American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency

Combined Financial Statements and Supplemental Financial Information

December 31, 2009 and 2008

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Index
December 31, 2009 and 2008

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Report of Independent Auditors

To the Board of Trustees and Members of American Municipal Power, Inc; and
the Board of Participants and Members of Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6, and Municipal Energy Services Agency:

In our opinion, the accompanying combined balance sheets and the related combined statements of revenues and expenses, of changes in member and patron equities, and of cash flows present fairly, in all material respects, the financial position of American Municipal Power, Inc. ("AMP"), Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 ("OMEGA Joint Ventures"), and Municipal Energy Services Agency ("MESA") (collectively, the "Organization") at December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

March 17, 2010, except for Note 17, as to which the date is June 16, 2010

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Balance Sheets
December 31, 2009 and 2008

	2009	2008
Assets		
Utility plant		
Electric plant in service	$ 365,385,531	$ 367,197,909
Accumulated depreciation	(159,608,696)	(146,274,855)
Total utility plant	205,776,835	220,923,054
Nonutility property and equipment		
Nonutility property and equipment	14,643,343	16,857,962
Accumulated depreciation	(3,840,268)	(5,655,525)
Total nonutility property and equipment	10,803,075	11,202,437
Construction work-in-progress	918,474,493	450,070,916
Plant held for future use	113,310,685	-
Coal reserves	26,612,000	26,612,000
Trustee funds and other assets		
Trustee funds	1,060,938,762	501,175,049
Financing receivables - members	42,642,798	46,503,488
Investments - long-term	4,793,061	4,573,013
Note receivable - long-term	3,075,000	-
Regulatory assets	39,064,994	31,846,268
Prepaid power purchase asset	115,520,182	173,201,258
Prepaid pension costs	9,319,733	11,267,509
Intangible and other assets, net of accumulated amortization of $9,495,304 and $5,915,780	36,486,702	15,784,921
Total trustee funds and other assets	1,311,841,232	784,351,506
Current assets		
Cash and cash equivalents	48,619,304	145,535,851
Cash and cash equivalents - restricted	24,067,003	6,295,352
Investments	21,952,692	11,191,472
Trustee funds	181,195,784	166,306,463
Collateral postings	20,175,106	-
Accounts receivable	83,168,665	62,830,386
Financing receivables - members	31,256,326	35,897,372
Emission allowances	12,263,090	12,682,811
Inventories	8,416,833	2,944,734
Regulatory assets - current	15,616,852	15,101,523
Prepaid power purchase asset - current	57,681,076	57,681,076
Prepaid expenses and other assets	2,320,989	1,100,729
Total current assets	506,733,720	517,567,769
Total assets	$ 3,093,552,040	$ 2,010,727,682

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Balance Sheets
December 31, 2009 and 2008

	2009	2008
Equities and Liabilities		
Member and patron equities		
Contributed capital	$ 71,337,656	$ 71,312,025
Patronage capital	45,217,602	43,111,321
Accumulated net deficit	(16,957,299)	(15,983,465)
Total member and patron equities	99,597,959	98,439,881
Long-term debt		
Term debt	2,425,350,857	1,323,306,466
Term debt on behalf of members	51,408,000	55,298,000
Line of credit and commercial paper	165,000,000	205,704,993
Total long-term debt	2,641,758,857	1,584,309,459
Current liabilities		
Accounts payable	102,151,238	58,043,736
Accrued salary and related benefits	2,324,983	2,450,564
Accrued pension and postretirement benefits - current	699,000	595,000
Accrued interest	34,326,058	32,362,513
Term debt - current	98,243,491	87,029,750
Term debt on behalf of members - current	34,913,000	40,131,150
Regulatory liabilities - current	4,411,409	2,727,388
Margin funds on deposit	-	19,800,000
Other liabilities	10,414,893	15,789,343
Total current liabilities	287,484,072	258,929,444
Other noncurrent liabilities		
Accrued pension and postretirement benefits	5,421,045	4,219,998
Deferred gain on sale of real estate	1,276,789	-
Asset retirement obligations	9,734,369	10,737,220
Other long-term liabilities	1,438,827	1,332,798
Regulatory liabilities	46,840,122	52,758,882
Total other noncurrent liabilities	64,711,152	69,048,898
Commitment and contingencies (Note 16)		
Total liabilities	2,993,954,081	1,912,287,801
Total equities and liabilities	$ 3,093,552,040	$ 2,010,727,682

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

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Statements of Revenues and Expenses
Years Ended December 31, 2009 and 2008

	2009	2008
Revenues		
Electric revenue	$ 757,676,208	$ 597,393,042
Service fees	5,924,918	5,934,333
Programs and other	14,523,178	12,664,724
Total revenues	778,124,304	615,992,099
Operating Expenses		
Purchased electric power	647,851,413	484,296,197
Production	20,802,077	21,825,714
Fuel	45,726,699	48,340,459
Depreciation	14,928,903	14,770,966
Administrative and general	9,266,280	8,886,996
Interest expense	23,984,625	22,749,810
Property and real estate taxes	1,891,176	1,903,689
Programs and other	12,171,316	12,162,597
Total operating expenses	776,622,489	614,936,428
Operating margin	1,501,815	1,055,671
Nonoperating Revenues and Expenses		
Interest income	760,951	2,692,189
Other, net	296,228	2,203,047
Total nonoperating revenues and expenses	1,057,179	4,895,236
Net margin	$ 2,558,994	$ 5,950,907

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

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Statements of Member and Patron Equities
Years Ended December 31, 2009 and 2008

	Contributed Capital	Patronage Capital	Accumulated Net Deficit	Accumulated Other Comprehensive Loss	Total
Balances, December 31, 2007	$ 71,282,528	$ 34,998,541	$ (13,445,526)	$ (8,261,247)	$ 84,574,296
Capital contributions	29,497	-	-	-	29,497
Distributions to participants	-	-	(376,066)	-	(376,066)
Net margin	-	8,112,780	(2,161,873)	-	5,950,907
Adjustment to recognize funded status of pension and post retirement plan obligations as a regulatory asset	-	-	-	8,261,247	8,261,247
Comprehensive net margin	-	-	-	-	14,212,154
Balances, December 31, 2008	$ 71,312,025	$ 43,111,321	$ (15,983,465)	$ -	$ 98,439,881
Capital contributions	$ 25,631	-	-	-	25,631
Distributions to participants	-	-	(1,426,547)	-	(1,426,547)
Net margin		2,106,281	452,713	-	2,558,994
Balances, December 31, 2009	$ 71,337,656	$ 45,217,602	$ (16,957,299)	$ -	$ 99,597,959

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

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Net margin	$ 2,558,994	$ 5,950,907
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation	14,928,903	14,770,966
Amortization of premium and discount on term debt	(504,626)	(1,365,429)
Amortization of deferred financing costs	3,579,524	1,382,519
Accretion of interest on asset retirement obligations	398,327	327,175
Gain on sale of property and equipment	(84,121)	-
Unrealized (gain) loss on investments	(281,428)	997,094
Changes in assets and liabilities		
Investments	(494,400)	161,903
Collateral postings	(20,175,106)	-
Accounts receivable	(19,358,677)	(9,931,485)
Emission allowances	419,721	(5,757,162)
Inventories	(5,472,099)	(81,114)
Prepaid expenses and other assets	(7,220,260)	65,250
Regulatory assets and liabilities, net	(11,968,794)	(10,832,141)
Accounts payable	6,998,249	14,642,122
Prepaid power purchase asset	57,681,076	57,839,106
Margin deposits	(19,800,000)	(38,000,000)
Accrued salary and related benefits	(41,803)	333,130
Accrued pension and postretirement benefits	3,252,823	343,457
Accrued interest	1,963,545	22,052,169
Other liabilities	(5,277,411)	7,541,765
Net cash provided by operating activities	1,102,437	60,440,232
Cash flows from investing activities		
Purchase of utility plant	(114,928)	(662,640)
Purchase of nonutility property and equipment	(1,521,710)	(8,103,913)
Proceeds from sale of property and equipment	25,000	-
Purchase of investments	(584,858,474)	(628,490,528)
Purchase of construction work-in-progress	(546,459,081)	(304,048,557)
Change in restricted cash and cash equivalents	(17,771,651)	7,125,212
Net cash used in investing activities	(1,150,700,844)	(934,180,426)

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combined Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	2009	2008
Cash flow from financing activities		
Proceeds from revolving credit loan and commercial paper	$ 1,290,962,000	$ 1,599,596,000
Payments on revolving credit loan and commercial paper	(1,331,666,993)	(1,567,219,007)
Principal payments on term debt	(561,096,962)	(81,963,454)
Proceeds from issuance of term debt	1,674,859,720	981,851,953
Cost of issuance of term debt	(18,281,305)	(11,012,059)
Principal payments on term debt on behalf of members	(40,170,150)	(48,851,400)
Proceeds from issuance of term debt on behalf of members	31,062,000	36,496,150
Proceeds from debt service to be refunded to members	1,391,520	1,517,669
Payment of debt service refunded to members	(1,478,790)	(1,593,464)
Proceeds from financing receivable - members	35,897,372	44,883,983
Funding of financing receivable - members	(27,395,636)	(32,403,827)
Capital contributions	25,631	29,497
Distributions to participants	(1,426,547)	(376,066)
Net cash provided by financing activities	1,052,681,860	920,955,975
Net change in cash and cash equivalents	(96,916,547)	47,215,781
Cash and cash equivalents, beginning of year	145,535,851	98,320,070
Cash and cash equivalents, end of year	$ 48,619,304	$ 145,535,851
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 25,602,377	$ 23,538,110
Supplemental disclosure of noncash investing and financing activities		
Capital expenditures included in accounts payable	$ 39,055,477	$ 2,913,344
Revisions to estimated cash flow for asset retirement obligations	(1,845,047)	2,697,293

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

1. Description of Business

Basis of Presentation

The combined financial statements include the accounts of American Municipal Power, Inc. and its wholly owned subsidiary AMPO, Inc. ("AMP"), Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 ("OMEGA Joint Ventures") and Municipal Energy Services Agency ("MESA"), (collectively, the "Organization"). Transactions between the separate entities have been eliminated in the preparation of the combined financial statements.

The accounts of the Organization are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The OMEGA Joint Ventures and MESA are proprietary funds as defined in Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, and therefore they apply all Financial Accounting Standards Board ("FASB") statements and interpretations except those that conflict with or contradict GASB pronouncements. For the purposes of the combined financial statements, OMEGA Joint Ventures' and MESA's accounts have been converted to follow only FASB statements and interpretations to be consistent with AMP's presentation. The primary difference between GASB and FASB is the treatment of gains or losses on debt refunding in the statement of revenues and expenses and the classification of interest payments on debt in the statement of cash flows. For GASB purposes, gains and losses or debt refundings are deferred and amortized over the term of the new debt. FASB statements and interpretations require immediate recognition of debt extinguishment gains or losses. For GASB purposes, interest payments on debt are classified as cash flows from capital and related financing activities, but are classified as cash flows from operating activities for FASB purposes.

AMP is purchasing power from two limited liability companies engaged in methane recovery to generate electricity. Their activities are primarily conducted on behalf of AMP. AMP was unable to obtain the necessary financial information from the limited liability companies to calculate the expected losses under FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities--an interpretation of ARB No. 51* ("FIN 46(R)"). AMP does not have an equity interest in these limited liability companies. Power purchases from these companies for the year ended December 31, 2009 and 2008 were approximately $6,677,540 and $6,454,046, respectively. Management does not believe that the amount of these purchases is material to its operations.

American Municipal Power, Inc.

AMP is a not-for-profit Ohio corporation organized to provide electric capacity and energy and to furnish other services to its members on a cooperative basis. AMP is a tax-exempt organization for federal tax purposes under Section 501(c)(12) of the Internal Revenue Service Code. AMP is a membership organization comprised of 82 municipalities throughout Ohio, two municipalities in West Virginia, 30 municipalities in Pennsylvania, seven municipalities in Michigan, five municipalities in Virginia and three municipalities in Kentucky, all but one of which own and operate electric systems. AMP purchases and generates electric capacity and energy for sale to its members. AMP's primary base load electric generating facility, known as the Richard H. Gorsuch Generating Station ("Gorsuch Project"), is located near Marietta, Ohio. AMPO, Inc. is a for-profit subsidiary that provides electric and natural gas aggregation consulting services to both members and nonmembers in Ohio. All intercompany transactions between American Municipal Power, Inc. and AMPO, Inc. have been eliminated in preparation of the combined financial statements.

AMP is closely aligned with two other statewide municipal power organizations. Ohio Municipal Electric Association ("OMEA") is the legislative liaison for the state's municipal electric systems. Ohio Public Power Educational Institute ("OPPEI") is a nonprofit educational foundation dedicated to informing the public about municipal electric utilities as well as member communities.

AMP has received approval pursuant to a private letter ruling from the Internal Revenue Service ("IRS") to issue tax-exempt securities on behalf of its members. In connection with the financing of projects undertaken by the electric systems of certain member communities, AMP has issued tax-exempt debt on their behalf. Additionally, AMP has issued tax-exempt bonds to finance the construction of its generating projects.

AMP has 100% of the membership interests in AMP 368 LLC ("AMP 368"). AMP 368 is a wholly owned subsidiary of AMP which, through AMP 368, is the owner of a 23.26%, or 368MW, undivided interest in the Prairie State Energy Campus ("PSEC"). The PSEC is a mine-mouth, pulverized coal-fired generating station under construction in southwest Illinois. The PSEC includes adjacent coal reserves and all associated mine, rail, water, coal combustion waste storage and ancillary support. The generating station will consist of two supercritical units with a nominal net output capacity of 800MW each. The plant will incorporate state-of-the-art emissions control technology consistent with other plants that have been successfully permitted. All permits required for the construction of the power plant have been issued.

AMP has entered into a power sales contract dated November 1, 2007 with 68 of its members (the "AMP 368 Participants") for its share of the electric output of the PSEC (the "AMP Entitlement"). The AMP 368 Participants' obligations to make payments pursuant to the power sales contract are limited obligations payable solely out of the revenues, and, with two exceptions, as an operating expense, of their respective electric systems. Each AMP 368 Participant's obligation to make payments pursuant to the power sales contract is a take-or-pay obligation. Therefore, such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise; and such payments shall be made whether or not either unit of PSEC or any other power sales contract resource is completed, operable, operating and notwithstanding the suspension, interruption, interference, reduction or curtailment, in whole or in part, for any reason whatsoever, of the AMP Entitlement or the AMP 368 Participants' power sales contract resource share, including step-up power. The power sales contract contains a step-up provision that requires, in the event of default by an AMP 368 Participant, the nondefaulting AMP 368 Participants to purchase a pro rata share, based upon each nondefaulting AMP 368 Participant's original power sales contract resources share which, together with the shares of the other nondefaulting AMP 368 Participants, is equal to the defaulting AMP 368 Participant's power sales resources share. No nondefaulting participant is obligated to accept step-up power in excess of 25% of its original power sales contract resources share.

Ohio Municipal Electric Generation Agency Joint Venture 1
Ohio Municipal Electric Generation Agency Joint Venture 1 ("OMEGA JV1") was organized by 21 subdivisions of the State of Ohio on April 1, 1992. Its purpose is to provide a source of supplemental capacity to members of OMEGA JV1. The members are charged fees for the costs required to administer the joint venture and maintain the jointly owned electric plant. The electric generating facilities consist of six diesel-fired turbines designed for a total capacity of nine megawatts. These facilities are located in Cuyahoga Falls, Ohio.

Ohio Municipal Electric Generation Agency Joint Venture 2
Ohio Municipal Electric Generation Agency Joint Venture 2 (“OMEGA JV2”) was organized by 36 subdivisions of the State of Ohio on November 21, 2000 and commenced operations on or about December 1, 2000. Its purpose is to provide backup and peaking capacity to the members of OMEGA JV2. OMEGA JV2 owns 138.650 MW of distributed generation which is sited near the members’ municipal electric systems where it is anticipated they will serve. These generating units consist of two 32 MW used gas-fired turbines, one 11 MW used gas-fired turbine and 34 1.825 MW new and one 1.6 MW used oil-fired and diesel turbines.

Ohio Municipal Electric Generation Agency Joint Venture 4
Ohio Municipal Electric Generation Agency Joint Venture 4 (“OMEGA JV4”) was organized by four subdivisions of the State of Ohio on December 1, 1995. Its purpose is to undertake the Williams County Transmission Project (the “Transmission Project”). The Transmission Project consists of a 69-kW three-phase transmission line located in Williams County, Ohio. OMEGA JV4 owns and operates the Transmission Project. During 2009 and 2008, OMEGA JV4 derived a majority of its revenue from a single municipal member.

Ohio Municipal Electric Generation Agency Joint Venture 5
Ohio Municipal Electric Generation Agency Joint Venture 5 (“OMEGA JV5”) was organized by 42 subdivisions of the State of Ohio on April 20, 1993. Its purpose was to undertake the Belleville Hydroelectric Project (the “Hydroelectric Project”). OMEGA JV5 constructed and owns and operates the Hydroelectric Project. The Hydroelectric Project operations consist of:

- The Belleville hydroelectric generating plant and associated transmission facilities (“Belleville Hydroelectric Facilities”);
- Backup generation facilities, including contracts for the output thereof; and
- Power purchased on behalf of OMEGA JV5 participants.

The Belleville Hydroelectric Facilities consists of a run-of-the-river hydroelectric plant designed for a capacity of 42 megawatts and approximately 26.5 miles of 138-kilovolt transmission facilities. The plant is located in West Virginia, on the Ohio River, at the Belleville Locks and Dam.

The Hydroelectric Project was constructed with proceeds from the issuance of beneficial interest certificates (the “Certificates”). The Certificates evidence the obligation of the members of OMEGA JV5 to pay for the cost of the Hydroelectric Project from revenues of their electric systems.

Ohio Municipal Electric Generation Agency Joint Venture 6
Ohio Municipal Electric Generation Agency Joint Venture 6 (“OMEGA JV6”) was organized by ten subdivisions of the State of Ohio and commenced operations on December 15, 2003. Its purpose is to provide low-polluting capacity to the members of OMEGA JV6. OMEGA JV6 owns wind powered electric plant generating units with a total capacity of 7.2 MW.

Municipal Energy Services Agency
MESA was organized by 31 subdivisions of the State of Ohio on December 31, 1996. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operation and maintenance of municipal electric and other utility systems. MESA also provides personnel and administrative services to AMP, OMEGA JV1, OMEGA JV2, OMEGA JV4, OMEGA JV5, OMEGA JV6, OMEA and OPPEI. As of December 31, 2009, there were 48 participants in MESA.

The OMEGA Joint Ventures were organized pursuant to Joint Venture Agreements (the "Agreement") under the Ohio Constitution and Section 715.02 of the Ohio Revised Code ("ORC"). The members of the OMEGA Joint Ventures and MESA are members of AMP.

2. Summary of Significant Accounting Policies

Utility Plant

The Organization records amounts expended in connection with the purchase or construction of utility plant assets at cost. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. Operations are charged with labor, material, supervision and other costs incurred to maintain the utility plant. When utility plant assets are retired, accumulated depreciation is charged with the cost of assets, plus removal costs, less any salvage value, and any resulting gain or loss is reflected in net margin in the combined statements of revenues and expenses.

Depreciation on utility plant assets is provided for using the straight-line method over the estimated useful lives of the property. Utility plant asset lives for OMEGA Joint Ventures range from 3 to 40 years. The provisions are determined primarily by the use of functional composite rates for AMP as follows:

Production plant	5%-10%
Transmission plant	5%
General plant	5%-33%
Station equipment	4.4%-20%

Depreciation expense for utility plant for the years ended December 31, 2009 and 2008 was $14,151,154 and $14,217,940, respectively.

Periodically, the Organization acquires and finances utility plants with the intent to sell the property to entities owned by its members. The cost of utility plants purchased for resale is capitalized at cost. The related financing is recorded as a liability.

Nonutility Property and Equipment

The Organization records nonutility property and equipment at cost. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When nonutility property and equipment is retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and the related gains or losses are reflected in net margin in the combined statements of revenues and expenses.

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

Building	25 years
Furniture and equipment	5-10 years
Computer software	3-5 years
Vehicles	3-5 years

Depreciation expense for nonutility property and equipment, excluding computer software, for the years ended December 31, 2009 and 2008 was $777,749 and $553,026, respectively.

Construction Work-in-Progress
AMP records amounts expended in connection with construction work-in-progress projects at cost. Upon completion of a project, AMP places the asset in service and the related costs are recorded as either utility plant or non-utility property and equipment. There is $3,498,616 of land included in the construction work-in-progress account at both December 31, 2009 and 2008. AMP capitalized interest costs in the amount of $62,222,265 and $13,544,892 for the years ended December 31, 2009 and 2008, respectively.

