American Municipal Power

PSEC Project

General Project Status

As of March 2012

- Engineering is 99.8 % complete vs. 99.8% planned
- Construction is 98.9 % complete vs. 98.8% planned
- The overall Project is 99.0 % complete vs. 99.0% planned
- Startup is 97.5% complete vs. 98.4% planned

General Project Status

- PSGC's contractor, Bechtel Power, continues its startup, testing and evaluation of equipment and systems as the Project nears completion of the construction and startup phase. Operational testing of Unit 1 has been conducted at full load (877 MW gross) while Unit 2 has been operated up to 825 MW gross. The PSGC power plant has generated over 1.0 million MWH to date.

- A major area of focus for PSGC and our contractor partners is testing the air quality control system at high output levels to ensure environmental compliance and to optimize long term operations and availability of the units during commercial operation. Engineering studies are being completed and designs are being developed to ensure this is accomplished.

General Project Status

- PSGC continues to manage through the issues associated with startup, during which the power plant remains under the care, custody and control of Bechtel Power, PSGC's contractor. In the Engineering and Procurement Contract (EPC) secured between PSGC and Bechtel in the Summer of 2010, Unit 1 had a completion date of December 2011 and Unit 2 of August 2012, after which dates, Bechtel owes PSGC liquidated damages each day the unit is late.

- On March 27 Unit 2 experienced a failure of one of the unit's large induced draft fans. These fans move exhaust gas from the boiler through the air quality control equipment. The extent of damage and root cause analysis is under way as well as a determination of the applicability to Unit 1. Recovery plans and schedule impact will follow the root cause analysis.

General Project Status

- Because the design of Units 1 and 2 are the same, Unit 1 was removed from service preemptively on March 28, 2012 to prevent similar damage. Modifications to the flue gas duct work have been completed on Unit 1 as well as some diagnostic testing and the unit is expected to return to startup testing in April.

- Bechtel is expediting the ordering and delivery of all the required repair parts and working to minimize schedule impact. The current minimum lead time on some of the critical parts is estimated at 10-12 weeks while the estimated lead time for some parts is over 30 weeks. Installation time is estimated to be an additional 4 to 6 weeks. Bechtel is working diligently to improve upon these schedules and will keep PSGC informed.

General Project Status

- Delays of the above described nature are not uncommon during the startup and testing of large power plant facilities of the size and complexity of the Prairie State Energy Campus.

