
Memorandum

To: Mayor & Members of Council
From: Monica Irelan, City Manager
Subject: General Information
Date: January 26, 2015

CALENDAR

1. AGENDA – **PERSONNEL COMMITTEE**; Monday, January 26 @6:30 pm
2. **MEETINGS CANCELED**
 - a. Finance & Budget Committee
 - b. Safety & Human Resources Committee
 - c. Civil Service Commission
 - d. Parks & Rec Board

INFORMATIONAL ITEMS

1. OMEA Newsletter, January 2015

MI:rd
Records Retention
CM-11 - 2 Years

December 2014							January 2015							February 2015						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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7	8	9	10	11	12	13	11	12	13	14	15	16	17	15	16	17	18	19	20	21
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21	22	23	24	25	26	27	25	26	27	28	29	30	31							
28	29	30	31																	

 Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1 HOLIDAY - New Year's Day	2	3
4	5 6:00 PM Volunteer Fire Fighters' Dependents Fund Board Meeting 6:15 PM TECHNOLOGY Committee 7:00 PM City COUNCIL Meeting	6	7	8	9 8:30 AM Healthcare Cost Committee Meeting	10
11	12 6:15 PM Volunteer Fire Fighters' Dependents Fund Board Meeting 6:30 PM ELECTRIC Committee Board of Public Affairs	13	14	15	16	17
18	19 6:00 PM City TREE Commission Meeting 6:15 PM PARKS & REC Committee Meeting 7:00 PM City COUNCIL Meeting	20	21	22	23	24
25	26 6:30 PM PERSONNEL Committee Meeting	27	28	29	30	31

City of Napoleon, Ohio
PERSONNEL COMMITTEE

LOCATION: City Hall Offices, 255 West Riverview Avenue, Napoleon, Ohio

Meeting Agenda
Monday, January 26, 2015 at 6:30pm

- I. Approval of Minutes *(In the Absence of any Objections or Corrections, the Minutes Shall Stand Approved)*
- II. Review of Personnel Matters
- III. Executive Session: Compensation of Personnel

Gregory J. Heath, Finance Director/Clerk of Council

Memorandum

To: Finance & Budget Committee, Council, Mayor, City Manager, City Law Director,
City Finance Director, Department Supervisors, Media

From: Gregory J. Heath, Clerk of Council/Finance Director

Date: 1/20/2015

Re: Finance & Budget Committee Meeting Cancellation

The Finance & Budget Committee meeting, regularly scheduled for Monday, January 26, 2015 at 6:30 PM has been CANCELED due to lack of agenda items.

Memorandum

To: Safety and Human Resources Committee, Township Trustees, Council, Mayor,
City Manager, City Law Director, City Finance Director, Department Supervisors

From: Gregory J. Heath, Finance Director/Clerk of Council

Date: 1/20/2015

Re: Safety and Human Resources Committee Meeting Cancellation

The Safety and Human Resources Committee meeting scheduled for Monday,
January 26, 2015, at 7:30 PM has been CANCELED due to lack of agenda
items.

Memorandum

To: Civil Service Commission, Council, Mayor, City Manager, City Law Director, City Finance Director, Department Supervisors, Media

From: Gregory J. Heath, Finance Director/Clerk of Council

Date: 1/20/2015

Re: Civil Service Commission Meeting Cancellation

The regular Civil Service Commission meeting, scheduled for Tuesday, January 27 at 4:30 PM, has been CANCELED due to lack of agenda items.

Memorandum

To: Parks & Recreation Board, Council, Mayor, City Manager, City Law Director, City Finance Director, Department Supervisors

From: Gregory J. Heath, Finance Director/Clerk of Council

Date: 1/22/2015

Re: Parks & Recreation Board Meeting Cancellation

The meeting of the Parks & Recreation Board, regularly scheduled for Wednesday, January 28, 2015 at 6:30 PM, has been CANCELED due to lack of agenda items.



