

SPONSOR: Heath / Stewart

ORDINANCE NO. 16-06

AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE ONE OR MORE LONG TERM POWER PURCHASE SCHEDULES WITH AMERICAN MUNICIPAL POWER – OHIO, INC., IN ORDER TO PURCHASE FROM AMP-OHIO POWER AND ASSOCIATED ENERGY AVAILABLE TO AMP-OHIO FROM ONE OR MORE LONG TERM POWER SUPPLY TRANSACTIONS TO BEGIN DELIVERY ON OR AFTER JANUARY 1, 2006 AND ENDING NO LATER THAN DECEMBER 31, 2012, WITH ONE OR MORE REPUTABLE THIRD PARTY POWER SUPPLIERS, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jackson, Ohio (herein “Municipality”) is a municipal entity formed and organized pursuant to the Constitution and the laws of the State of Ohio, and owns and operates a municipal electric system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, the Municipality has heretofore purchased economical and reliable power and energy from AMP-Ohio, of which the Municipality is a member, or has heretofore purchased power arranged by AMP-Ohio; and

WHEREAS, the Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP-Ohio, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, Municipality has executed, or will execute, a Master Services Agreement with AMP-Ohio which sets forth the general terms and conditions for the provision of power supply and other services by AMP-Ohio to the Municipality; and

WHEREAS, AMP-Ohio is negotiating, or will negotiate, with one or more reputable third party power suppliers seeking an agreement to purchase up to no more than 450 MWs of electric power and associated energy in various megawatt blocks for extended terms with delivery beginning in 2006, 2007, 2008 and/or 2009, each purchase with a term of not less than four (4) years and the term of each purchase to end no later than December 31, 2012, all of which will provide an economical source electricity and associated energy (herein “Long Term Power Purchase(s)”) for Municipality and other AMP-Ohio Members; and

WHEREAS, AMP-Ohio desires to purchase and then to resell the power and energy available from the Long Term Power Purchase(s) on a long term basis to certain of its members (herein “Municipalities”) at a cost for each purchase not to exceed \$0.05000 per kWh, consistent

with the savings achieved through bulk Long Term Power Purchase(s); and

WHEREAS, subject to market considerations, among others, AMP-Ohio may prepay all or a portion said purchase price(s) of the Long Term Power Purchase(s) and temporarily or permanently finance all or a portion of the prepaid purchase price(s) of Long Term Power Purchase(s) (herein “Share of Purchased Energy”); and

WHEREAS, AMP-Ohio, has prepared and heretofore delivered to this Municipality the form of a Long Term Power Purchase Schedule pursuant to which the Municipality may purchase, through one or more Long Term Power Purchase Schedule(s), a Share of Purchased Energy and to arrange for the delivery of the Municipality’s Share of Purchased Energy; and

WHEREAS, AMP-Ohio has provided appropriate personnel and information regarding the Long Term Power Purchase(s) to the Municipality, as such officers and representatives of this Municipality have deemed necessary or appropriate, to enable this Municipality to evaluate the benefits and risks of the Long Term Power Purchase(s) to take actions contemplated by the ordinance hereinafter set forth and the form Long Term Power Purchase Schedule, and to determine the same are in the public interest; and

WHEREAS, in recognition of the unique nature of the Long Term Power Purchase(s), competitive bidding is not required on the Municipality’s purchase of its Share of Purchased Power (as defined in the form Long Term Power Purchase Schedule), through one or more Long Term Power Purchase Schedule(s), however, any competitive bidding requirement that might otherwise be applicable for the purchase of any power and energy through the execution of one or more Long Term Power Purchase Schedule(s) authorized by this ordinance, should be waived; and

WHEREAS, it is understood by this Municipality that all payments made by this Municipality pursuant to the one or more Long Term Power Purchase Schedule(s) shall constitute and operation and maintenance obligation (“O & M Expense”) of this Municipality’s electric utility system, payable from the revenues thereof as specified in the one or more Long Term Power Purchase Schedule(s) and the Municipality agrees, as specified in each Long Term Power Purchase Schedule, to fix, charge and collect rates sufficient to pay its obligations thereunder along with all other legally required payments of the Municipality’s electric utility system; and

WHEREAS, due to extreme volatility in the electric power markets, an emergency exists in that the Municipality is required to act expeditiously to authorize AMP-Ohio to secure the most favorable pricing and it is necessary to immediately enact this ordinance for the preservation of the public health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JACKSON, STATE OF OHIO, as follows:

Section One. That the Long Term Power Purchase Schedule between this Municipality and AMP-Ohio, substantially in the form attached hereto as Exhibit 1, including Appendices thereto, is approved, subject to any and all changes provided herein and therein and AMP-Ohio is authorized, but not required, to prepay and to temporarily or permanently finance all or a portion of the costs of any Long Term Power Purchase(s) and any other costs related to the prepayment or the financing of the prepayment of any Long Term Power Purchase(s).

Section Two. That the Mayor or his designated representative is hereby authorized to execute one or more Long Term Power Purchase Schedule(s) and acquire the Municipality's Share of Purchased Energy from one or more Long Term Power Purchase(s), each with a term of not less than four (4) years, each with a term ending no later than December 31, 2012, and each with a price not to exceed \$0.05000 per kWh (excluding taxes, transmission costs, replacement power and AMP-Ohio service fees), without bid, from AMP-Ohio, and to execute and deliver any and all documents necessary to participate in one or more Long Term Power Purchase(s) pursuant to the conditions set forth hereinafter for term(s) ending no later than December 31, 2012, as set forth in one or more Long Term Power Schedule(s).

Section Three. That it is further acknowledged and understood that because AMP-Ohio will finalize the precise Shares of Purchased Energy for the Municipality and the other AMP-Ohio member Municipalities electing to enter into, such power schedules, at the time of each Long Term Power Purchase the Mayor or his designated representative in connection with the execution and delivery of any Long Term Power Purchase Schedule, as hereinafter authorized, is authorized and directed to determine Municipality's Share of Purchased Energy from all Long Term Power Schedules authorized hereunder for the respective not to exceed amounts set forth below for the respective calendar years:

Calendar Year 2006, up to 0 kilowatts
Calendar Year 2007, up to 0 kilowatts
Calendar Year 2008, up to 12,000 kilowatts
Calendar Year 2009, up to 12,000 kilowatts
Calendar Year 2010, up to 12,000 kilowatts
Calendar Year 2011, up to 12,000 kilowatts
Calendar Year 2012, up to 12,000 kilowatts

Section Four. All payments made by this Municipality pursuant to any Long Term Power Purchase Schedule authorized by this ordinance shall constitute an operation and maintenance obligation ("O & M Expense") of this Municipality's electric utility system, payable from the revenues thereof as specified in any Long Term Power Purchase Schedule(s) and the Municipality agrees to fix, charge and collect rates sufficient to pay its obligations thereunder along with all other legally required payments of the Municipality's electric utility system.

Section Five. That competitive bidding is not required on the Municipality's acquisition of its right to secure a Share of Purchased Energy in any Long Term Power Purchase Schedule, and in the event any competitive bidding requirements are applicable, any such competitive bidding requirement that might otherwise be applicable, are hereby waived.

Section Six. This Ordinance is hereby declared to be an emergency Ordinance necessary for the immediate preservation of the public peace, health, or safety of the City of Jackson, in that it is necessary to enter into this agreement as soon as possible due to extreme volatility in the electric power markets, an emergency exists in that the Municipality is required to act expeditiously to authorize AMP-Ohio to secure the most favorable pricing and it is necessary to immediately enact this ordinance for the preservation of the public health, safety and welfare.

Section Seven. In the event this Ordinance receives a majority vote for passage but fails to receive the required number of votes to pass as an emergency, then this Ordinance shall be deemed to have passed but with no emergency clause and shall take effect at the earliest time permitted by law.

Section Eight. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

Section Nine. If any section, subsection, paragraph, clause or provision or any part thereof of this ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this ordinance shall be unaffected by such adjudication and all the remaining provisions of this ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

Date: _____

PRESIDENT OF COUNCIL

CLERK OF COUNCIL

Approved:

Date: _____

MAYOR

EXHIBIT 1

**TO AMP-OHIO/MUNICIPALITY POWER SCHEDULE
(2006-A LONG TERM POWER PURCHASE)**

**REGARDING
DEFINITIONS**

DEFINITIONS

When used in the Power Schedule or a Trust Indenture, the following words and terms shall have the following meanings:

Acquisition Fund shall have the meaning set forth in the Trust Indenture.

AMP-Ohio shall mean American Municipal Power-Ohio, Inc., the nonprofit, Ohio corporation whose membership consists of Ohio, Pennsylvania, Michigan and West Virginia municipalities that own and operate electric utility systems, including the Municipalities that is the Seller hereunder.

Appendix shall mean any of the appendices attached to the Power Schedule.

