American Municipal Power, Inc.

Interim Consolidated Financial Statements and Supplementary Information
March 31, 2014

American Municipal Power, Inc.
Index
Three Months Through and Ended March 31, 2014 (unaudited)

Independent Auditor's Report

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

We have reviewed the accompanying consolidated interim financial information of American Municipal Power, Inc. and its subsidiaries (the "Organization"), which comprise the consolidated balance sheet as of March 31, 2014, and the related consolidated statements of revenues and expenses, of changes in member and patron equities, and of cash flows for the three-month periods ended March 31, 2014 and 2013.

Management's Responsibility for the Consolidated Interim Financial Information

The Company's management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. 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.

Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

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Other Matter

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of American Municipal Power, Inc. and its subsidiaries as of December 31, 2013, and the related consolidated statements of revenues and expenses, of changes in member and patron equities, and of cash flows for the year then ended (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 28, 2014. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

May 29, 2014

American Municipal Power, Inc.
Consolidated Balance Sheets
March 31, 2014 (unaudited) and December 31, 2013

	March 31, 2014	December 31, 2013
Assets		
Utility plant		
Electric plant in service	$ 1,935,130,892	$ 1,936,036,112
Accumulated depreciation	(114,212,975)	(100,754,040)
Total utility plant	1,820,917,917	1,835,282,072
Nonutility property and equipment		
Nonutility property and equipment	24,240,902	24,167,606
Accumulated depreciation	(10,347,413)	(9,528,647)
Total nonutility property and equipment	13,893,489	14,638,959
Construction work-in-process	1,824,840,945	1,727,721,974
Plant held for future use	34,881,075	34,881,075
Coal reserves	25,343,017	25,506,676
Trustee funds and other assets		
Trustee funds	878,489,568	996,326,349
Financing receivables - members	23,661,966	24,893,008
Notes receivable	58,273,348	3,075,000
Regulatory assets	283,638,432	284,446,708
Prepaid pension costs	1,813,750	1,659,693
Investment in TEA	10,211,450	-
Intangible and other assets, net of accumulated amortization of $19,712,041 and $18,811,092, respectively	79,312,926	79,696,822
Total trustee funds and other assets	1,335,401,440	1,390,097,580
Current assets		
Cash and cash equivalents	57,735,624	44,668,388
Cash and cash equivalents - restricted	25,450,333	40,662,081
Trustee funds	283,023,255	339,425,325
Investments	14,596,595	14,347,943
Collateral postings	19,489,146	18,038,979
Accounts receivable	85,782,262	77,963,509
Interest receivable	13,090,177	33,864,812
Financing receivables - members	11,855,260	10,488,231
Notes receivable	9,876,067	-
Inventories	9,003,451	8,852,549
Regulatory assets	3,750,256	3,939,809
Prepaid expenses and other assets	6,334,330	6,952,080
Total current assets	539,986,756	599,203,706
Total assets	$ 5,595,264,639	$ 5,627,332,042

American Municipal Power, Inc.
Consolidated Balance Sheets
March 31, 2014 (unaudited) and December 31, 2013

	March 31, 2014	December 31, 2013
Equities and Liabilities		
Member and patron equities		
Contributed capital	$ 806,248	$ 806,248
Patronage capital	59,494,246	58,412,402
Total member and patron equities	60,300,494	59,218,650
Long-term debt		
Term debt	4,920,229,012	4,950,774,240
Term debt on behalf of members	480,000	5,160,000
Term debt on behalf of Central Virginia Electric Cooperative	22,770,833	23,625,000
Revolving credit loan	265,000,000	190,000,000
Total long-term debt	5,208,479,845	5,169,559,240
Current liabilities		
Accounts payable	114,601,578	102,664,393
Accrued postretirement benefits	306,000	750,000
Accrued interest	38,718,800	115,712,590
Term debt	45,054,412	44,134,412
Term debt on behalf of members	14,075,000	13,347,000
Term debt on behalf of Central Virginia Electric Cooperative	854,167	854,167
Regulatory liabilities	2,151,848	1,116,701
Other liabilities	9,204,605	11,161,063
Total current liabilities	224,966,410	289,740,326
Other noncurrent liabilities		
Accrued postretirement benefits	1,654,452	4,341,068
Deferred gain on sale of real estate	1,276,789	1,276,789
Other liabilities	22,437,653	27,052,175
Asset retirement obligations	7,650,503	7,669,336
Regulatory liabilities	68,498,493	68,474,458
Total other noncurrent liabilities	101,517,890	108,813,826
Total liabilities	5,534,964,145	5,568,113,392
Total equities and liabilities	$ 5,595,264,639	$ 5,627,332,042

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

American Municipal Power, Inc.
Consolidated Statements of Revenues and Expenses
Three Months Ended March 31, 2014 and 2013 (unaudited)

	March 31, 2014	March 31, 2013
Revenues		
Electric revenue	$ 265,894,131	$ 229,101,104
Service fees	2,709,191	2,104,534
Programs and other	5,330,295	4,303,917
Total revenues	273,933,617	235,509,555
Operating expenses		
Purchased electric power	169,101,561	141,804,987
Production	16,281,464	15,251,246
Fuel	40,262,409	32,993,178
Depreciation and amortization	14,635,882	14,471,153
Administrative and general	2,158,383	2,136,576
Property and real estate taxes	621,208	431,134
Programs and other	4,983,388	3,966,102
Total operating expenses	248,044,295	211,054,376
Operating margin	25,889,322	24,455,179
Nonoperating revenues (expenses)		
Interest expense	(29,694,976)	(29,908,177)
Interest income, subsidy	3,382,170	3,486,048
Interest income, other	942,617	2,938,512
Other, net	562,711	(492,441)
Total nonoperating expenses	(24,807,478)	(23,976,058)
Net margin	$ 1,081,844	$ 479,121