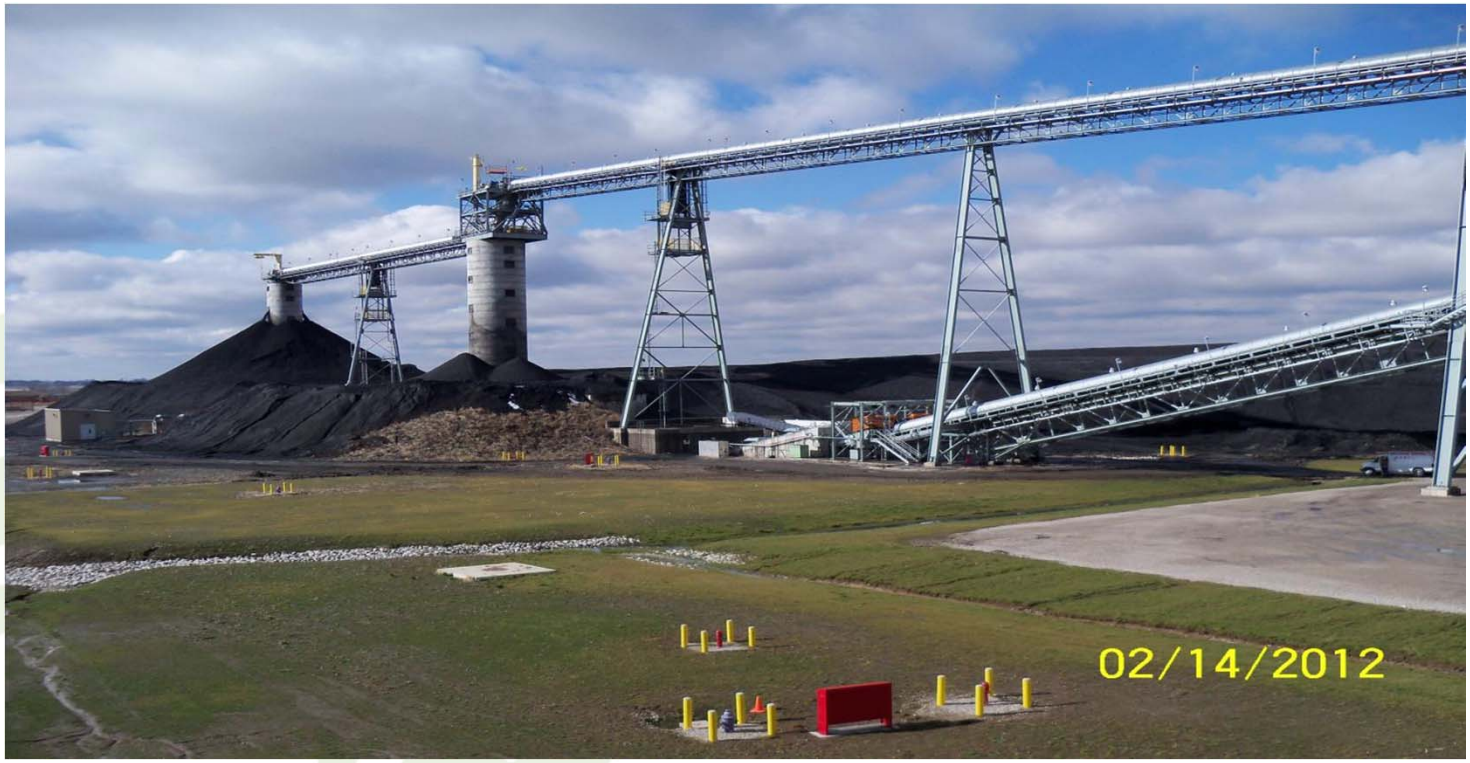
- PSGC and its contractors are working hard to achieve the best quality, maximum output and best long-term value for the investment from each Unit before taking care, custody and control. The final decision on care, custody and control will be balanced to provide the maximum value for the Owners and their customers.

General Project Status

- PSGC Owners are continually monitoring the wholesale electric market pricing available to the PSGC participants in the region. The consensus of the PSGC participants is to complete repairs and optimize the value achieved under the contracts in a prudent manner to ensure that both Units will operate as reliably as possible when released for full scale operation.