Appendix of Municipalities shall mean the list, attached as Appendix A to the Power Schedule, of Municipalities that have entered into the Power Schedule and Related Power Schedules. This Appendix sets forth the Municipalitys' respective Shares of Purchased Power.

Bond or Bonds shall mean revenue bonds, notes, bank loans, commercial paper, certificates of participation or other evidences of indebtedness issued or incurred in accordance with the Trust Indenture by AMP-Ohio, on behalf of the Municipality to finance or refinance any cost, expense or liability paid or incurred or to be paid or incurred by AMP-Ohio related to Purchase Costs.

Charge Appendix shall mean the listing of charges, and the components thereof, designed to recover the Demand Charges and Operating Expenses associated with the Purchased Power and Replacement Power. The Charge Appendix is attached hereto as Appendix B and may be revised from time to time in accordance with the provisions of Section 10 of the Power Schedule.

Closing Date shall mean the date, set forth in any Financing Agreement, that the Bonds are delivered and their proceeds, shall be caused to be paid to the Trustee for deposit to the Acquisition Fund and otherwise as provided in the Trust Indenture.

Costs of Issuance shall mean and include the costs and expenses incurred by AMP-Ohio in issuing Bonds. Such costs and expenses may be paid from the proceeds of Bonds. Such costs and expenses shall include, without limitation, accounting, legal, financial advisory, printing, trustee's acceptance fees and expenses, underwriting discount or commissions, municipal bond insurance and debt service reserve surety bond premiums, Blue Sky and other filing fees and expenses.

Demand Charge in respect of the Purchase and AMP-Ohio shall mean the sum of the following amounts, without duplication, equal to:

(i) any fixed expenses incurred in connection with the Purchased Power or Replacement Power (referred to as the “Basic Demand Charge”);

(ii) payments to the credit of any reserve and contingency fund required by any Trust Indenture;

(iii) payment to the credit of any fund or sub-fund or other payments not otherwise included in the Demand Charge other than Operating Expenses, to the extent required by the terms of any Trust Indenture;

(iv) the amounts required for payment by AMP-Ohio of principal of and premium, if any, and interest on all Bonds, which amounts are required to be paid into any fund or account during any period to be set aside for the payment of such principal, premium or interest when due from time to time under the terms of any Trust Indenture, whether, in the case of principal of any Bond, upon the stated maturity or upon prior redemption, under such Trust Indenture; (v) amounts required to be paid by AMP-Ohio to procure, or to perform obligations under, any liquidity or credit support facility, interest rate swap or hedging instrument (including, in each case, any amounts due in connection with the termination thereof) associated with any Bonds or amounts payable with respect thereto;

(vi) additional amounts, if any, which must be paid by AMP-Ohio in order to meet the requirements of any covenant with respect to coverage of debt service on Bonds under the terms of any Trust Indenture, and such additional amounts as may be deemed by AMP-Ohio prudent to facilitate marketing Bonds on favorable terms; and

(vii) trustee and financial advisory fees; and

(viii) payments which are required to be paid into any fund or account to establish or maintain a reserve exclusively for the payment of such principal, premium or interest under the terms of any Trust Indenture (The items described in clauses (ii) through (viii) applicable only in the event that Bonds are issued to effect a prepayment for Purchased Power, are herein referred to as “Additional Demand Charges”);

Effective Date shall have the meaning set forth in Section 3 of the Power Schedule.

Energy Shortfall shall have the meaning set forth in Section 9 of the Power Schedule.

Financing Agreement shall mean any Financing Agreement entered into between AMP-Ohio and a third party and providing for the sale by AMP-Ohio and the purchase by the third party of Bonds.

Majority of the Municipalities shall mean Municipalities with Shares of Purchased Power

that total not less than a majority of the total Shares of Purchased for the term of the Purchase.

Master Services Agreement shall mean the contract document titled as such between the Municipality and AMP-Ohio referenced on the cover page of this Power Schedule.

Month or Monthly refers to a calendar month.

Municipality shall mean the AMP-Ohio member executing this 2006-A Long Term Power Purchase Schedule and is the Buyer hereunder.

Municipalities shall mean those Municipalities, including Municipality, identified as such on Appendix A to the Power Schedule.

O&M Expenses in respect of the Municipality shall mean the ordinary and usual operating expenses with respect to such Municipality's municipal electric utility system under generally accepted accounting principles as adopted by the Governmental Accounting Standards Board, excluding interest expense, capitalized lease payments, amortization and depreciation, but including such Municipality's share of Revenue Requirements. O&M Expenses may include contractual obligations for power purchases, fuel and water supply, transmission and other services to the extent such obligations are not incurred or owing during or in respect of a period of unavailability, where "period of unavailability" means the period in excess of ninety (90) days when such service is not furnished or is unavailable, for whatever reason.

Operating Expenses in respect of the Purchase and AMP-Ohio shall mean the sum of the following, to the extent not paid as (i) Purchase Costs out of the proceeds of Bonds or related investment income; or (ii) a Demand Charge:

- (i) the cost to AMP-Ohio of administration of the Purchase, including contributions to any reserve or contingency fund, taxes, the cost of insurance, including directors and officers liability, all costs to settle or compromise threatened or pending claims or litigation to the extent associated with the Purchase and including reserves against losses established in connection with any program of self insurance, the costs of any related transmission services, and any costs associated with losses, and costs of compliance with and renewals of all required licenses and permits, legal, engineering, accounting and financial advisory fees and expenses, including without limitation other licensing, permitting, siting and organizational costs and any payments associated with any validation proceedings regarding any Trust Indenture or the Power Schedule, including repayment of any prudently incurred sums

advanced by AMP-Ohio for such purposes, whether incurred prior to the Effective Date or otherwise;

- (ii) [reserved];
- (iii) the cost, if any, to AMP-Ohio to establish and maintain an allowance for working capital related to purchase;
- (iv) the cost of engineering, planning and forecasting incurred by AMP-Ohio in furtherance of or related to the Purchase, and all costs incurred by AMP-Ohio in connection with the performance of its obligations under this Power Schedule or in attempting to comply with laws or regulations requiring the same to the extent such laws or regulations are applicable to the Purchase;
- (v) the costs of defending, compromising, and settling any suits or claims against AMP-Ohio relating to the Purchase, the Power Schedule or Related Power Schedules or any service rendered from the Purchase and the payment of any judgments or verdicts related thereto;
- (vi) repayment of any prudently incurred sums for expenditures advanced by AMP-Ohio in connection with any of the costs set forth above, whether incurred prior to the effective date or otherwise;
- (vii) in the event of a default by any of the other Municipalities on payments due to AMP-Ohio under the Related Power Schedules, an amount equal to the percentage of the Municipality's Share of Purchased Energy multiplied by the amount in default; provided, however, if AMP-Ohio recovers any of the amount in default from the defaulting party or from the net proceeds of sales of the defaulting party's Share of Purchased Energy, Municipality shall be credited an amount equal to the amount recovered multiplied by the percentage of Municipality's Share of Purchased Energy; and
- (viii) costs of any Replacement Power;

less the net proceeds available from the sale of Purchase Energy; provided, however, that an appropriate share of such proceeds have not been otherwise remitted to the Municipality.

Party or Parties refers to Municipality and AMP-Ohio.

Point(s) of Delivery shall mean the respective point or points set forth on Appendix C to Power Schedule at which Purchased Energy is to be delivered to or on behalf of the Municipality; *provided, however*, that the Point(s) of Delivery with respect to the Municipality may, with the

written approval of AMP-Ohio (which approval shall not be unreasonably withheld), be changed, modified or added to by the Municipality.

Power Schedule shall mean this power schedule between Municipality and AMP-Ohio that is a part of the Master Services Agreement.

Prudent Utility Practice shall mean any of the practices, methods or acts which, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods or acts engaged in or approved by a significant portion of the electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety and expedition.

Purchase shall mean the transaction evidenced by the Purchased Power Agreement between the Purchased Power Contractor as seller and AMP-Ohio as Buyer (described in Appendix D to the Power Schedule).

Purchase Costs shall mean an amount equal to all costs and expenses incurred by or on behalf of AMP-Ohio in connection with the planning, investigating, financing, and acquisition of the Purchase including all costs of pre-payment related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and administration of the Purchase, or otherwise paid or incurred or to be paid or incurred by or on behalf of AMP-Ohio, in connection with its performance of its obligations under the Power Schedule, the Related Power Schedules and any Trust Indenture. Purchase Costs shall include Costs of Issuance.

Purchased Energy shall mean energy associated with or available to the Municipalities from AMP-Ohio's purchase of Purchased Power or Replacement Power.

Purchased Power shall mean the power and energy purchased by AMP-Ohio from the Purchased Power Contractor pursuant to the Purchased Power Agreement for resale under this Power Schedule and the Related Power Schedules.

Purchased Power Agreement shall mean the contract between AMP-Ohio as buyer and the Purchased Power Contractor as seller.