EVENTS OF NOTE

APPA Legislative Rally
March 9-11, 2015
*Grand Hyatt Washington
Washington, D.C.*

OMEA Legislative Briefing
& Mayors Reception
May 19, 2015
*Ohio Statehouse
Columbus*



CONTACT US

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New General Assembly is under way

The Ohio House and the Ohio Senate observed the beginning of a new general assembly with opening day ceremonies on Jan. 5. The 131st General Assembly is now under way with two years that promise to provide changes and challenges to Ohio lawmakers.

Speaker Rosenberger, President Faber and their leadership teams will be assigning members to committees later this month. Standing committees have usually

been formed and start to meet by the end of January. Legislation is expected to be introduced almost immediately, including re-introducing bills that did not pass in the last general assembly. The state budget will be the top priority during the first part of the year – the budget needs to be passed by both the House and Senate and signed by Governor Kasich by June 30.

In addition to the state budget, lawmakers will continue their review of renewable energy through the Energy Mandates Study Committee. This committee, created as part of SB 310 last year, was formed to review the state's policy on renewable energy, with a focus on the costs and impacts of the advanced energy portfolio standard. The committee held its first hearings in late 2014, and must issue its report to lawmakers by Sept. 30, 2015.

Regulation of companies that offer sub-metering will also likely be a hot topic. At the end of 2014, the House Public Utilities Committee passed legislation impacting the companies that sub-meter. We were pleased that the bill included a provision recognizing Home Rule authority of municipal utilities, and we will remain engaged on the issue as lawmakers begin consideration of it in 2015.

The OMEA staff and legislative consultants will be closely following the deliberations over the state budget and in the Energy Mandates Study Committee, as well as tracking any legislation that would have an impact on local control.

Ohio House leadership:

- Speaker Cliff Rosenberger (R-Clarksville)
- Speaker Pro Tempore Ron Amstutz (R-Wooster)
- Majority Leader Barbara Sears (R-Sylvania)
- Assistant Majority Leader Jim Buchy (R-Greenville)
- Majority Whip Mike Dovilla (R-Berea)
- Assistant Majority Whip Dorothy Pelanda (R-Marysville)
- Minority Leader Fred Strahorn (D-Dayton)
- Assistant Minority Leader Nicholas Celebrezze (D-Parma)
- Minority Whip Kevin Boyce (D-Columbus)
- Assistant Minority Whip Nickie Antonio (D-Lakewood)

Ohio Senate leadership:

- Senate President Keith Faber (R-Celina)
- President Pro-Tempore Chris Widener (R-Springfield)
- Majority Floor Leader Tom Patton (R-Strongsville)
- Majority Whip Larry Obhof (R-Medina)
- Minority Leader Joe Schiavoni (D-Boardman)
- Assistant Minority Leader Charleta Tavares (D-Columbus)
- Minority Whip Edna Brown (D-Toledo)
- Assistant Minority Whip Lou Gentile (D-Steubenville)



Marty Kanner, longtime OMEA federal legislative counsel, provides an update on legislative and regulatory issues affecting public power on the national level during a session on Oct. 29.



Craig Butler, Ohio EPA director, discusses USEPA issues during a panel discussion on Oct. 28.

Conference sessions help attendees navigate the industry

The 2014 AMP/OMEA Conference was held the last week of October in Columbus. Members attended several legislative and policy-related sessions – taking advantage of the knowledge from a diverse group of speakers.

One of the featured sessions was a panel on the U.S. Environmental Protection Agency (USEPA) greenhouse gas (GHG) rules. Guest speakers Director Craig Butler with the Ohio EPA and Quin Sorenson, partner with the Sidley Austin law firm in Washington, D.C., were on hand to explain the complex details of the USEPA's new rules regarding GHG and section 111(d).

Butler and Sorenson provided valuable insight into how this new rule will affect AMP's member communities and projects.

Marty Kanner, founder and president of Kanner & Associates, joined Jolene Thompson for the Federal Legislative & Regulatory

Issues session, and Ohio-specific issues were covered by Michael Beirne during the Ohio Legislative Update session.

At the OMEA General Membership meeting, the communities of Cuyahoga Falls, Dover, Pioneer and Wadsworth were re-elected to the Board of Directors. Cuyahoga Falls is represented by Mayor Don Walters; Dover, Mayor Rick Homrighausen; Pioneer, Mayor Ed Kidston; and Wadsworth, Mayor Robin Laubaugh. Also elected to an ex-officio seat on the OMEA Board was St. Marys, represented by Mayor Pat McGowan.

