American Municipal Power, Inc.

Interim Consolidated Financial Statements
March 31, 2012

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Report of Independent Accountants

To the Board of Trustees and Members of
American Municipal Power, Inc.

We have reviewed the accompanying consolidated balance sheet of American Municipal Power, Inc. and its subsidiaries (the "Organization") as of March 31, 2012, and the related consolidated statements of revenues and expenses, changes in member and patron equities and cash flows for the three months ended March 31, 2012 and 2011. This interim financial information is the responsibility of the Organization's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of the Organization as of December 31, 2011, and the related consolidated statements of revenues and expenses, changes in member and patron equities and of cash flows for the year then ended (not presented herein), and in our report dated March 21, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2011 and the consolidated statement of changes in member and patron equities for the year ended December 31, 2011, is fairly stated in all material respects in relation to the consolidated balance sheet and the

This report is intended solely for the information and use of management and the Board of Trustees of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

June 1, 2012

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American Municipal Power, Inc.
Consolidated Balance Sheets
March 31, 2012 (unaudited) and December 31, 2011

	March 31, 2012	December 31, 2011
Assets		
Utility plant		
Electric plant in service	$ 689,505,266	$ 107,174,249
Accumulated depreciation	(96,698,589)	(93,443,645)
Total utility plant	592,806,677	13,730,604
Nonutility property and equipment		
Nonutility property and equipment	20,677,513	20,411,987
Accumulated depreciation	(5,082,820)	(4,433,059)
Total nonutility property and equipment	15,594,693	15,978,928
Construction work-in-progress	2,279,569,068	2,693,115,785
Plant held for future use	34,881,075	34,881,075
Coal reserves	26,612,000	26,612,000
Trustee funds and other assets		
Trustee funds	1,663,958,685	1,824,901,292
Long-term financing receivables - members	34,489,152	35,782,920
Note receivable	3,075,000	3,075,000
Regulatory assets	94,849,761	132,270,481
Prepaid power purchase asset	56,331	75,114
Prepaid pension costs	1,579,225	1,827,164
Intangible and other assets, net of accumulated amortization of $10,767,836 and $9,919,154 respectively	49,215,251	48,039,795
Total trustee funds and other assets	1,847,223,405	2,045,971,766
Current assets		
Cash and cash equivalents	55,260,223	70,481,931
Cash and cash equivalents - restricted	47,502,484	49,490,097
Trustee funds	411,532,944	475,926,129
Investments	13,869,470	13,565,020
Collateral postings	54,517,940	27,287,167
Accounts receivable	70,175,508	64,036,063
Interest receivable	19,293,670	42,096,787
Financing receivables - members	14,808,010	14,930,186
Emission allowances	1,773,621	1,802,350
Regulatory assets	21,213,992	14,084,184
Prepaid power purchase asset	43,458,345	57,839,106
Prepaid expenses and other assets	4,055,513	4,762,957
Total current assets	757,461,720	836,301,977
Total assets	$ 5,554,148,638	$ 5,666,592,135

American Municipal Power, Inc.
Consolidated Balance Sheets
March 31, 2012 (unaudited) and December 31, 2011

	March 31, 2012	December 31, 2011
Equities and Liabilities		
Member and patron equities		
Contributed capital	$ 801,208	$ 801,208
Patronage capital	51,700,122	51,222,984
Total member and patron equities	52,501,330	52,024,192
Long-term debt		
Term debt	4,435,364,059	4,503,967,938
Term debt on behalf of members	13,369,000	14,617,000
Lines of credit	180,000,000	152,000,000
Total long-term debt	4,628,733,059	4,670,584,938
Current liabilities		
Accounts payable	85,973,909	94,284,622
Accrued salaries and related benefits	183,696	190,520
Accrued postretirement benefits	627,000	627,000
Accrued interest	36,284,487	108,931,519
Term debt	90,327,966	87,052,966
Term debt on behalf of members	20,417,000	21,001,000
Lines of credit	600,000,000	600,000,000
Regulatory liabilities	1,094,004	1,092,672
Other liabilities	6,854,661	7,402,212
Total current liabilities	841,762,723	920,582,511
Other noncurrent liabilities		
Accrued postretirement benefits	5,375,466	5,434,638
Deferred gain on sale of real estate	1,276,789	1,276,789
Asset retirement obligations	9,457,474	9,443,671
Regulatory liabilities	15,041,797	7,245,396
Total other noncurrent liabilities	31,151,526	23,400,494
Total liabilities	5,501,647,308	5,614,567,943
Total equities and liabilities	$ 5,554,148,638	$ 5,666,592,135