Construction work-in-progress projects consist of the following at December 31:

	2009	2008
PSEC	$ 630,104,851	$ 331,976,857
AMP-Generating Station	-	19,325,386
Hydro Plants	283,414,749	98,768,673
Other	4,954,893	1,766,898
	$ 918,474,493	$ 451,837,814

Plant Held for Future Use
In November 2009, the participants of the AMP-Generating Station Project (the "AMPGS Project") voted to terminate the pulverized coal power plant in Meigs County, Ohio. The AMPGS Project was a 1,000 MW base load, clean-coal technology plant scheduled to go on-line in 2014. This pulverized coal plant was estimated to be about a $3 billion dollar project but the project's targeted capital costs increased by 37% and the engineer, procure and construct (EPC) contractor could not guarantee that the costs would not continue to escalate any higher.

AMP is exploring the option of developing the project as a natural gas combined cycle facility supplemented with market purchases and pursue future enhancements for the project, such as biomass or other advanced energy technology.

A total of 81 member communities in Ohio, Michigan, Virginia and West Virginia are participants in the AMPGS Project, which has been under development approximately six years as a pulverized coal facility with ammonia scrubbing emission control technology. To date, minimal construction of the AMPGS Project has taken place at the Meigs County site.

The potential conversion will allow AMP and its members the option of utilizing the current project site and benefiting from much of the development work performed thus far should that be the best option for participants. AMPGS Project participants will have the option of securing needed replacement power from softened wholesale power markets.

The AMPGS Project participants signed "take or pay" contracts with AMP. As such, the participants of the AMPGS Project are obligated to pay any costs incurred for the project at this time. To date it has not been determined what those total final costs are for the project participants. AMP does anticipate that any project costs that are not recovered as part of a replacement project would be financed by AMP and recovered from the participating members over a period of years to be determined.

As a result of these decisions to date, the AMPGS Project has been classified as plant held for future use as of December 31, 2009 in the combined balance sheet. During 2010, the AMPGS Project participants are expected to make a final decision related to the planned use of the site. At that time, these costs may be reclassified to construction work-in-progress. If it is determined that any costs incurred to date will not be able to used as part of the new project and related technology, these costs will be determined to be impaired and reestablished as a regulatory asset to be recovered from the AMPGS Project participants as part of their obligations under the "take or pay" contracts.

Coal Reserves

AMP has purchased coal reserves in conjunction with the construction of the PSEC. The coal reserves are recorded at cost. In addition to owning the coal reserves, AMP has a right of first refusal for additional coal reserves.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that full recoverability is questionable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, as compared with the carrying value of the assets. If an impairment has occurred, the amount of the impairment recognized is the excess of the carrying value of the assets over the fair value of the assets.

Trustee Funds

The Organization maintains trustee funds as described in the trust indentures executed by the Organization (Note 9). The trustee funds include money market funds, debt securities, commercial paper and guaranteed investment contracts ("GICs"). The debt securities are classified as held-to-maturity under the FASB's standard for debt and equity securities and are recorded at amortized cost. The debt securities mature at various dates through February 2021. Realized gains and losses on investment transactions are determined on the basis of specific identification. Gross unrealized holding gains at December 31, 2009 and 2008 were $3,245,191 and $3,717,251, respectively. Gross unrealized holding losses at December 31, 2009 and 2008 were $2,607,936 and zero, respectively. The amortized cost of the debt securities exceeded their fair value, using prevailing market prices, by $4,726,227 at December 31, 2009. At December 31, 2008, the amortized cost of the debt securities approximated their fair value, using prevailing market prices. The Organization has invested a portion of its trustee funds in GICs. The carrying value of the GICs is equal to the sum of deposits into the GICs, less any withdrawals made by the Organization from the GICs. At December 31, 2009 and 2008, the Organization has included $643,280 and $1,336,635 of accrued interest earned on GICs in accounts receivable. Each of the Organization’s GICs is fully collateralized by the counterparty. The collateral is being held in trust.

Prepaid Power Purchase Asset

AMP prepaid for a long-term power supply agreement (the "Prepaid Agreement") in August 2007. The total amount of the Prepaid Agreement was $312,900,083 and it is for a 65-month period. AMP is amortizing the cost of the power over the life of the Prepaid Agreement. AMP records the amount expected to be amortized over the next 12 months as a current asset in the accompanying combined balance sheets. AMP has concluded that the Prepaid Agreement qualifies for a normal purchase sale exemption in accordance with the FASB's standard on accounting for derivative instruments.

Investments

Investments include equity securities, debt securities and alternative investments. The equity securities and debt securities are classified as trading under the FASB's standard for debt and equity securities. These investments are recorded at fair value. Realized gains and losses on investment transactions are determined on the basis of specific identification. Gross unrealized holding gains at December 31, 2009 and 2008 were $800,992 and $1,180,555, respectively. Gross unrealized holding losses at December 31, 2009 and 2008 were $1,274,013 and $1,268,831, respectively. Gross unrealized holding gains and losses on debt and equity securities are included in programs and other in the combined statements of revenues and expenses.

Alternative investments consist of hedge funds. These investments are recorded at fair value. The total fair market value of hedge funds included in investments at December 31, 2009 and 2008 were $4,180,874 and $3,427,377, respectively. Gross unrealized holding gains (losses) at December 31, 2009 and 2008 were $754,449 and ($872,985), respectively and are included in programs and other in the combined statements of revenues and expenses.

Financing Receivable - Members

Financing receivable - members is comprised of debt service obligations of tax-exempt debt issued by the Organization on behalf of its members (Note 8).

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

Intangible and Other Assets

Intangible and other assets consist of deferred financing costs, prepaid dedicated capacity and prepaid bond insurance. Deferred financing costs and prepaid bond insurance are amortized using the effective interest method. Prepaid dedicated capacity is amortized using the straight line method. Amortization expense was $3,579,524 and $1,382,519 for the years ended December 31, 2009 and 2008, respectively, and is included in interest expense in the combined statements of revenues and expenses.

Cash and Cash Equivalents

For purposes of the combined statements of cash flows, cash equivalents consist of highly-liquid cash and short-term investments with original maturities of three months or less. Changes to restricted cash accounts are treated as investing activities in the combined statements of cash flows. The Organization periodically maintains cash balances in excess of the federally insured limit.

Emission Allowances

Emission allowances are recorded as inventory and are valued at the lower of historical cost or net realizable value and charged to operations as used on the first-in, first-out ("FIFO") method.

Inventories
Inventories of coal, fuel, materials and supplies are stated at the lower of cost or market using the FIFO method.

Member and Patron Equities
Contributed capital represents initial capital contributions made by participants to the OMEGA Joint Ventures and by the members to AMP. Patronage capital represents the cumulative excess or shortage of revenues over expenses of AMP. Accumulated net deficit represents the cumulative excess or shortage of revenues over expenses of the OMEGA Joint Ventures and MESA. Should AMP cease business, available patronage capital of AMP will be distributed to members and former members based on their patronage to AMP while they were members.

The following is a summary of contributed capital, patronage capital and accumulated profit (deficit) of the Organization at December 31:

	2009		
	Contributed Capital	**Patronage Capital**	**Accumulated Net Profit (Deficit)**
AMP	$ 790,528	$ 45,217,602	$ -
OMEGA JV1	582,452	-	(95,840)
OMEGA JV2	58,770,598	-	(24,290,215)
OMEGA JV4	1,882,838	-	258,185
OMEGA JV5	200,000	-	7,913,465
OMEGA JV6	9,111,240	-	(742,894)
MESA	-	-	-
	$ 71,337,656	$ 45,217,602	$ (16,957,299)

	2008		
	Contributed Capital	**Patronage Capital**	**Accumulated Net Profit (Deficit)**
AMP	$ 770,296	$ 43,111,321	$ -
OMEGA JV1	582,452	-	(104,971)
OMEGA JV2	58,770,598	-	(21,868,236)
OMEGA JV4	1,882,838	-	324,561
OMEGA JV5	200,000	-	5,954,117
OMEGA JV6	9,105,841	-	(288,936)
MESA	-	-	-
	$ 71,312,025	$ 43,111,321	$ (15,983,465)

All property constituting the OMEGA Joint Ventures and MESA is owned by the members of that entity as tenants in common in undivided shares, each share being equal to that member's percentage ownership interest.

Margin Funds on Deposit and Collateral Postings
At December 31, 2008, AMP had collected collateral deposits from one of its power suppliers related to a long-term power supply agreement with the supplier. The funds collected were included in cash and cash equivalents. AMP had recorded a corresponding liability as Margin Funds on Deposit included in current liabilities in the accompanying combined balance sheets at December 31, 2008. The collateral deposits were repaid in full to the power supplier during 2009.

At December 31, 2009, AMP posted collateral deposits to the bank accounts of certain of its power suppliers related to long-term power supply agreements with the suppliers. AMP has recorded a current asset as collateral postings in the accompanying combined balance sheets at December 31, 2009.

Asset Retirement Obligations
The Organization records, at fair value, legal obligations associated with the retirement or removal of long-lived assets that can be reasonably estimated. The recognition of a liability is accompanied by a corresponding increase in utility plant. The liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to utility plant) and for accretion of the liability due to the passage of time. Accretion of the liability and additional depreciation for utility plant are recognized in net margin in the combined statements of revenues and expenses (Note 11).

OMEGA JV4 has determined that the asset retirement obligation associated with the transmission line has an indeterminate settlement date, and, therefore, its fair value is not reasonably estimable. As a result, OMEGA JV4 has not recorded an asset retirement obligation. An obligation will be recorded when a range of possible settlement dates and the fair value can be determined.

OMEGA JV5 has determined that the asset retirement obligation associated with the electric plant has an indeterminate settlement date, and, therefore, its fair value is not reasonably estimable. As a result, OMEGA JV5 has not recorded an asset retirement obligation. An obligation will be recorded when a range of possible settlement dates and the fair value can be determined.

Revenue Recognition and Rates
Revenues are recognized when service is delivered. AMP's rates for capacity and energy billed to members are designed by the board of trustees to recover actual costs. The OMEGA Joint Ventures' rates for capacity and energy billed to members are designed by the board of participants to recover actual costs, except for OMEGA JV4 where rates for transmission services are set by contracts with the members. In general, costs are defined to include cost of purchased power and operations (except for depreciation and amortization) and debt service requirements. Rates charged to OMEGA JV2 and OMEGA JV6 financing members for debt service are paid to AMP to retire the financing obligations (Note 8). Accordingly, OMEGA JV2 and OMEGA JV6 will generate negative operating margins during the operating life of the electric generators.

The rates for the Gorsuch Project are set by the board of trustees and are reviewed periodically. Operating expenses in the statements of revenues and expenses for the Gorsuch Project include interest on these bonds, depreciation of utility plant and amortization of intangible assets.

The Organization's practice is to bill participating members all costs incurred unless the expenditures were financed by long-term debt. Capital expenditures not externally financed are generally included in current rates billed to participating members. Members also pay a service fee based on kilowatt hours purchased through AMP and retail sales of kilowatt hours in each member's electric system.

In 2008, OMEGA JV6 sold renewable energy attributes associated with electricity generated by the OMEGA JV6 project. Revenue from the sale of renewable energy attributes was recorded as energy was generated. Rates were determined by a contract which required OMEGA JV6 to sell all renewable energy attributes. The contract expired on December 31, 2008. During the year ended December 31, 2008, all of OMEGA JV6's revenue was derived from the sale of renewable energy attributes. Beginning January 1, 2009, renewable energy attributes from OMEGA JV6 were sold by AMP on behalf of the OMEGA JV6 participants. These revenues will be realized upon delivery.

Programs and other revenue is recognized as services performed. The cost of programs and other revenue is charged to the members, OMEA and OPPEI at rates designed to recover the cost of salaries incurred related to work performed for each entity plus an overhead rate ranging from 35% to 120%. Other revenues consist of the reimbursement for expenses incurred from programs that AMP offers to its members. These programs include energy control center expenses, certain feasibility studies and other services. Revenue from these programs is recorded as costs are incurred.

MESA performs short-term and long-term technical service projects for the members. Short-term service project revenues are recognized when costs are incurred. Long-term project revenues are recognized in accordance with the American Institute of Certified Public Accountant's guidance on accounting for construction-type contracts for time and materials contracts. In accordance with this guidance, revenue from time and material contracts is recognized to the extent of billable rates times hours delivered plus expenses incurred. Project expenses include direct labor, materials, and other costs related to the project's performance. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted projects are made in the period in which such losses are identified. Changes in project performance, project conditions and estimated profitability are recognized in the period in which the revisions become known. Revenues recognized for short-term and long-term projects are recorded in programs and other in the combined statements of revenues and expenses.

Accounts receivable includes $62,421,767 and $47,264,045 for capacity and energy delivered to members during the years ended December 31, 2009 and 2008, respectively, but not billed until the subsequent year.

Regulatory Assets and Liabilities

In accordance with FASB standard for accounting for regulated entities, the Organization records regulatory assets (capitalized expenses to be recovered in rates in future periods) and regulatory liabilities (deferred revenues for rates collected for expenses not yet incurred). Regulatory assets include the deferral of depreciation expense associated with asset retirement costs, coal inventories and other capital expenditures not yet recovered through rates approved by the board of trustees. Regulatory liabilities include revenues collected and intended to fund future capital expenditures, emission allowances, and other differences between the rates collected from members and expense recognition. As the capital expenditures are depreciated and inventories are used, regulatory assets and liabilities are amortized to match revenues with the related expenditures. Regulatory liabilities or regulatory assets are also recognized for unrealized mark-to-market gains and losses on derivative instruments that are subject to the ratemaking process when realized (Note 5).

Taxes

The IRS has ruled that AMP is tax-exempt under Section 501(a) as an organization described in Section 501(c)(12) of the Internal Revenue Code ("IRC"), provided 85% of its total revenue consists of amounts collected from its members for the sole purpose of meeting losses and expenses. For the years ended December 31, 2009 and 2008, AMP complied with this requirement. Accordingly, no provision for federal or state income taxes has been made. AMP is subject to State of Ohio personal property, real estate and sales taxes.

AMPO, Inc. is a for-profit entity subject to federal, state and local income taxes. Deferred taxes result from temporary differences between the book and tax basis of assets and liabilities. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. AMPO, Inc. has deferred tax assets of approximately $182,000 and $339,000 at December 31, 2009 and 2008, respectively, arising primarily from operating loss carryforwards. A full valuation allowance has been established due to the uncertainty of realizing the net operating loss carryforwards at December 31, 2009 and 2008. At December 31, 2009, AMPO, Inc. had federal and state net operating loss carryforwards of approximately $309,000 that expire on various dates through 2023.

Market and Credit Risk

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

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

The Organization has established a risk management function that regularly monitors the credit quality of counterparties to its power purchase arrangements including the Prepaid Agreement. The risk management function uses multiple sources of information in evaluating credit risk including credit reports, published credit ratings of the counterparty and its historical experience with the counterparty. Credit limits are established depending on the risk evaluation and, when warranted, the Organization requires credit protection through letters of credit or other guarantees. The inability of counterparties to deliver power under power supply arrangements could cause the cost of power to members to be in excess of prices in the power supply arrangements. Management believes recent events in the credit markets have not significantly increased credit risk relating to counterparties to power purchase arrangements, including the Prepaid Agreement at December 31, 2009.

Derivative Instruments

The Organization accounts for derivative instruments on its combined balance sheets at fair value unless the instruments qualify to be accounted for as normal purchases and normal sales. The fair values of derivative instruments are accounted for using mark-to-market accounting based on exchange prices and broker quotes, when available. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and supply and demand market data and other assumptions. The fair values determined are reduced by the appropriate valuation adjustments for items such as discounting, liquidity, credit quality and modeling risk. There is inherent risk in valuation modeling given the complexity and volatility of energy markets. Therefore, it is possible that results in future periods may be materially different as contracts are ultimately settled.

The Organization has determined that each of its power purchase and sales contracts, which meet the definition of a derivative instrument, qualify to be accounted for as normal purchases and normal sales.

AMP holds firm transmission rights ("FTRs") with the PJM Interconnection and the Midwest ISO, regional transmission organizations, that do not qualify to be accounted for as normal purchases and normal sales and have been included in prepaid and other assets on the combined balance sheet at their estimated fair value. The fair value of FTRs was ($21,263) and $160,445 at December 31, 2009 and 2008, respectively. A corresponding regulatory asset or liability has been recorded for this unrealized gain (loss). The impact of FTRs is included in the transmission cost of purchased power.

AMP's interest rate management strategy uses derivative instruments to minimize earnings fluctuations caused by interest rate volatility associated with AMP's variable rate debt. The derivative instruments used to meet AMP's risk management objectives are interest rate swaps.

AMP has entered into multiple interest rate swap agreements which are carried at their fair value on the combined balance sheets. The fair value of the swaps were ($3,960,460) and ($5,765,503) at December 31, 2009 and 2008, respectively, and is included in other liabilities. A corresponding regulatory asset has been recorded equal to the unrealized loss.

Use of Estimates
The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Standards
In March 2008, the FASB amended the disclosure requirements for derivative instruments and hedging activities by requiring enhanced disclosures about how and why the Organization uses derivative instruments, how derivative instruments and related hedged items are accounted for, and how derivative instruments and related hedged items affect the Organization's financial position, financial performance and cash flows. The standard is effective for fiscal years beginning on or after November 15, 2008 and interim periods within those fiscal years. The Organization has concluded that the adoption of this standard did not have a significant impact on the combined financial statements.

In May 2009, the FASB issued a standard on subsequent events which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The standard is effective for fiscal years ending after June 15, 2009. The adoption of this standard did not have a material impact on the Organization's combined financial statements.

In June 2009, the FASB amended the consolidation guidance applied to variable interest entities. This standard replaces the quantitative approach previously required to determine which entity has a controlling financial interest in a variable interest entity with a qualitative approach. Under the new approach, the primary beneficiary of a variable interest entity is the entity that has both (a) the power to direct the activities of the variable interest entity that most significantly impact the entity's economic performance, and (b) the obligation to absorb losses of the entity, or the right to receive benefits from the entity, that could be significant to the variable interest entity. This standard also requires ongoing reassessments of whether the entity is the primary beneficiary of a variable interest entity and enhanced disclosures about an entity's involvement in variable interest entities. This standard is effective for fiscal years beginning after November 15, 2009. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

In June 2009, the FASB issued the codification standard which establishes the FASB Accounting Standards Codification™ as the source of authoritative U.S. GAAP recognized by the FASB to be applied by non-governmental entities. Following this standard, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or EITF Abstracts. Instead, it will issue Accounting Standards Updates to update the Codification. This standard was adopted by the Organization at the interim period ending September 30, 2009. The adoption of this standard did not have a significant impact on the combined financial statements.