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

American Municipal Power, Inc.
Consolidated Statements of Changes in Members and Patron Equities
Three Months Ended March 31, 2014 (unaudited) and December 31, 2013

	Contributed Capital	Patronage Capital	Total
Balances at December 31, 2012	$ 801,208	$ 53,133,603	$ 53,934,811
Capital contributions	5,040	-	5,040
Net margin	-	5,278,799	5,278,799
Balances at December 31, 2013	806,248	58,412,402	59,218,650
Net margin	-	1,081,844	1,081,844
Balances at March 31, 2014	$ 806,248	$ 59,494,246	$ 60,300,494

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, 2014 and 2013 (unaudited)

	March 31, 2014	March 31, 2013
Cash flows from operating activities		
Net margin	$ 1,081,844	$ 479,121
Adjustments to reconciles net margin to net cash used in operating activities		
Depreciation and amortization	14,468,802	14,292,346
Depletion of coal reserves	163,659	178,807
Amortization of deferred financing costs	709,848	751,879
Amortization of bond premium, net of amortization of bond discount	(575,228)	(690,219)
Accretion of interest on asset retirement obligations	37,820	7,243
Unrealized gain on natural gas swaps	(6,655,974)	(2,560,618)
Unrealized (gain) loss on investments	(652,679)	508,939
Changes in assets and liabilities		
Collateral postings	(1,450,167)	14,369,833
Accounts receivable	(7,818,755)	2,142,598
Interest receivable	4,385,439	4,028,464
Inventories	(150,902)	888,171
Regulatory assets and liabilities, net	2,057,011	(21,257,750)
Prepaid expenses and other assets	1,021,929	(2,937,948)
Accounts payable	9,683,933	7,505,988
Accrued postretirement benefits	(3,284,673)	111,468
Accrued interest	(29,772,647)	(34,715,563)
Asset retirement obligations	(56,653)	(796,749)
Other liabilities	(836,243)	1,188,493
Net cash used in operating activities	(17,643,636)	(16,505,497)
Cash flows from investing activities		
Purchase of utility property and equipment	(722,981)	(921,139)
Sale of utility property and equipment	-	41,655
Purchase of nonutility property and equipment	(73,296)	(100,636)
Proceeds from insurance claim	1,628,200	-
Purchase of construction work-in-progress	(125,697,666)	(137,105,016)
Proceeds from sale of investments	467,485,177	590,138,254
Purchase of investments	(292,842,299)	(334,291,927)
Loans made to related parties	(65,074,415)	-
Investment in TEA	(10,211,442)	-
Restricted cash and cash equivalents	15,211,748	946,628
Net cash (used in) provided by investing activities	(10,296,974)	118,707,819

American Municipal Power, Inc.
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2014 and 2013 (unaudited)

	March 31, 2014	March 31, 2013
Cash flows from financing activities		
Proceeds from revolving credit loan	191,000,000	20,000,000
Payments on revolving credit loan	(116,000,000)	(29,000,000)
Cost of issuance of debt	-	(500,000)
Principal payments on term debt	(29,050,000)	(84,110,000)
Principal payments on term debt on behalf of members	(5,990,000)	(2,366,000)
Proceeds from issuance of term debt on behalf of members	2,038,000	1,123,000
Principal payments on term debt on behalf of Central Virginia Electric Cooperative	(854,167)	(520,833)
Proceeds from financing receivables - members	1,705,309	1,897,265
Funding of financing receivables - members	(1,841,296)	(1,062,990)
Capital contributions	-	5,040
Net cash provided by (used in) financing activities	41,007,846	(94,534,518)
Net change in cash and cash equivalents	13,067,236	7,667,804
Cash and cash equivalents		
Beginning of year	44,668,388	65,226,463
End of year	$ 57,735,624	$ 72,894,267
Supplemental disclosure of cash flow information		
Cash paid during the year for interest, net of amount capitalized	$ 59,467,623	$ 65,623,860
Supplemental disclosure of noncash investing and financing activities		
Capital expenditures included in accounts payable and other liabilities	$ 41,450,140	$ 20,934,134
Capital expenditures included in accrued interest, net of interest receivable	12,346,254	11,819,590

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. As AMP derives its income from the exercise of an essential government function and will accrue a state or a political subdivision there of; AMP’s income is excludable from gross income under IRC Section 115. AMP is a membership organization comprised of 83 municipalities throughout Ohio, two municipalities in West Virginia, 29 municipalities in Pennsylvania, six municipalities in Michigan, five municipalities in Virginia, three municipalities in Kentucky and one joint action agency in Delaware, all 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 368 LLC (“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 in southwest Illinois.

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, 2014 should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended December 31, 2013.

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, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014.

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 $1,074,625 of land included in the construction work-in-progress account at both March 31, 2014 and December 31, 2013. There is $346,250,203 and $318,784,919 of capitalized interest included in the construction work-in-progress account at March 31, 2014 and December 31, 2013, respectively. AMP capitalized interest costs in the amount of $27,465,284 and $22,336,068 for the three-month periods ended March 31, 2014 and 2013, respectively.

Construction work-in-progress projects consist of the following at March 31, 2014 and December 31, 2013:

	March 31, 2014	December 31, 2013
Prairie State Energy Campus	$ 16,304,883	$ 14,637,072
Hydro Plants	1,800,948,952	1,706,139,241
AMP Fremont Energy Center	6,197,209	6,101,912
Other	1,389,901	843,749
	$ 1,824,840,945	$ 1,727,721,974

Jointly-Owned Utility Plant

Under ownership agreements with other joint owners, AMP has 23.26% undivided ownership interests in PSEC. Each of the respective owners is responsible for its portion of construction costs. Kilowatt-hour generation and variable operating expenses are divided on an owner's percentage of dispatched power and fixed operating expenses are allocated by project ownership with each owner reflecting its respective costs in its statements of revenue and expenses. AMP's ownership interest in PSEC includes the proportionate share of PSEC's balance sheet as provided for under ASC 970-810-45, *Undivided Interests*. This Accounting Standard requires the recording of undivided interests in assets and liabilities when given conditions are met. Information relative to AMP's ownership interest in these facilities is as follows:

	March 31, 2014	December 31, 2013
Utility plant in service	$ 1,120,441,738	$ 1,125,139,036
Construction work-in-progress	16,304,883	14,637,072
AMP's ownership share	23.26%	23.26%

AMP's ownership interest in PSEC includes an interest in nearby coal reserves, valued at $25,343,017 and $25,506,676 (net of depletion) as of March 31, 2014 and December 31, 2013, respectively.