The OMEA general membership selected seven new honorary members:

- **Chris Easton**, who served the



St. Clairsville Mayor Robert Vincenzo and Dover Mayor Richard Homrighausen network with attendees to develop and maintain public power partnerships.

city of Wadsworth for 10 years as service director before retiring from the city earlier this year

- **Mayor Chad Hollon** (deceased), who served as mayor of Blanchester at the time of his passing in September 2014
- **Mayor Lowell Krumnow** (deceased), who was the longtime mayor of the Village of Elmore – from 1992 until his passing in October 2013

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Conference sessions help attendees navigate the industry

continued from Page 2

- **Larry Lautzenheiser**, who retired as superintendent of the City of Dover's electric field division in 2011 after 27 years of service to Dover
 - **Gene Post**, who retired from Wadsworth Electric and Communications in January 2014 with 40 years of experience in the electric and communication industry
 - **Mayor Don Robart**, who has the distinction of being the longest serving mayor of Cuyahoga Falls – 1986-2014, and served on the OMEA Board for most of those years
 - **Mayor Bill Snider** (deceased), who served as mayor of Mendon at the time of his passing in February 2014
- At the Board reorganization meeting that followed the general membership meeting, Mayor Homrighausen (Dover) was re-elected president. Mayor Robert Vincenzo (St. Clairsville) was re-elected to serve a one-year term and Mayor Laubaugh (Wadsworth) will join the executive committee for a one-year term.



Image courtesy of the Ohio Statehouse photo archive

2014 November elections wrap-up

The November elections have come and gone without much incident in Ohio. As expected, the Republicans managed to strengthen their control in the Ohio House as well as maintain all the statewide seats.

In the race for Governor, John Kasich easily beat his opponent, Democrat Edward Fitzgerald. Among the statewide offices it was a clean sweep for Republicans: Attorney General Mike DeWine, Treasurer Josh Mandel, Auditor Dave Yost and Secretary of State Jon Husted all kept their seats for another term.

The Ohio House Republicans picked up two new seats to strengthen their majority to 65-34.

The Ohio Senate Republicans maintained their majority with no upsets. The leadership for the Senate remains the same as last general assembly.

The standing committees for the next general assembly will be announced in the coming weeks. At that time, chairs and committee members will be appointed.

Ohio's congressional races also played out as predicted with no major upsets.

House Political Makeup Since 1967*

1967-68	R-62; D-37
1969-70	R-64; D-35
1971-72	R-54; D-45
1973-74	D-58; R-41
1975-76	D-59; R-40
1977-78	D-62; R-37
1979-80	D-62; R-37
1981-82	D-62; R-37
1983-84	D-62; R-37
1985-86	D-59; R-40
1987-88	D-60; R-39
1989-90	D-59; R-40
1991-92	D-61; R-38
1993-94	D-53; R-46
1995-96	R-56; D-42; I-1
1997-98	R-60; D-39
1999-00	R-59; D-40
2001-02	R-60; D-39
2003-04	R-63; D-36
2005-06	R-60; D-39
2007-08	R-53; D-46
2009-10	D-53; R-46
2011-12	R-59; D-40
2013-14	R-60; D-39

*Chamber realigned to 99 seats that year following the one-person, one-vote U.S. Supreme Court ruling.

GET TO KNOW YOUR LEGISLATORS:

Senator Bill Beagle



Sen. Bill Beagle (R-Tipp City) is serving his second term in the Ohio Senate and represents the 5th District,

which includes all of Miami and Preble Counties, as well as portions of Darke and Montgomery counties. Senator Beagle's district includes the OMEA member communities of Arcanum, Eldorado, Piqua and his home town of Tipp City.

Prior to joining the Ohio Senate, Beagle was a member of the Tipp City Council, and served as president where he worked with his fellow council members to build a new water plant, and invest in the downtown area and local parks to encourage economic development. In addition, Beagle served as a member of the

Tipp-Monroe Community Services Board, the Tipp City Power Plant Re-use Committee, the Tipp City Planning Board and the Tipp City Public Library Board of Trustees. He also worked for several years in the banking and finance industry.