3. Utility Plant

Utility plant consists of the following at December 31:

	2009		
	AMP	**OMEGA Joint Ventures**	**Total**
Land	$ 1,490,582	$ 431,881	$ 1,922,463
Production plant	97,336,977	256,586,837	353,923,814
Station equipment	1,846,886	35,000	1,881,886
Transmission plant	7,124,094	-	7,124,094
General plant	533,274	-	533,274
	108,331,813	257,053,718	365,385,531
Accumulated depreciation	(80,092,969)	(79,515,727)	(159,608,696)
	$ 28,238,844	$ 177,537,991	$ 205,776,835

	2008		
	AMP	**OMEGA Joint Ventures**	**Total**
Land	$ 1,490,582	$ 431,881	$ 1,922,463
Production plant	97,849,769	258,218,343	356,068,112
Station equipment	1,514,966	35,000	1,549,966
Transmission plant	7,124,094	-	7,124,094
General plant	533,274	-	533,274
	108,512,685	258,685,224	367,197,909
Accumulated depreciation	(74,847,536)	(71,427,319)	(146,274,855)
	$ 33,665,149	$ 187,257,905	$ 220,923,054

4. Nonutility Property and Equipment

Nonutility property and equipment costs consist of the following at December 31:

	2009		
	AMP	**MESA**	**Total**
Land	$ 1,042,100	$ -	$ 1,042,100
Building	8,577,101	-	8,577,101
Furniture and equipment	511,921	-	511,921
Computer software	2,628,970	-	2,628,970
Vehicles	1,883,251	-	1,883,251
	14,643,343	-	14,643,343
Accumulated depreciation	(3,840,268)	-	(3,840,268)
	$ 10,803,075	$ -	$ 10,803,075

	2008		
	AMP	**MESA**	**Total**
Land	$ 1,672,100	$ -	$ 1,672,100
Building	8,422,439	-	8,422,439
Furniture and equipment	2,180,475	-	2,180,475
Computer software	2,518,840	-	2,518,840
Vehicles	1,546,302	517,806	2,064,108
	16,340,156	517,806	16,857,962
Accumulated depreciation	(5,320,044)	(335,481)	(5,655,525)
	$ 11,020,112	$ 182,325	$ 11,202,437

5. Regulatory Assets and Liabilities

Regulatory assets and liabilities consist of the following at December 31:

	2009		
	AMP	OMEGA Joint Ventures	Total
Regulatory assets			
Asset retirement cost	$ 4,713,283	$ 1,654,626	$ 6,367,909
Power purchases	16,923,071	-	16,923,071
Pension and post retirement plan obligations	17,467,286	-	17,467,286
Fuel costs	7,486,599	-	7,486,599
Fair value of interest rate swaps	3,373,345	-	3,373,345
Debt service costs	2,391,848	-	2,391,848
Other	671,788	-	671,788
Total regulatory assets	53,027,220	1,654,626	54,681,846
Current portion	(15,616,852)	-	(15,616,852)
Noncurrent portion	$ 37,410,368	$ 1,654,626	$ 39,064,994
Regulatory liabilities			
Amounts collected from members to fund future expenditures for:			
Capital expenditures	$ 13,938,520	$ -	$ 13,938,520
Gains on early termination of power purchase contracts	8,283,515	-	8,283,515
Operating and maintenance expenditures	(255,567)	318,518	62,951
Production expense	3,084,939	-	3,084,939
Rate stabilization funding	1,523,229	-	1,523,229
Debt service billed for certificates in excess of related expenses	-	22,639,241	22,639,241
Debt service billed for funding the Reserve and Contingency Fund	-	1,590,337	1,590,337
Inventories	-	128,799	128,799
Total regulatory liabilities	26,574,636	24,676,895	51,251,531
Current portion	(4,282,610)	(128,799)	(4,411,409)
Noncurrent portion	$ 22,292,026	$ 24,548,096	$ 46,840,122

	2008		
	AMP	OMEGA Joint Ventures	Total
Regulatory assets			
Asset retirement cost	$ 3,928,391	$ 1,319,091	$ 5,247,482
Power purchases	12,253,825	-	12,253,825
Pension and post retirement plan obligations	15,601,073	-	15,601,073
Fuel costs	8,638,217	-	8,638,217
Fair value of interest rate swaps	5,207,194	-	5,207,194
Total regulatory assets	45,628,700	1,319,091	46,947,791
Current portion	(15,101,523)	-	(15,101,523)
Noncurrent portion	$ 30,527,177	$ 1,319,091	$ 31,846,268
Regulatory liabilities			
Amounts collected from members to fund future expenditures for:			
Capital expenditures	$ 15,725,191	$ -	$ 15,725,191
Gains on early termination of power purchase contracts	11,007,017	-	11,007,017
Operating and maintenance expenditures	355,878	313,927	669,805
Production expense	567,579	-	567,579
Fair value of derivative instruments	160,445	-	160,445
Rate stabilization funding	1,951,887	-	1,951,887
Debt service billed for certificates in excess of related expenses	-	23,679,401	23,679,401
Debt service billed for funding the Reserve and Contingency Fund	-	1,590,337	1,590,337
Inventories	-	134,608	134,608
Total regulatory liabilities	29,767,997	25,718,273	55,486,270
Current portion	(2,592,780)	(134,608)	(2,727,388)
Noncurrent portion	$ 27,175,217	$ 25,583,665	$ 52,758,882

6. Restricted Cash

Restricted cash consists of the following at December 31:

	2009	2008
Cash from issuance of bond anticipation notes on behalf of members	$ 711,364	$ 901,576
Contractual restrictions	7,184,711	5,393,776
Collateral deposits	16,170,928	-
	$ 24,067,003	$ 6,295,352

Contractual restrictions represent cash from members for rate stabilization, cash held in conjunction with reserve and contingency trustee funds, future major maintenance and an employee savings plan at the Gorsuch Project. Cash from members for rate stabilization is held in trusts for the benefit of the members. Collateral deposits represent amounts held as insurance collateral for long-term construction projects.

7. Related Parties

AMP has entered into agency agreements for management services ("Service Agreements") with OMEA and OPPEI. Participants in these organizations are all members of AMP. Under these Service Agreements, AMP serves as agent and provides services such as planning, financial management, operations, and other professional and technical services. AMP is compensated for its services based on a reasonable allocation of direct expenses and overhead.

For each of the years ending December 31, 2009 and 2008, AMP made contributions of $150,000 to OMEA.

In 1993, OMEGA JV5 prepaid $3,045,707 to the City of Oberlin, Ohio, for a commitment to provide 12,000 kilowatts of its generating capacity as a backup resource to OMEGA JV5. The commitment is for dedicated capacity from June 1, 1996 through May 31, 2009. This asset is being amortized ratably over the term of the commitment.

OMEGA JV5 participants with backup generating units sited in their communities provide utilities to the units. OMEGA JV5 incurred expenses of $128,159 and $114,565 for these services for the years ended December 31, 2009 and 2008, respectively.

MESA provides services to OMEA, OPPEI and certain members of the Organization. Revenues earned from these agreements for the years ended December 31 are as follows:

	2009	2008
OMEA	$ 341,260	$ 337,576
OPPEI	134,887	144,634
AMP members	5,174,883	3,036,483
Total	$ 5,651,030	$ 3,518,693

8. Revolving Credit Loan and Term Debt

Revolving Credit Loan

AMP has a revolving credit loan facility ("Facility") with a syndicate of lenders led by JPMorgan Chase Bank, N.A. Other members of the syndicate include KeyBank, N.A.; Depfa Bank; Union Bank of California, N.A.; Wachovia Bank, N.A.; Suntrust Bank; U.S. Bank, N.A.; Bank of America, N.A.; Huntington National Bank, N.A.; and Bank of Montreal. The Facility allows for different types of loans with different interest rates and terms and includes the ability to issue letters of credit. The Facility expires on September 24, 2012. AMP's base borrowing capacity under the Facility is $550,000,000. At December 31, 2009, AMP had $165,000,000 outstanding under the Facility and the effective interest rate was 1.55%. At December 31, 2008, AMP had approximately $26,100,000 outstanding under the Facility and the effective interest rate was 0.9%.

The Facility contains various restrictions including a) proceeds of loans and letters of credit will be used only i) to refinance the existing revolving credit loan, ii) for general working capital purposes and iii) for transitional financing to bond financing and bond anticipation notes; b) notice of certain ERISA events over $500,000; c) notice of events causing a material adverse effect on the business, assets or condition of AMP or the rights or benefits of the lenders under the Facility; d)

AMP will not incur indebtedness or make guarantees of indebtedness except for indebtedness fully supported by commitments of AMP members and except for i) indebtedness to finance any prepayment for power supply or indebtedness or capital lease obligations for acquisition, construction or improvement of assets up to $25,000,000 or ii) other unsecured indebtedness up to $20,000,000; e) AMP will not make loans to i) AMPO, Inc. in excess of $500,000 or to ii) joint ventures in excess of $5,000,000; f) prohibits cash dividends to members; g) annual lease payments may not exceed $1,000,000 and sale of leaseback transactions are limited to $5,000,000; h) maintenance of financial covenants including i) minimum consolidated tangible net worth and ii) interest coverage ratio in excess of 2.50 to 1.00 measured on a trailing four quarter basis.

Commercial Paper

On January 22, 2008, AMP initiated a tax-exempt commercial paper program ("the Initial CP Program") with JP Morgan Chase Bank, N.A., with an authorized par amount of $350 million secured by a letter of credit issued under its line of credit. On February 12, 2009, AMP's Board of Trustees resolved to increase the authorized par amount of the Initial CP Program to $400 million. AMP utilized the Initial CP Program to provide interim financing for the costs of its projects. On September 24, 2009, AMP replaced the Initial CP Program with the second tax-exempt commercial program (the "Current CP Program"), with an authorized par amount of $450 million, secured by a letter of credit secured under its line of credit. All borrowings made under the Current CP Program reduce the available borrowing capacity under the Facility. On December 31, 2009, the Organization did not have any borrowings outstanding under the Current CP Program. On December 31, 2008, the Organization had $179,605,000 of outstanding borrowings under the Initial CP Program. The effective interest rate of all outstanding borrowings under the Initial CP Program was 1.06% at December 31, 2008.

Term Debt

AMP and OMEGA JV5 have issued term debt in the form of notes payable and bonds for the financing of their own assets and on behalf of specific members. AMP and OMEGA JV5 are the primary obligors on term debt issued to finance their assets.

Bonds and notes payable related to financing the Organization's assets consist of the following at December 31:

	2009	2008
AMP Bond Anticipation Note due October 28, 2010 with interest at 2.00% at December 31, 2009 payable at maturity	$ 16,072,550	$ -
Unamortized premium of AMP Bond Anticipation Note	51,529	-
AMP Multi-Mode Variable Rate Combustion Turbine Project Revenue Bonds, Series 2006	11,885,000	12,220,000
AMP Electricity Purchase Revenue Bonds Prepayment Issue, Series 2007A	235,725,000	287,865,000
Unamortized premium on Electricity Purchase Revenue Bonds, Series 2007A	4,248,659	5,626,602
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2008A	760,655,000	760,655,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009A	166,565,000	-
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009B	83,745,000	-
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009C	385,835,000	-
Unamortized discount on Prairie State Campus Revenue Bonds	(12,711,453)	(10,564,286)
AMP Multi-Mode Gorsuch Station Taxable Revenue Bonds, Series 2008A and 2008B	78,870,000	96,590,000
AMP project note due October 29, 2009, with interest at 2.25% at December 31, 2008 payable at maturity	-	8,000,000
AMP project note due October 29, 2009, with interest at 3.75% at December 31, 2008 payable at maturity	-	4,097,550
AMP Hydro Project Revenue Bonds, Series 2009A	24,425,000	-
AMP Hydro Project Revenue Bonds, Series 2009B	497,005,000	-
AMP Hydro Project Revenue Bonds, Series 2009C	122,405,000	-
AMP Hydro Project Revenue Bonds, Series 2009D	21,270,588	-
Unamortized discount on AMP Hydro Project Revenue Bonds, Series 2009D	(2,984,416)	-
Unamortized premium on AMP Hydro Project Revenue Bonds, Series 2009C	8,850,441	-
Prairie State Bond Anticipation Note, Series 2008	-	120,000,000
Unamortized premium on Prairie State Bond Anticipation Note	-	262,200
OMEGA JV5 2001 Beneficial Interest Certificates	22,013,609	20,845,158
OMEGA JV5 2004 Beneficial Interest Certificates	99,667,841	104,738,992
	$ 2,523,594,348	$ 1,410,336,216
Current portion	(98,243,491)	(87,029,750)
Noncurrent portion	$ 2,425,350,857	$ 1,323,306,466

American Municipal Power, Inc. Multi-Mode Variable Rate Combustion Turbine Project Revenue Bonds, Series 2006 (non-recourse)
The American Municipal Power, Inc. Multi-Mode Variable Rate Combustion Turbine Project Revenue Bonds, Series 2006 (the "Combustion Turbine Bonds") were issued December 1, 2006, in

the form of term bonds. The Combustion Turbine Bonds mature on March 1, 2023. Interest on the bonds is payable monthly. The interest rate is variable and resets on a weekly basis. AMP entered into an interest rate swap on the same date as the bond issuance. Under the interest rate swap agreement, AMP pays interest at a fixed rate of 3.89% and receives interest at a variable rate equivalent to the variable interest rate on the Combustion Turbine Bonds.

In order to secure the Combustion Turbine Bonds, AMP obtained a letter of credit from KeyBank National Association ("KeyBank") in favor of the trustee holding the Combustion Turbine Bonds. AMP agreed to reimburse KeyBank for any payments made pursuant to such letter of credit under a Letter of Credit Reimbursement Agreement with KeyBank (the "KeyBank Facility") in the amount of $13,217,771. The letter of credit balance outstanding at December 31, 2009 was $11,973,568. The KeyBank Facility contains various restrictions which are identical or very similar to the restrictions in the Facility described in Note 8 above.

Electricity Purchase Revenue Bonds (non-recourse)
The Electricity Purchase Revenue Bonds, Series 2007A (the "Electricity Purchase Revenue Bonds") were issued on August 1, 2007 with an aggregate par amount of $307,655,000. The Electricity Purchase Revenue Bonds were issued at a premium of $7,578,668. The premium will be amortized over the life of the bonds as a reduction to interest expense in the accompanying combined statements of revenues and expenses. The Electricity Purchase Revenue Bonds bear interest at a fixed rate of 5% payable semiannually. The Electricity Purchase Revenue Bonds outstanding at December 31, 2009 are as follows:

Maturity Date February 1	**Principal Amount**
2010	54,595,000
2011	57,360,000
2012	60,265,000
2013	63,505,000
	$ 235,725,000

The proceeds from the Electricity Purchase Revenue Bonds were used to prepay a long-term power supply agreement (the "Electricity Purchase Agreement") with J. Aron & Company. AMP has entered into separate power schedules (the "Power Schedules") with 41 of its members (the "Participants") whereby the Participants have agreed to take and pay for the power supplied by the Electricity Purchase Agreement. The Participants are obligated to purchase and pay for electricity made available by AMP. AMP is obligated to pay the scheduled principal and interest on the Electricity Purchase Revenue Bonds, but solely from amounts received from the Participant's under the Power Schedules. The Electric Purchase Revenue Bonds are not subject to optional redemption. Upon occurrence of a cancellation event, as defined in the bond agreement, the Electricity Purchase Revenue Bonds are subject to extraordinary mandatory redemption prior to the maturity date in whole at a predetermined redemption price from amounts owed by J. Aron & Company and its guarantors.

The Participants in the Electricity Purchase Agreement have covenanted to fix, charge and collect rates, fees and charges for electric power and energy at least sufficient to provide revenues to meet, or with other available funds, to provide in each year the sum of its operating and maintenance expenses, including the Participant's share or revenue requirements under the Electricity Purchase Agreement, debt service on the Participant's outstanding revenue obligations, if any, and any other amounts payable from such revenues.

Prairie State Financings (non-recourse)
The Prairie State Energy Campus Project Revenue Bonds, Series 2008A (the "PSEC 2008 Bonds") were issued on July 2, 2008 with an aggregate par amount of $760,655,000. The PSEC 2008 Bonds were issued at a discount of $10,839,397. The discount will be amortized over the life of the bonds as an increase to interest expense in the accompanying combined statements of revenues and expenses. The PSEC 2008 Bonds mature between 2013 and 2043 and bear interest at fixed rates ranging from 4.0% to 5.25%. Interest is payable semiannually, beginning February 15, 2009. The maturities or mandatory sinking fund requirements of the PSEC 2008 Bonds at December 31, 2009 are as follows:

Maturity Date February 15	**Principal Amount**
2013	$ 10,360,000
2014	6,800,000
2015	5,630,000
2016	18,370,000
2017	19,340,000
2018	13,715,000
2019	11,330,000
2020	22,285,000
2021	23,385,000
2022	24,810,000
2023	24,475,000
2024	11,150,000
2025	16,500,000
2026	20,405,000
2027	29,980,000
2028	31,555,000
2029	35,460,000
2030	37,240,000
2031	39,110,000
2032	33,620,000
2033	35,380,000
2034	42,575,000
2035	44,705,000
2036	46,940,000
2037	49,285,000
2038	51,750,000
2039	9,815,000
2040	10,330,000
2041	10,870,000
2042	11,440,000
2043	12,045,000
	$ 760,655,000

AMP has the option to redeem the PSEC 2008 Bonds stated to mature on or after February 15, 2019 at any time on or after February 15, 2018. The early redemption price would be equal the par value of the bonds plus any accrued interest at the early redemption date.

The Prairie State Project Revenue Bond Anticipation Notes, Series 2008 (the "Prairie State BANs") (non-recourse) were issued on April 2, 2008 with an aggregate par amount of $120,000,000. The Prairie State BANs were issued at a premium of $1,048,800 and were repaid on April 1, 2009.

The proceeds from the PSEC 2008 Bonds and the Prairie State BANs are being used to fund the cost of construction of the PSEC. AMP has entered into a separate power sale contract (the "PSEC Sales Contract") with 68 of its members (the "PSEC Participants"). Each of the PSEC Participants is obligated to purchase and pay AMP for the costs of the electricity made available by AMP including its proportional share of debt service on the PSEC 2008 Bonds and the Prairie State BANs. AMP is obligated to pay the scheduled principal and interest on the PSEC 2008 Bonds, but solely from amounts received from the PSEC Participants under the PSEC Sales Contract and the investment income on cash and securities held in trust accounts established pursuant to the PSEC 2008 Bonds.

Under the terms and conditions of the PSEC 2008 Bonds, AMP is required to maintain a debt service coverage ratio of net PSEC revenues to debt service on the PSEC 2008 Bonds of 1.1 or greater so long as the PSEC 2008 Bonds have not been fully repaid.

The Prairie State Energy Campus Project Revenue Bonds, Series 2009A (the "PSEC 2009A Bonds") were issued on March 31, 2009 in the form of serial and term bonds with an aggregate par amount of $166,565,000. The PSEC 2009A bonds were issued with an aggregate discount of $2,750,794. The discount is being amortized over the life of the bonds as an increase to interest expense. The PSEC 2009A bonds will mature between 2017 and 2039 and bear interest at fixed rates between 4.00% and 5.75%. Interest is payable semiannually, beginning August 15, 2009.

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

Maturity Date February 15	**Principal Amount**	**Interest Rate**
2017	$ 1,820,000	4.000 %
2018	8,455,000	4.125 %
2019	11,835,000	4.250 %
2020	1,950,000	4.375 %
2021	2,060,000	4.500 %
2022	1,955,000	4.750 %
2023	3,685,000	5.000 %
2024	18,435,000	5.000 %
2025	14,590,000	5.125 %
2026	12,300,000	5.250 %
2027	4,440,000	5.375 %
2028	4,680,000	5.375 %
2029	2,670,000	5.500 %
2036	48,020,000	5.625 %
2039	29,670,000	5.750 %
	$166,565,000	

AMP may redeem the PSEC 2009A bonds in whole or in part for any maturity after February 15, 2019 at par plus accrued interest, except for the PSEC 2009A bonds that mature February 15, 2036. AMP has the right to redeem the PSEC 2009A bonds that mature on February 15, 2036 on any date beginning February 15, 2014 at par plus accrued interest.

The PSEC 2009A bonds due February 15, 2036 are term bonds subject to the following mandatory sinking fund redemption schedule. The bonds will be redeemed at par plus accrued interest.

Year	Principal Amount	Coupon Rate
2030	$ 2,810,000	5.625 %
2031	2,960,000	5.625 %
2032	10,575,000	5.625 %
2033	11,175,000	5.625 %
2034	6,465,000	5.625 %
2035	6,825,000	5.625 %
2036	7,210,000	5.625 %
	$ 48,020,000	

The PSEC 2009A Bonds due February 15, 2039 are Term bonds subject to the following mandatory sinking fund redemption schedule. The bonds will be redeemed at par plus accrued interest.

Year	Principal Amount	Coupon Rate
2037	$ 7,615,000	5.750 %
2038	8,055,000	5.750 %
2039	14,000,000	5.750 %
	$ 29,670,000	

The Prairie State Energy Campus Project Revenue Bonds, Series 2009B (the "PSEC 2009B Bonds") were issued on October 15, 2009 in the form of serial and term bonds with an aggregate par amount of $83,745,000. The PSEC 2009B Bonds will mature between 2013 and 2028 and bear interest at fixed rates between 3.615% and 5.803%. Interest is payable semiannually, beginning February 15, 2010.

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

Maturity Date February 15	**Principal Amount**	**Interest Rate**
2013	$ 9,520,000	3.615 %
2014	13,865,000	3.815 %
2015	15,865,000	3.965 %
2016	4,075,000	4.538 %
2017	2,365,000	4.855 %
2018	2,470,000	4.955 %
2019	2,635,000	5.055 %
2024	16,300,000	5.355 %
2028	16,650,000	5.803 %
Total	$ 83,745,000	

The PSEC 2009B Bonds due on February 15, 2024 and February 15, 2028, are Term Bonds subject to mandatory sinking fund redemption on the Principal Payment Date in the following years in the following principal amounts at a Redemption Price equal to par, together with interest accrued to the date of redemption:

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

Year	**Principal Amount**
2020	$ 2,845,000
2021	3,055,000
2022	3,260,000
2023	3,455,000
2024	3,685,000
	$ 16,300,000

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

Year	**Principal Amount**
2025	$ 3,955,000
2026	4,245,000
2027	4,550,000
2028	3,900,000
	$ 16,650,000

The Prairie State Energy Campus project Revenue Bonds, Series 2009C (the "PSEC 2009C Bonds") were issued on October 15, 2009 in the form of serial and term bonds with an aggregate par amount of $385,835,000. The PSEC 2009C Bonds will mature between 2034 and 2043 and bear interest at fixed rates between 5.953% and 6.553%. Interest is payable semiannually, beginning February 15, 2010.

The PSEC 2009C Bonds have been designated as Build America Bonds ("BABs"). AMP expects to receive a federal subsidy on or about each interest payment date for the PSEC 2009C Bonds. The federal subsidy does not constitute a full faith and credit guarantee of the United States, but is required to be paid by the Treasury under the Recovery Act. AMP is obligated to make all payments of principal and interest on the PSEC 2009C Bonds whether or not it receives the federal subsidy pursuant to the Recovery Act, but solely from the revenues, moneys, securities and funds pledged to the payment thereof in the Indenture. AMP accrues for the interest as it is earned and records the interest as a reduction in the amount of interest capitalized on the PSEC.