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

American Municipal Power, Inc.
Consolidated Statements of Revenue and Expenses
Three Months Ended March 31, 2012 and 2011 (unaudited)

	March 31, 2012	March 31, 2011
Revenues		
Electric revenue	$ 187,412,466	$ 181,140,203
Service fees	1,630,724	1,949,317
Programs and other	4,731,187	5,153,893
Total revenues	193,774,377	188,243,413
Operating Expenses		
Purchased electric power	150,971,670	171,103,398
Production	6,394,277	7,444,391
Fuel	23,791,231	339,953
Depreciation	3,904,705	838,488
Administrative and general	1,237,494	1,991,898
Property and real estate taxes	182,213	165,163
Programs and other	4,201,248	3,679,864
Total operating expenses	190,682,838	185,563,155
Operating margin	3,091,539	2,680,258
Nonoperating Revenues and Expenses		
Interest expense	(3,126,081)	(2,466,023)
Interest income	359,587	55,610
Other, net	152,093	142,533
Total nonoperating revenues and expenses	(2,614,401)	(2,267,880)
Net margin	$ 477,138	$ 412,378

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

American Municipal Power, Inc.
Consolidated Statements of Changes in Member and Patron Equities
Three Months Ended March 31, 2012 (unaudited) and December 31, 2011

	Contributed Capital	Patronage Capital	Total
Balances, December 31, 2010	$ 790,528	$ 48,581,505	$ 49,372,033
Capital contributions	10,680	-	10,680
Net margin	-	2,641,479	2,641,479
Balances, December 31, 2011	801,208	51,222,984	52,024,192
Net margin	-	477,138	477,138
Balances, March 31, 2012	$ 801,208	$ 51,700,122	$ 52,501,330

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

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2012 and 2011 (unaudited)

	March 31, 2012	March 31, 2011
Cash Flows from Operating Activities		
Net margin	$ 477,138	$ 412,378
Adjustments to reconcile net margin to net cash (used in) provided by operating activities		
Depreciation	3,904,705	838,488
Amortization of deferred financing costs	848,682	811,795
Amortization of bond premium, net of amortization of bond discount	(373,877)	(373,883)
Accretion of interest on asset retirement obligations	13,803	13,786
Unrealized gain on investments	(338,383)	-
Changes in assets and liabilities		
Investments	33,933	(153,424)
Accounts receivable	(6,139,445)	7,146,056
Collateral deposits	(27,230,773)	1,505,509
Emission allowances	28,729	28,908
Prepaid expenses and other assets	(1,316,694)	474,339
Regulatory assets and liabilities, net	2,553,197	5,531,169
Accounts payable	1,779,012	(6,979,523)
Prepaid power purchase asset	14,399,544	14,234,821
Accrued salaries and related benefits	(6,824)	(124,526)
Accrued postretirement benefits	188,767	75,198
Accrued interest	(2,228,995)	(3,706,459)
Other liabilities	(547,551)	(2,430,241)
Net cash (used in) provided by operating activities	(13,955,032)	17,304,391
Cash Flows from Investing Activities		
Proceeds from sale of investments, net of purchases of investments	225,335,792	231,899,694
Purchase of utility property and equipment	(130,375)	(31,779)
Purchase of nonutility property and equipment	(265,526)	(35,713)
Purchase of construction in process	(190,823,122)	(148,593,649)
Restricted cash and cash equivalents	1,987,613	101,260
Net cash provided by investing activities	36,104,382	83,339,813