Beagle's background has led him to be named vice chair of both the Senate Financial Institutions Committee, and the Ways and Means and Economic Development Committee. In these roles he has helped oversee legislation impacting revenues and economic development at the state and local level, as well as bills affecting banks and other financial institutions. Beagle also served as a member of the Senate Education Committee and the Insurance, Commerce and Labor Committee.

During the 130th General Assembly, Senator Beagle introduced SB 59,

which would authorize regional councils to establish as an education energy council. The purpose would be to issue debt to pay for school district energy purchases. Senator Beagle worked with the OMEA to ensure that municipal electric utilities' local control was protected. While the bill did not become law, we expect the legislation to be re-introduced in 2015.

In addition to his legislative duties and operating his own small business, Beagle created a group focusing on the needs of stay-at-home dads in the Dayton area. This venture was profiled in both local and national media.

Beagle holds a bachelor's degree in finance from Miami University and an MBA from Cleveland State University. He and his wife live in Tipp City with their three children.

Speaker Cliff Rosenberger



New Speaker Cliff Rosenberger (R-Clarksville) was sworn in during the 131st opening day ceremonies on Jan. 5, 2015, beginning

his third term as a member of the Ohio House of Representatives. He was elected by his colleagues to serve as Speaker. He represents the 91st House District, which includes Clinton, Highland, Pike counties and part of Ross County. This area also includes OMEA member Blanchester.

In the 130th General Assembly, which completed its work in December, Rosenberger served as the chair of

the Subcommittee on Higher Education for the Finance and Appropriations committee and served on the full finance committee. He was also a member of the Public Utilities, Military and Veterans Affairs, and Gaming and Wagers committees. While he was chair of the Subcommittee on Higher Education, his number one priority was creating jobs through a stronger, more competitive workforce.

Rosenberger is a veteran of the U.S. Air Force. Originally stationed in Springfield, Ohio, with the 178th Fighter Wing, he transferred to the 113th Fighter Wing of the District of Columbia after accepting a position with the White House in February 2007. He has also served as the national political events coordinator for Gov. Mitt

Romney's presidential campaign and special assistant to the U.S. Secretary of Interior Dirk Kempthorne.

Rosenberger has a long tradition of civic accomplishments with leaders of his hometown, Clarksville. He helped establish a village planning commission for Clarksville, and also led a movement to establish a Clinton County Veterans' Memorial in Wilmington, Ohio. He has served as the representative for the village to the Clinton County Republican Central Committee from 2004 until 2010.

Rosenberger continues to be active in the Clarksville community where he resides.

GET TO KNOW YOUR BOARD MEMBERS:

Mayor Patrick Hale



Mayor Patrick Hale is currently serving his third term on the city council for Tipp City. Following the November

2013 elections, his colleagues on council elected him to serve as Mayor. Hale served as city council president for two terms and is the first council member to be elected three terms in almost 30 years.

Mayor Hale has served on the OMEA Board of Directors since

2012. He has been active in the organization, in both Ohio and Washington, D.C. Additionally, he currently serves on the Policy Makers Council for the American Public Power Association.

Mayor Hale is a private business owner with a bachelor's degree in education from Miami University. He is very active in his community and with many sporting events in his area. Hale has been a high school sports announcer for Tippecanoe High School boys' basketball and soccer. He also runs the clock for all home varsity

football games. Hale has spent a number of years coaching and refereeing sports. He currently helps run the Destination Imagination scoring room.

Mayor Hale has also been very active in the Tipp City Mum Festival. He has chaired committees for this festival as well as serving as the emcee of the Mum Festival Queen's pageant for 18 years and as president in 1997. Hale resides in Tipp City with his wife and two sons.

2015 APPA Legislative Rally is just around the corner

With the holidays now over, the OMEA is making plans for the annual American Public Power Association (APPA) Legislative Rally in Washington, D.C. The 2015 Rally will be held March 9-11 at the Grand Hyatt Washington. This is the same location as last year and most Rally events will take place at the hotel.