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 interest rate swap agreements which are carried at their fair value on the consolidated balance sheets. The fair value of the swaps was $(163,716) and $(272,908) at March 31, 2014 and December 31, 2013, respectively, and is included in other liabilities. A corresponding regulatory asset has been recorded equal to the unrealized loss.

AMP has adopted a fuel procurement and hedging program which contemplates that AMP will, subject to market conditions, undertake to secure, at times when AMP deems such advantageous and prudent, contracts with fuel providers and financial institutions, the effect which will be to hedge, on a rolling 36-month basis, the price of up to 80% of the natural gas volume that AMP projects will be consumed by AFEC operating at its base capacity. AMP has entered into a number of International Swaps and Derivatives Association ("ISDA") agreements that are specific to AFEC in managing its natural gas supply requirements. All of these agreements are with investment grade or higher counterparties (Baa3/BBB-). AMP utilizes fixed-for-floating swap contracts ("swaps") to economically hedge the total natural gas fuel expense and records them at fair value. AMP does not utilize derivative financial instruments for speculative purposes, nor does it have trading operations.

The maturities of the swaps highly correlate to forecasted purchases of natural gas, during time frame through December 2023. Under such agreements, AMP pays the counterparty at a fixed rate and receives from the counterparty a floating rate per MMBtu ("dekatherm" or "DTH") of natural gas. Only the net differential is actually paid or received. The differential is calculated based on the notational amounts under the agreements.

On the short term agreements, there was an unrealized gain of $921,239 at March 31, 2014, which is included in prepaid expenses and other assets, and an unrealized loss of $415,215 at December 31, 2013, which is included in other liabilities. On the long-term agreements, there was an unrealized loss of $12,652,067 and $17,971,587 at March 31, 2014 and December 31, 2013, respectively, which is included in other liabilities. A net loss of $11,730,828 and a net gain of $2,125,698 was recognized in fuel on AMP's consolidated statements of revenues and expenses for the three-month periods ending March 31, 2014 and 2013, respectively. A corresponding regulatory asset and liability has been recorded equal to the unrealized gain and loss.

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 fair value of the assets.

Intangible and Other Assets
In 2011, American Municipal Power Inc. entered into an asset purchase agreement with FirstEnergy Generation Corporation for the acquisition of the AMP Fremont Energy Center ("AFEC") and acquired all assigned contracts and permits relating to that facility. AFEC is a 707 MW natural gas fired combined cycle generation plant located in the city of Fremont, Ohio. On January 21, 2012, AFEC began commercial operation. In June 2012, AMP sold 5.16% undivided ownership interest in AFEC to Michigan Public Power Agency ("MPPA") and entered into a power sales contract with Central Virginia Electric Cooperative ("CVEC") for the output of a 4.15% interest in AFEC. AMP has sold the output of the remaining 90.69% interest to the AFEC participants, which consist of 87 of its members, pursuant to a take-or-pay power sales contract.

Included in the approximately $596 million investment for the AFEC project, were two interconnections contracts for off-site facilities: 1) electric interconnections and other necessary improvements to the electric grid, and the legal rights and contractual terms associated with them and 2) water/waste water interconnections and other necessary improvements to the City of Fremont's water and waste water systems, and the legal rights and contractual terms associated with them. At the time of the acquisition, these interconnection contracts were recorded as part of the utility plant. These contracts were valued at $28,665,190, and were net of $1,719,911 and $1,528,810 of accumulated amortization for the periods ended March 31, 2014 and December 31, 2013, respectively. The contracts were transferred to intangible and other assets, for which the 2013 balance sheet reflects this change in presentation. The useful life of these contracts approximates the useful life of the utility plant, and as such, there was no income statement impact related to this reclassification.

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

3. 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.; Wells Fargo Bank, N.A.; Suntrust Bank; U.S. Bank, N.A.; Bank of America, N.A.; The Huntington National Bank; Royal Bank of Canada; and Bank of Montreal. The Facility allows AMP to obtain loans with different interest rates and terms and letters of credit. AMP's base borrowing capacity under the Facility is $750,000,000, with an accordion feature to expand to $1 billion. At March 31, 2014, AMP had $265,000,000 outstanding under the Facility and the effective interest rate was 1.0625%. At December 31, 2013, AMP had $190,000,000 outstanding under the Facility and the effective interest rate was 1.0625%.

Redemption of the JV5 2004 Beneficial Interest Refunding Certificates Bonds (“BIRCs”)

On February 15, 2014, all of the JV5 2004 BIRCs were redeemed from monies credited to the debt service and a draw on the Facility. The resulting balance has been reduced at February 28, 2014 to $65,891,509, the resulting balance drawn by AMP on the Facility. AMP will continue to collect debt service from the OMEGA JV5 participants until the draw on the Facility is paid in full.