Purchased Power Contractor shall mean the third party provider to AMP-Ohio of the Purchased Power that is the source of the Purchased Energy being resold pursuant to the Power

Schedule.

Related Power Schedules shall mean the power schedules between AMP-Ohio and the other Municipalities listed on Appendix A, relating to the Purchase and similar to this Power Schedule.

Replacement Power shall mean power and energy purchased by AMP-Ohio to replace the Purchased Power from the Purchased Power Contractor in the event of failure of delivery by the Purchased Power Contractor.

Revenue Requirements shall be the sum of Operating Expenses and Demand Charges, which shall consist of Basic Demand Charges and, if Bonds shall be issued by AMP-Ohio to effect a prepayment for all or a portion of the Purchased Power, Additional Demand Charges.

Share of Purchased Energy shall mean in any hour a percentage share of Purchased Power equal to Municipality's Share thereof in kW for any given Year as shown on Appendix A divided by the total amount of Purchased Power in kW for that Year [Total subscribed kW under this Power Schedule and the Related Power Schedules] as shown on Appendix A to the Power Schedule.

Trust Indenture shall mean any one or more trust indentures, trust agreements, loan agreements, resolutions or other similar instruments providing for the issuance and securing of Bonds between AMP-Ohio and a trustee. When completed, the form of any initial Trust Indenture shall be attached to the Power Schedule as Appendix G, which shall be updated to include any such instruments entered into subsequent to the effective date.

Unavailable shall mean, with respect to any ninety (90) days period, that power and energy, whether derived from the Purchased Power or Replacement Power, in an amount equal to Municipality's Share of the Purchased Energy is not available to the Municipality, at any of the Municipality's Point(s) of Delivery, at any time during such period.

Uncontrollable Forces shall mean any cause beyond the control of or a Party, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, pestilence, war, riot, civil disturbance, labor disturbance, sabotage, restraint or action by court or public authority, and failure of third parties to provide transmission, which by due diligence and foresight such Party, as the case may be, could not reasonably have been expected to avoid.

Utility Governing Body shall mean, as to any Purchase Municipality, the governing body of the Participant identified in paragraph 3 of the legal opinion substantially in the form of Appendix H to the Power Schedule furnished by each Purchase Municipality.

Year shall mean the twelve-month period commencing at 12:00 a.m. on January 1 of each calendar year; *provided, however*, that the first Year shall commence on the Effective Date set forth

in Section 3 and shall expire at 12:00 a.m. on the next succeeding January 1.

Except where the content otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, public and private corporations, and any other legal entities.

APPENDIX A

APPENDIX OF MUNICIPALITIES/ SHARES OF PURCHASED POWER

[TO BE DETERMINED UPON
EXECUTION BY MUNICIPALITIES]

[PRELIMINARY]

	JAN. 1, 2006 - MAY 31, 2006	JUN. 1, 2006 - DEC. 31, 2006	JAN. 1, 2007 - DEC. 31, 2007	JAN. 1, 2008 - MAR. 31, 2008	APR. 1, 2008 - DEC. 31, 2012
2006-A MUNICIPALITY	MW	MW	MW	MW	MW
AMHERST	1.7	1.7	1.7	1.7	1.7
BEACH CITY	0.1	0.1	0.1	0.1	0.1
BLAKELY	0.0	0.0	0.0	2.7	2.7
BOWLING GREEN	6.5	6.5	6.5	6.5	6.5
BRADNER	0.1	0.1	0.1	0.1	0.1
BREWSTER	0.7	0.7	0.7	0.7	0.7
CATAWISSA	0.0	0.0	0.0	1.0	1.0
COLUMBIANA	0.9	0.9	0.9	0.9	0.9
CLEVELAND	50.0	75.0	75.0	75.0	100.0
CUSTAR	0.1	0.1	0.1	0.1	0.1
CUYAHOGA FALLS	7.9	7.9	7.9	7.9	7.9
DUNCANNON	0.0	0.0	0.0	0.7	0.7
EDGERTON	0.4	0.4	0.4	0.4	0.4
ELMORE	0.1	0.1	0.1	0.1	0.1
GALION	1.0	1.0	1.0	1.0	1.0
GENOA	0.1	0.1	0.1	0.1	0.1
GIRARD	1.0	1.0	1.0	1.0	1.0
GRAFTON	0.5	0.5	0.5	0.5	0.5
HASKINS	0.1	0.1	0.1	0.1	0.1
HATFIELD	0.0	0.0	0.0	1.5	1.5
HOLIDAY CITY	0.2	0.2	0.2	0.2	0.2
HUBBARD	0.4	0.4	0.4	0.4	0.4
HUDSON	1.1	1.1	1.1	1.1	1.1
JACKSON	0.0	0.0	0.0	7.0	7.0
KUTZTOWN	0.0	0.0	0.0	5.1	5.1
LANSDALE	0.0	0.0	0.0	8.8	8.8
LEHIGHTON	0.0	0.0	0.0	3.5	3.5
LODI	0.5	0.5	0.5	0.5	0.5
LUCAS	0.1	0.1	0.1	0.1	0.1

<p>2006-A JAN. 1, 2006 - JUN. 1, 2006 - JAN. 1, 2007 - JAN. 1, 2008 - APR. 1, 2008 - MAY 31, 2006 DEC. 31, 2006 DEC. 31, 2007 MAR. 31, 2008 DEC. 31, 2012</p>					
MUNICIPALITY	MW	MW	MW	MW	MW
MIDDLETOWN	0.0	0.0	0.0	5.9	5.9
MIFFLINBURG	0.0	0.0	0.0	3.6	3.6
MILAN	0.1	0.1	0.1	0.1	0.1
MONROEVILLE	1.0	1.0	1.0	1.0	1.0
MONTPELIER	1.0	1.0	1.0	1.0	1.0
NAPOLEON	0.4	0.4	0.4	0.4	0.4
NEW KNOXVILLE	0.5	0.5	0.5	0.5	0.5
NEWTON FALLS	0.9	0.9	0.9	0.9	0.9
NILES	2.3	2.3	2.3	2.3	2.3
OAK HARBOR	0.3	0.3	0.3	0.3	0.3
OBERLIN	1.3	1.3	1.3	1.3	1.3
OLYPHANT	0.0	0.0	0.0	1.6	1.6
PEMBERVILLE	0.1	0.1	0.1	0.1	0.1
PIONEER	0.5	0.5	0.5	0.5	0.5
PROSPECT	0.1	0.1	0.1	0.1	0.1
QUAKERTOWN	0.0	0.0	0.0	8.1	8.1
ROYALTON	0.0	0.0	0.0	0.3	0.3
ST. CLAIR	0.0	0.0	0.0	1.5	1.5
SCHUYLKILL HAVEN	0.0	0.0	0.0	3.2	3.2
SEVILLE	0.8	0.8	0.8	0.8	0.8
SHELBY	5.0	5.0	5.0	5.0	5.0
SOUTH VIENNA	0.1	0.1	0.1	0.1	0.1
WADSWORTH	3.1	3.1	3.1	3.1	3.1
WATSONTOWN	0.0	0.0	0.0	1.0	1.0
WEATHERLY	0.0	0.0	0.0	1.5	1.5
WELLINGTON	0.4	0.4	0.4	0.4	0.4
WESTERVILLE	0.0	0.0	25.0	25.0	25.0
WOODSFIELD	1.5	1.5	1.5	1.5	1.5
WOODVILLE	0.1	0.1	0.1	0.1	0.1

APPENDIX B

The Revenue Requirements for each Year of the term of this Power Schedule shall be calculated by dividing the kW of Purchased Power for that Year into the Revenue Requirements to provide the Revenue Requirements allocable to each Share of Purchased Power. The following are estimated rates for the Revenue Requirements:

1. Demand Charge¹:

- 2006 - \$0.00 / kW-mo
- 2007 - \$0.00 / kW-mo
- 2008 - \$0.00 / kW-mo
- 2009 - \$0.00 / kW-mo
- 2010 - \$0.00 / kW-mo
- 2011 - \$0.00 / kW-mo
- 2012 - \$0.00 / kW-mo
-

1.[This is defined in Schedule.]

2. Project Energy Charge:

- 2006 - \$44.55 / MWh
- 2007 - \$44.55 / MWh
- 2008 - \$44.55 / MWh
- 2009 - \$44.55 MWh
- 2010 - \$44.55 / MWh
- 2011 - \$44.55 / MWh
- 2012 - \$44.55 / MWh

The above rates do not include financial, administrative, legal expenses or AMP-Ohio's Part B service fees.

APPENDIX C

POINTS OF DELIVERY

Point of Delivery of the Energy is the AEP/Dayton (A/D) Hub in the PJM System. Unless otherwise directed by Municipality, AMP-Ohio will arrange, at Municipality's expense, all necessary transmission to transmit the Energy from the A/D Hub to Municipality's system. All transmission related costs from the A/D Hub shall be the Municipality's responsibility and will be billed to Municipality in accordance with the provisions of this Schedule and the Master Services Agreement.