As in previous years, attendance is important to ensure that public power's message is heard by Washington's policymakers.

On Monday, March 9, leadership meetings, pre-conference seminars and the APPA welcoming reception will take place.

Tuesday, March 10, will start with an AMP/OMEA legislative briefing and breakfast. The briefing will take place in the hotel from 7:30 to 9 a.m. and will provide important information and updates regarding issues that will be discussed during the meetings with lawmakers. Also on Tuesday, the APPA Legislative and Resolution Committee (L&R) will meet, followed by the L&R lun-

cheon. The afternoon will consist of Capitol Hill meetings and the OMEA Board meeting.

Wednesday morning, March 11, will begin with the APPA legislative breakfast followed by additional meetings on Capitol Hill before members depart in the early evening.

With the 114th Congress now under way, OMEA staff is beginning to arrange meetings with lawmakers.

Plans are being finalized to make the 2015 Rally another successful event for OMEA members and more information will be forthcoming in the next few weeks.

Registration materials for the AMP/OMEA group have been mailed. If you have any questions, please contact Jodi Allalen at jallalen@amppartners.org or 614.540.0916.





Update

A weekly newsletter presented by AMP President/CEO Marc Gerken

January 23, 2015

2014: A dynamic, productive year

By Marc Gerken – president/CEO

From the record-setting performance of the Belleville Hydroelectric Facility to favorable rating agency reviews to the premiere of the AMP Lineworkers Rodeo, AMP and its members registered a number of noteworthy achievements in 2014. Following are highlights of key 2014 accomplishments that have better positioned AMP to achieve its strategic goals, thanks to the many contributions of the AMP Board of Trustees, dedicated representatives of our member communities, and AMP staff. In the next few weeks we will provide a forward-looking analysis of 2015.



GENERATION

Belleville

2014 was the second consecutive record-setting year of performance for AMP's 42-megawatt (MW) Belleville Hydroelectric Facility, which provides power to 42 AMP member communities participating in Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Belleville's generation was 304,007 megawatt-hours (MWh), which exceeded the previous record, set in 2013, by 7,773 MWh. With a capacity factor of 82.6 percent, Belleville generated 59,162 MWh more than the 1992 feasibility study projections and 50,477 MWh over its historical annual average.

Belleville's value is further increasing, as the Series 2004 bonds were called in February 2014, with the remaining debt service placed on AMP's line of credit, a lower cost of borrowing. The participants continue to pay JV5 at the previous debt payment levels, with a larger portion of the payment going to principal, and the expectation that the debt will be retired at a faster rate than had the Series 2004 bonds remained outstanding.

Hydro construction

All four hydro projects continued to progress in 2014, with our goal being to reduce the construction risk every month as we move these projects forward. At Cannelton and Meldahl, both projects are watered up and working through the turbine/generator fit-up and commissioning. We are scheduled to have turbines turning in the first half of 2015.

The Willow Island concrete work is essentially complete. The balance of plant mechanical and electric work is continuing along with installation of the turbine equipment. The plant was watertight as of Jan. 16, and the contractor is removing the weighted berm in preparation for the watering-up process.

The Smithland project is also progressing, with 91.4 percent of structural

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Energy prices continue to fall due to mild weather

By Ryan Thompson – power supply planning engineer

With the weather relatively mild this year compared to the extremely cold weather seen last year, natural gas continues to fall. February natural gas prices closed yesterday down \$0.10/MMBtu from last week, finishing at \$2.83/MMBtu.

This has resulted in long-term power prices continuing to fall. 2016 power finished yesterday at \$40.99/MWh, which is \$0.86/MWh lower than last week.

AFEC weekly update

By Ryan Thompson

AFEC had a steady week with the plant being online every hour for the week. AFEC was dispatched above base minimum levels for most of the overnight hours during the week.

There were no duct firing hours during the week and the plant ended the week with a 72 percent load factor (based on 675 MW).

APPA awards deadline is approaching

By Michelle Palmer, PE – assistant vice president of technical services

The deadline to submit nominations for the American Public Power Association's (APPA) 2015 Safety Awards of Excellence is Jan. 31. Members are encouraged to nominate themselves for the Safety Awards and AMP hopes you will do so.