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, 2014 and December 31, 2013:

	March 31, 2014	December 31, 2013
AMP project note due October 27, 2010 with interest at 2.00% and 1.00% at March 31, 2014 and December 31, 2013, respectively, payable at maturity	$ 13,755,000	$ 13,755,000
AMP Prairie State Energy Campus Project Revenue Bonds, Series 2008A	743,495,000	750,295,000
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	60,360,000	74,225,000
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	(10,008,810)	(10,166,248)
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009A	24,425,000	24,425,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009B	497,005,000	497,005,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009C	122,405,000	122,405,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2009D	15,952,941	15,952,941
Unamortized discount on AMP Combined Hydroelectric Project Revenue Bonds, Series 2009D	(2,189,610)	(2,236,363)
Unamortized premium on AMP Combined Hydroelectric Project Revenue Bonds, Series 2009C	4,770,928	5,010,899
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	152,995,000	152,995,000
Unamortized discount on AMP Combined Hydroelectric Project Revenue Bonds, Series 2010A	(656,764)	(667,712)
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010B	1,109,995,000	1,109,995,000
AMP Combined Hydroelectric Project Revenue Bonds, Series 2010C	116,000,000	116,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010A	45,495,000	45,495,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010B	260,000,000	260,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010C	20,000,000	20,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010D	4,570,000	4,570,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2010E	300,000,000	300,000,000
AMP Meldahl Hydroelectric Project Revenue Bonds, Series 2011A	55,035,000	55,035,000
Unamortized premium on Meldahl Hydroelectric Revenue Bonds, Series 2010	178,974	185,482
AMP Fremont Energy Center Project Revenue Bonds, Series 2012A	12,155,000	20,540,000
AMP Fremont Energy Center Project Revenue Bonds, Series 2012B	525,545,000	525,545,000
Unamortized premium on Fremont Energy Center Revenue Bonds, Series 2012	41,600,765	42,144,653
	4,965,283,424	4,994,908,652
Current portion	(45,054,412)	(44,134,412)
Noncurrent portion	$ 4,920,229,012	$ 4,950,774,240

4. Fair Value of Financial Instruments

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. Liabilities in this category include AMP's interest rate and natural gas swaps. The 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.

	March 31, 2014		December 31, 2013	
Financial Instruments	**Carrying Value**	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Assets				
Investments	$ 14,596,595	$ 14,596,595	$ 14,347,943	$ 14,347,943
Trustee funds, AMP	1,161,345,784	1,181,433,823	1,334,671,058	1,347,836,408
Trustee funds on behalf of members	167,039	167,039	1,080,616	1,080,616
Liabilities				
Fixed rate term debt, including current maturities, AMP	4,965,283,424	5,856,406,530	4,994,908,652	5,559,473,052
Fixed rate term debt, including current maturities, on behalf of members	13,081,000	13,081,000	16,538,000	16,543,923
Fixed rate term debt, including current maturities, on behalf of Central Virginia Electric Cooperative	23,625,000	23,625,000	24,479,167	24,479,167
Variable rate term debt, including current maturities, AMP and on behalf of members	1,474,000	1,474,000	1,969,000	1,969,000
Interest rate swaps	163,716	163,716	272,908	272,908
Natural gas swaps	11,730,828	11,730,828	18,386,802	18,386,802

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 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. The fair value of long-term debt is within Level 2 of the fair value hierarchy.

The estimated fair values of the natural gas swaps were determined using New York Mercantile Exchange ("NYMEX") futures settlement prices for delivery of natural gas at Henry Hub adjusted by the price of NYMEX ClearPort basis swaps, which reflect the difference between the price of natural gas at a given delivery basin and the Henry Hub pricing points.

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, 2014 and December 31, 2013. 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, 2014			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Cash	$ 6,384,145	$ -	$ -	$ 6,384,145
Equity securities and mutual funds	477,608	-	-	477,608
Money market funds	7,643,489	-	-	7,643,489
Debt securities	-	36,987	-	36,987
Hedge funds	-	-	54,366	54,366
	$ 14,505,242	$ 36,987	$ 54,366	$ 14,596,595
Liabilities				
Interest rate swaps	$ -	$ 163,716	$ -	$ 163,716
Natural gas swaps	-	11,730,828	-	11,730,828
	$ -	$ 11,894,544	$ -	$ 11,894,544

	December 31, 2013			
Recurring Fair Value Measures	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Equity securities and mutual funds	$ 487,349	$ -	$ -	$ 487,349
Money market funds	7,538,485	-	-	7,538,485
Debt securities	-	6,266,450	-	6,266,450
Hedge funds	-	-	55,659	55,659
	$ 8,025,834	$ 6,266,450	$ 55,659	$ 14,347,943
Liabilities				
Interest rate swaps	$ -	$ 272,908	$ -	$ 272,908
Natural gas swaps	-	18,386,802	-	18,386,802
	$ -	$ 18,659,710	$ -	$ 18,659,710

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, 2014 and the year ended December 31, 2013:

Balance as of January 1, 2013	$	63,725
Unrealized gains (losses)		(8,066)
Balance as of December 31, 2013		55,659
Unrealized gains (losses)		(1,293)
Balance as of March 31, 2014	$	54,366

5. Regulatory Assets and Liabilities

In accordance with the FASB standard for accounting for regulated entities, AMP 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, impairment charges related to coal inventories and emission allowances at the retired Gorsuch Project, the costs associated with the abandoned AMPGS Project, unrecognized actuarial losses associated with the pension and postretirement healthcare plans and other capital expenditures not yet recovered through rates approved by the AMP 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.

