Services Conference was held April 25–26, 2017. More than 100 municipal electric utility officials and technical staff from 22 member communities attended. The annual Technical Services Conference provides an opportunity for staff from member communities to increase their technical understanding and capabilities by learning about new utility related products and services, strengthening relationships with other community representatives, and exchanging ideas and experiences with other utilities that might be facing similar challenges.

TRAINING

In 2017, AMP's training programs were attended by 320 employees from more than 45 member communities in five states. AMP offered a variety of technical and lineworker classes, including Groundworker, Substation 101, Metering, Hotline, Pole and Bucket Rescue, and Underground Distribution Workshop.

Fifteen lineworker/technical training courses and four regional safety meetings were held throughout 2017, covering a variety of relevant safety topics for municipal electric systems.

AMP Wall of Fame

The Wall of Fame program was launched in 2010 to honor individuals who have made significant contributions to AMP and public power.

In 2017, John Bentine was inducted into the AMP Wall of Fame. Bentine served as general counsel for AMP and the Ohio Municipal Electric Association since 1981. Bentine is widely respected in the legal field and considered one of the foremost municipal and utility attorneys in Ohio. He joined AMP in 2012 as senior vice president/general counsel and also served as a longtime ex-officio member of the AMP Board of Trustees. He retired in February 2017, but continues to serve the organization part-time. Prior to joining AMP full time, Bentine was with the Columbus law firm of Chester, Willcox and Saxbe; served as assistant attorney general and counsel to the Public Utilities Commission of Ohio; and served as senior assistant city attorney for the City of Columbus.



AMP Executive Management Team

Marc Gerken, PE

President/CEO

mgerken@amppartners.org



Marc Gerken has served as president and chief executive officer of AMP since February 2000. Gerken began his career as a civil engineer working extensively in the public sector on infrastructure projects. He served as city engineer in Napoleon, Ohio, and in 1995, was named the community's city manager. In that capacity, Gerken served on the AMP Board of Trustees for four years and chaired the AMP Board committee overseeing construction of the 42-MW Belleville Hydroelectric Plant. He joined AMP in 1998 as vice president of business and operations. Gerken is active in public power leadership and policy development positions on a national level. He currently serves on the National Hydropower Association (NHA) Board of Directors (having served as president from 2013-2015) and is a past chair of the Prairie State Generating Company Management Committee. He is co-chair of the NHA CEO Council and serves on the board of The Energy Authority, currently as its chair. He is past chair of the American Public Power Association (APPA) Board of Directors and previously chaired the Public Power, Inc. Board of Directors. He is a frequent presenter at APPA meetings, a leader in public power Joint Action Agency working groups, and has testified before congressional committees and at the Federal Energy Regulatory Commission (FERC) technical conferences on wholesale power market and hydropower issues. Gerken received the APPA Harold Kramer-John Preston Personal Service Award in June 2005 and the APPA Alex Radin Distinguished Service Award in June 2012. He was recognized as a finalist for the Platt's Global Energy CEO of the Year Award in December 2010. Under Gerken's direction and vision, AMP has undergone tremendous growth (from 83 members in three states to 135 members in nine states), become a recognized leader in the utility industry, and developed and financed a range of fossil fuel and renewable generation projects, including the largest development of run-of-the-river hydropower in the United States. He holds a Bachelor of Science in civil engineering from the University of Dayton.



Pamala Sullivan has been with AMP since 2003 and currently serves as executive vice president of power supply and generation. She previously served as director of marketing and development, vice president of marketing, and senior vice president of marketing and operations. Before joining the organization, she was vice president of marketing for SFT, a consulting engineering firm, where she was responsible for developing and implementing marketing plans and strategies, as well as providing project management services for municipal electric utility transmission/distribution projects. She also served as city electrical engineer for the AMP member community of Napoleon, Ohio. She holds a Bachelor of Science degree in electrical engineering from the University of Toledo. As executive vice president of power supply and generation, Sullivan provides oversight to power supply and marketing services, generation operations and transmission. This includes leading the company's energy trading floor, commodity procurement, power supply planning, transmission planning, regional transmission organization affairs, generation development, energy marketing, as well as marketing AMP's various power supply projects and programs to its 135 member utilities.



Pamala Sullivan
Executive Vice President of
Power Supply & Generation
psullivan@amppartners.org

Jolene Thompson has been with AMP since 1990 and currently serves as executive vice president of member services and external affairs. She is also the executive director of the Ohio Municipal Electric Association (OMEA), the legislative liaison to AMP and Ohio's municipal electric systems. Thompson, active nationally, serves as vice chair of the American Public Power Association (APPA) Board of Directors, she also currently serves on the executive committee and is past chair of the dues committee. Additionally, Thompson is an active member of the Transmission Access Policy Study (TAPS) Group Board of Directors where she serves on the executive committee and as chair of the legislative committee. Also at APPA, she previously chaired the Advisory and Legislative and Resolutions committees, and has been a member of the Nominations and Awards Committee three times. Thompson is a recipient of APPA's Harold Kramer-John Preston Personal Service Award. She holds a Bachelor of Arts degree in journalism from Otterbein University. She advocates with state and federal policymakers on behalf of AMP and its members and led the environmental permitting and public relations teams that worked on AMP generation projects in multiple states. She headed up the launch of the \$26-million Efficiency Smart program for AMP members, and has overseen major human resource and benefit program updates. As executive vice president of member services and external affairs, Thompson provides oversight to AMP's government relations, communications, technical services, environmental affairs, sustainability initiatives, human resources, administrative services and member programs. This includes leading the organization's environmental, safety and North American Electric Reliability (NERC) compliance activities.