View of Power Plant AQCS

View of Power Plant coal storage area



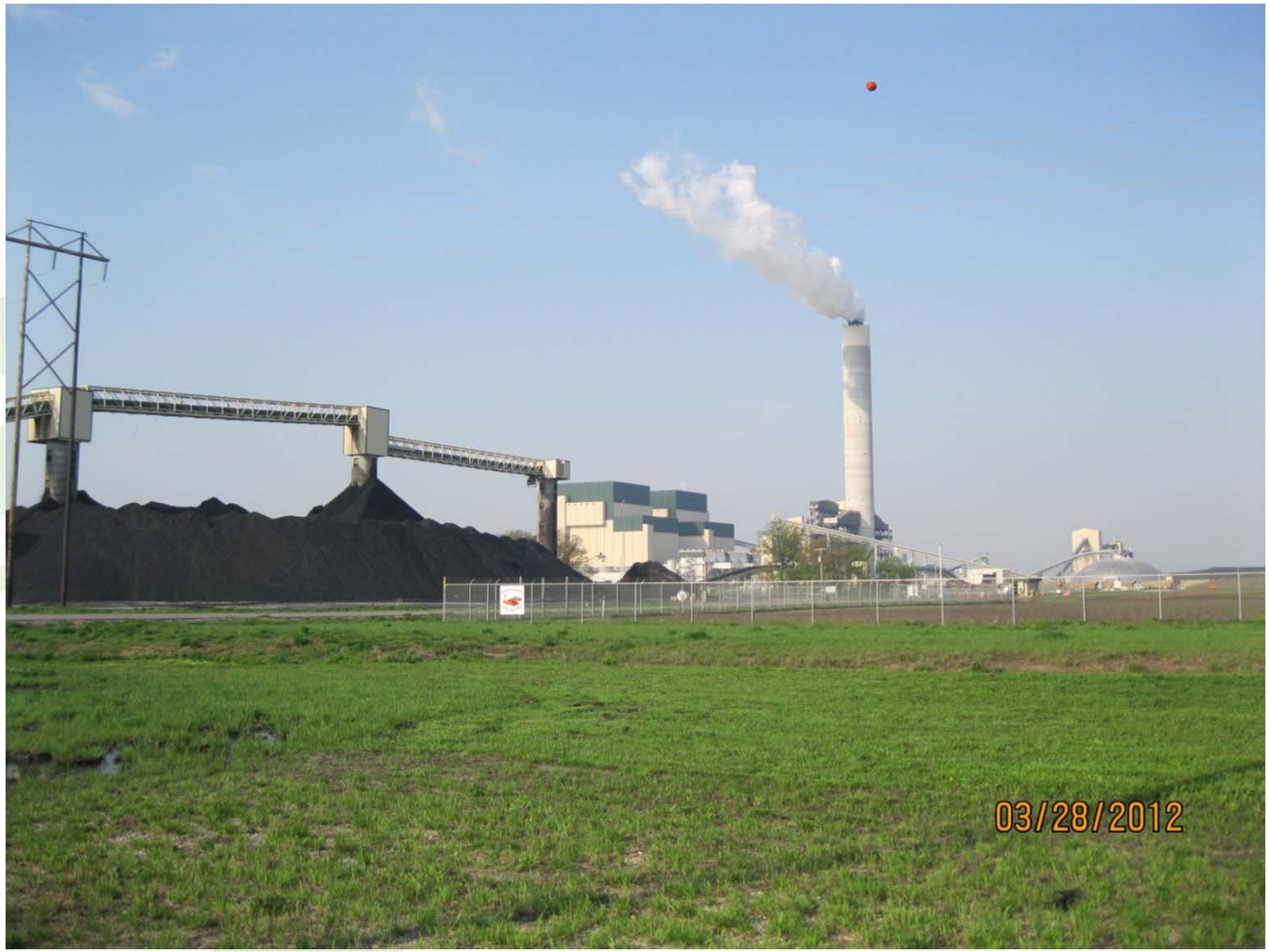
Jordan Grove CCW Disposal Site Status

- Construction of the CCW facilities at the Jordan Grove facility is complete and is in full operation. To date over 500,000 tons of material have been placed into the Jordan Grove facility.

Transmission Status

- 345 KV Transmission Baldwin to Rush Island
    - All transmission upgrades are complete and the system is capable of delivering the total electrical output of PSEC through the grid.

View of Mine coal pile and Power Plant



Transmission Status

- Update on Lively Grove Mine

  - Through the month of March 2012, based on the actual costs paid to-date, the total mine project is now 94.9% complete, compared to our plan of 96.6%. The variance results from timing of final payments on underground production mining equipment. Over 1,200,000 tons of coal has been stored in inventory at the power plant and the mine for future burning at the power plant.

Human Resources

- Current Staffing (PSGC Direct Hire and Contracted) is 516 personnel of which 315 work at the mine, 162 at the power plant, 33 in corporate support functions and 6 in construction management. Hiring of power plant and mine staff is being closely managed to meet the needs of startup and operation of the PSEC.

- Because power plant fuel requirements vary during the shakeout period, PSGC carefully manages coal production needs. Due to the variability of coal production needs and with PSGC having achieved its goal of meeting the coal inventory level sufficient to meet power plant operation needs, the number of temporary contract coal miners has been reduced. All permanent PSGC coal miners are unaffected by these changes.

Project Cost

- Total Project capital expenditures are forecast to be $4,933.6 million. Through March 31, 2012 actual Project capital expenditures total $4,762.8 million, 96.5% of the total Project forecast.

- Total AMP construction expenditures are forecast to be $1,342.8 million. Through March 31, 2012 actual AMP expenditures total $1,145.2 million.