Regulatory assets and liabilities consist of the following:

	March 31, 2014	December 31, 2013
Regulatory assets		
Asset retirement costs	$ 4,150,303	$ 4,087,078
Debt service costs	188,011,558	181,985,560
Projects on behalf of	3,750,256	3,524,594
Operating and maintenance expenditures	9,845,797	9,901,147
Fair value of derivative instruments	12,815,783	18,659,710
Rate stabilization programs	44,175,748	44,077,024
Pension plan and postretirement healthcare plan obligations	7,382,299	9,513,894
Interest rate lock expense	5,436,507	5,422,092
Closure of Gorsuch Project costs	11,708,719	11,102,698
Other	111,718	112,720
Total regulatory assets	287,388,688	288,386,517
Current portion	(3,750,256)	(3,939,809)
Noncurrent portion	$ 283,638,432	$ 284,446,708
Regulatory liabilities		
Capital improvement expenditures	$ 821,366	$ 826,907
Debt service costs	40,149,152	42,467,775
Operating and maintenance expenditures	4,143,022	4,641,386
Working capital expenditures	14,944,588	14,944,588
Rate stabilization programs	6,127,400	3,142,328
Gains on early termination of power purchase contracts	2,307,052	2,445,556
Other	2,157,761	1,122,619
Total regulatory liabilities	70,650,341	69,591,159
Current portion	(2,151,848)	(1,116,701)
Noncurrent portion	$ 68,498,493	$ 68,474,458

6. Employee Benefits

Pension Plan

Effective December 1, 2013, AMP adopted a qualified retirement plan under code section 414(h)(2), commonly referred to as a Money Purchase Pension Plan. AMP employees hired after December 1, 2013 will be on this Money Purchase Pension Plan. AMP has a defined benefit pension plan (the "Pension Plan") which covers substantially all former hourly employees of Gorsuch. Due to the closure of the Gorsuch plant in 2010, there are no active plan participants as of March 31, 2014. Benefits for eligible employees 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

Retirees of the Gorsuch Project receive post-retirement benefits, including health insurance and dental insurance coverage. In 2014, AMP began the process of offering lump sum cash payments to the retirees in lieu of the insurance coverage resulting in a settlement gain of $1,282,173 for the three months ended March 31, 2014. 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, 2014 and December 31, 2013, $14,596,595, and $14,347,943, 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, 2014 and 2013:

	Pension Plan	
	2014	**2013**
Components of net periodic benefit costs		
Interest cost	$ 109,922	$ 126,170
Expected return on plan assets	(110,171)	(300,000)
Recognized actuarial loss	125,000	121,330
Settlement loss	-	50,000
Net periodic benefit cost	$ 124,751	$ (2,500)

	Postretirement Plan	
	2014	**2013**
Components of net periodic benefit costs		
Interest cost	$ 31,149	$ 35,000
Amortization of transition obligation	-	19,650
Recognized actuarial loss	61,000	74,750
Settlement gain	(1,282,173)	-
Net periodic benefit cost	$ (1,190,024)	$ 129,400

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. AMP is considering, or has considered, compliance with the following regulations:

President's Climate Action Plan
Announced on June 25, 2013, the President's Climate Action Plan establishes for the United States Environmental Protection Agency ("USEPA") certain specific rulemaking requirements and a timetable relative to emission reductions of carbon dioxide (CO_2) and other greenhouse gases ("GHGs"). USEPA proposed its rule to establish New Source Performance Standards (NSPS) for CO_2 for new fossil-fueled power plants on September 20, 2013 (it was officially published in the *Federal Register* on January 8, 2014). Comments are due by May 9, 2014. While AMP has no units that will be impacted by the "new" unit NSPS for GHGs, it is expected to influence future decisions about generation additions, as well as have possible implications for the agency's upcoming *existing* source rule (see below). Thus, AMP intends to file comments on the new unit GHG NSPS proposed rule.

Separately, the agency is required to issue proposed standards, regulations, or guidelines to reduce CO2 and other GHGs from modified, reconstructed, and existing fossil-fueled power plants by June 1, 2014, with final rules required by June 1, 2015. States will have until June 30, 2016 to submit their implementation plans to USEPA for meeting the existing unit rules. Because USEPA will not issue its proposed rules for "existing" units until June 2014, AMP is unable to estimate compliance options at this time. However, AMP provided preliminary comments on the possible scope and impacts of such a rule on existing units to USEPA on December 20, 2013.

RICE-NESHAP

USEPA originally proposed National Emission Standards for Hazardous Air Pollutants ("NESHAP") for certain reciprocating internal combustion engines (RICE) units in February 2010. While the rule was finalized by the agency in August 2010, the rule has been under reconsideration, settlement discussions, and proposal since January 2011. On January 30, 2013, the final reconsidered rule was published in the *Federal Register*; litigation is proceeding on a number of issues. The RICE-NESHAP Rule establishes emission limits and work practice standards for compression-ignited diesel engines and spark-ignited engines at area and major sources nationwide. The diesel engines owned by AMP are affected by this rule and are in compliance as of May 2014.

On September 5, 2013, USEPA proposed an additional limited reconsideration of three specific sections of the final rule, including the provision that allows existing emergency engines to operate for up to 50 hours per year in nonemergency situations. Comments were submitted on November 4, 2013.

NAAQS for Various Pollutants

Every five years, USEPA is required to propose new National Ambient Air Quality Standards ("NAAQS") for various criteria pollutants. USEPA's NAAQS for ozone was to have been issued in 2010, having missed that and other subsequent deadlines, the Obama Administration withdrew the ozone NAAQS in September 2011. On July 23, 2013, the U.S. Court of Appeals upheld the 2008 primary standard for ozone (at 0.075 ppm) but remanded the 2008 secondary standard for ozone to USEPA for reconsideration. Specific impacts to AMP facilities / operations are not known at this time. In addition, the USEPA proposed new NAAQS for fine particulate matter ($PM_{2.5}$) in June 2012 and issued final NAAQS for PM on December 14, 2012, lowering the allowable annual limit from 15 micrograms per cubic meter to 12 micrograms per cubic meter.

Both the ozone and PM NAAQS can have significant impacts on general economic development throughout AMP's footprint states, based on the final standards. For example, many metropolitan or industrialized counties would be expected to become nonattainment areas under the new ozone and PM standards if the levels are set low enough. This could require substantial local reductions of nitrogen oxides, volatile organic compounds, sulfur dioxide, and particulate matter.