Jolene Thompson
Executive Vice President of
Member Services & External Affairs
jthompson@amppartners.org



Chris Easton

Chief Risk Officer
ceaston@amppartners.org

John Christopher “Chris” Easton was named chief risk officer in 2015. In this position he chairs the Risk Management Committee and provides overall management of the Middle Office – the independent oversight, compliance, control and monitoring office for the organization. His responsibilities also include management of AMP’s Corporate Energy Risk Control Policy, and overseeing the Enterprise Risk Management Program and strategic planning process. Easton joined AMP in 2014 as vice president of business operations, bringing 30 years of experience with municipal electric system management. He spent his career with the City of Wadsworth, retiring as director of public service in 2014. He also served 10 years as a member of the AMP Board of Trustees, including serving as treasurer. He holds a bachelor’s degree from Ohio University and a master’s degree in public administration from the University of Akron, and is a member of the American Institute of Certified Planners, the American Planning Association and the American Public Works Association. He is also certified as a finance development professional by the National Development Council.



Brannndon Kelley

Chief Information Officer
bkelley@amppartners.org

Brannndon Kelley, chief information officer, has more than 20 years of experience providing vision, leadership, governance and execution for technology programs, projects and departments. His role includes responsibilities for information technology, operation technology (SCADA and plant systems), advanced metering infrastructure, smart city and enterprise cyber security. He joined AMP in 2009 and has led AMP through a complete IT transformation. Recognized as a leader in his field, Kelley is often invited to speak at national and regional technology and utility conferences and events. In 2017, Kelley was named a member of Smart Business’s Central Ohio Smart 50. He was also named the 2012 Intelligent Utility’s CIO of the Year, the Top 20 Most Innovative CIOs in 2014, and was awarded the 2015 Frost and Sullivan CIO Impact Award. In 2012, Kelley served as chair of the TechTomorrow conference and in 2013, as chair of the APPA IT Committee. Prior to AMP, Kelley held senior management and executive roles at Quick Solutions Inc. (now Fusion Alliance), HP, EDS, Saber Corp and has spent over 9 years as an adjunct professor at local colleges. Kelley holds a bachelor’s degree in computer information systems from DeVry University and was inducted into their alumni hall of fame earning a Pinnacle Award. He also holds an MBA in finance from the Keller Graduate School of Management, where he was recognized as one of the top 40 graduates in school history with the 40 for 40th award.



Lisa McAlister

Senior Vice President &
General Counsel for
Regulatory Affairs
lmcalister@amppartners.org

Lisa McAlister joined AMP in 2012 as deputy general counsel FERC/RTO Affairs and was named to her current position in February 2017. She previously served as Of Counsel at Bricker & Eckler, LLC, where she represented the Ohio Manufacturers’ Association and helped found the OMA Energy Group to address energy issues. Prior to that, she was a partner-elect at McNees Wallace & Nurick, LLC, where she represented large commercial and industrial customers on energy issues, as well as natural gas utilities. McAlister served as the chair and vice chair of APPA’s Legal Section. As an active participant on PJM committees, she served three years on the PJM Board Nominating Committee as the Electric Distributor Sector representative, and has represented the Electric Distributor Sector on various PJM Board Liaison Committees and Grid 20/20 panels. McAlister has also represented AMP and public power interests before FERC, including at the Technical Conference on State Policies and Wholesale Markets Operated by ISO New England Inc., New York Independent System Operator, Inc. and PJM Interconnection, LLC. McAlister also testified on behalf of AMP on Regional Transmission Organization (RTO) energy markets and transmission planning before the U.S. House Subcommittee on Energy at the Hearing on Powering America: Examining the State of the Electric Industry through Market Participant Perspectives. McAlister holds a bachelor’s degree from Elon University in political science and philosophy and a law degree from The Ohio State University Michael E. Moritz College of Law.



Rachel Gerrick

Senior Vice President &
General Counsel for
Corporate Affairs
rgerrick@amppartners.org

Rachel Gerrick serves as senior vice president and general counsel for corporate affairs. Gerrick joined AMP in 2012 as AMP's deputy general counsel. She is responsible for legal matters relating to project and corporate finance, construction, procurement, employment, real estate and corporate governance. Prior to AMP, she served as associate assistant attorney general at the Ohio Attorney General's Office in the Business Counsel Section, and as an associate in the Commercial Real Estate groups at both Squire, Sanders & Dempsey LLP (now Squire Patton Boggs) in Columbus and Winston & Strawn LLP in Chicago. She holds a bachelor's degree in economics and history from Emory University, and a law degree from the University of Virginia.