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

Maturity Date February 15	Principal Amount	Interest Rate
2034	$ 10,000,000	5.953%
2034	25,885,000	6.453%
2039	77,435,000	6.553%
2043	272,515,000	6.053%
	$ 385,835,000	

From any available moneys, AMP may, at its option, redeem, prior to their respective maturities, in whole or in part, the PSEC 2009C Bonds stated to mature on February 15, 2034, bearing interest at 6.453%, and February 2039, on any date beginning February 15, 2020, at the redemption price of par, together with interest accrued to the date fixed for redemption.

The PSEC 2009C Bonds due on February 15, 2034, February 15, 2039 and February 15, 2043, are term bonds subject to mandatory sinking fund redemption on the principal payment date in the following years in the following principal amounts at a redemption price equal to par, together with interest accrued to the date of redemption:

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

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

PSEC 2009C Bonds, maturing on February 15, 2034 bearing interest at 6.453%:

Year	**Principal Amount**
2029	$ 3,760,000
2030	3,960,000
2031	4,170,000
2032	4,440,000
2033	4,680,000
2034	4,875,000
	$ 25,885,000

PSEC 2009C Bonds, maturing on February 15, 2039:

Year	**Principal Amount**
2035	$ 6,920,000
2036	7,290,000
2037	7,685,000
2038	8,090,000
2039	47,450,000
	$ 77,435,000

PSEC 2009C Bonds, maturing on February 15, 2043:

Year	**Principal Amount**
2040	$ 64,140,000
2041	66,730,000
2042	69,425,000
2043	72,220,000
	$ 272,515,000

Multi-Mode Variable Rate Gorsuch Station Taxable Revenue Bonds (non-recourse)
On August 1, 2008, AMP issued its Multi-Mode Variable Rate Gorsuch Station Taxable Revenue Bonds, Series 2008A and Series 2008B (collectively the “Gorsuch 2008 Bonds") with principal amounts of $91,090,000 and $7,800,000, respectively. AMP will apply the proceeds to i) financing the participants' share of the cost of funding pension and post employment benefits, purchasing sulfur dioxide and nitrogen oxide allowances through 2012, funding asset retirement obligations, purchasing replacement power, providing working capital and/or funding maintenance and repair costs or other costs and the Gorsuch Project, ii) funding debt service reserve funds and iii) paying the costs of issuing the bonds. The interest rate on the Gorsuch 2008 Bonds is variable and resets either weekly or semi-annually, and is payable either monthly or semi-annually. AMP entered into two interest rate swap agreements on the same date as the bond issuance, one for each series of the bond issuance. Under the interest rate swap agreements, AMP pays interest at a fixed rate of 3.86%. AMP receives interest at a variable rate equivalent to the variable interest rate on the Gorsuch 2008 Bonds from its swap counterparty.

The Gorsuch 2008 Bonds outstanding at December 31, 2009 are as follows:

Maturity Date December 15	**Principal Amount**
2010	21,025,000
2011	24,745,000
2012	33,100,000
	$ 78,870,000

In order to secure the Gorsuch 2008 Bonds, AMP obtained a letter of credit in favor of the trustee holding the Gorsuch 2008 Bonds from KeyBank. AMP agreed to reimburse KeyBank for any payments made pursuant to such letter of credit, under a Letter of Credit Reimbursement Agreement with KeyBank (the “Gorsuch KeyBank Facility”).

Hydro Financings (non-recourse)
The Hydroelectric Bond Anticipation Notes, Series 2009A (the "Hydro BANs") were issued on April 16, 2009 with the aggregate par amount of $350,000,000. In December 2009, the Hydro BANs were refinanced on a long-term basis with proceeds from the issuance of long-term financings to fund the hydro projects.

The Hydroelectric Revenue Bonds, Series 2009A, 2009B and 2009C (the "Hydro 2009A Bonds", the "Hydro 2009B Bonds" and the "Hydro 2009C Bonds", collectively the "Hydro Bonds") were issued on December 9, 2009 in the form of serial and term bonds with an aggregate part amount of $643,835,000. The bonds will mature between 2015 and 2044 and will bear interest at fixed rates between 3.5% and 6.449%. Interest is payable semiannually, beginning February 15, 2010.

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

Maturity Date February 15	**Principal Amount**	**Interest Rate**
2015	18,290,000	3.944%
2016	6,135,000	4.545%
	$ 24,425,000	

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

Maturity Date February 15	Principal Amount	Interest Rate
2020	$ 3,465,000	5.264%
2021	10,745,000	5.514%
2022	12,675,000	5.664%
2023	13,155,000	5.814%
2024	13,890,000	5.964%
2027	45,390,000	6.000%
2029	33,505,000	6.449%
2032	55,810,000	6.424%
2044	308,370,000	6.449%
	$ 497,005,000	

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

Maturity Date February 15	Principal Amount	Interest Rate
2016	$ 3,540,000	3.500%
2017	15,765,000	5.000%
2018	25,850,000	5.250%
2019	27,250,000	5.250%
2020	21,610,000	5.000%
2021	9,995,000	5.000%
2022	7,940,000	5.000%
2023	8,350,000	5.000%
2024	2,105,000	5.000%
	$ 122,405,000	

The Hydro 2009B Bonds have been designated as BABs. AMP expects to receive a federal subsidy on or about each interest payment date for the Hydro 2009B Bonds. The federal subsidy does not constitute a full faith and credit guarantee of the United States, but is required to be paid by the Treasury under the Recovery Act. AMP is obligated to make all payments of principal and interest on the Hydro 2009B Bonds whether or not it receives the Federal Subsidy pursuant to the Recovery Act, but solely from the revenues, moneys, securities and funds pledged to the payment thereof in the Indenture.

From any available moneys, AMP may, at its option, redeem, prior to their respective maturities, in whole or in part, the Hydro 2009B Bonds stated to mature on February 15, 2021 through February 15, 2024, inclusive, February 15, 2027 and February 15, 2029, on any date beginning February 15, 2020, at the Redemption Price of par, together with interest accrued to the date fixed for redemption.

The Hydro 2009B Bonds due on February 15, 2027, February 15, 2029, February 15, 2032 and February 15, 2044, are term bonds subject to mandatory sinking fund redemption on the principal payment date in the following years in the following principal amounts at a redemption price equal to par, together with interest accrued to the date of redemption:

Hydro 2009B Bonds maturing on February 15, 2027:

Year	**Principal Amount**
2025	$ 14,525,000
2026	15,125,000
2027	15,740,000
	$ 45,390,000

Hydro 2009B Bonds maturing on February 15, 2029:

Year	**Principal Amount**
2028	$ 16,405,000
2029	17,100,000
	$ 33,505,000

Hydro 2009B Bonds maturing on February 15, 2032:

Year	**Principal Amount**
2030	$ 17,835,000
2031	18,590,000
2032	19,385,000
	$ 55,810,000

Hydro 2009B Bonds maturing on February 15, 2044:

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

From any available moneys, AMP may, at its option, redeem prior to their respective maturities, in whole or in part, the Hydro 2009C Bonds stated to mature after February 15, 2020 on any date beginning February 15, 2020, at a redemption price of par, together with interest accrued to the date fixed for redemption.

Under the terms and conditions of the Hydro Bonds, AMP is required to maintain a debt service coverage ratio of net Hydro revenues to net debt service on the Hydro Bonds of 1.1 or greater so long as the Hydro Bonds have not been fully repaid.

The Hydroelectric Revenue Bonds, Series D ("Hydro 2009D Bonds") were issued on December 2, 2009 in the form of Clean Renewable Energy Bonds at a par amount of $22,600,000. The Hydro 2009D Bonds were issued at a discount of $3,000,000 and do not bear interest. AMP is required to make annual debt service payments on the Hydro 2009D Bonds in the amount of $1,329,412 on December 15 of each year, beginning in 2009 and ending in 2025.

OMEGA JV5 Beneficial Interest Certificates
In February 2004, OMEGA JV5 issued 2004 Beneficial Interest Refunding Certificates ("2004 Certificates") totaling $116,910,000 for the purpose of refunding the principal of the outstanding 1993 beneficial Interest Certificates ("1993 Certificates") due in the years 2005 through 2024. The 2004 Certificates were sold at a premium of $7,674,145. OMEGA JV5 paid a redemption premium of $1,313,550 to redeem the 1993 Certificates.

The 2004 Certificates outstanding at December 31, 2009 are as follows:

Maturity Date February 15	Principal Amount	Interest Rate
2010	4,570,000	3.00%
2011	4,705,000	3.25%
2012	4,860,000	5.00%
2013	5,105,000	5.00%
2014	5,355,000	5.00%
2015	5,630,000	5.00%
2016	6,050,000	5.00%
2017	6,215,000	5.00%
2018	6,520,000	5.00%
2019	6,845,000	5.00%
2020	7,190,000	5.00%
2021	7,550,000	5.00%
2022	7,925,000	5.00%
2023	8,325,000	5.00%
2024	8,740,000	4.75%
	95,585,000	
Less: Current portion	(4,570,000)	
Plus: Unamortized premium	4,082,841	
	$ 95,097,841	

Interest on the 2004 Certificates is payable semiannually on February 15 and August 15 of each year, commencing August 15, 2004, to and including the date of maturity or prior redemption.

The 2004 Certificates are not subject to optional redemption before February 15, 2014. The 2004 Certificates maturing after February 15, 2014 are subject to redemption in whole or in part on any date or after February 15, 2014 at par plus accrued interest.

In accordance with the trust agreement, amended on January 1, 2004, OMEGA JV5 is required to charge the financing members additional debt service ("Refunding Debt Service") in the amount of 15% of principal and interest. On February 16 of each year from 2005 through 2024, amounts charged to the members for Refunding Debt Service for the previous 12 months shall be refunded to the members. OMEGA JV5 established a liability of $1,271,034 and $1,358,304 for amounts to be refunded to participants at December 31, 2009 and 2008, respectively.

The 2001 Beneficial Interest Certificates (the "2001 Certificates") outstanding at December 31, 2009 are as follows:

Maturity Date February 15	Principal Amount	Interest Rate
2025	$ 10,915,000	5.51 %
2026	10,915,000	5.52 %
2027	10,915,000	5.53 %
2028	10,915,000	5.54 %
2029	10,465,000	5.55 %
2030	2,000,000	5.56 %
	$ 56,125,000	
Less: Unamortized discount	(34,111,391)	
	$ 22,013,609	

The principal amount at maturity of the 2001 Certificates will accrete from the date of issuance, compounded semiannually on February 15 and August 15 of each year, commencing February 2002, with the original discount amount of $42,225,017 and will be payable at maturity as a component of the maturity. The 2001 Certificates are not subject to redemption prior to maturity.

Except for the limited step-up provisions in the event of default by a financing member as described in Section 18 of the OMEGA JV5 joint venture agreement, the 2004 Certificates and the 2001 Certificates are payable solely from bond debt service payments to be made by the OMEGA JV5 members pursuant to an agreement dated as of January 1, 1993. The bond debt service payments are obligations of the OMEGA JV5 members, payable from revenues of their municipal electric utility systems, subject only to the prior payment of the operation and maintenance expenses thereof.

The terms of the trust agreement related to the Certificates contain various covenants, the most restrictive of which require the timely payment of debt service and for the members of OMEGA JV5 to comply with the provisions of the Joint Venture Agreement.

Under the Joint Venture Agreement, the members must manage electric system revenues and expenditures so that, in each year, those revenues received in that year cover the greater of (i) operating and maintenance ("O&M") expenses plus 110% of Its OMEGA JV5 bond debt service payments and any other senior electric revenue debt or (ii) O&M expenses plus 100% of its OMEGA JV5 bond debt service payments and all other electric system debt whether revenue or general obligation ("debt service coverage ratio").

Term Debt on Behalf of Members (Non Recourse)

The individual municipality is the primary obligor on term debt issued on its behalf. "On behalf of" financings non-recourse to AMP and are presented on the combined balance sheet with a corresponding receivable from the project or member to which the on behalf of financing relates. The receivables are typically less than the on behalf of financing as principal on the on behalf of financings is collected monthly in advance of the annual due date and is held in trust by AMP. Bonds and notes payable issued on behalf of member communities consist of the following at December 31:

	2009	2008
OMEGA JV2 Project Distributive Generation Bonds, Series 2001	$ 35,670,000	$ 37,790,000
AMP-Ohio City of Wadsworth Project Electric System Improvement Bonds, Series 2002	8,635,000	9,110,000
AMP-Ohio Village of Genoa Project Electric System Improvement Bonds, Series 2004	5,055,000	5,215,000
OMEGA JV6 Adjustable Rate Revenue Bonds, Series 2004	5,899,000	6,818,000
Municipal project notes due on various dates through December 2, 2010 with interest from 2.00% to 4.00% at December 31, 2009 (2.25% to 5.50% at December 31, 2008) payable at maturity	31,062,000	36,496,150
	86,321,000	95,429,150
Current portion of on behalf of financings	(34,913,000)	(40,131,150)
Noncurrent portion of on behalf of financings	$ 51,408,000	$ 55,298,000

At December 31, 2009 and 2008, amounts included in accrued interest in the combined balance sheets that related to nonrecourse notes payable issued on behalf of members were $1,505,714 and $1,783,601, respectively. Interest expense related to nonrecourse term debt issued on behalf of members was $1,087,349 and $1,528,561 for the years ended December 31, 2009 and 2008, respectively.

The following is a summary of financing receivables from members related to on behalf of debt at December 31:

	2009	2008
Financing receivable - OMEGA JV2 members	$ 29,412,937	$ 31,496,790
Financing receivable - Wadsworth	7,227,081	7,689,112
Financing receivable - Genoa	4,486,915	4,638,533
Financing receivable - OMEGA JV6 members	5,494,364	6,441,969
Notes receivable - members	26,962,692	31,629,574
Interest receivable	315,135	504,882
	73,899,124	82,400,860
Current portion of on behalf of notes receivable	(31,256,326)	(35,897,372)
Noncurrent portion of on behalf of notes receivable	$ 42,642,798	$ 46,503,488

Interest income related to receivables from members related to on behalf of debt was $1,309,163 and $1,696,418 for the years ended December 31, 2009 and 2008, respectively. The interest income from financing receivables and the interest expense on term debt issued on behalf of members are included in program and other revenue.

OMEGA JV2 Project Distributive Generation Bonds
The OMEGA JV2 Project Distributive Generation Bonds, Series 2001 (the "OMEGA JV2 Bonds") outstanding at December 31, 2009, are as follows:

Maturity Date January 1	Principal Amount	Interest Rate
2010	2,225,000	5.00 %
2011	2,335,000	5.25 %
2012	2,460,000	5.25 %
2013	2,590,000	5.25 %
2014	2,725,000	5.25 %
2015	2,865,000	5.25 %
2016	3,015,000	5.25 %
2017	3,175,000	5.25 %
2021	14,280,000	4.75 %
	$ 35,670,000	

The OMEGA JV2 Bonds were issued by AMP on January 18, 2001, in the form of serial bonds on behalf of certain of its members which are financing participants in OMEGA JV2. The OMEGA JV2 Bonds mature in various annual installments through January 1, 2021. Interest is payable semiannually at fixed interest rates.

The OMEGA JV2 Bonds are payable solely from the municipal electric utility system revenues of OMEGA JV2 financing members. The OMEGA JV2 Bonds require compliance by the financing members with the OMEGA JV2 joint venture agreement, which requires that each financing member maintains a debt service cover ratio of 1.1 or greater. There is no recourse to AMP, other than from such revenues. AMP will not be obligated to pay debt service on the OMEGA JV2 Bonds, except from debt service payments received from the OMEGA JV2 financing members and other funds pledged or assigned therefore under the trust agreement.

The OMEGA JV2 Bonds are not subject to optional redemption before January 1, 2011. The OMEGA JV2 Bonds maturing after January 1, 2011 are subject to redemption in whole or in part on any date on or after January 1, 2011 at a redemption price of 100% of the outstanding principal plus accrued interest.

AMP City of Wadsworth Project Electric System Improvement Bonds
The AMP City of Wadsworth Project Electric System Improvement Bonds, Series 2002 (the "Wadsworth Bonds") outstanding at December 31, 2009 are as follows:

Maturity Date February 15	**Principal Amount**	**Interest Rate**
2010	495,000	4.00 %
2011	515,000	4.10 %
2012	535,000	4.20 %
2017	3,090,000	5.25 %
2022	4,000,000	5.00 %
	$ 8,635,000	

The Wadsworth Bonds were issued by AMP on March 1, 2002 in the form of serial and term bonds on behalf of the City of Wadsworth which is a member of AMP. The Wadsworth Bonds mature in various annual installments through February 15, 2022. Interest is payable semiannually at fixed interest rates.

The Wadsworth Bonds are payable solely from the municipal electric system revenues of the City of Wadsworth. There is no recourse to AMP regarding the bonds, other than from such revenues. AMP will not be obligated to pay debt service on the Wadsworth Bonds, except from debt service payments received from the City of Wadsworth and other funds pledged or assigned therefore under the trust agreement.

The Wadsworth Bonds are not subject to optional redemption prior to February 15, 2012. The Wadsworth Bonds maturing after February 15, 2012 are subject to redemption in whole or in part on any date on or after February 15, 2012 at a redemption price of 100% of the outstanding principal plus accrued interest.

The Wadsworth Bonds require that the City of Wadsworth maintain a debt service coverage ratio of 1.1 or greater.

AMP Village of Genoa Project Electric System Improvement Bonds
The AMP Village of Genoa Project System Improvement Bonds, Series 2004 (the "Genoa Bonds") outstanding at December 31, 2009 are as follows:

Maturity Date February 15	**Principal Amount**	**Interest Rate**
2010	165,000	3.00 %
2011	165,000	3.25 %
2012	175,000	3.25 %
2013	180,000	3.40 %
2014	185,000	3.50 %
2024	2,435,000	5.25 %
2029	1,750,000	4.63 %
	$ 5,055,000	

The Genoa Bonds were issued by AMP on October 1, 2004 in the form of serial and term bonds on behalf of the Village of Genoa which is a member of AMP. The Genoa Bonds mature in various installments through February 15, 2029. Interest is paid semiannually at fixed interest rates.

The Genoa Bonds are payable solely from the municipal electric system revenues of the Village of Genoa. There is no recourse to the Companies regarding these bonds, other than from such revenues. AMP will not be obligated to pay debt services on the Genoa Bonds, except from debt service payments received from the Village of Genoa and other funds pledged or assigned therefore under the trust agreement.

The Genoa Bonds are not subject to optional redemption prior to February 15, 2014. Genoa Bonds maturing on or after February 15, 2015 are subject to redemption in whole or in part, on any date on or after February 15, 2014, at a redemption price of par, plus accrued interest to the date of redemption.

The Genoa Bonds require that the Village of Genoa maintain a debt service coverage ratio of net electric system revenues to debt service of 1.1 or greater.

OMEGA JV6 Adjustable Rate Revenue Bonds
The OMEGA JV6 Bonds were issued by AMP on July 30, 2004 in the form of serial bonds on behalf of certain of its members who are financing participants in OMEGA JV6. Principal and interest on the OMEGA JV6 Bonds is payable in $500,000 semi-annual installments on February 15 and August 15, beginning February 15, 2005. The OMEGA JV6 Bonds bear interest at an adjustable rate, which shall be established by reference to the Six-Month Municipal Market Data High Grade Index Rate (the "MMD Index Rate") plus 15 basis points. The adjustable rate will automatically be reset semi-annually, based on the MMD Index Rate as of two business days prior to the beginning of the next interest period. On August 15, 2019, the balance of the principal of the OMEGA JV6 Bonds, if not theretofore paid or provided for, shall become due and payable.

OMEGA JV6 Adjustable Rate Revenue Bonds, Series 2004 (the “OMEGA JV6 Bonds”) outstanding at December 31, 2009, are as follows:

Maturity Date February 15 and August 15	Principal Amount	Interest Rate
2010	966,000	0.35 %
2011	970,000	0.35 %
2012	976,000	0.35 %
2013	982,000	0.35 %
2014	988,000	0.35 %
2015	995,000	0.35 %
2016	22,000	0.35 %
	$ 5,899,000	

The maturity table assumes a constant interest rate of 0.35%, which is equal to the interest rate used to calculate the August 15, 2010 and subsequent principal payments.

The OMEGA JV6 Bonds are payable solely from the basic and additional demand charges payable by the OMEGA JV6 financing members. The OMEGA JV6 Bonds require compliance by the financing members with the OMEGA JV6 joint venture agreement, which requires that each financing member maintain a debt service overage ratio of 1.1 or greater. There is no recourse to AMP regarding these bonds, other than from such revenues. AMP will not be obligated to pay debt service on the OMEGA JV6 Bonds, except from demand charges received from OMEGA JV6 financing participants and other funds pledged or assigned therefore under the trust agreement.