Cross State Air Pollution Rule ("CSAPR" – Related to the Clean Air Interstate Rule ("CAIR"))

In addition to emission reductions required to achieve local compliance, additional reductions may be required to achieve compliance in down-wind neighboring states. At this point, USEPA's CSAPR has been overturned by the U.S. Court of Appeals for the D.C. Circuit and various petitions for rehearing were denied by the Court on January 24, 2013. The rule has been sent back to the agency to be rewritten. However, the CAIR remains in place for allowance allocations. On December 10, 2013, the Supreme Court began its review of the appeals court's rejection of CSAPR.

New Source Performance Standards for Combustion Turbines
USEPA proposed NSPS for natural gas combustion turbines in June 2012. The agency took comments on the proposal until December 28, 2012. The proposed revised NSPS would cover combustion turbines located at power plants, pipeline compressor stations, chemical and manufacturing plants, oil fields, landfills, and institutional facilities. AMP filed comments noting that the proposed revisions could severely limit unit operation and add significant compliance costs. The timing of USEPA issuing final NSPS for combustion turbines is unknown at this time.

Start-up, Shut-down, and Malfunction Rule
Issued in February 2013, the proposed rule would require certain states to submit revised State Implementation Plans (SIPs) within 18 months of the issuance of a final rule. The proposed rule would impact existing AMP units that are currently shielded from penalties for excess emissions during periods of start-up, shut-down, or malfunction. The proposed rule targets SIPs of 36 states, including Delaware, Kentucky, Michigan, Ohio, Virginia, and West Virginia. Timing of a final rule is unknown at this time.

Effluent Limitation Guidelines
USEPA published its proposed rule on June 6, 2013, and is now required to issue its final rule by September 30, 2015 (per a revised consent decree). The rule would limit pollutants discharged in effluent to regulated waterways from steam-electric generating units (including combined cycle natural gas). AMP filed comments on September 19, 2013.

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
In February 2011, AMP filed a complaint against Bechtel Power Corporation (“Bechtel”) stemming from cancellation of the proposed American Municipal Power Generating Station (“AMPGS”) project. In the complaint, AMP alleges breach of contract, gross negligence and breach of fiduciary duty on the part of Bechtel and seeks to recover, among other things, approximately $100 million of cost that AMP incurred with respect to the AMPGS project prior to its cancellation. Bechtel filed an answer denying any liability and a counterclaim seeking $383,566 from AMP related to a termination payment that Bechtel alleges it is entitled to as a result of AMP terminating the AMPGS project for convenience. All costs associated with the litigation, as well as Bechtel’s counterclaim, are project costs recoverable from the project participants under their power sales agreement with AMP. On March 31, 2014, AMP received an adverse decision, denying in part and granting in part Bechtel’s Motion for Summary Judgment.

On April 15, 2014, the AMP Board of Trustees voted to approve collection of $39,947,959 of stranded costs, related to the cancelled AMPGS coal project, from the AMPGS Participants pursuant to the AMPGS take-or-pay power sales contract, subject to the approval of the Participants. The costs would be collected over a 15 year term subject to the approval of the Participants. The Board also voted to have AMP repay $11,674,131 of AMPGS stranded costs from service fee and other member related revenues over the same term. On April 16, the AMPGS Participants voted to approve these collections from Participants and Members, respectively, over that 15 year term. The Board and the Participants also voted to authorize AMP's General Counsel to continue legal action related to the cancellation of the project.

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.

In January 2013, the staff of the Division of Enforcement of the Securities and Exchange Commission ("SEC") issued a subpoena to AMP seeking information and documents relating to the Prairie State Energy Campus. AMP is fully cooperating with the SEC's investigation which is nonpublic in nature. Based upon current information, AMP believes that investigation will likely be resolved without a material adverse effect on its financial condition.

On January 1, 2014 AMP entered into a membership agreement with The Energy Authority ("TEA"). This membership agreement stated that AMP will contribute $10,700,000. As a condition of membership, AMP is subject to TEA operations and settlement procedures as AMP receives services from TEA for dispatch services and natural gas management. AMP is also subject to guaranty agreements where if TEA is unable to deliver capacity, energy or gas obligations, AMP is obligated to pay that amount to relevant counterparties the extent of the guaranty limit, which is $28,928,571 for capacity and energy and $6,800,000 for natural gas.

8. Subsequent Events

Redemption of the Prairie State 2009A 2036 Term Bonds $48,020,000
Per the Prairie State Energy Campus Second Supplemental, Article III, Section 3.2 AMP may, at its option, redeem the 2009A 2036 Term Bonds ("the bonds") stated to mature on February 15, 2036, prior to maturity, in whole or in part, on any date beginning February 15, 2014, at a redemption price of par, together with interest accrued to the date fixed for redemption.

On February 26, 2014 the AMP Board approved resolution 14-02-3574 authorizing a loan under the AMP Credit Agreement ("the facility") to provide up to $52,000,000 for deposit with the Trustee to be used to redeem all of the bonds in the amount of $48,020,000. The resolution was also approved at a Prairie State Participant's Committee in a duly noticed meeting held on March 19, 2014 at which a quorum was present throughout.

On March 28, 2014, U.S. Bank N.A., the Trustee, sent out a notice to the bond holders of partial optional redemption of the bonds on April 30, 2014. The bonds were redeemed from monies credited to a draw on the facility in the amount of $48,020,000.

The Company has evaluated subsequent events through May 29, 2014 as this was the date the interim consolidated financial statement were available to be issued.