Submit all award nominations via the APPA website at www.PublicPower.org/Awards. Email questions to Awards@PublicPower.org or call APPA's Integrated Media and Communications Department at 202.467.2958.

concrete placement done by the end of 2014. There have been difficulties with the progression on the second-stage concrete as it relates to the bulb turbine housing and stay cone embedment. On a good note, we have substantially completed both the up-stream and down-stream excavation to allow for the final installation of riprap, which is used to prevent the river from scouring the approach and tailrace channels.

You can follow the progress of the four projects on the Hydro page, found under Generation Assets at www.ampppartners.org, as new photos are posted monthly. Phil Meier, AMP vice president of hydroelectric development and operations, also regularly provides status reports on the hydro projects in Update.

AMP Fremont Energy Center (AFEC)

AFEC continued to prove itself to be the workhorse we knew we were getting in 2011, growing in value as a flexible generation asset. Committed to PJM as a capacity resource, AFEC was dispatched by PJM to produce both intermediate and peaking generation. AFEC's capacity factor in 2014 was 38 percent. During the hours that AFEC operated and delivered energy to members, energy costs from the plant were a cumulative \$50 million lower than the PJM market.

We also continued to implement our 36-month rolling gas hedging strategy developed by TEA for AFEC, as well as to transact some opportunistic long-term fixed hedge swaps.

Prairie State Energy Campus (PSEC)

From my perspective as chair of the Prairie State Generating Company (PSGC) Management Committee, the plant owners saw significant progress in reliability and availability at the 1,600-MW advanced-coal, mine-mouth generating facility in 2014. We are confident we have the governance structure and skilled staff in place to have PSEC effectively operating as a highly efficient baseload generation facility. That confidence is based, in part, on the PSGC Board's hiring of Donald Gaston as president and CEO. Gaston has an extensive background in supercritical fossil generation, environmental controls technology and improving power plant reliability.

POWER SUPPLY

Last year, through the work of AMP's Power Supply Group and Generation Operations, our peak-shaving strategy resulted in more than \$38 million value of transmission and capacity savings for our behind-the-meter projects. AMP negotiated an agreement with Comverge to allow members to offer demand response to their commercial and industrial retail customers, providing additional transmission and capacity savings.

FINANCE

AMP's financial strength and strong management continued to be recognized by the rating agencies in 2014. Moody's Investors Service affirmed AMP's A1 issuer, or entity, rating, identifying the outlook as stable. An A1 rating

On Peak (16 hour) prices into AEP/Dayton Hub

Week ending Jan. 23

MON	TUE	WED	THU	FRI
\$30.15	\$30.95	\$32.49	\$31.76	\$30.69

Week ending Jan. 16

MON	TUE	WED	THU	FRI
\$37.46	\$42.69	\$44.64	\$43.62	\$37.84

AEP/Dayton 2016 5x16 price as of Jan. 23 — \$40.99

AEP/Dayton 2016 5x16 price as of Jan. 16 — \$41.85



Smithland photo one of ENR's 2014 Images of the Year

Engineering News-Record (ENR) recently named its 2014 Images of the Year and a photo by Mark Brocker, civil inspector at the Smithland Hydroelectric Project, was included (shown here).

The following is the photo description provided by ENR for the Images of the Year listing: "At the end of his day on the Smithland hydro project, Mark Brocker, a civil inspector with MWH Global and an aspiring shutterbug, decided to photograph workers before he headed home. Brocker's eye was drawn to union carpenter Tom Willoughby, who was completing connections between bright-orange concrete forms for an upcoming wall pour. Later, Brocker desaturated the image before bringing Willoughby back in color, highlighting the work of the veteran tradesman."

2015 LEGISLATIVE RALLY

AMP/OMEA has mailed group registration packets for the 2015 APPA Legislative Rally – to be held March 9-11, 2015, at the Grand Hyatt Washington in Washington, D.C.

Contact Jodi Allalen for more information at jallalen@ampppartners.org or 614.540.0916.

as opposed to a lower rating means the diligent work AMP and its members did to maintain creditworthiness will pay off in significant savings in power supply costs, interest rates and borrowing costs over the long-term.