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2012 and 2011 (unaudited)

	March 31, 2012	March 31, 2011
Cash flows from Financing Activities		
Proceeds from revolving credit loan	93,288,250	19,991,078
Payments on revolving credit loan	(65,288,250)	(21,491,078)
Principal payments on term debt	(64,955,002)	(60,025,000)
Principal payments on term debt on behalf of members	(1,832,000)	(35,796,000)
Proceeds from financing receivable - members	1,488,657	6,074,583
Funding of financing receivable - members	(72,713)	(4,055,440)
Net cash used in financing activities	(37,371,058)	(95,301,857)
Net change in cash and cash equivalents	(15,221,708)	5,342,347
Cash and cash equivalents, beginning of year	70,481,931	34,849,485
Cash and cash equivalents, end of period	55,260,223	40,191,832
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 5,375,909	$ 6,176,146
Supplemental disclosure of non-cash investing and financing activities		
Capital expenditures included in accounts payable	$ 27,959,526	$ 22,679,401
Capital expenditures included in accrued interest, net of interest receivable	$ 16,040,546	$ 11,933,020

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

1. Description of Business

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, six municipalities in Michigan, five municipalities in Virginia, three municipalities in Kentucky and one joint action agency in Delaware, all but one of which own and operate electric systems. AMP purchases and generates electric capacity and energy for sale to its members. AMPO, Inc. is a for-profit subsidiary that provides electric and natural gas aggregation consulting services to both members and nonmembers in Ohio.

In addition, AMP serves as a project manager for Ohio members participating in joint venture projects to share ownership of power generation and transmission facilities, known as Ohio Municipal Electric Generation Agency Joint Ventures: 1, 2, 4, 5, and 6 ("OMEGA" "JV1," "JV2," "JV4," "JV5," and "JV6") (collectively, the "OMEGA Joint Ventures").

AMP is closely aligned with Ohio Municipal Electric Association ("OMEA"), the legislative liaison for the state's municipal electric systems. In addition to the OMEGA Joint Ventures, Municipal Energy Services Agency ("MESA") has also been formed by the members. MESA provides management and technical services to AMP, its members, and the OMEGA Joint Ventures.

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 and consolidated 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.

AMP also has 100% of the membership interests in Meldahl, LLC ("Meldahl LLC"). Meldahl LLC is a wholly owned and consolidated subsidiary of AMP, which through Meldahl LLC, is the owner of the 105 MW Meldahl project under construction as a run-of-the river hydroelectric facility on the Ohio River.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include all entities in which AMP has control, which are its majority-owned subsidiaries. The interim consolidated financial statements have been prepared without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The interim consolidated financial statements as of March 31, 2012 should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2011.

The accompanying interim consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. Operating results for the three months ended March 31, 2012 are not necessarily indicative of the results to be expected for the full year ending December 31, 2011.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates. All intercompany transactions and balances have been eliminated.

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 nonutility property and equipment. There is $4,351,272 and $4,144,728 of land included in the construction work-in-progress account at March 31, 2012 and December 31, 2011, respectively. AMP capitalized interest costs in the amount of $36,514,369 and $58,102,121 for the three month period ended March 31, 2012 and 2011, respectively. Total capitalized interest costs included in the construction work-in-progress account was $339,038,491 and $302,524,122 at March 31, 2012 and December 31, 2011, respectively.

Construction work-in-progress projects consist of the following at March 31, 2012 and December 31, 2011:

	March 31, 2012	December 31, 2011
PSEC	$ 1,318,107,088	$ 1,287,300,942
Hydro Plants	959,900,834	869,561,557
Fremont Energy Center	-	535,552,415
Other	1,561,146	700,871
	$ 2,279,569,068	$ 2,693,115,785

On January 21, 2012 the Fremont Energy Center began commercial operation. The Fremont Energy Center is a 707 MW natural gas fired combined cycle generation plant, located in the city of Fremont, Ohio. The plant was procured by entering into an additional dedicated line of credit for $600,000,000 secured for the purpose of purchasing the plant. The total cost of construction of the Fremont Energy Center at the date it was placed in service was $582,200,642. This amount includes a site development fee of $35,535,448 charged to the Fremont Energy Center by a group of AMP Generating Station Participants, some of whom are also participants in the Fremont Energy Center. The amount was previously recorded as a noncurrent regulatory asset at December 31, 2011.