Consolidated Supplementary Information

Independent Auditor's Report on Supplementary Information

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

We have reviewed the consolidated interim financial statements of American Municipal Power, Inc. and its subsidiaries as of March 31, 2014 and for the three months then ended and our report thereon appears on page one of this document. That review was conducted for the purpose of identifying any material modifications that should be made to the consolidated interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America. The consolidating balance sheet at March 31, 2014 and the consolidating statements of revenues and expenses and of cash flows for the three months ended March 31, 2014 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating interim information has been subjected to the review procedures applied in the review of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

May 29, 2014

American Municipal Power, Inc.
Consolidated Balance Sheet
March 31, 2014 (unaudited)

	AMP*	PSEC	AFEC	Eliminating	Total
Assets					
Utility plant					
Electric plant in service	$ 35,115,941	$ 1,359,745,927	$ 540,269,024	$ -	$ 1,935,130,892
Accumulated depreciation	(16,199,181)	(62,080,908)	(35,932,886)	-	(114,212,975)
Total utility plant	18,916,760	1,297,665,019	504,336,138	-	1,820,917,917
Nonutility property and equipment					
Nonutility property and equipment	24,240,902	-	-	-	24,240,902
Accumulated depreciation	(10,347,413)	-	-	-	(10,347,413)
Total nonutility property and equipment	13,893,489	-	-	-	13,893,489
Construction work-in-process	1,802,338,853	16,304,883	6,197,209	-	1,824,840,945
Plant held for future use	34,881,075	-	-	-	34,881,075
Coal reserves	-	25,343,017	-	-	25,343,017
Trustee funds and other assets					
Trustee funds	645,387,387	193,231,319	39,870,862	-	878,489,568
Financing receivables - members	23,661,966	-	-	-	23,661,966
Notes receivable	58,273,348	-	-	-	58,273,348
Regulatory assets	157,512,874	87,199,415	38,926,143	-	283,638,432
Prepaid pension costs	1,813,750	-	-	-	1,813,750
Investment in TEA	10,211,450	-	-	-	10,211,450
Intangible and other assets	27,713,996	19,442,547	32,156,383	-	79,312,926
Total trustee funds and other assets	924,574,771	299,873,281	110,953,388	-	1,335,401,440
Current assets					
Cash and cash equivalents	40,705,385	11,614,591	5,415,648	-	57,735,624
Cash and cash equivalents - restricted	25,450,333	-	-	-	25,450,333
Trustee funds	263,732,475	13,652,343	5,638,437	-	283,023,255
Investments	14,596,595	-	-	-	14,596,595
Collateral postings	8,489,146	11,000,000	-	-	19,489,146
Accounts receivable	62,119,438	7,903,439	18,417,964	(2,658,579)	85,782,262
Interest receivable	11,398,419	1,691,086	672	-	13,090,177
Financing receivables - members	11,855,260	-	-	-	11,855,260
Notes receivable	9,876,067	-	-	-	9,876,067
Inventories	59,417	8,944,034	-	-	9,003,451
Regulatory assets	3,750,256	-	-	-	3,750,256
Prepaid expenses and other assets	3,545,907	1,684,648	1,103,775	-	6,334,330
Total current assets	455,578,698	56,490,141	30,576,496	(2,658,579)	539,986,756
Total assets	$ 3,250,183,646	$ 1,695,676,341	$ 652,063,231	$ (2,658,579)	$ 5,595,264,639

* This column represents all consolidated AMP entities except for AFEC and PSEC

American Municipal Power, Inc.
Consolidated Balance Sheet
March 31, 2014 (unaudited)

	AMP*	PSEC	AFEC	Eliminating	Total
Equities and Liabilities					
Member and patron equities					
Contributed capital	$ 806,248	$ -	$ -	$ -	$ 806,248
Patronage capital	59,494,246	-	-	-	59,494,246
Total member and patron equities	60,300,494	-	-	-	60,300,494
Long-term debt					
Term debt	2,724,652,057	1,624,751,190	570,825,765	-	4,920,229,012
Term debt on behalf of members	480,000	-	-	-	480,000
Term debt on behalf of Central Virginia Electric Cooperative	-	-	22,770,833	-	22,770,833
Revolving credit loan	253,262,541	11,737,459	-	-	265,000,000
Total long-term debt	2,978,394,598	1,636,488,649	593,596,598	-	5,208,479,845
Current liabilities					
Accounts payable	95,394,184	15,691,794	6,174,179	(2,658,579)	114,601,578
Accrued postretirement benefits	306,000	-	-	-	306,000
Accrued interest	23,984,648	11,390,131	3,344,021	-	38,718,800
Term debt	15,084,412	21,495,000	8,475,000	-	45,054,412
Term debt on behalf of members	14,075,000	-	-	-	14,075,000
Term debt on behalf of Central Virginia Electric Cooperative	-	-	854,167	-	854,167
Regulatory liabilities	1,047,309	-	1,104,539	-	2,151,848
Other liabilities	1,340,302	5,047,204	2,817,099	-	9,204,605
Total current liabilities	151,231,855	53,624,129	22,769,005	(2,658,579)	224,966,410
Other noncurrent liabilities					
Accrued postretirement benefits	1,654,452	-	-	-	1,654,452
Deferred gain on sale of real estate	1,276,789	-	-	-	1,276,789
Other liabilities	9,785,586	-	12,652,067	-	22,437,653
Asset retirement obligations	2,895,106	4,654,476	100,921	-	7,650,503
Regulatory liabilities	44,644,766	909,087	22,944,640	-	68,498,493
Total other noncurrent liabilities	60,256,699	5,563,563	35,697,628	-	101,517,890
Total liabilities	3,189,883,152	1,695,676,341	652,063,231	(2,658,579)	5,534,964,145
Total equities and liabilities	$ 3,250,183,646	$ 1,695,676,341	$ 652,063,231	$ (2,658,579)	$ 5,595,264,639

* This column represents all consolidated AMP entities except for AFEC and PSEC

American Municipal Power, Inc.
Consolidated Statement of Revenues and Expenses
Three Months Ended March 31, 2014 (unaudited)