APPENDIX D
DESCRIPTION OF THE PURCHASE

AMP-OHIO CONTRACT NO. C-11-2005-4409

APAPAP00537497-22613ATATAT



THIS CONFIRMATION CANCELS AND SUPERCEDES THE PREVIOUS ONE SENT TO YOU. PLEASE REFERENCE THE AMENDMENTS BELOW. WE APOLOGIZE FOR ANY INCONVENIENCE CAUSED.

From: J. Aron & Company
85 Broad Street
New York, NY 10004

To: AMERICAN MUNICIPAL POWER-OHIO INC

Attention: MARC GERKEN

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the following transaction (the "Transaction") entered into on the Trade Date specified below between J. Aron & Company ("Aron") and AMERICAN MUNICIPAL POWER-OHIO INC.

This confirmation letter is being provided pursuant to and in accordance with the EEI Master Power Purchase and Sale Agreement dated as of December 9th, 2004 (the "Master Agreement") between J. Aron and Company and American Municipal Power Ohio Inc. and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

The commercial terms of this Transaction are as follows:

Trade Date:	02 Nov 2005
Contract Reference:	880665219 1 1
Buyer:	AMERICAN MUNICIPAL POWER-OHIO INC
Seller:	J. Aron & Company
Commodity:	Firm Energy with Liquidated Damages
Term:	01 Jan 2006 to 31 Dec 2012
Delivery Period:	All deliveries are made during the defined periods (hours ending 0100 - 2400 Monday through Friday, and hours ending 0100 - 2400 Saturday and Sunday) Eastern Prevailing Time ("EPT") including NERC holidays
NERC Business Day:	Each business day for the North American Electricity Reliability Council ("NERC"), excluding those NERC

AMP-OHIO CONTRACT NO. C-11-2005-4409

holidays as reflected from time to time on its website
currently located at
<http://www.nerc.com/~oc/offpeaks.html> or any
successor thereto.

Hourly Rate: 225.00 MW

Total Quantity: 13,807,800.00 MWH

Contract Price(s):

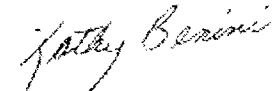
Delivery Point: PJM AEP-Dayton Hub ("AD Hub")

Scheduling: The Commodity shall be scheduled for Real Time
delivery in accordance with PJM scheduling protocols
and settled against the AD Hub Real Time prices
published by PJM.

Aron Operations Contacts: Fintan Whitty - Operations Manager: (212) 902 7311
Max Bulk - Scheduling Manager: (212) 357 9764
Femi Senbore - Invoicing: (212) 902 5462

Please confirm that the terms stated herein accurately reflect the agreement reached
between AMERICAN MUNICIPAL POWER-OHIO INC and J. Aron & Company by
returning an executed copy of this Confirmation to Fintan Whitty by fax to (212) 428
9571.

Signed on behalf of J. Aron & Company
By:



Kathy Benini
Vice President
J. Aron & Company

Signed on behalf of AMERICAN MUNICIPAL POWER-OHIO INC

By: Marc S. Gerken

Name: MARC S. GERKEN

Title: Pres / CEO

• PWF AR 11/2/05
11/2/05 MDM

RWT 11-3-05

APAPAP00537497-22613ATATAT

APPENDIX E

[RESERVED]

APPENDIX F

[RESERVED]

APPENDIX G

TRUST INDENTURE

[BETWEEN AMP-OHIO AND BOND TRUSTEE]

(To be Included When Negotiated and Executed. Only necessary if bonds are issued.)

APPENDIX H

OPINION OF COUNSEL

[TO BE RECEIVED FROM COUNSEL TO EACH PARTICIPANT IN THE EVENT
THAT BONDS ARE ISSUED.]

LETTERHEAD OF ATTORNEY FOR PARTICIPANT

[DATE]

American Municipal Power-Ohio, Inc.
c/o John W. Bentine
General Counsel
Chester, Willcox & Saxbe LLP
Suite 1000
65 East State Street
Columbus, Ohio 43215

Re: Legal Opinion Pertaining to 2006-A Long Term Power Purchase

Dear Mr. Bentine:

I am an attorney admitted to practice in the State of _____ and I have acted as counsel to the _____ of _____, _____ (State) _____ (the "Municipality"), which has entered into a Master Services Agreement ("MSA") and Power Schedule agreement for the Sale of Output of the 2006-A Long Term Power Purchase ("PSA"), collectively "Agreements", between the Municipality and American Municipal Power-Ohio, Inc. ("AMP-Ohio"), and have acted as such in connection with the authorization, execution and delivery by the Municipality of the Agreements.

In so acting I have examined or am familiar with the following:

- (a) The MSA and the PSA between the Municipality and AMP-Ohio;
- (b) The laws and constitution of the State of _____;
- (c) any relevant ordinance and charter provisions of the Municipality; and
- (d) any outstanding instruments relating to bonds, notes or other indebtedness, of or relating to, the Municipality's electric utility system.

I am in the opinion that:

1. The Municipality is a duly created and validly existing pursuant to the Constitution and law of the State of _____.
2. The Municipality has full legal right and authority to enter into the Agreements, to carry out its obligations thereunder and to furnish electricity to its customers.
3. The governing body which has the requisite authority to authorize an appropriate officer of the Municipality to execute and deliver the Agreements in the name of, and on behalf of, the Municipality is the _____ of the _____ of _____, _____ (State) _____. The _____ duly approved each of the Agreements and authorized their execution and delivery on behalf of the Municipality by legislative action duly and lawfully adopted at a meeting or meetings duly called and held pursuant to necessary public notice at which quorums were present and acting throughout. Such legislative action has become effective.
4. The Agreements have been duly authorized, executed and delivered by the appropriate officers of the Municipality pursuant to legislative action authorizing or directing the same; and, assuming that AMP-Ohio has all the requisite power and authority to execute and deliver and has duly authorized, executed and delivered the Agreements, the Agreements constitute the legal, valid, and binding obligations of the Municipality enforceable in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of the remedy of specific performance, injunctive relief or any other equitable principles.
5. The Municipality has power and authority to fix, charge, collect and revise the rates charged to its electric utility customers and, except if and as noted and disclosed in Appendix K of the Power Schedule, such rates are not subject to regulation by any regulatory authority of the State of _____ or the United States of America.
6. The obligations of the Municipality to make payments to AMP-Ohio pursuant to the Agreements are an obligation of the Municipality's electric utility system payable from the revenues thereof, as set forth in the respective Agreements.
7. To the best of my knowledge, there is no litigation or other proceedings pending or threatened against the Municipality in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of the Municipality or its municipal electric utility system or the validity, legality or enforceability of the Agreements.

Very truly yours,

[For any questions or an electronic copy of this document, please contact Barbara Johnson at 614-334-6144 or *bjohnson@cwslaw.com*, or John Bentine at 614-334-6121 or *jbentine@cwslaw.com*.]

APPENDIX I

SCHEDULING AND DISPATCHING

If Municipality is a full requirements purchaser from AMP-Ohio, scheduling and dispatching will be provided to Municipality by AMP-Ohio through the full requirements arrangements.

If Municipality is not a full requirements purchaser from AMP-Ohio, Municipality must provide day-ahead schedules by 10:00 a.m. EPT at least one Business Day prior to delivery of energy or as by the time required by MISO and PJM for day ahead scheduling.

APPENDIX J

[RESERVED]

APPENDIX K

OTHER OBLIGATIONS/DISCLOSURES
(Only necessary if bonds are issued)

[To be Filled in by Municipality, if Required and if bonds are issued. See e.g. Section 2(vii)
Appendix H.]

APPENDIX L

[RESERVED]

APPENDIX M

FINANCING AGREEMENT
(Only necessary if bonds are issued)

[BETWEEN AMP-OHIO AND THIRD PARTY
RELATING TO FINANCING THE PURCHASE]

[To be Included When Negotiated and Executed in the event that bonds are issued.]

APPENDIX N

PURCHASE COMMITTEE

There is no Purchase Committee for this Power Schedule.

E. AMP-Ohio's obligations hereunder with respect to the delivery of the Municipality's Share of Purchased Energy are contingent upon the performance of the Purchased Power Contractor under the Power Purchase Agreement.

SECTION 26. NO PARTNERSHIP

The Parties expressly agree that no partnership is created by the provisions of this Power Schedule and neither Party may act as agent for or bind the other Party except to the extent contemplated by this Power Schedule.

SECTION 27. COUNTERPARTS

This Power Schedule may be executed and delivered in counterparts, each of which shall for all purposes be treated as the original hereof and all of which shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Power Schedule to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals, if any, to be hereto affixed.

