



TO: AMPGS PARTICIPANTS
FROM: MARC S. GERKEN, P.E., PRESIDENT/CEO
SUBJECT: AMPGS STRANDED COST
DATE: DECEMBER 13, 2011

This Memo is in follow-up to my Memo dated November 18, 2011 concerning status of the AMPGS stranded cost for your Community. The previous Memo was for informational use, in response to requests from a number of Participants. The Memo was not intended to be an invoice to your Community. If your Community does wish to address all or a portion of this obligation at this time, you have the following Options (A-D) or a combination of the four. If you wish to wait until after the litigation process, then select Option E.

Under Options A, B, C or D, your Community will be invoiced under the executed AMPGS Power Sales Contract (PSC) for no greater than your Community's current estimated obligation. There are assets associated with the AMPGS project that when liquidated, funds will be distributed to the Participants or used as a credit against any remaining balance, based on their project share.

Options for Payment of AMPGS Sunk Costs (More than one option can be selected):

- Option A - Lump Sum Payment
 - o Please send invoice(s) for lump sum payment(s) during the month(s) as indicated below:
 - \$ _____ in Month _____ Year _____
 - \$ _____ in Month _____ Year _____
 - \$ _____ in Month _____ Year _____
 - \$ _____ in Month _____ Year _____

Note: Before choosing Option A, to ensure there is not an unintended negative financial consequence, please contact Chris Deeter of AMP Finance (614) 540-0848 or cdeeter@amppartners.org and your rate consultant. They may have suggestions on how to make lump sum payments without such negative impacts.

- Option B - \$ / MWh adder to monthly invoice
 - Please add the following energy rate to power invoice equal to the following: (MWh calculated in the same manner as service fee B)
 - \$ _____ / MWh during power delivery months of Jan – May 2012
 - \$ _____ / MWh during power delivery months of Jun – Dec 2012
 - \$ _____ / MWh during power delivery months of Jan – May 2013
 - \$ _____ / MWh during power delivery months of Jun – Dec 2013
 - \$ _____ / MWh during power delivery months of Jan – May 2014
 - \$ _____ / MWh during power delivery months of Jun – Dec 2014
 - \$ _____ / MWh during power delivery months of Jan – May 2015
 - \$ _____ / MWh during power delivery months of Jun – Dec 2015
 - \$ _____ / MWh during power delivery months of Jan – May 2016
 - \$ _____ / MWh during power delivery months of Jun – Dec 2016

- Option C - Rate Levelization Adder (See example below)
 - Please add an amount of dollars each month so that total power costs for the month are equal to the following rate: (Dollar adder for month will be zero if actual power rate before adder is greater than target rate)
 - \$ _____ / MWh during power delivery months of Jan – Dec 2012
 - \$ _____ / MWh during power delivery months of Jan – Dec 2013
 - \$ _____ / MWh during power delivery months of Jan – Dec 2014
 - \$ _____ / MWh during power delivery months of Jan – Dec 2015
 - \$ _____ / MWh during power delivery months of Jan – Dec 2016

- Option D - \$ Adder to Monthly Invoice for Term up-to Fifteen (15) Years
 - \$ _____ per year, for _____ years

- Option E - Continue to carry sunk costs on AMP line of credit until final AMPGS litigation is settled.

We ask that you please complete this form and return to the attention of Pamala Sullivan, 1111 Schrock Road, Columbus, Ohio 43229 or psullivan@amppartners.org by January 31, 2012.

If you have any questions, please feel free to contact Pamala Sullivan at (614) 562-5733. If you have any legal questions, please contact John Bentine at (614) 334-6121.

Community

Authorized Representative Name

Authorized Representative Signature

Date

Example of Rate Levelization Adder

2012 Target Rate = \$68 / MWh

January 2012 actual rate = \$66 / MWh

January 2012 energy usage = 5,000 MWh

AMPGS Sunk Cost contribution = $(\$68 - \$66) \times 5,000 = \$10,000$

February 2012 actual rate = \$65 / MWh

February 2012 energy usage = 4,000 MWh

AMPGS Sunk Cost contribution = $(\$68 - \$65) \times 4,000 = \$12,000$

March 2012 actual rate = \$69 / MWh

March 2012 energy usage = 3,000 MWh

AMPGS Sunk Cost contribution = $(\$68 - \$69) \times 3,000 = \$0$

(Contribution is zero if actual rate is greater than target rate)