	AMP*	PSEC	AFEC	Eliminating	Total
Revenues					
Electric revenue	$ 160,301,392	$ 59,901,592	$ 46,548,227	$ (857,080)	$ 265,894,131
Service fees	2,709,191	-	-	-	2,709,191
Programs and other	5,330,295	-	-	-	5,330,295
Total revenues	168,340,878	59,901,592	46,548,227	(857,080)	273,933,617
Operating expenses					
Purchased electric power	160,071,781	13,262,001	(4,232,221)	-	169,101,561
Production	(148,225)	10,528,334	6,737,907	(836,552)	16,281,464
Fuel	49,207	6,795,477	33,417,725	-	40,262,409
Depreciation and amortization	1,197,749	9,242,116	4,196,017	-	14,635,882
Administrative and general	1,243,604	935,307	-	(20,528)	2,158,383
Property and real estate taxes	141,788	22,100	457,320	-	621,208
Programs and other	4,983,388	-	-	-	4,983,388
Total operating expenses	167,539,292	40,785,335	40,576,748	(857,080)	248,044,295
Operating margin	801,586	19,116,257	5,971,479	-	25,889,322
Nonoperating revenues (expenses)					
Interest expense	(167,555)	(23,310,862)	(6,216,559)	-	(29,694,976)
Interest income, subsidy	-	3,382,170	-	-	3,382,170
Interest income, other	290,683	629,654	22,280	-	942,617
Other, net	157,130	182,781	222,800	-	562,711
Total nonoperating (expenses) revenue	280,258	(19,116,257)	(5,971,479)	-	(24,807,478)
Net margin	$ 1,081,844	$ -	$ -	$ -	$ 1,081,844

* This column represents all consolidated AMP entities except for AFEC and PSEC

American Municipal Power, Inc.
Consolidated Statement of Cash Flows
Three Months Ended March 31, 2014 (unaudited)

	AMP*	PSEC	AFEC	Eliminations	Total
Cash flows from operating activities					
Net margin	$ 1,081,844	$ -	$ -	$ -	$ 1,081,844
Adjustments to reconciles net margin to net cash used in operating activities					
Depreciation and amortization	1,197,816	9,074,969	4,196,017	-	14,468,802
Depletion of coal reserves	-	163,659	-	-	163,659
Amortization of deferred financing costs	414,811	218,086	76,951	-	709,848
Amortization of bond premium, net of amortization of bond discount	(188,778)	157,438	(543,888)	-	(575,228)
Accretion of interest on asset retirement obligations	7,492	29,559	769	-	37,820
Unrealized gain on natural gas swaps	-	-	(6,655,974)	-	(6,655,974)
Unrealized gain on investments	(248,652)	(182,781)	(221,246)	-	(652,679)
Changes in assets and liabilities					
Collateral postings	(1,450,167)	-	-	-	(1,450,167)
Accounts receivable	(149,375)	(579,901)	(9,151,643)	2,062,164	(7,818,755)
Interest receivable	-	4,385,927	(488)	-	4,385,439
Inventories	(2,535)	(148,367)	-	-	(150,902)
Regulatory assets and liabilities, net	3,523,596	(7,717,235)	6,250,650	-	2,057,011
Prepaid expenses and other assets	305,548	446,756	269,625	-	1,021,929
Accounts payable	4,829,674	4,841,123	2,075,300	(2,062,164)	9,683,933
Accrued postretirement benefits	(3,284,673)	-	-	-	(3,284,673)
Accrued interest	6,042	(23,053,576)	(6,725,113)	-	(29,772,647)
Asset retirement obligations	(56,653)	-	-	-	(56,653)
Other liabilities	464,744	(1,235,492)	(65,495)	-	(836,243)
Net cash provided by (used in) operating activities	6,450,734	(13,599,835)	(10,494,535)	-	(17,643,636)
Cash flows from investing activities					
Purchase of utility property and equipment	-	(722,981)	-	-	(722,981)
Purchase of nonutility property and equipment	(73,296)	-	-	-	(73,296)
Proceeds from insurance claim	-	1,628,200	-	-	1,628,200
Purchase of construction work-in-progress	(121,049,495)	(3,473,939)	(1,174,232)	-	(125,697,666)
Proceeds from sale of investments	406,653,991	46,366,480	14,464,706	-	467,485,177
Purchase of investments	(282,989,532)	(8,402,359)	(1,450,408)	-	(292,842,299)
Loans made to related parties	(65,074,415)	-	-	-	(65,074,415)
Investment in TEA	(10,211,442)	-	-	-	(10,211,442)
Restricted cash and cash equivalents	15,211,748	-	-	-	15,211,748
Net cash (used in) provided by investing activities	(57,532,441)	35,395,401	11,840,066	-	(10,296,974)
Cash flows from financing activities					
Proceeds from revolving credit loan	175,814,841	15,185,159	-	-	191,000,000
Payments on revolving credit loan	(102,501,544)	(13,498,456)	-	-	(116,000,000)
Principal payments on term debt	-	(20,665,000)	(8,385,000)	-	(29,050,000)
Principal payments on term debt on behalf of members	(5,990,000)	-	-	-	(5,990,000)
Proceeds from issuance of term debt on behalf of members	2,038,000	-	-	-	2,038,000
Principal payments on term debt on behalf of CVEC	-	-	(854,167)	-	(854,167)
Proceeds from financing receivables - members	1,705,309	-	-	-	1,705,309
Funding of financing receivables - members	(1,841,296)	-	-	-	(1,841,296)
Net cash provided by (used in) financing activities	69,225,310	(18,978,297)	(9,239,167)	-	41,007,846
Net change in cash and cash equivalents	18,143,603	2,817,269	(7,893,636)	-	13,067,236
Cash and cash equivalents					
Beginning of year	22,561,782	8,797,322	13,309,284	-	44,668,388
End of year	$ 40,705,385	$ 11,614,591	$ 5,415,648	$ -	$ 57,735,624

* This column represents all consolidated AMP entities except for AFEC and PSEC