The OMEGA JV6 Bonds are subject to optional redemption at any time, at the sole discretion of participants of OMEGA JV6, at the price of par plus accrued interest.

Municipal Project Notes
The municipal project notes are collateralized solely by revenues received by AMP pursuant to its agreements with municipal members for construction of various electric utility projects. There is no recourse to AMP regarding these notes, other than such revenues.

The aggregate amounts of future maturities for revolving credit loan and term debt are as follows:

Years Ending December 31	AMP Debt	OMEGA JV5	On Behalf of Financings	Combined Total
2010	$ 93,621,962	$ 4,570,000	$ 34,913,000	$ 133,104,962
2011	84,099,412	4,705,000	3,985,000	92,789,412
2012	260,384,412	4,860,000	4,146,000	269,390,412
2013	85,439,412	5,105,000	4,307,000	94,851,412
2014	22,774,412	5,355,000	4,483,000	32,612,412
Thereafter	2,023,138,529	127,115,000	34,487,000	2,184,740,529
	$ 2,569,458,139	$ 151,710,000	$ 86,321,000	$ 2,807,489,139

9. Trustee Funds

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

	2009	2008
Combustion Turbine Bonds	$ 879,247	$ 594,814
Electricity Purchase Revenue Bonds	54,590,424	53,379,289
PSEC 2008A Bonds	272,924,557	539,589,141
PSEC 2009A Bonds	32,681,546	-
PSEC 2009B Bonds	60,530,433	-
PSEC 2009C Bonds	364,243,268	-
Hydro 2009A Bonds	52,416,712	-
Hydro 2009B Bonds	324,352,703	-
Hydro 2009C Bonds	23,691,434	-
Gorsuch 2008 Bonds	34,765,789	52,707,363
OMEGA JV2 Bonds	7,680,231	7,767,289
Wadsworth Bonds	1,567,523	1,586,055
Genoa Bonds	657,098	669,118
OMEGA JV6 Bonds	497,529	495,822
OMEGA JV5 Bonds	10,656,052	10,692,621
	1,242,134,546	667,481,512
Current portion	(181,195,784)	(166,306,463)
Noncurrent portion	$ 1,060,938,762	$ 501,175,049

Combustion Turbine Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Combustion Turbine Bonds dated December 1, 2006 contains, among others, the following provisions:

- AMP will sell the output of the combustion turbine project to 33 of its member municipalities (the “Municipalities”).

- AMP is obligated to fix rates and charges sufficient to pay debt service on the Combustion Turbine Bonds and the Municipalities are obligated to fix rates and charges sufficient, with other available funds, to make monthly payments to AMP that include amounts sufficient for AMP to pay debt service on the Combustion Turbine Bonds.

- The following funds are established: (a) Project Fund (containing amounts from bond proceeds); (b) Bond Fund (containing all debt service payments); (c) Rebate Fund (containing amounts required to be paid, if necessary, to the United States as provided by the IRC of 1986, as applicable; to be maintained in AMP’s general accounts); (d) Overhaul Fund (containing amounts for the payment of principal and interest and for major repairs, replacements, renovations, rehabilitation and improvements to the project; and to the extent funds in the Bond Fund are not sufficient to make such payments, for reimbursements of draws under the Credit Facility, and for payments owed for the swap agreement); (e) Reserve and Contingency Fund (containing amounts for principal and interest on the Combustion Turbine Bonds to the extent funds in the Bond Fund are not sufficient to make such payments, for reimbursements of draws under the Credit Facility, for payments owed for the swap agreement and for operating and maintenance expenses of the project).

Funds held by the trustee for the Combustion Turbine Bonds at December 31 are as follows:

	2009	2008
Bond Fund	$ 879,247	$ 594,814
	879,247	594,814
Current portion	(879,247)	(594,814)
Noncurrent portion	$ -	$ -

Electricity Purchase Revenue Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Electricity Purchase Revenue Bonds dated August 1, 2007 contains, among others, the following provisions:

- AMP will at all times fix, establish, maintain and collect fees and charges to the extent permitted under the provisions of the Power Schedules for the sale of electricity. These fees and charges should be equal to the amounts required to be paid during the year for debt service and other costs associated with the Electricity Purchase Revenue Bonds.

- The following subfunds are established: (a) Project Subfund (consisting of the Costs of Issuance Account and the Electricity Purchase Account; containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Electricity Purchase Revenue Bonds and the proceeds from the Electricity Purchase Revenue Bonds offering);
(b) Revenue Subfund (containing the monthly payments from the Participants due under the Participants' Power Schedules); (c) Debt Service Subfund (consisting of the Debt Service Account and the Redemption Account, containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Trust Indenture Expense Subfund (containing amounts to be paid for trust indenture expenses); (e) General Subfund (containing amounts to be maintained in AMP's general accounts).

- Amounts deposited into the Debt Service Account will be invested into a guaranteed investment contract (the "GIC"). The GIC is effective on August 1, 2007, and it guarantees AMP a rate of return of 5.216% on the funds invested. The GIC expires on February 1, 2013, which coincides with the date of the final principal payment of the Revenue Bonds.

Funds held by the trustee for the AMP Electricity Purchase Revenue Bonds at December 31 are as follows:

	2009	2008
Cost of Issuance Account	$ 2,662	$ -
Revenue Subfund	7,103	28,648
Debt Service Account	54,580,659	53,350,641
	54,590,424	53,379,289
Current portion	(54,590,424)	(53,379,289)
Noncurrent portion	$ -	$ -

PSEC 2008 Bonds
The trust agreement executed by AMP in conjunction with the issuance of the PSEC 2008 Bonds dated November 1, 2007, and supplemented on May 1, 2008 contains, among others, the following provisions:

- AMP will at all times fix, charge and collect rates and charges for the use of and for the services and facilities furnished by, the PSEC. These rates and charges should be at least 110% of the annual debt service requirements of the PSEC 2008 Bonds.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in connection with the construction of the PSEC); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the PSEC Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount, and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund.

- Amounts deposited into the Acquisition and Construction Subfund will be invested in a guaranteed investment contract (the “PSEC GIC”). The PSEC GIC is effective on August 1, 2008, and it guarantees AMP a rate of return of 3.571% on the funds invested. The PSEC GIC expires on June 1, 2010.

Funds held by the trustee for the PSEC 2008 Bonds at December 31 are as follows:

	2009	2008
Acquisition and Construction Subfund	$ 118,223,656	$ 347,939,698
Costs of Issuance Subfund	726,755	928,939
Capitalized Interest Subaccount	95,385,654	131,920,069
Debt Service payment Subaccount	58,588,492	58,800,435
	272,924,557	539,589,141
Current portion	(39,119,300)	(43,907,260)
Noncurrent portion	$ 233,805,257	$ 495,681,881

PSEC 2009A Bonds

The trust agreement executed by AMP in conjunction with the issuance of the PSEC 2009A Bonds dated November 1, 2007 and supplemented on January 1, 2009, contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the PSEC. These rates and charges should be at least 110% of the annual debt service requirements of the PSEC 2009A bonds.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the PSEC); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the PSEC 2009A Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund.

Amounts held by the trustee for the PSEC 2009A Bonds at December 31, 2009 are as follows:

Acquisition and Construction Subfund	$ 881
Capitalized Interest Subaccount	23,369,762
Debt Service Payment Subaccount	9,310,903
	32,681,546
Current portion	(3,277,170)
Noncurrent portion	$ 29,404,376

PSEC 2009B Bonds

The trust agreement executed by AMP in conjunction with the issuance of the PSEC 2009B Bonds dated November 1, 2007 and supplemented on July 1, 2009, contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the PSEC. These rates and charges should be at least the 1) 110% of the debt service requirement of the bonds and any Parity Debt then outstanding or 2) 100% of the debt service requirements of the bonds and any Parity Debt then outstanding and the amount required to make all other deposits required by the indenture and to pay all other obligations of AMP related to the PSEC, including any subordinate obligations, as they become due.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the PSEC); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the PSEC 2009B Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Account, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount, and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered).

Amounts held by the trustee for the PSEC 2009B Bonds at December 31, 2009 are as follows:

Acquisition and Construction Subfund	$ 22,365,044
Capitalized Interest Subaccount	9,577,840
Parity Common Reserve Account	28,518,040
Cost of Issuance Subfund	69,509
	60,530,433
Current portion	(881,288)
Noncurrent portion	$ 59,649,145

PSEC 2009C Bonds

The trust agreement executed by AMP in conjunction with the issuance of the PSEC 2009C Bonds dated November 1, 2007 and supplemented on July 1, 2009, contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the PSEC. These rates and charges should be at least the 1) 110% of the debt service requirement of the bonds and any Parity Debt then outstanding or 2) 100% of the debt service requirements of the bonds and any Parity Debt then outstanding and the amount required to make all other deposits required by the indenture and to pay all other obligations of AMP related to the PSEC, including any subordinate obligations, as they become due.

- AMP will not take any action, or fail to take any action, that would adversely affect either the status of the PSEC 2009C Bonds under Section 54AA of the Internal Revenue Service Code (the "Code") or the credit allowed to AMP with respect to the PSEC 2009C bonds pursuant to Section 6431 of the Code.

- AMP will not make use of the proceeds of the PSEC 2009C bonds or any other funds of AMP, or take or omit to take any other action that would cause the bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

- AMP shall not use or permit the use of proceeds of the PSEC 2009C Bonds in such a manner that would result in the loss of the federal subsidy on the PSEC 2009C Bonds.

- AMP will obtain written assurance that each of the PSEC Participants will not use its PSEC share for private purposes or enter into contracts that could result in private use, and thereby jeopardize the tax status of the interest on the PSEC 2009C Bonds or any of them.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the PSEC); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the PSEC 2009C Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Account, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount, the Tracking Subaccount, the Capital Improvement Subaccount and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered).

Amounts held by the trustee for the PSEC 2009C Bonds at December 31, 2009 are as follows:

Acquisition and Construction Subfund	$ 326,123,447
Capitalized Interest Subaccount	38,000,142
Cost of Issuance Subfund	119,679
	364,243,268
Current portion	(5,085,368)
Noncurrent portion	$ 359,157,900

Hydro 2009A Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Hydro 2009A Bonds dated November 1, 2009 contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the Hydro plants. These rates and charges should be at least 110% of the annual debt service requirements of the Hydro 2009A bonds.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the Hydro plants); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Hydro 2009A Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund.

Amounts held by the trustee for the Hydro 2009A Bonds at December 31, 2009 are as follows:

Acquisition and Construction Subfund	$ 4,457,516
Capitalized Interest Subaccount	3,637,720
Parity Common Reserve Account	44,303,159
Cost of Issuance Subfund	18,317
	52,416,712
Current portion	(701,783)
Noncurrent portion	$ 51,714,929

Hydro 2009B Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Hydro 2009B Bonds dated November 1, 2009 contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the Hydro plants. These rates and charges should be at least 110% of the annual debt service requirements of the Hydro 2009B bonds.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the Hydro plants); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Hydro 2009B Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund.

Amounts held by the trustee for the Hydro 2009B Bonds at December 31, 2009 are as follows:

Acquisition and Construction Subfund	$ 247,369,263
Tracking Interest Subaccount	9,311,718
Parity Common Reserve Account	67,298,017
Cost of Issuance Subfund	373,705
	324,352,703
Current portion	(21,859,190)
Noncurrent portion	$ 302,493,513

Hydro 2009C Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Hydro 2009C Bonds dated November 1, 2009 contains, among others, the following conditions:

- AMP will at all times fix, charge and collect rates and charges for the use of, and for the services and facilities furnished by, the Hydro plants. These rates and charges should be at least 110% of the annual debt service requirements of the Hydro 2009C bonds.

- The following subfunds are established with the trustee: (a) Acquisition and Construction Subfund (containing amounts to be paid for costs incurred by AMP in construction of the Hydro plants); (b) Cost of Issuance Subfund (containing amounts to be paid for costs incurred by AMP in connection with the issuance of the Hydro 2009C Bonds); (c) Bond Subfund (consisting of the Capitalized Interest Subaccount, the Interest Subaccount, the Derivatives Payments Subaccount, the Principal Subaccount, the Sinking Subaccount, the Redemption Subaccount and the Parity Common Reserve Account; containing amounts to be paid for debt service and amounts to be paid should a redemption be triggered); (d) Subordinate Obligations Subfund.

Amounts held by the trustee for the Hydro 2009C Bonds at December 31, 2009 are as follows:

Tracking Interest Subaccount	$ 2,660,882
Parity Common Reserve Account	20,929,139
Cost of Issuance Subfund	101,413
	23,691,434
Current portion	(4,338,011)
Noncurrent portion	$ 19,353,423

Gorsuch 2008 Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Gorsuch 2008 Bonds dated August 1, 2008 contains, among others, the following provisions:

- AMP will at all times establish and maintain rates and charges sufficient to pay for the Gorsuch Project participants' share of the Gorsuch Project costs, which includes the debt service requirements of the Gorsuch 2008 Bonds.

- The following funds are established: Series A and Series B Project Funds (containing amounts from the bond proceeds); Series A and Series B Bond Funds (containing the monthly amounts received for debt service requirements); and Series A and Series B Debt Service Reserve Funds (containing minimum debt service reserve Series A and Series B requirements).

- Bond proceeds are required to be invested in an eligible investment at the direction of AMP, except that under the terms of the Letter of Credit and Reimbursement Agreement, KeyBank holds the Series A and Series B Debt Service Reserve Funds, which are required to be invested in eligible investments. AMP has invested the Series A and Series B Debt Service Reserve Funds, which were $4,793,061 and $4,573,013 at December 31, 2009 and 2008, respectively in certificates of deposit outside of the control of the trustee. These investments mature on August 28, 2012 and are included in noncurrent investments on the combined balance sheets.

Funds held by the Trustee for the Gorsuch 2008 Bonds at December 31, 2008 are as follows:

	2009	**2008**
Series A Bond Fund	$ -	$ 590,533
Series A Project Fund	32,026,367	47,957,280
Series B Bond Fund	-	50,567
Series B Project Fund	2,739,422	4,108,983
	34,765,789	52,707,363
Current Portion	(34,765,789)	(52,707,363)
Noncurrent portion	$ -	$ -

OMEGA JV2 Project Distributive Generation Bonds
The trust agreement executed by AMP in conjunction with the issuance of the OMEGA JV2 Bonds dated January 1, 2001 contains, among others, the following provisions:

- The OMEGA JV2 Bonds are payable solely from payments to be made by the OMEGA JV2 financing participants pursuant to a financing agreement dated January 1, 2001. The payment obligations of each financing participant are payable from the revenues of its municipal electric utility system.

- The following funds are established: (a) AMP Proceeds Fund (containing amounts from bond proceeds); (b) Acquisition Fund (consisting of the Bond Proceeds Subfund, the Contributions Subfund and the Costs of Issuance Account; containing the amounts from bond proceeds, proceeds from contributions by nonfinancing participants and costs of bond issuance, respectively); (c) Debt Service Fund (consisting of the Bond Payment Fund and Debt Service Reserve Fund, containing the monthly payments for annual debt service requirements); (d) Reserve and Contingency Fund (containing amounts for improvements and extraordinary operation and maintenance costs to be held by OMEGA JV2); (e) General Reserve Fund (consisting of amounts to be maintained in AMP's general accounts).

- The trustee is to receive on or before the last business day (but not before the twenty-sixth day) of each month, the full bond debt service payments for each month during the term of the financing agreement from AMP. In the event the amounts in the Bond Payment Fund are not sufficient to make scheduled payments, such deficiency would be drawn first from the Reserve and Contingency Fund and then the Debt Service Reserve Fund.

Funds held by the trustee for the OMEGA JV2 Bonds at December 31 are as follows:

	2009	**2008**
Bond Payment Fund	$ 3,123,142	$ 3,105,395
Debt Service Reserve Fund	4,023,045	4,129,940
Reserve and Contingency Fund	534,044	531,954
	7,680,231	7,767,289
Current portion	(3,657,186)	(3,637,349)
Noncurrent portion	$ 4,023,045	$ 4,129,940

The Bond Payment Fund and the Debt Service Reserve Fund are restricted for payment of principal and interest on outstanding OMEGA JV2 Bond obligations. Debt service payments are to be made by the trustee in accordance with the trust agreement.

AMP City of Wadsworth Project Electric System Improvement Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Wadsworth Bonds dated March 1, 2002 contains, among others, the following provisions:

- The Wadsworth Bonds are payable solely from the revenues of the City of Wadsworth's municipal electric utility system, pursuant to a financing agreement dated March 1, 2002.

- The following funds are established: (a) AMP Proceeds Fund (containing amounts from the bond proceeds); (b) Payment Fund (consisting of the Note Repayment Account, the Improvement Account and the Cost of Issuance Account, containing amounts for the repayment of principal, the costs of new improvements and the costs of bond issuance, respectively); (c) Bond Fund (containing the monthly payments for annual debt service requirements); (d) Rebate Fund (containing amounts required to be paid, if necessary, to the United States as provided by the IRC of 1986, as applicable); (e) Debt Service Reserve Fund (containing reserve amounts to the extent that the Bond Fund has deficiencies); (f) General Reserve Fund (amounts to be held and maintained in AMP's general accounts).

- The trustee is to receive on or before the twenty-sixth day of each month, the full bond debt service payments for each month during the term of the financing agreement from AMP. In the event the amounts in the Bond Fund are not sufficient to make scheduled payments, such deficiency would be drawn from the Debt Service Reserve Fund.

Funds held by the trustee for the Wadsworth Bonds at December 31 are as follows:

	2009	2008
Bond Fund	$ 635,461	$ 635,691
Debt Service Reserve Fund	932,062	950,364
	1,567,523	1,586,055
Current portion	(635,461)	(635,691)
Noncurrent portion	$ 932,062	$ 950,364

The Bond Fund and the Debt Service Reserve Fund are restricted for payment of principal and interest on outstanding Wadsworth Bond obligations. Debt service payments are to be made by the trustee in accordance with the trust agreement. There were no amounts held by AMP for the General Reserve Fund at December 31, 2009 and 2008.

AMP Village of Genoa Project Electric System Improvement Bonds
The trust agreement executed by AMP in conjunction with the issuance of the Genoa Bonds, dated October 1, 2004 contains, among others, the following provisions:

- The Genoa Bonds are payable solely from the revenues from the Village of Genoa's municipal electric utility system, pursuant to a financing agreement date October 1, 2004.

- The following funds are established: (a) Proceeds Fund (containing amount from bond proceeds); (b) Payment Fund (consisting of the Note Repayment Account and the Cost of Issuance Account, containing amounts for the repayment of principal and the costs of bond issuance, respectively); (c) Bond Fund (containing the monthly payments for annual debt service requirements); (d) Debt Service Reserve Fund (containing reserve amounts to the extent that the Bond Fund has deficiencies); (e) General Reserve Fund (containing amounts to be held and maintained in AMP's general accounts).

- The trustee is to receive on or before the twenty-fifth day of each month, the full bond debt service payments for each month during the term of the financing agreement from AMP. In the event the amounts in the Bond Fund are not sufficient to make scheduled payments, such deficiency would be drawn from the Debt Service Reserve Fund.

Funds held by the trustee for the Genoa Bonds at December 31 are as follows:

	2009	2008
Bond Fund	$ 251,986	$ 256,254
Debt Service Reserve Fund	405,112	412,864
	657,098	669,118
Current portion	(251,986)	(256,254)
Noncurrent portion	$ 405,112	$ 412,864

The Bond Fund and the Debt Service Reserve Fund are restricted for payment of principal and interest (and redemption premium, if any) on outstanding Genoa Bond obligations. Debt service payments are to be made by the trustee in accordance with the trust agreement. There were no amounts held by AMP for the General Reserve Fund at December 31, 2009 and 2008.

OMEGA JV6 Adjustable Rate Revenue Bonds
The trust agreement executed by AMP in conjunction with the issuance of the OMEGA JV6 Bonds dated July 1, 2004, contains, among others, the following provisions:

- The OMEGA JV6 Bonds are payable solely from payments to be made by the OMEGA JV6 financing participants pursuant to a financing agreement dated July 1, 2004.

- The following funds are established: (a) Acquisition Fund (consisting of the Bond Proceeds Sub-Fund, the Contributions Sub-Fund and the Cost of Issuance Account; containing the amounts from bond proceeds, proceeds from contributions by nonfinancing participants, and costs of bond issuance, respectively); (b) Bond Payment Fund (containing the monthly payments for annual debt service requirements); (c) Rebate Fund (containing amounts required to be paid, if necessary, to the United States as provided by the IRC of 1986, as applicable; to be maintained in AMP's general accounts); (d) Reserve and Contingency Fund (containing amounts for improvements and extraordinary operation and maintenance costs to be held by OMEGA JV6); (e) General Reserve Fund (consisting of amounts to be maintained in AMP's general accounts).