Derivative Instruments

AMP accounts for derivative instruments on its consolidated balance sheets at fair value unless the instruments qualify to be accounted for as normal purchase and normal sales. The fair values of derivative instruments accounted for using mark-to-market accounting are 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.

AMP has determined each of its power purchase and power sales contracts which meet the definition of a derivative instrument qualifies to be accounted for as normal purchases and normal sales.

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 three interest rate swap agreements which are carried at their fair value on the consolidated balance sheets. The fair value of the swaps was ($3,284,937) and ($3,381,166) at March 31, 2012 and December 31, 2011, respectively, and is included in other liabilities. A corresponding regulatory asset has been recorded equal to the unrealized loss.

Presentation
Certain prior year balances have been reclassified to conform with current year presentation.

3. Gorsuch Project

On May 19, 2010, AMP announced plans to begin cessation of operation at the Gorsuch Project, a 1950's vintage coal-fired 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. The facility ceased electric generation on November 11, 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. The settlement includes a binding obligation that AMP cease coal-fired generation operation at the Gorsuch Project no later than December 31, 2012 and also requires AMP to spend $15,000,000 on an environmental mitigation project over the next several years and pay a civil penalty of $850,000. This amount was paid in October of 2010. The $15,000,000 required to be spent on the environmental mitigation project will be expensed as project expenditures are incurred. The environmental mitigation project is in the form of robust energy efficiency initiatives administered by a third party, The Vermont Energy Investment Corp. This project includes services for residential, commercial and industrial customers and is designed to assist participating AMP member communities with energy conservation. Through March 31, 2012, $6,123,975 of the $15,000,000 requirement has been incurred and expensed.

AMP has a regulatory asset of $33,677,748 and $37,213,372 at March 31, 2012 and December 31, 2011, respectively, related to costs incurred for the shut-down and closure of the Gorsuch Project. The decline in the regulatory asset during 2012 represents 2012 recoveries of these costs. AMP expects to fully recover the regulatory asset by December 31, 2014.

4. Lines of Credit and Term Debt

Credit Agreements
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.; Wells Fargo, N.A.; Suntrust Bank; U.S. Bank, N.A.; Bank of America, N.A.; Huntington National Bank, N.A.; Royal Bank of Canada; Barclays Bank plc; 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 January 10, 2017. AMP's base borrowing capacity under the Facility is $750,000,000 with an accordion feature expandable to $1,000,000,000, if deemed necessary. At March 31, 2012, AMP had $180,000,000 outstanding under the Facility and the effective interest rate was 1.125%. At December 31, 2011, AMP had $152,000,000 outstanding under the Facility and the effective interest rate was 1.6125%.

On July 28, 2011 AMP entered into a dedicated bank line of credit, with a syndicate of commercial banks led by JP Morgan Chase Bank, NA, with an additional total available line of credit of $600,000,000. The agreement is for a 364-day Senior Secured Term Loan Facility, due in full on the maturity date. The proceeds of the loan provide transitional financing toward the purchase of the Fremont Energy Center. As of March 31, 2012, AMP had $600,000,000 outstanding on the dedicated line of credit and the effective interest rate was 1.25%.

Commercial Paper Program

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 $350,000,000 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 $400,000,000. 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 "Second CP Program”), with an authorized par amount of $450,000,000, 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. At March 31, 2012 and December 31, 2011, the Organization did not have any borrowings outstanding under the Current CP Program.

Term Debt

AMP has issued term debt in the form of notes payable and bonds for the financing of its own assets and on behalf of specific members. AMP is the primary obligor on term debt issued to finance its assets.