CITY OF JACKSON, OHIO

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Municipal Legal Advisor

Date: _____

AMERICAN MUNICIPAL POWER-OHIO, INC.

By: _____
Marc S. Gerken, PE, President

Date: _____

APPROVED AS TO FORM:

By: _____
John W. Bentine, Esq.
General Counsel

Date: _____

THE CITY OF JACKSON, OHIO

POWER SCHEDULE

(2006-A Long Term Power Purchase)

(AMP-Ohio Contract No. C-11-2005-4518)

To

American Municipal Power - Ohio, Inc. and

The City of Jackson, Ohio

MASTER SERVICES AGREEMENT

(AMP-Ohio No. C-11-2005-4376)

THE CITY OF JACKSON, OHIO
POWER SCHEDULE
(2006-A Long Term Power Purchase)
(AMP-Ohio Contract No. C-11-2005-4518)
To
American Municipal Power - Ohio, Inc. and
The City of Jackson, Ohio
MASTER SERVICES AGREEMENT
(AMP-Ohio No. C-11-2005-4376)

WHEREAS, AMP-Ohio has acquired, or is in the process of acquiring, by purchase contract, certain economical long term power and energy which is being made available for resale to AMP-Ohio Members, including Municipality, on a long term basis (herein "2006-A Long Term Purchase").

WHEREAS, Municipality can beneficially utilize a portion of such energy from the 2006-A Long Term Purchase and desires to secure the same on a long term basis.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between Municipality and AMP-Ohio as follows:

SECTION 1. DEFINITIONS AND EXPLANATIONS OF TERMS

Terms used but not defined herein shall have the meanings ascribed to them in Exhibit 1 to this Schedule or, if not defined herein or in Exhibit 1 to this Schedule, then in Appendix A of the Master Services Agreement.

SECTION 2. REPRESENTATIONS

The Municipality represents to AMP-Ohio that, as of the effective date hereof:

- (i) the Municipality is a municipal corporation or other political subdivision, duly created and validly existing pursuant to the Constitution and statutes of its domicile State;
- (ii) the Municipality has full legal right and authority to enter into the Master Services Agreement and this Power Schedule, to carry out its obligations hereunder and to furnish electric power and energy to its customers;
- (iii) this Power Schedule and the Master Services Agreement and their execution and delivery on behalf of the Municipality were duly authorized by legislative action duly and lawfully adopted at a meeting or meetings

duly called and held pursuant to necessary public notice at which quorums were present and acting throughout, any other required actions (such as publication) with regard thereto have been accomplished, and such legislative action became effective prior to the execution of the Master Services Agreement and this Power Schedule;

(iv) the Master Services Agreement and this Power Schedule have been duly executed and delivered by the appropriate officer or officers of the Municipality pursuant to legislative action authorizing or directing the same; and the Master Services Agreement and Power Schedule constitute legal, valid, and binding obligations of the Municipality enforceable in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, the availability of the remedy of specific enforcement, injunctive relief or any other equitable principle;

(v) the execution and delivery of the Master Services Agreement and this Power Schedule by the Municipality and the performance by the Municipality of its obligations thereunder and hereunder do not and will not contravene in any material respect any law in existence on the date of execution and delivery of either, or any order, injunction, judgment, decree, rule or regulation, in existence on the date of execution and delivery of either, of any court or administrative agency having jurisdiction over the Municipality or its property or, in any material respect, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any bond ordinance, trust agreement, indenture, mortgage, deed of trust or other agreement (y) in existence on the date of execution and delivery of either the Master Services Agreement or this Power Schedule and (z) to which the Municipality is a party or by which it or its property is bound;

(vi) the Municipality has power and authority to fix, charge, collect and revise the rates charged to its electric customers and, except with respect to those laws and regulations identified in Appendix K, such rates are not subject to regulation by any regulatory authority of any State or the United States of America;

(vii) the payment obligations of the Municipality to AMP-Ohio pursuant to this Power Schedule are payable from the revenues of the Municipality's municipal electric utility system as O&M Expenses and, except for such bonds, notes or other evidences of indebtedness, if any, disclosed in writing to AMP-Ohio prior to the execution and delivery of this Power Schedule by the Municipality as set forth in Appendix K, neither such Municipality nor its electric system has outstanding any bonds, notes or other evidences of indebtedness payable from any revenues of its municipal electric utility system prior to or on a parity with such payments under this Power Schedule;

(viii) except for pending or threatened litigation, if any, disclosed in writing to AMP-Ohio prior to the execution and delivery of this Power Schedule by the Municipality by inclusion in Appendix K, there is no litigation or other proceeding pending or, to the best knowledge of the Municipality, threatened against the Municipality in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization

or existence of the Municipality or its municipal electric utility system or the validity, legality or enforceability of the Master Services Agreement or this Power Schedule;

(ix) prior to the execution and delivery of this Power Schedule by the Municipality, its duly authorized representatives have been provided the opportunity to ask such questions, review such data and reports, conduct such inspections and otherwise perform such investigation with respect to the Purchase, and the terms and conditions of the Master Services Agreement, this Power Schedule and the Appendices, as the Municipality deems necessary or appropriate; and

(x) after consideration of the potential risks and benefits, the Municipality has determined that it is reasonable and in its best interest to contract for a Share of Purchased Power from the 2006-A Long Term Purchase and to become obligated to pay the costs associated with the same in accordance with this Power Schedule.

SECTION 3. TERM

A. This Power Schedule shall become effective on the date upon which this Power Schedule and Related Power Schedules shall have been executed and delivered by Municipalities that shall have agreed to purchase Shares of Purchased Power in kilowatts equal to, in the aggregate, no less than 100,000 kW of Purchased Power ("Effective Date"). Municipality's entitlement to its Share of Purchased Power shall begin on the later of January 1, 2006 or the Effective Date.

B. This Power Schedule shall remain in effect until December 31, 2012 and thereafter until for so long as required by the Trust Indenture; *provided, however*, that Municipality shall remain obligated to pay to AMP-Ohio its respective share of all Demand Charges and Operating Expenses related to the Purchase that shall have accrued and are unpaid as of such expiration date.

SECTION 4. SELLER

AMP-Ohio.

SECTION 5. PURCHASER

Municipality.

SECTION 6. TYPE OF TRANSACTION

AMP-Ohio as Seller agrees for the term of this Power Schedule to sell to the Municipality as Purchaser its Share of Purchased Power and Municipality agrees to take its Share of Purchased Energy and pay for its Share of Purchased Power for the term of this Power Schedule. AMP-Ohio's obligations to provide power and energy hereunder are contingent upon, and subject to, the delivery to AMP-Ohio of Purchased Power in accordance with the Purchased Power Agreement, and AMP-Ohio shall not be liable to Municipality for any failure AMP-Ohio to deliver to Municipality its Share of Purchased Energy if AMP-Ohio shall not have received at the specified delivery point Purchased Power in accordance with the Purchased Power Agreement. Municipality specifically

acknowledges that although power and energy from the Purchased Power is intended to be the primary source of its Share of Purchased Energy, AMP-Ohio may, from time to time, substitute for actual delivery purposes Replacement Power; provided that such substitution, except as provided in Section 9.A, does not result in higher costs to Municipality; and provided further, that such Replacement Power be of a similar firmness and reliability as that made available from Purchase, unless otherwise agreed by Municipality. Municipality's obligations are contingent upon delivery of its Share of Purchased Energy at a stated contract price not to exceed \$0.04500 per kWh (excluding taxes, transmission costs, replacement power and AMP-Ohio service fees). Municipality and AMP-Ohio expressly agree, anything in any other schedule or the Master Services Agreement to the contrary, that neither the Municipality nor AMP-Ohio shall net or set off against amounts due under this Schedule any amounts due under any other schedule or the Master Services Agreement.

SECTION 7. DELIVERY POINT

The Municipality's Delivery Points, pursuant to this Power Schedule, shall be at the interconnection points as specified in Appendix C. Municipality is responsible for arranging for, and the costs of, transmission service from the Delivery Points to Municipality's system or other points for the benefit of Municipality. At Municipality's request, AMP-Ohio shall, utilizing Prudent Utility Practice, make all reasonable efforts to make such transmission arrangements on Municipality's behalf.

SECTION 8. SCHEDULING OF ENERGY

Prior to the requested delivery of Purchased Energy, the Municipality shall provide AMP-Ohio an energy schedule, at such time and in such form as is acceptable to AMP-Ohio. Changes to this energy schedule may be made with advance notice, at a time and in a form acceptable by AMP-Ohio; provided, however, that such schedule changes must also be accepted by any relevant transmission providers. The energy scheduling protocols shall be set forth in Appendix I which shall be updated from time to time to reflect changes to the same. The obligations in this Section 8 shall be carried out by the Parties in a manner consistent with Prudent Utility Practice.