We also had ratings affirmed on bonds for our major generation projects:

PSEC

- Fitch-affirmed its 'A' rating in August, with a stable outlook

AFEC

- Moody's Investors Service affirmed its 'A1' rating in March, with a stable outlook
- Fitch Ratings affirmed its 'A' rating in May, with a stable outlook

Combined Hydro

- Fitch affirmed its 'A' rating in November, with a stable outlook
- Standard & Poor's affirmed its 'A' rating in April, with a stable outlook

With respect to PSEC, AMP entered the market once again in late December 2014, taking advantage of an opportunity to save money for the project participants. The new debt was rated by each of the rating agencies as follows:

- Moody's Investors Service rated the new bonds at 'A1', with a stable outlook
- Standard & Poor's rated the new bonds 'A', with a stable outlook
- Fitch Ratings rated the new bonds 'A', with a negative outlook

AMP also achieved its margin projections in 2014, the first year under AMP's modified service fees that members approved in 2013 to accommodate a new retained earnings policy established by the Board. Strengthening our non-project General Fund liquidity makes AMP look more favorable to rating agencies, and favorably positions us to meet cash requirements for any unexpected expenditures.

TRANSMISSION

In 2014, investor-owned utilities made a concerted effort to focus on the transmission side of their business because of the guaranteed return on equity (ROE) – ranging from 10 to 13 percent – the Federal Energy Regulatory Commission (FERC) is granting them. As part of its efforts to help manage rising costs, AMP has continued to challenge the transmission owners on their transmission rate proposals and ROEs through FERC rate cases.

One of AMP's recent successes has resulted in an ongoing FERC investigation to determine whether the ROE in effect for American Transmission Systems, Inc. (ATSI, FirstEnergy's transmission affiliate), remains reasonable, as well as an investigation into the reasonableness of ATSI's proposed transmission rate structure changes.

ENVIRONMENTAL

In 2014, the U.S. Environmental Protection Agency (USEPA) issued its long-awaited proposals for limiting carbon dioxide (CO₂) emissions from existing and modified/reconstructed electric generating units.

In response, AMP, OMEA and their members, along with a number of other business groups and state agencies, filed comments questioning both the legality and technical feasibility of the proposed standards. AMP/OMEA also supported filings by both the American Public Power Association (APPA) and the Prairie State Generating Co. (PSGC). We also were actively engaged with the USEPA and state agencies to raise our view.

USEPA is now expected to issue final rules late in 2015, and AMP will continue to keep members updated on rules-related issues through *Update*, webinars and other communications.

EFFICIENCY SMART

Calendar year 2014 marked a year of continued success by AMP's Efficiency Smart program. First, AMP's independent Evaluation, Measurement, and Verification (EMV) contractor verified that the program's 2013 savings were 61,110 MWh for a three-year total verified savings of 121,016 MWh, or approximately 150 percent of the three-year target. Most of the program's third-year savings, and most of the three-year total savings, were from Custom projects – approximately 54,229 MWh in 2013 and 105,087 MWh in three years, respectively. All 49 members participating in the first three-year contract met their guaranteed savings goal.

As of Dec. 28, 2014, claimed 2014 MWh savings for the 27 participants were 21,550 MWh, or approximately 57.5 percent of the project's new three-year target. Hamilton recently signed up for a three-year contract as the project's 28th participant. We will continue with the Efficiency Smart subscription process to encourage all members to benefit from an investment in this low-cost, lowest-risk resource.

RISK MANAGEMENT

Last year, we focused efforts on building a formalized risk management program – Enterprise Risk Management (ERM) – around best practices designed to protect AMP and its members from vulnerabilities. AMP's Board of Trustees and Executive Management Team have embraced ERM as the way to define risks, identify their probability and impact on business drivers, and develop the thinking throughout the organization on actions to take in response to those risks. Throughout the year, Risk department staff completed training and assessment interviews of nearly 55 AMP employees and provided reports to AMP's Board and Executive Management.