- The trustee is to receive on or before the twenty-sixth day of each month, full bond debt service payments for each month during the term of the financing agreement from AMP. In the event the amounts in the Bond Payment Fund are not sufficient to make scheduled payments, such deficiency would be drawn first from the General Reserve Fund and then the Reserve and Contingency Fund.

Funds held by the trustee for the OMEGA JV6 Bonds at December 31 are as follows:

	2009	**2008**
Bond Payment Fund	$ 416,805	$ 421,142
Reserve and Contingency Fund	80,724	74,680
	497,529	495,822
Current portion	(497,529)	(495,822)
Noncurrent portion	$ -	$ -

There were no amounts held by AMP for the Rebate Fund and General Reserve Fund at December 31, 2009 and 2008.

OMEGA JV5 Beneficial Interest Certificates
Trustee funds include those assets comprising the Debt Service Reserve, Certificate Payment and Reserve and contingency Funds, which area established and maintained pursuant to the trust agreement for the OMEGA JV5 beneficial Interest Certificates. Substantially all assets in the Certificate Payment Fund are available only to meet principal and interest payments n the OMEGA JV5 Beneficial Interest Certificates. As part of the refunding of the 1993 Certificates in February 2004, the Debt Service Reserve Fund was liquidated. Assets in the Reserve and Contingency Fund are to be used for the following purposes (i) subject to certain conditions, to remedy deficiencies in bond debt service payments, (ii) to pay for operating expenses to the extent that other operating funds are not sufficient, (iii) to pay for major repairs and maintenance and (iv) to provide for the decommissioning of the project.

	2009	2008
Certificate Payment Fund	7,370,060	7,416,861
Reserve and Contingency Fund	3,285,992	3,275,760
	10,656,052	10,692,621
Current Portion	(10,656,052)	(10,692,621)
Noncurrent Portion	$ -	-

Investments held in the trustee funds consist of the following at December 31:

	2009	2008
Money Market Funds	$ 95,725,674	$ 63,740,849
Debt Securities	973,609,433	202,501,161
Guarantee Investment Contracts	172,799,439	401,239,502
	$ 1,242,134,546	$ 667,481,512

10. Fair Value of Financial Instruments

	December 31, 2009		December 31, 2008	
Financial Instruments	**Carry Value**	**Estimated Fair Value**	**Carry Value**	**Estimated Fair Value**
Assets				
Investments	$ 26,745,753	$ 26,745,753	$ 11,191,472	$ 11,191,472
Trustee funds	1,232,346,933	1,227,620,706	656,975,048	656,975,048
Trustee funds on behalf of members	9,787,613	9,787,613	10,506,464	10,506,464
Liabilities				
Fixed rate term debt, including current maturities	2,432,839,348	2,391,509,927	1,301,526,216	1,232,356,612
Fixed rate term debt, including current maturities, on behalf of members	80,422,000	82,552,011	88,611,150	90,156,450
Variable rate term debt, including current maturities, the Companies and on behalf of members	96,654,000	96,654,000	115,628,000	115,628,000
Interest rate swaps	3,960,460	3,960,460	5,765,603	5,765,603

The carrying amounts of cash, accounts receivable, accounts payable, the AMP project notes, the Prairie State BAN, the municipal project notes and the revolving credit loan approximate their fair value due to their short maturities. The carrying amount of the Gorsuch 2008 Bonds, the Combustion Turbine Bonds and the OMEGA JV6 Bonds approximate their fair value due to their variable rates of interest. The fair value of long-term debt reflect the present value of cash outflows relating to those obligations based on the current call price or the yield to maturity as deemed appropriate at the end of each respective year. The yields assumed were based on municipal bond ratings offered by organizations similar to the Organization.

As defined in the FASB's fair value measurement standard, fair value is the price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date. This standard establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy defined by the fair value measurement standard are as follows:

Level 1 Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those where transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The Organization's Level 1 assets primarily consist of equity securities, mutual funds, debt securities and money market funds that are listed on active exchanges which are included in investments and trustee funds on the combined balance sheets. The Organization does not have any liabilities that meet the definition of Level 1.

Level 2 Pricing inputs are either directly or indirectly observable in the market as of the reporting date, other than quoted prices in active markets included in Level 1. Level 2 includes those financial instruments that are valued using models or other valuation methodologies based on assumptions that are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Instruments in this category include the Organization's interest rate swaps. Interest rate swaps are included in other liabilities on the Organization's combined balance sheets.

Level 3 Pricing inputs include inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The Organization's Level 3 assets consist of its investment in hedge funds, which are included in investments on the combined balance sheets.

The Organization utilizes market data and assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Organization primarily applies the market approach for recurring fair value measurements using the best information available. Accordingly, the Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The following table sets forth the Organization's financial assets and financial liabilities that are accounted for at fair value by level within the fair value hierarchy as of December 31, 2009. As required by the fair value measurement standard, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

	December 31, 2009			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 1,983,035	$ -	$ -	$ 1,983,035
Money market funds	93,326	-	-	93,326
Certificates of deposit	14,998,501	-	-	14,998,501
Debt securities	5,489,065	-	-	5,489,065
Hedge funds	-	-	4,181,826	4,181,826
Total	$ 22,563,927	$ -	$ 4,181,826	$ 26,745,753
Liabilities				
Interest rate swaps	-	3,960,460	-	3,960,460
Total	$ -	$ 3,960,460	$ -	$ 3,960,460

	December 31, 2008			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 1,916,595	$ -	$ -	$ 1,916,595
Money market funds	63,740,849	-	-	63,740,849
Certificates of deposit	4,573,013	-	-	4,573,013
Debt securities	5,847,500	-	-	5,847,500
Hedge funds	-	-	3,427,377	3,427,377
Total	$ 76,077,957	$ -	$ 3,427,377	$ 79,505,334
Liabilities				
Interest rate swaps	-	5,765,603	-	5,765,603
Total	$ -	$ 5,765,603	$ -	$ 5,765,603

The determination of the above fair value measures takes into consideration various factors required under the fair value measurements standard. These factors include nonperformance risk, including counterparty credit risk and the impact of credit enhancements (such as cash deposits, LOCs and priority interests). The impact of nonperformance risk was immaterial in the fair value measurements.

The following table provides a reconciliation of changes in the fair value of hedge fund investments classified as Level 3 in the fair value hierarchy during 2009:

Balance as of January 1, 2009	$ 3,427,377
Settlements	-
Unrealized gains (losses)	754,449
Balance as of December 31, 2009	$ 4,181,826

11. Asset Retirement Obligations

Asset retirement obligations consist of the following:

	AMP	OMEGA Joint Ventures	Total
Asset retirement obligation at December 31, 2007	$ 4,932,820	$ 2,779,932	$ 7,712,752
Revision to estimated cash flow	1,755,184	942,109	2,697,293
Accretion	196,797	130,378	327,175
Asset retirement obligation at December 31, 2008	6,884,801	3,852,419	10,737,220
Revision to estimated cash flow	(218,113)	(1,626,934)	(1,845,047)
Accretion	232,499	161,276	393,775
New asset retirement obligation	448,421	-	448,421
Asset retirement obligation at December 31, 2009	$ 7,347,608	$ 2,386,761	$ 9,734,369

12. Employee Benefits

Pension Plan

AMP has a defined benefit pension plan (the “Pension Plan”) covering substantially all hourly employees at the Gorsuch Project. Benefits for eligible employees at retirement are based primarily on years of service and compensation rates. Assets held by the Pension Plan consist primarily of treasury notes, marketable securities, and alternative investments.

Postretirement Plan

AMP sponsors a postretirement benefit plan (the “Postretirement Plan”) covering salaried and hourly employees at the Gorsuch Project who were hired before November 1, 2003. The Postretirement Plan provides prescription drug and medical, dental, and life insurance benefits. Benefits are available to employees who retire under provisions of the Postretirement Plan. The eligible employees’ share of the medical insurance premiums in the postretirement period is increased on the basis of the provisions of the Postretirement Plan. At December 31, 2009 and 2008, $11,747,252 and $11,191,472, respectively, of investments in the accompanying combined balance sheets are designated to fund Postretirement Plan benefits.

The following table sets forth the benefit obligations, change in plan assets, funded status, amounts recognized in the combined balance sheets, components of net periodic benefit cost, and weighted average assumptions for the Pension Plan and Postretirement Plan at December 31:

	Pension Plan		Postretirement Plan	
	2009	**2008**	**2009**	**2008**
Change in benefit obligation				
Benefit obligation at beginning of year	$ 18,537,410	$ 20,770,148	$ 4,814,998	$ 4,757,904
Service cost	901,214	822,155	125,112	129,994
Interest cost	1,123,138	1,159,003	282,344	295,890
Actuarial loss	1,564,609	534,296	1,456,104	244,444
Benefits paid	(2,104,062)	(4,748,192)	(558,513)	(613,234)
Benefit obligation at end of year	20,022,309	18,537,410	6,120,045	4,814,998
Change in plan assets				
Fair value of plan assets at beginning of year	29,804,919	39,468,765	-	-
Actual return (loss) on plan assets	1,641,185	(4,915,654)	-	-
Employer contributions	-	-	558,513	613,234
Benefits paid	(2,104,062)	(4,748,192)	(558,513)	(613,234)
Fair value of plan assets at end of year	29,342,042	29,804,919	-	-
Funded status	$ 9,319,733	$ 11,267,509	$ (6,120,045)	$ (4,814,998)
Amounts recognized in the consolidated balance sheets				
Prepaid pension costs	$ 9,319,733	$ 11,267,509	$ -	$ -
Current liabilities	-	-	(699,000)	(595,000)
Noncurrent liabilities	-	-	(5,421,045)	(4,219,998)
Net amount recognized	$ 9,319,733	$ 11,267,509	$ (6,120,045)	$ (4,814,998)
Components of net periodic benefit cost				
Service cost	$ 901,214	$ 822,155	$ 125,112	$ 129,994
Interest cost	1,123,138	1,159,003	282,344	295,890
Expected return on plan assets	(2,339,017)	(3,153,047)	-	-
Amortization of transition obligation	-	-	78,600	78,600
Recognized actuarial loss	981,183	283,547	81,372	69,060
Settlement loss	711,807	1,076,408	-	-
Net periodic benefit cost	$ 1,378,325	$ 188,066	$ 567,428	$ 573,544
Weighted average assumptions				
Discount rate	5.50%	6.25%	5.50%	6.25%
Expected return on plan assets	8.00%	8.00%	N/A	N/A
Rate of compensation increase	5.00%	5.00%	5.00%	5.00%
Health care trend rate	N/A	N/A	11.25%	12.25%

During 2008, AMP determined that the unrecognized prior service costs and unrecognized actuarial gains and losses, which had previously been recorded as a component of accumulated other comprehensive income, were recoverable in future periods in the regulatory rate setting process, as provided for under the provisions of the FASB's standard for accounting for regulated entities. This determination was made based on a new board resolution which allowed for the recoverability of such costs through rates. As a result, $8,261,247 was transferred from accumulated other comprehensive income to regulatory assets in December 2008.

Amounts included in regulatory assets as of December 31, 2009, that are expected to be recognized as components of net periodic benefit cost during 2010 are:

	Pension Plan	Postretirement Plan
Actuarial loss	$ 1,029,441	$ 189,565
Transition obligation	-	78,600

The accumulated benefit obligation for the Pension Plan was $18,439,922 and $17,610,540 at December 31, 2009 and 2008, respectively. The accumulated benefit obligation for the Postretirement Plan was $6,120,045 and $4,814,998 at December 31, 2009 and 2008, respectively.

AMP has adjusted the initial unrecognized transition obligation for the Postretirement Plan for the effect of plan amendments. The remaining net unrecognized transition obligation for the Postretirement Plan is being amortized over the remaining transition period (6 years at December 31, 2009).

AMP's expected long-term rate of return on plan assets is based on the expected long-term performance of a portfolio with the current asset mix.

The Pension Plan's weighted-average asset allocations by asset category are as follows at December 31:

Asset Category	**2009**	**2008**
Equity securities	14%	19%
Debt securities	39%	42%
Alternative investments	45%	36%
Cash	2%	3%

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy defined by accounting guidance are as follows:

Level 1 Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those where transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets include equity securities, mutual funds, debt securities and money market funds that are listed on active exchanges.

Level 2 Pricing inputs are either directly or indirectly observable in the market as of the reporting date, other than quoted prices in active markets included in Level 1. Additionally, Level 2 includes those financial instruments that are valued using models or other valuation methodologies based on assumptions that are observable in the market place throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the market place. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. There are no pension investments which meet the Level 2 criteria.

Level 3 Pricing inputs include inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value in addition to the use of independent appraisers' estimates of fair value on a periodic basis typically determined quarterly, but no less than annually. Assets in this category include investments in hedge funds.

As of December 31, 2009, the pension investments measured at fair value were as follows:

	December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 3,943,891	$ -	$ -	$ 3,943,891
Money market funds	612,486	-	-	612,486
Debt securities	11,543,295	-	-	11,543,295
Hedge funds	-	-	13,242,370	13,242,370
	$ 16,099,672	$ -	$ 13,242,370	$ 29,342,042

The following table provides a reconciliation of changes in the fair value of pension investments classified as Level 3 in the fair value hierarchy during 2009:

	Hedge Funds
Beginning balance	$ 10,767,847
Unrealized gain	2,474,523
Ending balance	$ 13,242,370

AMP does not expect to make any contributions to the Pension Plan for the year ended December 31, 2010.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Plan	**Postretirement Plan**
2009	$ 1,964,000	$ 699,000
2010	1,709,000	824,000
2011	1,912,000	870,000
2012	1,751,000	693,000
2013	1,743,000	674,000
2014-2018	9,297,000	3,752,000

Assumed health care cost trend rates affect the amounts reported for postretirement health care plans. A one-percentage point change in assumed health care cost trend rate would have the following effect on the Postretirement Plan:

	One-Percentage Point Increase	**One-Percentage Point Decrease**
Effect on total of service and interest cost components	$ 31,658	$ (11,354)
Effect on postretirement benefit obligation	322,846	(115,164)

The assumed rate of increase in per capita cost of health care benefits is 11.25% in 2009. This rate is assumed to decrease gradually to 5.25% by 2015 and remain at that rate thereafter.

Ohio Public Employees Retirement System

All full-time permanent employees of MESA participate in the Ohio Public Employees Retirement System (“OPERS”), a statewide cost-sharing multiple-employer defined benefit public pension plan. The Ohio Revised Code provides the statutory authority requiring public employees to fund postretirement health care through their contributions to OPERS. OPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute per Chapter 145 of the Ohio Revised Code (“ORC”).

The ORC provides statutory authority for employee and employer contributions. The employee contribution rate effective for 2009 and 2008 was 10.0% and 9.0%, respectively. The 2009 and 2008 employer contribution rate was 14.0% and 14.0%, respectively. The employee contributions to OPERS totaled $844,830 and $659,265, for the years ended December 31, 2009 and 2008, respectively. Employer contributions were $1,193,038 and $1,025,524 for the years ended December 31, 2009 and 2008, respectively.

Postemployment Benefits

OPERS administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (“OPEB”) as described in GASB Statement No.12.

A portion of each employer’s contribution to OPERS is set aside for the funding of postretirement health care. The ORC provides statutory authority requiring public employers to fund health care through their contributions to OPERS. The 2009 employer contribution rate was 14.0% of covered payroll; 7.0% of the employer contribution was used to fund health care for these years. These rates are the actuarially determined contribution requirement for OPERS.

MESA’s employer contributions to OPERS totaled $1,193,038 and $1,025,524 in 2009 and 2008, respectively. Of this amount, approximately $496,045 and $512,762 was used to fund post-employment benefits in 2009 and 2008, respectively.

The Health Care Preservation Plan (“HCPP”) adopted by the OPERS Retirement Board on September 9, 2004, is effective January 1, 2007. OPERS took additional actions to improve the solvency of the Heath Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008, which will allow additional funds to be allocated to the health care plan during those periods.

The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008 actuarial valuation was 356,388.

The amount of $10.7 billion and $12.0 billion represents the actuarial value of OPERS’ net assets available for OPEB at December 31, 2008 and 2007, respectively.

Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008 and 2007 reported the actuarial accrued liability for OPEB at $29.6 billion and $29.8 billion and the unfunded actuarial accrued liability for OPEB at $18.9 billion and $17.0 billion, respectively.

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following assumptions are applicable:

Actuarial Review - The assumptions and calculations were based on OPERS' latest actuarial review performed as of December 31, 2008.

Funding Method - The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method - All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return - The investment assumption rate for 2008 was 6.50%.

Active Employee Total Payroll - An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care - Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 3.00% for the next six years. In subsequent years, (seven and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to: OPERS, 277 East Town Street, Columbus, OH 43215-4642.

13. Power Sales Contracts

AMP’s member power sales contracts for Gorsuch Project energy are long-term take-and-pay agreements. Under these agreements, member communities must take, and pay for, contracted power and energy when made available by AMP. Accordingly, AMP must make available such contracted power and energy from the Gorsuch Project or replacement power over the same period.

AMP's member power sales contracts for AMP-Generating Station, PSEC and the hydro project are long-term take or pay agreements, which must be paid regardless of delivery or availability.

14. Distributive Generation Agreement

In 1996, AMP entered into a 20-year distributive generation agreement with a member. Under the agreement, AMP agreed to install six generating units in the member’s community directly connected to the member’s electric utility system. The member has agreed to pay AMP a demand charge per megawatt hour of available capacity commencing from the date the units are installed plus operating expenses. At the end of the term of the agreement, the member has the right, at its option, to acquire the units for AMP’s remaining book cost plus $1.

The generating units were initially financed by AMP with a project note payable. In August 2003, $4,442,444 of the project note was refinanced with a municipal project note from the member. The demand charge received under the distributive generation agreement is applied to the municipal project note from the member.

15. Emission Allowances

The Gorsuch Project is required to comply with provisions of the Clean Air Act Amendments of 1990 (the “CAA”). The Environmental Protection Agency (“EPA”), under the CAA, has awarded the Gorsuch Project, as a Phase II plant, 19,494 sulfur dioxide emission allowances per year through 2009 and 19,530 per year for the years 2010 to 2030. The EPA’s allocated sulfur dioxide allowances are recorded at zero cost. The Gorsuch Project also purchases sulfur dioxide emission allowances on the open market. Beginning in 2010, sulfur dioxide allowances must be surrendered at a rate of two allowances for every ton of sulfur dioxide emissions from utility boilers located in the Eastern United States.

The Gorsuch Project is required to comply with provisions of CAA to reduce nitrogen-oxide emissions. The EPA allocated nitrogen-oxide emission allowances are recorded at zero cost. The Gorsuch Project also purchases nitrogen-oxide emission allowances on the open market.

The USEPA sent a request pursuant to Clean Air Act ("CAA") Section 114 for information regarding historic operations and maintenance at the Gorsuch Project. To the extent the USEPA finds probable violations in reviewing records obtained from utilities pursuant to Section 114, enforcement actions for alleged violations of the CAA are sometimes initiated. AMP made its first response to the USEPA Section 114 request on July 28, 2008. AMP subsequently submitted additional information on September 12, 2008 and a final submission on October 24, 2008. On February 9, 2009, USEPA requested additional information regarding two projects: 1981 to1986 (Boiler Replacement Project), a period before AMP acquired an interest in the Gorsuch Project and 1988 to1991 (Station Improvement Uprate Program). AMP has tendered responsive documents.

16. Commitments and Contingencies

Environmental Matters
The Organization is subject to regulation by federal and state authorities with respect to air and water quality control and other environmental matters and is subject to zoning and other regulations by local authorities.

Clean Air Act
The United States EPA ("USEPA") has determined that Ohio and several other states contribute significantly to nonattainment, or interfere with maintenance, of NAAQS for fine particulates and eight-hour ozone in downwind states, EPA promulgated the Clean Air Interstate Rule ("CAIR") to further control nitrogen oxide and sulfur dioxide emission from electric utility boilers. Phase I nitrogen oxide reductions began in 2009. Phase I sulfur dioxide reductions will begin in 2010. Phase II reductions for both nitrogen oxide and sulfur dioxide will begin in 2015.

CAIR mandates a 50% reduction in the sulfur dioxide cap in 2010, effectively reducing the Gorsuch Project baseline allocation from 19,500 to 9,750. At 2015, the cap is further reduced by another 30%, leaving the Gorsuch Project with an effective baseline allocation of 6,825.

Nitrogen oxide allowances will be distributed to Ohio and allocated to existing sources based on the highest year of heat input during 1999-2002. Phase I nitrogen oxide allowances in 2009 will be calculated on a 0.15 lbs/mm Btu basis. The allocation factor is further reduced to 0.125 lbs/mm Btu in 2015.

On July 11, 2008, the D.C. Circuit Court of Appeals vacated CAIR. However, upon petition by USEPA, the Court of Appeals reversed its decision and remanded CAIR to USEPA without vacatur. As such, CAIR became effective for nitrogen oxide in 2009, as set forth in the paragraphs above. However, CAIR will only remain effective until such time that USEPA reissues a modified CAIR (or a replacement regulatory program). Thus, the lifespan of CAIR and the allowance trading program is not known at this time.