SECTION 9. FIRM ENERGY

A. Municipality's Share of Purchased Energy in each Year during which this Power Schedule is in effect is set forth in Appendix A. Such Share is based upon the Municipality's Share for that Year in kW as a percentage of the total of all Municipalities' Shares of Purchased Power for that Year in kW. AMP-Ohio will exert its best efforts to purchase Replacement Power if required to meet Municipality's energy schedule because of a default by the Purchased Power Contractor under the Power Purchase Agreement resulting in AMP-Ohio's not receiving all or a portion of the Purchased Power or loss of Replacement Power or interruption or diminution in the availability of transmission service causes Municipality's Share of Purchased Energy available for delivery to Municipality to be less than that scheduled (any such event, an "Energy Shortfall"). In such case, if the cost

associated with the Energy Shortfall is estimated to be higher than the estimated cost to Municipality of not providing the scheduled energy, AMP-Ohio will notify Municipality of the amount and approximate cost to maintain Municipality's original energy schedule. Municipality will then notify AMP-Ohio as to whether: (i) Replacement Power should be secured and the original energy schedule maintained, or (ii) the energy schedule should be reduced. Municipality shall be charged, or credited, for the difference between the cost of Replacement Power and the cost of Purchased Power. Should circumstances preclude changing energy schedules through the relevant transmission providers or if AMP-Ohio is not able to communicate with Municipality after having made reasonable efforts to do so, AMP-Ohio shall attempt to take whatever reasonable actions are available on the Municipality's behalf.

B. AMP-Ohio shall administer the Purchase in accordance with Prudent Utility Practice.

SECTION 10. RATES, CHARGES, AND BILLING

A. AMP-Ohio shall establish and maintain rates or charges, or any combination thereof, for the Municipality's Share of Purchased Power made available to the Municipality under this Power Schedule, which shall be set forth in the Charge Appendix, Appendix B hereto, which will provide revenues which, taken together with the revenues received by AMP-Ohio under the Related Power Schedules, are sufficient, but only sufficient, to meet the Revenue Requirements.

B. The Municipality's Share percentage of Revenue Requirements in respect of any Month during which AMP-Ohio has made available to the Municipality any Purchased Energy under this Power Schedule (whether or not the Municipality actually accepts delivery thereof) shall be the same as the percentage of Municipality's Share of Purchased Power computed as provided in Section 9.A and shall be paid by the Municipality through rates and charges as set forth in the Charge Appendix. Municipalities (except Municipalities in default under this Power Schedule or the Related Power Schedules) shall be credited with an appropriate share of any net damages or other funds received by AMP-Ohio on account of a failure to receive Purchased Power under the Purchased Power Agreement.

C. The rates and charges under this Power Schedule and under the Related Power Schedules shall be uniform.

D. AMP-Ohio has determined the estimated initial Charge Appendix, set forth on Appendix B, to meet the Municipality's Share of Revenue Requirements. At such intervals as it shall determine appropriate, AMP-Ohio shall review and, if necessary, shall revise prospectively the Charge Appendix to ensure that the rates and charges set forth therein and the like appendices in the Related Power Schedules, in the aggregate, continue to cover AMP-Ohio's estimate of all of the Revenue Requirements and recognize other factors, such as the issuance of Bonds by AMP-Ohio to effect a prepayment for all or a portion of the Purchased Power, and changes in service conditions as

determined appropriate by AMP-Ohio. AMP-Ohio shall notify the Municipality of each revision to the Charge Appendix and set forth the effective date thereof, prior to such effective date.

E. The obligation of the Municipality to make payments under this Section 10 shall constitute an obligation of the Municipality payable as an O&M expense of its municipal electric utility system, and such payments shall be made in respect of any Month under this Power Schedule, whether or not such Municipality actually accepts delivery of Purchased Energy; unless, and then only to the extent, such Month was within a period in which Purchased Energy was Unavailable to the Municipality. Municipality shall not be required to make payments under this Power Schedule except from the revenues of its municipal electric utility system and from other funds of such system legally available therefor. In no event shall any Municipality be required to make payments under this Power Schedule from tax revenues, but nothing herein shall be construed to preclude the same. The obligations of the Municipality to make payments under this Section 10 in respect to any Month shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and, so long as any Purchased Energy is made available by AMP-Ohio hereunder during such Month (whether or not such Municipality actually accepts delivery thereof), such payment obligations of such Municipality shall not be conditioned upon the performance by any of the other Municipalities of their respective obligations under any Related Power Schedule, or by AMP-Ohio or any of the other Municipalities under any other agreement; *provided, however*, that nothing contained herein shall be construed to prevent or restrict such Municipality from asserting any rights which it may have against AMP-Ohio under this Power Schedule or any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

F. If AMP-Ohio shall issue Bonds to the effect a prepayment for all or a portion of the Purchased Power, any proceeds from the sale of Bonds in excess of the amount required for the purposes for which such Bonds were issued and investment income earned on any investments held under the Trust Indenture shall be applied by AMP-Ohio, at its sole discretion (i) to the purchase or redemption of Bonds prior to their stated maturity, (ii) to the payment of costs related to the Purchase, or (iii) as a credit against Revenue Requirements. Notwithstanding anything contained in the foregoing provisions of this subsection (F), if any Trust Indenture or any instrument of a similar nature relating to borrowings by AMP-Ohio to finance the prepayment of any or all of the costs of the Purchase shall require the application of any amount referred to in the foregoing provisions of this subsection (F) to any specific purpose, AMP-Ohio shall apply such amount to such purpose as so required.

SECTION 11. PURCHASE COMMITTEE

AMP-Ohio may select, in the same manner as other committees of its Board of Trustees are selected, a number of representatives of the respective Municipalities, such number to be determined by the Board from time to time, to serve on a Purchase Committee as set forth in Appendix N. Such Committee members shall represent not

less than a Majority of the Municipalities. The Purchase Committee shall act by a majority of the weighted, i.e. in proportion to Share of Purchased Power, vote in attendance at any meeting of the same. The Purchase Committee shall advise AMP-Ohio of its desire regarding the Purchase. The Purchase Committee shall meet, as needed, with representatives of AMP-Ohio. AMP-Ohio shall give due consideration to the recommendations of the Purchase Committee regarding the Purchase, and AMP-Ohio shall communicate such recommendations to its Board of Trustees.

SECTION 12. OWNERSHIP OF PURCHASE

A. Prior to delivery to Municipality at the Delivery Point, AMP-Ohio shall have full title to the Purchase and to Purchased Power and Replacement Power, and during the term of this Power Schedule, Municipality shall not own or claim title to the Purchase or to Purchase Power or to Replacement Power, and Municipality's payment obligations do not constitute a purchase of or create an ownership interest or rights in the Purchase or Purchased Power or Replacement Power, such title, ownership and rights residing with AMP-Ohio.

SECTION 13. PRIORITY OF TERMS

All provisions of Master Service Agreement entered into between AMP-Ohio and Municipality shall be applicable to this Schedule. If there is a conflict between any term or condition of the Master Service Agreement and this Schedule, the term or condition of this Schedule shall control.

SECTION 14. ADDITIONAL COVENANTS OF MUNICIPALITY

A. Municipality covenants and agrees that it shall not sell, lease or otherwise dispose of all or substantially all of its municipal electric utility distribution system except on no less than one hundred-eighty (180) days' prior written notice to AMP-Ohio and, in any event, shall not so sell, lease or otherwise dispose of the same unless AMP-Ohio shall reasonably determine that all of the following conditions are met: (i) such Municipality shall assign its interest in this Power Schedule and its rights hereunder in writing to the purchaser or lessee of the municipal electric utility distribution system and such purchaser or lessee, as assignee of rights and obligations of such Municipality under this Power Schedule, shall assume in writing all obligations (except to the extent theretofore discharged or otherwise provided for in a manner acceptable to AMP-Ohio) of the Municipality under this Power Schedule; (ii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Power Schedule to clarify the terms on which such assignee shall exercise its rights and obligations hereunder; (iii) such assignment will not materially adversely affect the security afforded by the provisions of this Power Schedule for payments to AMP-Ohio hereunder; and (iv) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment: (a) is lawful; (b) will not adversely affect the tax or regulatory status of the Bonds or of AMP-Ohio; and (c) will not adversely affect the legality of this Power Schedule.

B. The Municipality covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay AMP-Ohio from the timely fulfillment of its obligations under this Power Schedule or Master Services Agreement; *provided, however*, that nothing contained herein shall be construed to prevent or restrict the Municipality from asserting any rights which it may have against AMP-Ohio.

C. The Municipality covenants and agrees that it shall, in accordance with Prudent Utility Practice, operate the properties of its municipal electric utility distribution system and the business in connection therewith in an efficient manner, and maintain its municipal electric utility distribution system in good repair, working order and condition; *provided, however*, that this covenant shall not be construed as requiring such Municipality to expend any funds which are derived from sources other than the revenues of its municipal electric utility system, although nothing herein shall be construed as preventing such Municipality from doing so.