Scott Kiesewetter

Senior Vice President of
Generation Operations
skiesewetter@amppartners.org

Scott Kiesewetter was named senior vice president of generation and 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, project development and overseeing operations of generation resources. Prior to AMP, Kiesewetter held various positions with the Philadelphia Electric Company. He holds a bachelor's degree in electrical engineering from The Ohio State University.



Marcy Steckman

Senior Vice President of Finance
& CFO
msteckman@amppartners.org

Marcy Steckman serves as senior vice president of finance and chief financial officer (CFO) and serves as vice chair of the Risk Management Committee. Steckman joined AMP in 2013 and served as chief accounting officer until July 1, 2016, when she assumed her current position. She is responsible for all treasury, cash management, debt management, financial planning and analysis, financial reporting, member credit and member billing activities. Additionally, Steckman serves as chair of the Prairie State Generating Company Finance Committee. Prior to AMP, she held financial leadership positions with American Electric Power, Ohio Power Company, Huntington National Bank and Nationwide Mutual Insurance Company. Steckman holds a bachelor's degree in accounting from the University of Akron and is a Certified Public Accountant in the state of Ohio. She is also a member of the Ohio Society of Certified Public Accountants.



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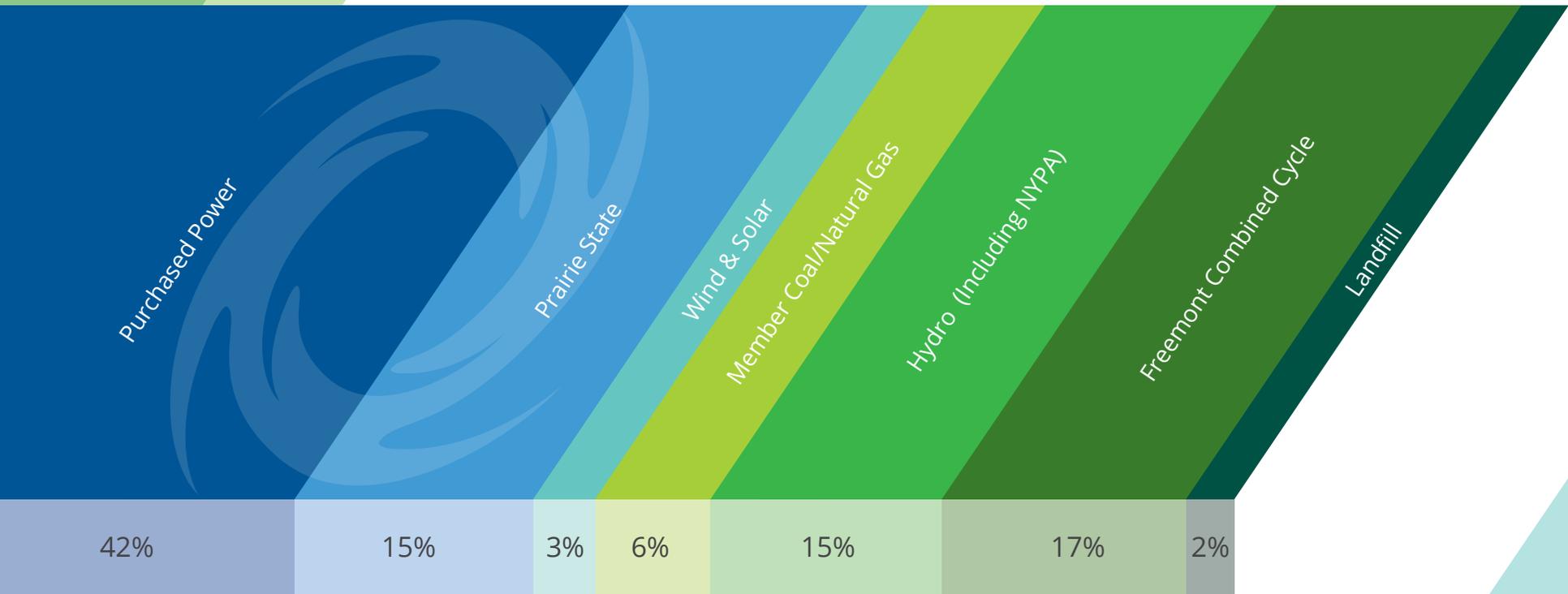


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2017 AMP Member Energy Resource Mix (16,500,00 MWh)



Note:

- The Member coal figure includes the participation of AMP members Paducah and Princeton in PSEC through the Kentucky Municipal Power Association.
- The wind and solar figure includes member-owned solar.
- The hydro figure includes member-owned hydro.





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2017 financials are available at www.amppartners.org

