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# NEWS RELEASE

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FOR RELEASE

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## **AMP-FIRSTENERGY GAS PEAKING FACILITY NOT MOVING FORWARD**

In late 2012, FirstEnergy and American Municipal Power (AMP) announced they had entered into a non-binding memorandum of understanding (MOU) to site, build and operate a natural gas peaking facility located on the grounds of FirstEnergy's existing Eastlake Plant in Eastlake, Ohio. It now appears unlikely the project will proceed as a result of uncertainty regarding a number of issues, several of which could affect AMP's financing for the project. As an example, the future of tax-exempt and tax-advantaged financing is in question and some of AMP's projects have already seen increased interest costs because of the federal "sequester."

The original MOU called for FirstEnergy to supervise construction of four combustion turbine units that would be capable of producing 873 megawatts (MW). AMP was to provide the construction financing and own 75 percent of the generation output upon completion, while FirstEnergy would fund and own the remaining 25 percent of the output in 2016.

“We appreciate our excellent working relationship with FirstEnergy,” said AMP President/CEO Marc Gerken, “and look forward to a continued business relationship with them. This project had a lot of positives and some challenges, but the financial uncertainty today, on top of continued regulatory uncertainty heavily impacted AMP’s decision.”

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**ABOUT AMP:**

American Municipal Power, Inc. is the nonprofit wholesale power supplier and services provider for 129 member municipal electric systems, including 128 municipal electric communities in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia and the Delaware Municipal Electric Corporation (DEMEC), a joint action agency representing nine municipal electric communities in the state of Delaware.. Combined these public utilities serve approximately 625,000 customers. AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the open market and energy produced at AMP and member-owned generating facilities utilizing fossil fuel, hydroelectric, wind and other renewable resources. The organization is focused on sustainability and increased use of renewable generation resources. AMP currently has four run-of-the-river hydroelectric projects under construction on the Ohio River. Combined these four projects will add more than 300 MW of new hydro capacity to the region. AMP is pursuing additional hydro, solar, wind and landfill gas projects. For additional information, visit AMP’s Web site at [www.amppartners.org](http://www.amppartners.org).