D. The Municipality covenants and agrees that AMP-Ohio is specifically authorized to issue Bonds in accordance with any Trust Indenture to finance the prepayment of all or a portion of the Purchase and all related or associated costs of the Purchase in an aggregate amount not to exceed six hundred fifteen million dollars (\$615,000,000) for a term or terms ending not later than December 31, 2012. No additional financing shall be obtained by AMP-Ohio in connection with this Power Schedule; *provided however*, that the Municipality consents to AMP-Ohio's refinancing all or any portion of the Bonds where AMP-Ohio, in its sole but reasonable discretion, finds it to be in the best interests of the Municipalities as a whole. AMP-Ohio may issue additional bonds associated with other power purchase arrangements similar to the Purchase but any such arrangements shall be provided for in separate schedules to the Master Services Agreement or other agreements between the parties.

E. The Municipality covenants and agrees that it shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its municipal electric utility system superior to the payment of the O&M Expenses of its municipal electric utility system; *provided, however*, that nothing herein shall limit such Municipality's present or future right to incur lease or contractual obligations which are payable on a parity with O&M Expenses, or issue bonds, notes or other evidences of indebtedness payable from revenues subject to only to the prior payment or provision for the payment of O&M Expenses of its municipal electric utility system.

F. The Municipality covenants and agrees to use all reasonable efforts to take all lawful actions necessary or convenient to fulfill all of its obligations under this Power Schedule and the Master Services Agreement.

G. The Municipality covenants and agrees that it shall not mortgage or take, or fail to take, any other action which would create or result in any lien on or other security interest in this Power Schedule.

H. The Municipality covenants that it shall fix, charge and collect rates, fees and charges, and from time to time and as often as shall be necessary revise such rates, fees and charges, for electric power and energy and other services, facilities and commodities sold, furnished, supplied or otherwise provided by its municipal electric utility system at least sufficient to provide revenues to meet or, with other available funds, to provide in each Year the sum of (i) its O&M Expenses, including Municipality's Share of Revenue Requirements under this Schedule and related amounts owing under the Master Services Agreement, (ii) debt service on outstanding electric system revenue obligations of the Municipality, and (iii) all other amounts payable from such revenues including, without limitation, debt service on general obligation or other tax supported debt incurred for purposes of the Municipality's municipal electric utility distribution system;

I. The Municipality covenants and agrees that, upon written request of AMP-Ohio, it shall cause its chief financial officer to issue a certificate stating that, for the last fiscal Year of such Municipality for which data is available, it is not in default of any obligation or covenant under this Power Schedule or any other agreements with AMP-Ohio, or Joint Ventures of AMP-Ohio members.

J. For purposes of this Section 14 the term "electric system revenue obligations", shall be construed not to include the following:

(1) the entire principal amount due at maturity of any electric system revenue obligations that shall be bond anticipation notes or other indebtedness the principal of which is intended to be paid from the proceeds of long-term indebtedness (in either case, "BANs") payable from the revenues of Municipality's municipal electric utility system, provided that the Municipality shall have received an opinion of recognized bond counsel to the effect that the Municipality has full power and authority under applicable law to issue the bonds or incur the long-term indebtedness in anticipation of which the BANs are issued and to apply the proceeds thereof or cause the proceeds thereof to be applied to the payment or satisfaction of the BANs; however, electric system revenue obligations shall include the following portions of principal or BANS: (A) from the date of original issue of a BAN through the end of the fifth Year following the date of original issue, zero; (B) from the beginning of the sixth Year following the date of original issue until the debt evidenced by the BAN is fully retired or refinanced with long-term indebtedness, that amount of principal which is the product of the original principal amount of the BAN, multiplied by a fraction, the numerator of which is 1 and the denominator of which is the maximum term of the long-term indebtedness which the BANs anticipate (such maximum term to be determined by the term of the loan agreement or other instrument by which the indebtedness is incurred, and if no term is contained in such loan agreement or other instrument, then by the maximum maturity or thirty years, or such lesser maturity as set forth by law for the asset class being financed by the BAN); or

(2) any portion of the principal amount of any BANs payable from the revenues of the Municipality's municipal electric utility system and paid at maturity or prepaid from sources other than a debt service reserve fund.

For purposes of this Power Schedule, including in particular subsections (I) and (J) of this Section 14, the term "revenues" with reference to Municipality's municipal electric utility system shall be construed to include amounts paid by a joint venture to the Municipality as a refund of payments made in a prior period.

K. If AMP-Ohio issues Bonds to effect a prepayment for all or a portion of the Purchased Power and the Municipality has a Share of Purchased Power equal to or in excess of ten percent (10%), Municipality agrees to furnish to AMP-Ohio annually, no later than October 1 of each Year and to the extent required for AMP-Ohio pursuant to any Financing Agreement to comply with any continuing disclosure obligations undertaken to assist any purchaser of the Bonds to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, (i) information updating the financial and operating data respecting the Municipality and its municipal electric utility system, which data was included in the offering documents of AMP-Ohio prepared in connection with the offering of its Bonds; (ii) the Municipality's financial statements relating to its municipal electric utility system, when they become publicly available, and prepared in accordance with generally accepted accounting principles or otherwise as required by law; and (iii) notice of certain material events specified by such Rule. The form of such undertaking shall be provided by AMP-Ohio to Municipality, and executed by Municipality, prior to the date of issuance of any Bonds.

SECTION 15. DEFAULT

A. In the event (i) any payment due from the Municipality under this Power Schedule remains unpaid subsequent to the due date thereof, such event shall constitute a default hereunder and AMP-Ohio, upon fifteen (15) days' written notice to and at the cost and expense of the Municipality, (i) withhold any payments otherwise due the Municipality and suspend deliveries or availability of Purchased Energy to or on behalf of the Municipality under this Power Schedule, (ii) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against the Municipality, or (iii) take any other action permitted by law to enforce this Power Schedule. Upon suspension of the rights of the Municipality as provided in the immediately preceding sentence, AMP-Ohio shall be entitled to and may sell or make available, from time to time, to any other person or persons any Purchased Energy associated with the Municipality's Share of Purchased Power, and any such sale or sales may be on such terms and for such period deemed necessary or convenient in AMP-Ohio's judgment, which shall not be exercised unreasonably, to accomplish such sales under then existing market conditions; *provided, however*, that no such sale shall be made for a period exceeding two months. Any such sale of such Purchased Energy contracted for by AMP-Ohio under this Section 15(A) shall not relieve the Municipality

from any liability under this Power Schedule, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of the Municipality under this Power Schedule. When any default giving rise to the suspension of delivery of Purchased Energy has been cured in less than sixty (60) days subsequent to such default and payment has been made by the Municipality to AMP-Ohio of all costs and expenses incurred as a result of such default, the Municipality shall be entitled to a resumption of delivery of Purchased Energy under this Power Schedule, subject to any sales of Purchased Energy to others entered into by AMP-Ohio pursuant to this Section 15(A).

B. If Municipality shall be in default under this Power Schedule, whether under the terms of Section 15(A) or otherwise, and such default continues for sixty (60) days or more without reasonable and effective efforts by Municipality to cure such default, AMP-Ohio may, in addition to any other remedy available at law or equity, terminate the provisions of this Power Schedule insofar as the same entitle Municipality to Purchased Energy; however, the obligations of the Municipality under this Power Schedule shall continue in full force and effect. AMP-Ohio shall forthwith notify such Municipality of such termination.

C. The net proceeds of any sales described in Section 15 (A) and all other amounts realized by AMP-Ohio in enforcing the provisions of this Power Schedule shall be applied first to the payment or reimbursement of all costs and expenses of AMP-Ohio in such enforcement, second to the payment of any amounts due to AMP-Ohio in respect of its charges hereunder.

SECTION 16. RELATIONSHIP TO AND COMPLIANCE WITH OTHER INSTRUMENTS

It is recognized by the Municipality that AMP-Ohio in undertaking, or causing to be undertaken, the financing and administration of the Purchase must comply with the requirements of the Related Power Schedules, any Financing Agreement, any Trust Indenture, and any applicable licenses, permits and regulatory approvals necessary for the same, and it is therefore agreed that this Power Schedule should be construed in a manner consistent with compliance with the provisions of all such agreements, licenses, permits, and regulatory approvals.

SECTION 17. MODIFICATION OR AMENDMENT OF THIS POWER SCHEDULE

Except to the extent otherwise provided herein with respect to supplements, amendments and modifications in the Appendices, this Power Schedule shall not be amended, modified or otherwise changed except by written instrument executed and delivered by each Party; provided, however, that this Power Schedule shall not in any event be amended, modified or otherwise changed in any manner that will materially adversely affect the security afforded by the provisions of any Trust Indenture.