Hazardous Air Pollutants
The four utility boilers at Gorsuch, will be subject to a CAA Section 112 Maximum Achievable Control Technology ("MACT") standard for mercury and potentially other hazardous air pollutants ("HAPs"). MACT requires USEPA to set a standard to control mercury and potentially other HAPs at the level equivalent to the top twelve percent of operating sources in the utility category. USEPA has not yet proposed a MACT for utility sources.

On February 17, 2010, EPA promulgated a final rule establishing emission limits and work practice standards for combustion ignited diesel engines at APCA sources. AMP has several engines affected by this rule and compliance must be demonstrated by May 2013. AMP is evaluating the rule and assessing the impact on its engine fleet.

Clean Water Act
Under court order pursuant to Section 316(b) of the Clean Water Act, the EPA issued regulations for cooling water intake structures applicable to the Gorsuch Project. The EPA's implementation schedule calls for imposing the Section 316(b) Best Available Technology ("BAT") requirements at the time of National Pollutant Discharge Elimination System ("NPDES") permit renewal. Gorsuch Project's NPDES permit does not expire until 2013. The Gorsuch Project participated in an ecosystem study to determine the impact of electric utility cooling water intake structures on aquatic wildlife. If new BAT requirements are implemented, it is possible that the cooling water intake structure may require an upgrade; the cost of which is unknown at this time.

Fly Ash Disposal
The Gorsuch Project does not use fly ash disposal methods similar to the TVA Kinston Plant. However, the accident at Kingston has prompted increased regulatory scrutiny of fly ash disposal operations at all utility plants. AMP believes it is substantially compliant with all fly ash handling and disposal regulations. However increased scrutiny could result in additional regulatory requirements that are not possible to quantify at this time.

Other Regulatory Matters
Most metropolitan and industrialized counties in Ohio are non-attainment areas under the new ozone and fine particulate matter ambient air quality standards. This will require substantial local reduction of nitrogen oxides, volatile organic compounds, sulfur dioxide and particulate matter. In addition to emissions reductions required to achieve compliance in down-wind neighboring states, the site of the Gorsuch Project is a non-attainment area for ozone and fine particulate matter. The impact on the Gorsuch Project is uncertain at this time.

Washington County (Marietta - Parkersburg) may also become a non-attainment area under recently revised ambient air quality standards for lead. Ohio EPA, in a letter dated January 2009, notified AMP of its concern about lead emissions from its Gorsuch Project. AMP has responded to this letter and believed the concern is unfounded.

Pursuant to Section 114 (a) of the CAA, AMP received a request from the USEPA to provide certain emissions information and emissions dispersion characteristics associated with the Gorsuch Project. Based on our discussions with USEPA staff, the Agency is attempting to determine the source(s) of higher than normal toxic metal deposition in the Marietta area. AMP is cooperating fully with the USEPA's investigation

Purchase Commitments
AMP's general practice is to enter into long-term power purchase contracts only when such contracts are supported by corresponding sales contracts to its members. All such contracts are considered normal pursuant to the FASB's standard on derivative instruments. All such purchases are "covered" by corresponding power sales arrangements either with individual members or one of AMP's power pools.

Energy purchase commitments at December 31, 2009, are as follows:

2010	507,374,932
2011	498,285,893
2012	331,305,340
2013	322,775,587
2014	172,252,077
2015-2018	128,845,906
	$ 1,960,839,735

AMP has certain power supply agreements that include provisions that would require collateral upon a decrease in AMP's credit rating below investment grade or power prices below certain thresholds.

AMP has entered into multiple agreements with coal suppliers to meet the coal requirements of the Gorsuch Project. The terms of these contracts extend through December 31, 2010. Under the terms of these contracts, AMP has a commitment to purchase a set amount of coal at a fixed price. If AMP or the supplier is unable to take or deliver the coal, adjustments are to be made in the fixed price to pay the other party the difference between market price and the fixed purchase price. AMP has committed to purchase $27,255,000 of coal through the year ended December 31, 2010.

Other Commitments

The Organization is a party to various legal actions and complaints arising in the ordinary course of business. The Organization does not believe that the ultimate resolution of such matters will have a material adverse affect on the Organization's financial position or results of operations.

On November 14, 2002, AMP entered into a 20 year lease for the land where the OMEGA JV6 Wind Turbine Project is located. The term of the lease allows for annual renewals if the project is commercially operable. The lease requires annual payments of $1,000 per wind turbine unit. AMP has assigned this lease to OMEGA JV6. Rent expense from this lease totaled $4,000 during each of the years ended December 31, 2009 and 2008.

Transmission revenue of OMEGA JV4 in 2009 and 2008 was derived primarily from sales to two municipalities; 70% and 67%, respectively, from a nonparticipant and 79% and 32%, respectively, from a Participant. The contract with the participant can be cancelled on October 31, 2008 upon written notice six months prior to cancellation. As of December 31, 2008, no notice of cancellation had been received. A decision by the nonparticipant to purchase transmission service from a different provider would cause a significant decline in OMEGA JV4's transmission revenue and possibly impair the carrying value of the transmission line if replacement sales could not be found.

OMEGA JV5 has agreed to make certain payments in lieu of taxes to Wood County, West Virginia. The payments in lieu of taxes will be approximately $840,000 annually until the later of September 1, 2028 or until such time as the Project ceases commercial operations.

17. Subsequent Events

On January 21, 2010, AMP fully redeemed the Gorsuch 2008 Bonds at a price equal to the par value of the bonds plus accrued interest. The redemption of the Gorsuch 2008 Bonds was partially funded with the trustee funds associated with the Gorsuch 2008 Bonds. The remainder of the redemption was funded with two five-year term notes (the "Gorsuch Term Notes") between AMP and Keybank National Association dated January 21, 2010. The total amount of the Gorsuch Term Notes is $40 million. The notes require equal monthly payments of principal plus accrued interest and interest on the Gorsuch Term Notes is variable in nature. AMP amended the two interest rate swap agreements associated with the Gorsuch 2008 Bonds as part of the redemption. The terms of the swap agreements were amended to match the principal amounts and variable interest rates underlying the Gorsuch Term Notes.

On January 21, 2010 AMP purchased property adjacent to its corporate headquarters for future expansion requirements. The contract sales price for the property was $950,000.

In March 2010, Dowagiac, Michigan terminated its membership in AMP.

On May 19, 2010, AMP announced plans to begin cessation of operations at the Gorsuch Project, a 1950’s vintage coal-fired power plant located near Marietta, Ohio. AMP determined it to be in the best interest of the participating member communities to cease operations at the facility by December 15, 2010. The decision stems from a consent decree reached between the U.S. EPA and AMP that resolves all issues related to a Notice of Violation (NOV) issued by the U.S. EPA that alleged that certain work performed at Gorsuch Project from 1981 to 1986 (before AMP had an interest in Gorsuch Project) and from 1988 to 1991 (after AMP had an interest in the plant) should have triggered a New Source Review. The settlement includes a binding obligation that AMP cease coal-fired generation operations at Gorsuch Project no later than December 31, 2012 and also requires AMP to spend $15 million on an environmental mitigation project over several years and pay a civil penalty of $850,000. The environmental mitigation project will be in the form of a robust energy efficiency initiative administered by a third party, the Vermont Energy Investment Corp. This project will include services for residential, commercial and industrial customers and will be designed to help participating AMP member communities save 70,000 megawatt hours over a set period of time. As a result of the decision to cease operation at the Gorsuch Project, during the second quarter of 2010, management is evaluating the recoverability of the utility plant, materials and supplies, inventories and emission allowances related to the Gorsuch Project, totaling $34,611,815 at December 31, 2009. When this evaluation is completed, AMP may record an impairment during the second quarter of 2010. Gorsuch Project participants are responsible for all plant costs including closing costs. As such, any impairment will be reflected as a regulatory asset, with no impact to the combined statements of revenues and expenses. AMP will determine the appropriate period to recover this regulatory asset from the Gorsuch Project participants.

AMP has considered subsequent events through June 16, 2010, the date the combined financial statements were available to be issued.

Supplemental Financial Information

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Report of Independent Auditors on Accompanying Information

To the Board of Trustees and Members of American Municipal Power, Inc.; and
the Board of Participants and Members of Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6, and Municipal Energy Services Agency:

The report on our audits of the combined financial statements of American Municipal Power, Inc., Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6, and Municipal Energy Services Agency (collectively, the "Organization") at December 31, 2009 and 2008 and for the years then ended appears on page one of this document. Those audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information is presented for the purposes of additional analysis of the combined financial statements rather than to present the financial position, results operations and cash flows of the individual entities. However, the combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects, in relation to the combined financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 17, 2010, except for Note 17, as to which the date is June 16, 2010

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Balance Sheet
December 31, 2009

		Ohio Municipal Electric Generation Agency							
	AMP-Ohio, Inc.	JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Assets									
Utility plant									
Electric plant in service	$ 108,331,813	$ 537,472	$ 57,519,278	$ 2,640,938	$ 186,720,695	$ 9,635,335	$ -	$ -	$ 365,385,531
Accumulated depreciation	(80,092,969)	(292,118)	(26,337,852)	(1,071,240)	(50,024,449)	(1,790,068)	-	-	(159,608,696)
Total utility plant	28,238,844	245,354	31,181,426	1,569,698	136,696,246	7,845,267	-	-	205,776,835
Nonutility property and equipment									
Nonutility property and equipment	14,643,343	-	-	-	-	-	-	-	14,643,343
Accumulated depreciation	(3,840,268)	-	-	-	-	-	-	-	(3,840,268)
Total nonutility property and equipment	10,803,075	-	-	-	-	-	-	-	10,803,075
Construction work-in-progress	918,474,493	-	-	-	-	-	-	-	918,474,493
Plant held for future use	113,310,685	-	-	-	-	-	-	-	113,310,685
Coal reserves	26,612,000	-	-	-	-	-	-	-	26,612,000
Trustee funds and other assets									
Trustee funds	1,060,938,762	-	-	-	-	-	-	-	1,060,938,762
Financing receivables - members	42,642,798	-	-	-	-	-	-	-	42,642,798
Investments - long-term	4,793,061	-	-	-	-	-	-	-	4,793,061
Note receivable - long-term	3,075,000	-	-	-	-	-	-	-	3,075,000
Regulatory assets	37,410,368	68,631	1,291,634	-	-	294,361	-	-	39,064,994
Prepaid power purchase asset	115,520,182	-	-	-	-	-	-	-	115,520,182
Prepaid pension costs	9,319,733	-	-	-	-	-	-	-	9,319,733
Intangible and other assets	34,310,812	-	-	-	2,175,890	-	-	-	36,486,702
Total trustee funds and other assets	1,308,010,716	68,631	1,291,634	-	2,175,890	294,361	-	-	1,311,841,232
Current assets									
Cash and cash equivalents	37,929,850	161,057	2,040,754	452,702	6,384,492	763,689	886,760	-	48,619,304
Cash and cash equivalents - restricted	23,748,485	-	318,518	-	-	-	-	-	24,067,003
Investments	18,962,692	35,000	525,000	110,000	1,750,000	210,000	360,000	-	21,952,692
Trustee funds	169,924,964	-	534,044		10,656,052	80,724		-	181,195,784
Collateral postings	20,175,106	-	-	-	-	-	-	-	20,175,106
Accounts receivable	81,021,397	7,300	145,233	22,566	892,921	127	1,035,720	-	83,125,264
Amount due from (to) AMP-Ohio, Inc.	-	-	(17,052)		(24,279)	(563)	847,616	(805,722)	-
Amount due from (to) MESA	(847,616)	(3,711)	(35,852)	(2,712)	(104,801)	(7,985)	-	1,002,677	-
Amount due from (to) OMEGA JV1	-	-	-	-	-	-	3,711	(3,711)	-
Amount due from (to) OMEGA JV2	17,052	-	-	-	-	-	35,852	(52,904)	-
Amount due from (to) OMEGA JV4	-	-	-	-	-	-	2,712	(2,712)	-
Amount due from (to) OMEGA JV5	24,279	-	-	-	-	-	104,801	(129,080)	-
Amount due from (to) OMEGA JV6	563	-	-	-	-	-	7,985	(8,548)	-
Amount due from (to) OMEA	(12,118)	-	-	-	-	-	31,030	-	18,912
Amount due from (to) OPPEI	9,755	-	-	-	-	-	14,734	-	24,489
Financing receivables - members	31,256,326	-	-	-	-	-	-	-	31,256,326
Emission allowances	12,262,390	-	700	-	-	-	-	-	12,263,090
Inventories	7,808,540	39,764	439,730	-	128,799	-	-	-	8,416,833
Regulatory assets - current	15,616,852	-	-	-	-	-	-	-	15,616,852
Prepaid power purchase asset - current	57,681,076	-	-	-	-	-	-	-	57,681,076
Prepaid expenses and other assets	1,898,695	4,367	76,319	1,983	211,169	20,733	107,723	-	2,320,989
Total current assets	477,478,288	243,777	4,027,394	584,539	19,894,353	1,066,725	3,438,644	-	506,733,720
Total assets	$ 2,882,928,101	$ 557,762	$ 36,500,454	$ 2,154,237	$ 158,766,489	$ 9,206,353	$ 3,438,644	$ -	$ 3,093,552,040

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Balance Sheet
December 31, 2009

		Ohio Municipal Electric Generation Agency							
	AMP-Ohio, Inc.	JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Equities and Liabilities									
Member and patron equities									
Contributed capital	$ 790,528	$ 582,452	$ 58,770,598	$ 1,882,838	$ 200,000	$ 9,111,240	$ -	$ -	$ 71,337,656
Patronage capital	45,217,602	-	-	-	-	-	-	-	45,217,602
Accumulated net deficit	-	(95,840)	(24,290,215)	258,185	7,913,465	(742,894)	-	-	(16,957,299)
Total member and patron equities	46,008,130	486,612	34,480,383	2,141,023	8,113,465	8,368,346	-	-	99,597,959
Long-term debt									
Term debt	2,308,239,407	-	-	-	117,111,450	-	-	-	2,425,350,857
Term debt on behalf of members	51,408,000	-	-	-	-	-	-	-	51,408,000
Line of credit and commercial paper	165,000,000	-	-	-	-	-	-	-	165,000,000
Total long-term debt	2,524,647,407	-	-	-	117,111,450	-	-	-	2,641,758,857
Current liabilities									
Accounts payable	100,611,273	855	141,901	-	946,532	2,589	448,088	-	102,151,238
Accrued salary and related benefits	1,100,352	-	-	-	-	-	1,224,631	-	2,324,983
Accrued pension and postretirement benefits - current	699,000	-	-	-		-	-	-	699,000
Accrued interest	32,607,185	-	-	-	1,718,873	-	-	-	34,326,058
Term debt - current	93,673,491	-	-	-	4,570,000	-	-	-	98,243,491
Term debt on behalf of members - current	34,913,000	-	-	-	-	-	-	-	34,913,000
Regulatory liabilities - current	4,282,610	-	-	-	128,799	-	-	-	4,411,409
Other liabilities	8,048,185	8,872	56,399	13,214	1,858,036	13,333	416,854	-	10,414,893
Total current liabilities	275,935,096	9,727	198,300	13,214	9,222,240	15,922	2,089,573	-	287,484,072
Other noncurrent liabilities									
Accrued pension and postretirement benefits	5,421,045	-	-	-	-	-	-	-	5,421,045
Deferred gain on sale of real estate	1,276,789	-	-	-	-	-	-	-	1,276,789
Asset retirement obligations	7,347,608	61,423	1,503,253	-	-	822,085	-	-	9,734,369
Other long-term liabilities	-	-	-	-	89,756	-	1,349,071	-	1,438,827
Regulatory liabilities	22,292,026	-	318,518	-	24,229,578	-	-	-	46,840,122
Total other noncurrent liabilities	36,337,468	61,423	1,821,771	-	24,319,334	822,085	1,349,071	-	64,711,152
Commitments and contingencies									
Total liabilities	2,836,919,971	71,150	2,020,071	13,214	150,653,024	838,007	3,438,644	-	2,993,954,081
Total equities and liabilities	$ 2,882,928,101	$ 557,762	$ 36,500,454	$ 2,154,237	$ 158,766,489	$ 9,206,353	$ 3,438,644	$ -	$ 3,093,552,040

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Balance Sheet
December 31, 2008

	AMP-Ohio, Inc.	Ohio Municipal Electric Generation Agency JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Assets									
Utility plant									
Electric plant in service	$ 108,512,685	$ 586,663	$ 58,723,083	$ 2,640,938	$ 186,720,695	$ 10,013,845	$ -	$ -	$ 367,197,909
Accumulated depreciation	(74,847,536)	(269,027)	(23,369,588)	(972,965)	(45,363,139)	(1,452,600)	-	-	(146,274,855)
Total utility plant	33,665,149	317,636	35,353,495	1,667,973	141,357,556	8,561,245	-	-	220,923,054
Nonutility property and equipment									
Nonutility property and equipment	16,340,156	-	-	-	-	-	517,806	-	16,857,962
Accumulated depreciation	(5,320,044)	-	-	-	-	-	(335,481)	-	(5,655,525)
Total nonutility property and equipment	11,020,112	-	-	-	-	-	182,325	-	11,202,437
Construction work-in-progress	450,070,916	-	-	-	-	-	-	-	450,070,916
Coal reserves	26,612,000	-	-	-	-	-	-	-	26,612,000
Trustee funds and other assets									
Trustee funds	501,175,049	-	-	-	-	-	-	-	501,175,049
Financing receivables - members	46,503,488			-	-		-	-	46,503,488
Investments - long-term	4,573,013	-	-	-	-	-	-	-	4,573,013
Regulatory assets	30,527,177	58,300	1,052,685	-	-	208,106	-	-	31,846,268
Prepaid power purchase asset	173,201,258	-	-	-	-	-	-	-	173,201,258
Prepaid pension costs	11,267,509	-	-	-	-	-	-	-	11,267,509
Intangible and other assets	13,303,546	-	-	-	2,481,375	-		-	15,784,921
Total trustee funds and other assets	780,551,040	58,300	1,052,685	-	2,481,375	208,106	-	-	784,351,506
Current assets									
Cash and cash equivalents	129,997,882	160,806	2,088,007	527,304	5,693,461	931,365	6,137,026	-	145,535,851
Cash and cash equivalents - restricted	5,981,425	-	313,927	-	-	-	-	-	6,295,352
Investments	11,191,472	-	-	-	-	-	-	-	11,191,472
Trustee funds	155,007,208	-	531,954	-	10,692,621	74,680	-	-	166,306,463
Accounts receivable	60,526,419	8,465	163,459	22,500	1,204,210	200,580	66,691	-	62,192,324
Amount due from (to) AMP-Ohio, Inc.	-	(100)	(4,134)	(1)	(6,764)	96	767,053	(756,150)	-
Amount due from (to) MESA	(767,053)	(4,047)	(43,468)	(2,372)	(100,266)	(12,218)	-	929,424	-
Amount due from (to) OMEGA JV1	100	-	-	-	-	-	4,047	(4,147)	-
Amount due from (to) OMEGA JV2	4,134	-	-	-	-	-	43,468	(47,602)	-
Amount due from (to) OMEGA JV4	1	-	-	-	-	-	2,372	(2,373)	-
Amount due from (to) OMEGA JV5	6,764	-	-	-	-	-	100,266	(107,030)	-
Amount due from (to) OMEGA JV6	(96)	-	-	-	-	-	12,218	(12,122)	-
Amount due from (to) OMEA	(9,192)	-	-	-	-	-	28,487	-	19,295
Amount due from (to) OPPEI	13,782	-	-	-	-	-	10,985	-	24,767
Financing receivables - members	35,897,372	-	-	-	-	-	-	-	35,897,372
Emission allowances	12,682,111	-	-	-	-	-	-	-	12,682,111
Inventories	2,292,790	43,541	473,795		134,608				2,944,734
Regulatory assets - current	15,101,523	-	-	-	-	-	-	-	15,101,523
Prepaid power purchase asset - current	57,681,076	-	-	-	-	-	-	-	57,681,076
Prepaid expenses and other assets	648,861	5,000	91,065	2,925	209,758	18,092	125,028		1,100,729
Total current assets	486,256,579	213,665	3,615,305	550,356	17,827,628	1,212,595	7,891,641	-	517,567,769
Total assets	$ 1,788,175,796	$ 589,601	$ 40,021,485	$ 2,218,329	$ 161,666,559	$ 9,981,946	$ 8,073,966	-	$ 2,010,727,682

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Balance Sheet
December 31, 2008