Bonds and notes payable related to financing AMP assets consists of the following March 31, 2012 and December 31, 2011:

	March 31, 2012	December 31, 2011
AMP Bond Anticipation Note due October 26, 2012 with interest at 1.25% payable at maturity	$ 16,768,550	$ 16,768,550
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	166,565,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009B	83,745,000	83,745,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2009C	385,835,000	385,835,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2010	300,000,000	300,000,000
Unamortized discount of Prairie State Campus Revenue Bonds	(11,276,979)	(11,436,364)
AMP Electricity Purchase Revenue Bonds Prepayment Issue, Series 2007A	63,505,000	123,770,000
Unamortized premium on Electricity Purchase Revenue Bonds Prepayment Issue, Series 2007A	1,148,286	1,492,772
AMP Multi-Mode Variable Rate Combustion Turbine Project Revenue Bonds, Series 2006	9,930,000	10,620,000
AMP Hydro Project Revenue Bonds, Series 2009A	24,425,000	24,425,000
AMP Hydro Project Revenue Bonds, Series 2009B	497,005,000	497,005,000
AMP Hydro Project Revenue Bonds, Series 2009C	122,405,000	122,405,000
AMP Hydro Project Revenue Bonds, Series 2009D	18,611,765	18,611,765
Unamortized discount on AMP Hydro Project Revenue Bonds, Series 2009D	(2,563,636)	(2,610,390)
Unamortized premium on AMP Hydro Project Revenue Bonds, Series 2009C	6,690,699	6,930,670
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A		
Unamortized discount on AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	152,995,000	152,995,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010B	(744,355)	(755,304)
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010C	1,109,995,000	1,109,995,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010A	116,000,000	116,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010B	45,495,000	45,495,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010C	260,000,000	260,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010D	20,000,000	20,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010E	4,570,000	4,570,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2011A	300,000,000	300,000,000
Unamortized premium on Meldahl Hydroelectric Revenue Bonds,	55,035,000	55,035,000
Series 2010	231,039	237,547
Gorsuch Term Notes	18,666,656	22,666,658
	4,525,692,025	4,591,020,904
Current portion	(90,327,966)	(87,052,966)
Noncurrent portion	$ 4,435,364,059	$ 4,503,967,938

5. Fair Value of Financial Instruments

	March 31, 2012		December 31, 2011	
Financial Instruments	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Assets				
Investments	$ 13,869,470	$ 13,869,470	$ 13,565,020	$ 13,565,020
Trustee funds, AMP	2,061,307,914	2,105,418,809	2,238,622,915	2,293,974,153
Trustee funds on behalf of members	14,183,715	14,183,715	62,164,506	62,164,506
Liabilities				
Fixed rate term debt, including current maturities, AMP	4,497,095,369	5,298,701,807	4,557,734,246	5,451,485,504
Fixed rate term debt, including current maturities, on behalf of members	30,332,000	30,425,074	31,670,000	31,834,787
Variable rate term debt, including current maturities, AMP and on behalf of members	32,050,656	32,050,656	37,234,658	37,234,658
Interest rate swaps	3,284,937	3,284,937	3,381,166	3,381,166

The carrying amounts of cash, accounts receivable, accounts payable, the AMP project notes, the municipal project notes and the revolving credit loan approximate their fair value due to their short maturities. The carrying amount of the Gorsuch Term Notes, 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 AMP.

As defined in the fair value measurements 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. AMP's Level 1 assets primarily consist of equity securities, mutual funds and money market funds that are listed on active exchanges which are included in investments and trustee funds on the consolidated balance sheets. AMP 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. AMP's Level 2 assets consist primarily of debt securities and guaranteed investment contracts. Liabilities in this category include AMP's interest rate swaps. Interest rate swaps are included in other liabilities on AMP's consolidated 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. AMP's Level 3 assets consist of its investment in hedge funds, which are included in investments on the consolidated balance sheets.

AMP 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. AMP primarily applies the market approach for recurring fair value measurements using the best information available. Accordingly, AMP maximizes the use of observable inputs and minimizes the use of unobservable inputs.