SECTION 18. OPINIONS AS TO VALIDITY

Municipality, upon execution and delivery of this Power Schedule, shall furnish to AMP-Ohio an opinion, substantially in the form of Appendix H, of counsel retained or employed by Municipality and licensed to practice

law in Municipality's domicile State. Upon request by AMP-Ohio, on the Closing Date, Municipality shall furnish AMP-Ohio with a letter from the attorney or firm of attorneys which rendered the foregoing opinion confirming, as of the date specified in such request, the foregoing opinion delivered upon execution and delivery of this Power Schedule.

SECTION 19. APPLICABLE LAW; CONSTRUCTION

This Power Schedule is made under and shall be governed by the law of the State of Ohio; provided, however, that if Municipality is not domiciled in Ohio, the power and authority of the Municipality to enter into this Power Schedule and the application of the provisions of this Power Schedule to this Municipality shall be construed in accordance with the laws of the Municipality's domicile State. Headings herein are for convenience only and shall not influence the construction hereof. In the event of any conflict between the provisions contained in Sections 1 through 27, inclusive, of this Power Schedule and any of the Appendices (excepting Appendices G and M), the appropriate provisions of Sections 1 through 27 shall govern.

SECTION 20. SEVERABILITY

If any Section, Subsection, Paragraph, Clause or provision or any part thereof of this Power Schedule shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Schedule shall be unaffected by such adjudication and all the remaining provisions of this Power Schedule shall remain in full force and effect as though such Section, Subsection, Paragraph, Clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein and the Power Schedule then interpreted to reflect the intention of the parties to the greatest extent permitted by law.

SECTION 21. ASSIGNMENT OF POWER SCHEDULE

A. This Power Schedule shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Power Schedule; provided, however, that (i) except for an assignment by AMP-Ohio to a Bond Trustee pursuant to a Trust Indenture in the event that AMP-Ohio shall issue Bonds to effect a prepayment for all or a portion of the Purchased Power, neither this Power Schedule nor any interest herein or, except as otherwise permitted herein, in the Purchase, shall be transferred or assigned by AMP-Ohio except with the consent in writing of the Municipality, which consent shall not be unreasonably withheld, and (ii) except for an assignment by the Municipality with the consent of AMP-Ohio in accordance with Subsection (B) of this Section 21 or an assignment in connection with the sale, lease or other disposition of all or substantially all of a Participant's municipal electric utility distribution system as provided in Section 14(A) hereof, neither this Power Schedule nor any interest herein or the Purchase shall be transferred or assigned by the Municipality.

B. Municipality may assign to any entity this Power Schedule and its rights hereunder if all of the following conditions are met: (i) AMP-Ohio consents in writing to such assignment, which consent shall not be

unreasonably withheld; (ii) the assignment shall be evidenced by a written instrument pursuant to which the assignee shall assume all obligations except to the extent theretofore discharged or otherwise provided for in a manner acceptable to AMP-Ohio upon, if applicable, the recommendation of any Purchase Committee; (iii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Power Schedule to clarify the terms on which power and energy from such ownership share are to be delivered hereunder by AMP-Ohio to such assignee; (iv) such assignment (a) does not require any modification to any Purchase licenses or permits by any governmental entities with jurisdiction thereof or (b) any such modifications are duly approved; and (v) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment: (a) is lawful; (b) will not adversely affect the tax or regulatory status of the Bonds or of AMP-Ohio; (c) will not adversely affect the other Municipalities' rights under similar Power Schedules; (d) will not adversely affect the legality of this Power Schedule or the activities contemplated hereunder; and (e) either will not require approval by any regulatory body or all such approvals have been duly obtained. AMP-Ohio shall not consent to the assignment of this Power Schedule pursuant to the immediately preceding sentence unless AMP-Ohio reasonably determines that such assignment is not expected to result in any increase in the charges to any of the remaining Municipalities under this Power Schedule. Nothing contained in this Section 21 (B) shall be construed to prevent or restrict Municipality from issuing or leaving outstanding revenue bonds and mortgage revenue bonds, subject to the provisions of Section 14(F), secured by the revenues, or the revenues and a mortgage of the property, of such Municipality's electric utility system, including a franchise, long as the Municipality does not mortgage or otherwise subject its interest in this Power Schedule to any liens created thereby.

SECTION 22. BENEFICIARIES

A. This Power Schedule shall constitute a binding agreement of the Municipality and AMP-Ohio. Consequently, no other person other than any trustee under the Trust Indenture shall have any interest in, be a beneficiary of or be entitled to enforce the provisions of the Power Schedule.

SECTION 23. SURVIVORSHIP OF OBLIGATIONS

The termination of this Power Schedule shall not discharge any Party hereto from any obligation that it owes to any other Party under this Power Schedule by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Power Schedule or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Power Schedule) shall survive the termination of this Power Schedule.

SECTION 24. ARBITRATION; VENUE

A. The Municipality and AMP-Ohio agree to negotiate in good faith to settle any and all disputes arising hereunder.

B. Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by either Party relating to this Power Schedule except injunctive litigation necessary to solely restrain or cure an imminent threat to public or employee safety. Before the remedies provided for in this Section 24 may be exercised by either Party, such Party shall give written notice to the other Party that such Party believes that an event of default or impasse under this Power Schedule may have occurred, specifying the circumstances constituting the event of default or impasse in sufficient detail that the other Party will be fully advised of the nature of the event of default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) business days of receipt of such notice.

C. The Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the Parties to the controversy and conduct mediation at a location to be agreed upon by the Parties or absent agreement, by the mediator. Within two business days of selection, the mediator shall be furnished copies of the notice, this Power Schedule, response and any other documents exchanged by the Parties. If the Parties and the mediator are unable to settle the same within thirty (30) days from selection, or such other time as the Parties agree, the mediator shall make a written recommendation as to the resolution of the dispute. Each Party, in its sole discretion, shall accept or reject such recommendation in writing within ten (10) days. Should the Parties be unable to agree upon a single mediator within five (5) business days of the written response of the responding Party, any Party or the Parties jointly shall petition the Presiding Judge of a Court of general jurisdiction with jurisdiction over the parties and the matters at issue and in which venue is proper, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute. The costs of the mediator and the mediation shall be shared equally by the Parties to the dispute. Should the parties be unable to agree upon a mediator and no court of appropriate jurisdiction has appointed the same within a reasonable time, the obligation to mediate shall be deemed fulfilled and mediation shall be deemed waived.

D. In any litigation, any Party that fails to accept a mediator's recommendation regarding resolution of the dispute or disputes at issue shall be liable for the other Party's reasonable attorneys' fees and expenses, not to exceed \$10,000, incurred litigating such issue unless the result of such litigation materially improves such Party's position from such recommendation. For purposes of this subsection, "materially improve" shall mean, with regard to compensation or liability, twenty-five percent (25%) or greater improvement. All determinations under this paragraph shall be under the sole discretion of the presiding judge, and the record of the mediation and the

mediator's recommendation shall be admissible for such purposes and for such purposes only, unless the Parties otherwise agree.

E. The Parties may mutually agree to waive mediation or subsequent to mediation waive their right to litigate in Court and, in either case, submit any dispute hereunder to binding arbitration before a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or such other arbitration procedures to which they may agree. Such agreement shall be in writing and may otherwise modify the procedures set forth in this Section 24 for resolving any particular dispute.

F. Nothing in this Section 24 shall be construed to affect jurisdiction or venue over any dispute that is otherwise appropriate under law.

SECTION 25. LIABILITY AND ALLOCATION OF RISK

A. AMP-Ohio shall not be responsible for the receiving, transmission, control, use, application, or distribution of Purchased Energy beyond any Point of Delivery and shall not, in any event, be liable for damage or injury to any person or property whatsoever arising, accruing, or resulting from, in any manner, the receiving, transmission, control, use, application, or distribution of said electric power and energy beyond any Point of Delivery or otherwise on the system of the Municipality. Nothing in this Section 25(A) should be construed to prevent AMP-Ohio or the Municipality from compromising or settling, on reasonable terms, any pending or threatened litigation or claim.

B. To the fullest extent permitted by applicable law, no recourse shall be had against any individual officer or employee of Municipality or against any officer or employee of AMP-Ohio, past, present or future, either directly or indirectly, whether by virtue of any penalty or otherwise, for any claim based upon or arising out of this Power Schedule, any opinion given in connection therewith, or the obligations of the Parties hereunder, all such liability, if any, being by the execution and delivery of this Power Schedule specifically waived and released.

C. Nothing in this Power Schedule shall be construed to waive any immunities which Municipality may have now or in the future.

D. No covenant, representation, obligation or agreement herein contained shall be deemed to be a covenant, representation, obligation or agreement of any officer or employee of Municipality or AMP-Ohio or any agent, officer or employee of any Municipality or AMP-Ohio in his or her individual capacity, and neither such officers or employees of any Participant nor any official executing this Power Schedule shall incur any personal liability therefor arising in any way from the approval or execution this Power Schedule or the activities contemplated hereunder.