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NEWS RELEASE

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AMP CELEBRATES START OF CONSTRUCTION FOR WILLOW ISLAND HYDROELECTRIC PLANT

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St. Marys, WV: West Virginia Governor Earl Ray Tomblin was the keynote speaker as American Municipal Power, Inc. (AMP) celebrated the latest ground breaking in AMP's development of run-of-the-river hydroelectric projects on the Ohio River. The project, being built at the Willow Island Locks and Dam, will add 35 MW of new, renewable generation to the region.

AMP is currently undertaking the largest development of new run-of-the-river hydroelectric generation in the country. Up to six projects are being developed at existing dams on the Ohio River. Four projects are fully subscribed to AMP member communities and are now under construction. Combined, the projects now under construction will add 300 MW of renewable generation capacity, and are creating jobs and economic development in the region. The Willow Island Hydroelectric Plant is being developed on behalf of 79 AMP member communities in the states of Ohio, West Virginia, Virginia, Kentucky and Michigan participating in the project.

AMP's hydroelectric generation development efforts build on the success of the Belleville Hydroelectric Plant, operating on the Ohio River at the Belleville Locks and Dams, near Belleville, West Virginia. Built by AMP and owned by a joint venture of AMP



member communities, the Belleville Hydroelectric Plant began commercial operation in 1999. The facility has exceeded projections in terms of energy generation and cost of power, and plant operators have been recognized nationally for the safe and efficient plant management.

"The aggressive hydroelectric generation development being undertaken by AMP is designed to help our member communities diversify their power supply portfolio and increase their use of renewable generation," AMP President/CEO Marc Gerken said. "The anticipated life of these projects means that generations to come will benefit from what we're doing today. It is a large part of a coordinated effort to reduce our members' dependence on the wholesale market and create balanced power supply at predictable costs. At the same time, this development effort is creating jobs and economic development in the region."

The more than \$300 million Willow Island project will employ 200-400 construction workers and provide seven to nine permanent operating positions. The project is expected to begin generating power in late 2014.

AMP's hydroelectric project development is providing a significant boost to the economic well-being of the region. AMP signed a contract with York, Pennsylvania-based Voith Hydro for the manufacture of turbines and generators for the first four facilities. The more than \$420 million contract was the largest executed to date by Voith. To help fulfill the contract, Voith opened a manufacturing facility in Hannibal, Ohio creating approximately 50 new jobs.

In addition to the Willow Island project, AMP is constructing facilities at the Meldahl, Cannelton, and Smithland dams. Construction started in July 2009 on the Cannelton project and in July 2010 on the Smithland project, and May 2010 on the Meldahl project, which AMP is developing in partnership with the member community of Hamilton, Ohio. Two other potential projects at the R.C. Byrd and Pike Island dams are currently in the licensing phase with license applications pending before the Federal Energy Regulatory Commission (FERC).



"This is obviously a large undertaking," Gerken said. "However, the Ohio River dams represent a valuable, largely untapped resource of renewable power. We're proud of these projects and glad to be starting construction on the fourth facility. Our members are committed to providing a cleaner, safer, healthier and stable power supply portfolio to their customer/owners."

About AMP

American Municipal Power, Inc. is the nonprofit wholesale power supplier and services provider for 128 member municipal electric communities in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky and West Virginia. Combined these public power systems serve over 565,000 customers. Headquartered in Columbus, Ohio, the organization provides a variety of services for its members including, power supply planning, engineering, financial, environmental, generation, legal, and other support services. AMP members receive their power supply from a diversified resource mix that includes: wholesale power purchases through AMP and on the open market; and energy produced from a variety of base load and distributed generation assets utilizing hydro, wind, landfill gas and fossil fuels. AMP built and operates the 42 MW Belleville Hydroelectric Plant and the 7.2 MW American Municipal Power Wind Farm, Ohio's first utility-scale commercial wind farm. AMP is the largest equity owner of the 1,600 MW Prairie State Energy Campus, currently under construction in southern Illinois. The organization owns 23 percent of the state-of-the-art, mine-mouth plant and adjacent coal mine. Additionally, AMP recently launched Efficiency \$mart, a comprehensive energy efficiency program designed to assist residential, commercial, and industrial customers in participating member communities lower their power bills by installing energy efficient equipment and systems. The organization is also pursuing development of new solar, landfill gas and wind generation resources. For additional information, visit AMP's Web site at www.amppartners.org.



Willow Island Hydroelectric Plant Project Overview



- Run-of-the-river project on the Willow Island Locks and Dam, located on the Ohio River, near St. Marys, West Virginia approximately one-hour from Parkersburg
- Project is under construction on the West Virginia side of the river
- FERC licensed capacity of the project: 35 MW
 - o Two 17.5 horizontal bulb-type turbines
- Anticipated annual energy output: 224,000 MWh
- Transmission line: approximately two-miles 138 kV
- Estimated capital cost to develop: \$300 million
- Estimated number of construction jobs: 200-400 peak
- Estimated permanent jobs: 7 to 9
- Anticipated commercial operation: Late 2014
- Ruhlin Construction (Sharon Center, Ohio), contractor for excavation and coffer dam construction