The following tables set forth AMP's financial assets and financial liabilities that are accounted for at fair value by level within the fair value hierarchy as of March 31, 2012 and December 31, 2011. 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. AMP'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.

	March 31, 2012			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 4,931,920	$ -	$ -	$ 4,931,920
Money market funds	408,911,207	-	-	408,911,207
Guaranteed investment contract	-	10,689,525	-	10,689,525
Debt securities	-	1,708,872,924	-	1,708,872,924
Hedge funds	-	-	66,418	66,418
	$ 413,843,127	$ 1,719,562,449	$ 66,418	$ 2,133,471,994
Liabilities				
Interest rate swaps	$ -	$ 3,284,937	$ -	$ 3,284,937
	$ -	$ 3,284,937	$ -	$ 3,284,937

	December 31, 2011			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 4,592,305	$ -	$ -	$ 4,592,305
Money market funds	373,975,747	-	-	373,975,747
Guaranteed investment contract	-	57,424,293	-	57,424,293
Debt securities	-	1,933,646,320	-	1,933,646,320
Hedge funds	-	-	65,014	65,014
	$ 378,568,052	$ 1,991,070,613	$ 65,014	$ 2,369,703,679
Liabilities				
Interest rate swaps	$ -	$ 3,381,166	$ -	$ 3,381,166
	$ -	$ 3,381,166	$ -	$ 3,381,166

The determination of the above fair value measures takes into consideration various factors required under the fair value measurement 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 the three months ended March 31, 2012 and the year ended December 31, 2011:

Balance as of January 1, 2011	$ 2,357,833
Settlements	(2,292,819)
Balance as of December 31, 2011	65,014
Unrealized gains	1,404
Balance as of March 31, 2012	$ 66,418

6. 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 March 31, 2012 and December 31, 2011, $13,869,470, and $13,565,020 respectively, of investments in the accompanying consolidated balance sheets are designated to fund Postretirement Plan benefits.

The following table sets forth the components of net periodic benefit cost, for the Pension Plan and Postretirement Plan at March 31, 2012 and 2011:

	Pension Plan	
	March 31, 2012	March 31, 2011
Components of net periodic benefit costs		
Service cost	$ 12,000	$ 15,000
Interest cost	142,424	214,382
Expected return on plan assets	(321,392)	(443,950)
Recognized actuarial loss	145,750	372,441
Settlement loss	-	4,540,819
Net periodic benefit cost	$ (21,218)	$ 4,698,692

	Postretirement Plan	
	March 31, 2012	March 31, 2011
Components of net periodic benefit costs		
Service cost	$ 5,000	$ 5,000
Interest cost	66,311	69,594
Amortization of transition obligation	19,650	19,650
Recognized actuarial loss	71,250	72,500
Net periodic benefit cost	$ 162,211	$ 166,744

7. Commitments and Contingencies

Environmental Matters

AMP 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.

On February 17, 2010, USEPA promulgated the RICE NESHAP Rule establishing emission limits and work practice standards for combustion ignited diesel engines at area sources. The diesel engines which are owned by AMP are affected by this rule and compliance must be demonstrated by May 2013. AMP is evaluating its compliance options.

Many metropolitan and industrialized counties in Ohio have become nonattainment areas under the new ozone and fine particulate matter ambient air quality standards. This may require substantial local reductions of nitrogen oxides, volatile organic compounds, sulfur dioxide, and particulate matter. In addition to emission reductions required to achieve local compliance, additional reductions may be required to achieve compliance in down-wind neighboring states. AMP operates projects in Cuyahoga County, which is a nonattainment area for fine particulate matter therefore; the Ohio Environmental Protection Agency may restrict the hours of operations or require additional pollution control equipment on these projects.

Power 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 guidance on derivative instruments. All such purchases are “covered” by corresponding power sales arrangements either with individual members or one of AMP’s power pools.

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.

Other Commitments

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

8. Subsequent Events

The Company has evaluated subsequent events through June 1, 2012 as this was the date the interim consolidated financial statements were made available to be issued. No matters were identified that would materially impact the financial statements or require disclosure.