		Ohio Municipal Electric Generation Agency					Municipal		
	AMP-Ohio, Inc.	JV1	JV2	JV4	JV5	JV6	Energy Services Agency	Eliminating Entries	Total
Equities and Liabilities									
Member and patron equities									
Contributed capital	$ 770,296	$ 582,452	$ 58,770,598	$ 1,882,838	$ 200,000	$ 9,105,841	$ -	$ -	$ 71,312,025
Patronage capital	43,111,321	-	-	-	-	-	-	-	43,111,321
Accumulated net deficit	-	(104,971)	(21,868,236)	324,561	5,954,117	(288,936)	-	-	(15,983,465)
Total member and patron equities	43,881,617	477,481	36,902,362	2,207,399	6,154,117	8,816,905	-	-	98,439,881
Long-term debt									
Term debt	1,202,197,316	-	-	-	121,109,150	-	-	-	1,323,306,466
Term debt on behalf of members	55,298,000	-	-	-	-	-	-	-	55,298,000
Line of credit and commercial paper	205,704,993	-	-	-	-	-	-	-	205,704,993
Total long-term debt	1,463,200,309	-	-	-	121,109,150	-	-	-	1,584,309,459
Current liabilities									
Accounts payable	55,706,160	961	159,662	-	814,473	909	1,361,571	-	58,043,736
Accrued salary and related benefits	1,139,735	-	-	-	-	-	1,310,829	-	2,450,564
Accrued pension and postretirement benefits	595,000	-	-	-		-	-	-	595,000
Accrued interest	30,601,686	-	-	-	1,760,827	-	-	-	32,362,513
Term debt - current	82,554,750	-	-	-	4,475,000	-	-	-	87,029,750
Term debt on behalf of members -current	40,131,150	-	-	-		-	-	-	40,131,150
Regulatory liabilities—current	2,592,780	-	-	-	134,608	-	-	-	2,727,388
Margin funds on deposit	19,800,000	-	-	-	-	-	-	-	19,800,000
Other liabilities	9,692,593	7,622	48,751	10,930	1,881,141	12,033	4,136,273	-	15,789,343
Total current liabilities	242,813,854	8,583	208,413	10,930	9,066,049	12,942	6,808,673	-	258,929,444
Other noncurrent liabilities									
Accrued pension and postretirement benefits	4,219,998	-	-	-	-		-	-	4,219,998
Asset retirement obligations	6,884,801	103,537	2,596,783	-	-	1,152,099	-	-	10,737,220
Other long-term liabilities	-	-	-	-	67,505	-	1,265,293	-	1,332,798
Regulatory liabilities	27,175,217	-	313,927	-	25,269,738	-	-	-	52,758,882
Total other noncurrent liabilities	38,280,016	103,537	2,910,710	-	25,337,243	1,152,099	1,265,293	-	69,048,898
Commitments and contingencies (Note 16)									
Total liabilities	1,744,294,179	112,120	3,119,123	10,930	155,512,442	1,165,041	8,073,966	-	1,912,287,801
Total equities and liabilities	$ 1,788,175,796	$ 589,601	$ 40,021,485	$ 2,218,329	$ 161,666,559	$ 9,981,946	$ 8,073,966	$ -	$ 2,010,727,682

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Revenue and Expenses
Year Ended December 31, 2009

	AMP-Ohio, Inc.	Ohio Municipal Electric Generation Agency					Municipal Energy Services Agency	Eliminating Entries	Total
		JV1	JV2	JV4	JV5	JV6			
Revenues									
Electric revenue	$ 739,249,746	$ 144,685	$ 1,810,228	$ 270,000	$ 24,167,524	$ 195,396	$ -	$ (8,161,371)	$ 757,676,208
Service fees	5,924,918	-	-	-	-	-	-	-	5,924,918
Programs and other	9,768,188	-	-	-	-	-	17,528,600	(12,773,610)	14,523,178
Total revenues	754,942,852	144,685	1,810,228	270,000	24,167,524	195,396	17,528,600	(20,934,981)	778,124,304
Operating Expenses									
Purchased electric power	648,612,871	-	-	-	7,399,913	-	-	(8,161,371)	647,851,413
Production	19,461,498	17,536	555,424	9,862	545,154	212,603	-	-	20,802,077
Fuel	45,644,952	4,285	77,462	-	-	-	-	-	45,726,699
Depreciation	6,840,495	23,091	2,968,264	98,275	4,661,310	337,468	-	-	14,928,903
Administrative and general	7,292,891	91,321	714,767	42,324	1,499,556	119,080	12,279,951	(12,773,610)	9,266,280
Interest expense	18,348,218	2,205	110,275	-	5,475,432	48,495	-	-	23,984,625
Property and real estate taxes	1,051,201	-	-	-	839,975	-	-	-	1,891,176
Programs and other	6,584,182	(2,438)	(184,586)	15,072	571,975	(64,783)	5,251,894	-	12,171,316
Total operating expenses	753,836,308	136,000	4,241,606	165,533	20,993,315	652,863	17,531,845	(20,934,981)	776,622,489
Operating margin (loss)	1,106,544	8,685	(2,431,378)	104,467	3,174,209	(457,467)	(3,245)	-	1,501,815
Nonoperating Revenues and Expenses									
Interest income	703,509	446	9,399	1,508	39,335	3,509	3,245	-	760,951
Other, net	296,228	-	-	-	-	-	-	-	296,228
Total nonoperating revenues and expenses	999,737	446	9,399	1,508	39,335	3,509	3,245	-	1,057,179
Net margin (loss)	$ 2,106,281	$ 9,131	$ (2,421,979)	$ 105,975	$ 3,213,544	$ (453,958)	$ -	$ -	$ 2,558,994

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Revenue and Expenses
Year Ended December 31, 2008

		Ohio Municipal Electric Generation Agency							
	AMP-Ohio, Inc.	JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Revenues									
Electric revenue	$ 581,377,237	$ 142,657	$ 1,996,709	$ 270,000	$ 22,726,568	$ 492,032	$ -	$ (9,612,161)	$ 597,393,042
Service fees	5,934,333	-	-	-	-	-	-	-	5,934,333
Programs and other	9,146,035	-	-	-	-	-	14,317,835	(10,799,146)	12,664,724
Total revenues	596,457,605	142,657	1,996,709	270,000	22,726,568	492,032	14,317,835	(20,411,307)	615,992,099
Operating Expenses									
Purchased electric power	484,944,197	-	-	-	8,911,020	-	-	(9,559,020)	484,296,197
Production	20,188,885	42,132	635,353	13,276	858,342	87,726	-	-	21,825,714
Fuel	48,079,377	2,257	258,825	-	53,141	-	-	(53,141)	48,340,459
Depreciation	6,649,312	22,632	2,914,003	98,275	4,662,619	320,186	103,939	-	14,770,966
Administrative and general	6,429,708	81,501	749,299	39,479	1,350,784	112,021	10,923,350	(10,799,146)	8,886,996
Interest expense	16,906,420	2,271	93,737	-	5,713,012	34,370	-	-	22,749,810
Property and real estate taxes	1,063,714	-	-	-	839,975	-	-	-	1,903,689
Programs and other	8,596,145	(1,280)	(143,839)	14,399	423,683	(35,371)	3,308,860	-	12,162,597
Total operating expenses	592,857,758	149,513	4,507,378	165,429	22,812,576	518,932	14,336,149	(20,411,307)	614,936,428
Operating margin (loss)	3,599,847	(6,856)	(2,510,669)	104,571	(86,008)	(26,900)	(18,314)	-	1,055,671
Nonoperating Revenues and Expenses									
Interest income	2,309,886	3,841	62,759	12,201	265,428	19,760	18,314	-	2,692,189
Other, net	2,203,047	-	-	-	-	-	-	-	2,203,047
Total nonoperating revenues and expenses	4,512,933	3,841	62,759	12,201	265,428	19,760	18,314	-	4,895,236
Net margin (loss)	$ 8,112,780	$ (3,015)	$ (2,447,910)	$ 116,772	$ 179,420	$ (7,140)	$ -	$ -	$ 5,950,907

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Cash Flows
Year Ended December 31, 2009

		Ohio Municipal Electric Generation Agency					Municipal		
	AMP-Ohio, Inc.	JV1	JV2	JV4	JV5	JV6	Energy Services Agency	Eliminating Entries	Total
Cash flows from operating activities									
Net margin (loss)	$ 2,106,281	$ 9,131	$ (2,421,979)	$ 105,975	$ 3,213,544	$ (453,958)	$ -	$ -	$ 2,558,994
Adjustments to reconcile net margin (loss) to net cash (used in)provided by operating activities									
Depreciation	6,840,495	23,091	2,968,264	98,275	4,661,310	337,468	-	-	14,928,903
Amortization of deferred financing costs	3,274,039	-	-	-	305,485	-	-	-	3,579,524
Amortization of premium and discount on term debt	(1,076,926)	-	-	-	572,300	-	-	-	(504,626)
Accretion of interest on asset retirement obligations	232,479	7,077	110,275	-	-	48,496	-	-	398,327
Gain on sale of property and equipment	(266,446)	-	-	-	-	-	-	182,325	(84,121)
Unrealized gain on investments	(281,428)	-	-	-	-	-	-	-	(281,428)
Changes in assets and liabilities									
Investments	(494,400)	-	-	-	-	-	-	-	(494,400)
Collateral postings	(20,175,106)	-	-	-	-	-	-	-	(20,175,106)
Accounts receivable	(19,515,376)	1,165	18,226	(66)	311,289	200,453	(375,029)	-	(19,359,338)
Amount due to/from AMP-Ohio, Inc.	-	(100)	12,918	(1)	17,515	659	(80,563)	49,572	-
Amount due to/from MESA	80,563	(336)	(7,616)	340	4,535	(4,233)	-	(73,253)	-
Amount due to/from OMEGA JV1	100	-	-	-	-	-	336	(436)	-
Amount due to/from OMEGA JV2	(12,918)	-	-	-	-	-	7,616	5,302	-
Amount due to/from OMEGA JV4	1	-	-	-	-	-	(340)	339	-
Amount due to/from OMEGA JV5	(17,515)	-	-	-	-	-	(4,535)	22,050	-
Amount due to/from OMEGA JV6	(659)	-	-	-	-	-	4,233	(3,574)	-
Amount due to/from OMEA	2,926	-	-	-	-	-	(2,543)	-	383
Amount due to/from OPPEI	4,027	-	-	-	-	-	(3,749)	-	278
Emission allowances	419,721	-	-	-	-	-	-	-	419,721
Inventories	(5,515,750)	3,777	34,065	-	5,809	-	-	-	(5,472,099)
Prepaid expenses and other assets	(7,249,834)	633	14,746	942	(1,411)	(2,641)	17,305	-	(7,220,260)
Regulatory assets and liabilities, net	(10,591,881)	(10,331)	(234,358)	-	(1,045,969)	(86,255)	-	-	(11,968,794)
Accounts payable	7,783,378	1,144	(10,113)	2,284	132,059	2,980	(913,483)	-	6,998,249
Prepaid power purchase asset	57,681,076	-	-	-	-	-	-	-	57,681,076
Margin deposits	(19,800,000)	-	-	-	-	-	-	-	(19,800,000)
Accrued salary and related benefits	(39,383)	-	-	-	-	-	(2,420)	-	(41,803)
Accrued pension and postretirement benefits	3,252,823	-	-	-	-	-	-	-	3,252,823
Accrued interest	2,005,499	-	-	-	(41,954)	-	-	-	1,963,545
Other liabilities	(1,644,408)	-	-	-	86,416	-	(3,719,419)	-	(5,277,411)
Net cash (used in) provided by operating activities	(2,998,622)	35,251	484,428	207,749	8,220,928	42,969	(5,072,591)	182,325	1,102,437

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Cash Flows
Year Ended December 31, 2009

	AMP-Ohio, Inc.	Ohio Municipal Electric Generation Agency JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Cash flows from investing activities									
Purchase of utility plant	(114,928)	-	-	-	-	-	-	-	(114,928)
Purchase of nonutility property and equipment	(1,521,710)	-	-	-	-	-	182,325	(182,325)	(1,521,710)
Proceeds from sale of property and equipment	25,000	-		-			-	-	25,000
Purchase of investments	(581,896,909)	(35,000)	(527,090)	(110,000)	(1,713,431)	(216,044)	(360,000)	-	(584,858,474)
Purchase of construction work-in-progress	(546,459,081)	-	-	-	-	-	-	-	(546,459,081)
Change in restricted cash and cash equivalents	(17,767,060)	-	(4,591)	-	-	-	-	-	(17,771,651)
Net cash used in investing activities	(1,147,734,688)	(35,000)	(531,681)	(110,000)	(1,713,431)	(216,044)	(177,675)	(182,325)	(1,150,700,844)
Cash flows from financing activities									
Proceeds from revolving credit loan and commercial paper	1,290,962,000	-	-	-	-	-	-	-	1,290,962,000
Payments on revolving credit loan and commercial paper	(1,331,666,993)	-	-	-	-	-	-	-	(1,331,666,993)
Principal payments on term debt	(556,621,962)	-	-	-	(4,475,000)	-	-	-	(561,096,962)
Proceeds from issuance of term debt	1,674,859,720	-	-	-	-	-	-	-	1,674,859,720
Cost of issuance from term debt	(18,281,305)	-	-	-	-	-	-	-	(18,281,305)
Principal payments on term debt on behalf of members	(40,170,150)	-	-	-	-	-	-	-	(40,170,150)
Proceeds from issuance of term debt on behalf of members	31062000 35,897,372	-	-	-	-	-	-	-	35,897,372
Proceeds from debt service to be refunded to members	-	-	-	-	1,391,520	-	-	-	1,391,520
Payment of debt service refunded to members	-	-	-	-	(1,478,790)	-	-	-	(1,478,790)
Proceeds from financing receivable - members	-	-	-	-		-	-	-	-
Funding of financing receivable - members	(27,395,636)	-	-	-	-	-	-	-	(27,395,636)
Capital contributions	20,232	-	-	-	-	5,399	-	-	25,631
Disbursements to participants	-	-	-	(172,351)	(1,254,196)	-	-	-	(1,426,547)
Net cash provided by (used in) financing activities	1,058,665,278	-	-	(172,351)	(5,816,466)	5,399	-	-	1,052,681,860
Net change in cash and cash equivalents	(92,068,032)	251	(47,253)	(74,602)	691,031	(167,676)	(5,250,266)	-	(96,916,547)
Cash and cash equivalents, beginning of year	129,997,882	160,806	2,088,007	527,304	5,693,461	931,365	6,137,026	-	145,535,851
Cash and cash equivalents, end of year	$ 37,929,850	$ 161,057	$ 2,040,754	$ 452,702	$ 6,384,492	$ 763,689	$ 886,760	$ -	$ 48,619,304

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Cash Flows
Year Ended December 31, 2008

	AMP-Ohio, Inc. Consolidated	Ohio Municipal Electric Generation Agency JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Cash flows from operating activities									
Net margin (loss)	8,112,780	(3,015)	(2,447,910)	116,772	179,420	(7,140)	-	-	5,950,907
Adjustments to reconcile net margin (loss) to net cash provided by operating activities									
Depreciation	6,649,312	22,632	2,914,003	98,275	4,662,619	320,186	103,939	-	14,770,966
Amortization of deferred financing costs	901,357	-	-	-	481,162	-	-	-	1,382,519
Amortization of premium and discount on term debt	(1,889,432)	-	-	-	524,003	-	-	-	(1,365,429)
Accretion of interest on asset retirement obligations	196,797	2,271	93,737	-	-	34,370	-	-	327,175
Unrealized loss on investments	997,094	-	-	-	-	-	-	-	997,094
Changes in assets and liabilities									
Investments	161,903	-	-	-	-	-	-	-	161,903
Accounts receivable	(9,816,120)	8,693	19,281	-	(184,137)	(83,940)	144,334		(9,911,889)
Amount due to/from AMP-Ohio, Inc.	-	(43)	(7,931)	(89)	(19,405)	(96)	(128,549)	156,113	-
Amount due to/from MESA	128,549	1,367	15,673	613	35,252	8,164	-	(189,618)	-
Amount due to/from OMEGA JV1	43	-	-	-	-	-	(1,367)	1,324	-
Amount due to/from OMEGA JV2	7,931	-	-	-	-	-	(15,673)	7,742	-
Amount due to/from OMEGA JV4	89	-	-	-	-	-	(613)	524	-
Amount due to/from OMEGA JV5	19,405	-	-	-	-	-	(35,252)	15,847	-
Amount due to/from OMEGA JV6	96	-	-	-	-	-	(8,164)	8,068	-
Amount due to/from OMEA	1,634	-	-	-	-	-	(2,828)	-	(1,194)
Amount due to/from OPPEI	(12,679)	-	-	-	-	-	(5,723)	-	(18,402)
Emmission allowances	(5,757,162)	-	-	-	-	-	-	-	(5,757,162)
Inventories	87,928	(10,898)	(146,301)	-	(11,843)	-	-	-	(81,114)
Prepaid expenses and other assets	84,302	582	2,253	(433)	9,417	2,191	(33,062)	-	65,250
Regulatory assets and liabilities, net	(9,487,480)	(5,032)	(165,841)	-	(1,118,940)	(54,848)	-	-	(10,832,141)
Accounts payable	13,302,673	452	121,479	(176)	81,197	909	1,135,588	-	14,642,122
Prepaid power purchase asset	57,839,106	-	-	-	-	-	-	-	57,839,106
Margin deposits	(38,000,000)	-	-	-	-	-	-	-	(38,000,000)
Accrued salary and related benefits	28,957	-	-	-	-	-	304,173	-	333,130
Accrued pension and postretirement benefits	343,457	-	-	-	-	-	-	-	343,457
Accrued interest	22,089,083	-	-	-	(36,914)	-	-	-	22,052,169
Other liabilities	3,422,302	231	1,480	35	(8,019)	188	4,125,548	-	7,541,765
Net cash provided by operating activities	49,411,925	17,240	399,923	214,997	4,593,812	219,984	5,582,351	-	60,440,232

American Municipal Power, Inc.; Ohio Municipal Electric Generation Agency
Joint Ventures: 1, 2, 4, 5, and 6; Municipal Energy Services Agency
Combining Statement of Cash Flows
Year Ended December 31, 2008

	2008								
	AMP-Ohio, Inc. Consolidated	Ohio Municipal Electric Generation Agency JV1	JV2	JV4	JV5	JV6	Municipal Energy Services Agency	Eliminating Entries	Total
Cash flows from investing activities									
Purchase of utility plant	(637,097)	-	(25,543)	-	-	-	-	-	(662,640)
Purchase of nonutility property and equipment	(7,903,700)	-	-	-	-	-	(200,213)	-	(8,103,913)
Purchases of trustee funds' investments	(2,008,001,931)	-	(860,919)	-	(10,692,621)	(82,769)	-	-	(2,019,638,240)
Proceeds from sale of trustee funds' investments	1,379,613,664	-	845,881	-	10,613,487	74,680	-	-	1,391,147,712
Purchase of construction work-in-progress	(304,048,557)	-	-	-	-	-	-	-	(304,048,557)
Change in restricted cash and cash equivalents	7,139,857	-	(14,645)	-	-	-	-	-	7,125,212
Net cash used in investing activities	(933,837,764)	-	(55,226)	-	(79,134)	(8,089)	(200,213)	-	(934,180,426)
Cash flow from financing activities									
Proceeds from revolving credit loan	1,599,596,000	-	-	-	-	-	-	-	1,599,596,000
Payments on revolving credit loan	(1,567,219,007)	-	-	-	-	-	-	-	(1,567,219,007)
Principal payments on term debt	(77,588,454)	-	-	-	(4,375,000)	-	-	-	(81,963,454)
Proceeds from issuance of term debt	981,851,953	-	-	-	-	-	-	-	981,851,953
Cost of issuance from term debt	(11,012,059)	-	-	-	-	-	-	-	(11,012,059)
Principal payments on term debt on behalf of members	(48,851,400)	-	-	-	-	-	-	-	(48,851,400)
Proceeds from issuance of term debt on behalf of members	36,496,150	-	-	-	-	-	-	-	36,496,150
Proceeds from financing receivable - members	44,883,983	-	-	-	-	-	-	-	44,883,983
Funding of financing receivable - members	(32,403,827)	-	-	-	-	-	-	-	(32,403,827)
Proceeds from debt service to be refunded to members	-	-	-	-	1,517,669	-	-	-	1,517,669
Payment of debt refunded by members	-	-	-	-	(1,593,464)	-	-	-	(1,593,464)
Capital contributions	23,740	-	-	-	-	5,757	-	-	29,497
Payments of disbursements to participants	-	(117,550)	-	(258,516)	-	-	-	-	(376,066)
Net cash provided by (used in) financing activites	925,777,079	(117,550)	-	(258,516)	(4,450,795)	5,757	-	-	920,955,975
Net change in cash and cash equivalents	41,351,240	(100,310)	344,697	(43,519)	63,883	217,652	5,382,138	-	47,215,781
Cash and cash equivalents, beginning of year	88,646,642	261,116	1,743,310	570,823	5,629,578	713,713	754,888	-	98,320,070
Cash and cash equivalents, end of year	$ 129,997,882	$ 160,806	$ 2,088,007	$ 527,304	$ 5,693,461	$ 931,365	$ 6,137,026	$ -	$ 145,535,851