AMP PUBLIC POWER CERTIFICATION

I want to congratulate the more than 100 elected and appointed officials from 49 communities in Ohio, Pennsylvania, Michigan and Delaware who completed

see YEAR IN REVIEW Page 4

AMP's new webinar-based Public Power Certification training course in 2014. The course covered both technical and regulatory aspects of the public power industry, as well as provided an overview of AMP.

We plan to resume the course in 2016, but the 2014 recorded sessions are available for viewing on AMP's website. For more information, please read the separate article on the right. Contact Kent Carson, senior director of media relations and communications programs, at kcarson@amppartners.org or 614.540.0842 with questions.

LINEWORKERS RODEO

AMP's inaugural Lineworkers Rodeo – the first of its kind for Central Ohio – was a successful start to what will become an annual event in Columbus. I want to congratulate the 30 lineworkers who participated and thank all the judges and auditors from across the AMP membership (and Central Virginia Electric Cooperative), as well as AMP staff who planned and worked at the event. We look forward to seeing this exciting event grow and invite all of our members to become a part of it.

RP3

AMP members once again made a strong showing in earning Reliable Public Power Provider (RP3) designations with two – the City of Wapakoneta and Cuyahoga Falls Electric System – receiving RP3's top designation, the Diamond level. Before 2014, the Piqua Municipal Power System was the only AMP member to achieve this level. Eleven other AMP members earned RP3 designations for 2014-2017. They join eight AMP members, including Piqua, who were awarded RP3 designations for 2013-2015. This reflects the high regard our members have for reliability, safety and operational efficiency, and I want to congratulate those communities earning the award.

NEW MEMBER

In November, AMP welcomed a new member, the City of Cannelton, Indiana – the first AMP member from the Hoosier state. Located in Perry County, just west of the Cannelton Locks and Dam where AMP is building its hydro facility, Cannelton has a population of about 1,560. We look forward to working with our newest member in meeting the challenges of a complicated and ever-changing industry, and seeing the economies of scale and further diversification further benefit all AMP members.

REDESIGNED WEBSITE

AMP redesigned its website to enhance its appearance, simplify site navigation and make it more mobile compatible for the steadily growing number of visitors who use mobile devices to view AMP's pages. Twenty percent of the approximately 58,000 sessions on amppartners.org in 2014 involved use of mobile devices – smart phones and tablets – which is up more than 5 percent from the previous year.

COMING NEXT

For more details on these and other AMP developments in 2014, be sure to watch *Update* for announcements on availability of the 2014 AMP Annual Report, AMP's 2014 Sustainability Report and the OMEGA JV2, 5 and 6 reports coming out this spring.

In the next few weeks, I will outline the challenges, opportunities and milestones I see ahead in 2015 for AMP and its members.

Public Power Certification webinars available online

By Kent Carson – senior director media relations & communications programs

In 2014, AMP launched the Public Power Certification Training program, with the goal of providing an overview of AMP, public power and the electric industry to local community officials. We were pleased with the participation and feedback AMP received from the new program.

The training included six webinars covering a range of topics presented over several weeks. More than 100 community officials from 49 member communities in Ohio, Pennsylvania, Michigan and Delaware completed the training in 2014.

AMP is planning to offer the live webinars again in 2016. The recordings from the 2014 sessions have been uploaded to the AMP website and are accessible there to local officials interested in the material. The recordings are available on the Member Extranet (password protected) portion of the AMP website. If you have any questions or need additional information please contact me at kcarson@amppartners.org.

Calendar

Jan. 29—AMP Finance & Accounting Subcommittee meeting
Philadelphia, Pennsylvania

Jan. 29—AMP CPower program webinar
2 p.m. email to kmarlowe@amppartners.org

Feb. 11—Regulator, Recloser, Capacitor Safety
AMP Headquarters, Columbus

Feb. 12—AMP Finance & Accounting Subcommittee meeting
Marshall, Michigan

March 9-11—APPA Legislative Rally
Washington, D.C.

March 10-12—Metering Course
AMP Headquarters, Columbus

March 12—AMP Finance & Accounting Subcommittee meeting
New Martinsville, WV



Wholesale power prices increase across the country in 2014

Provided by the U.S. Energy Information Administration (Jan 2015)

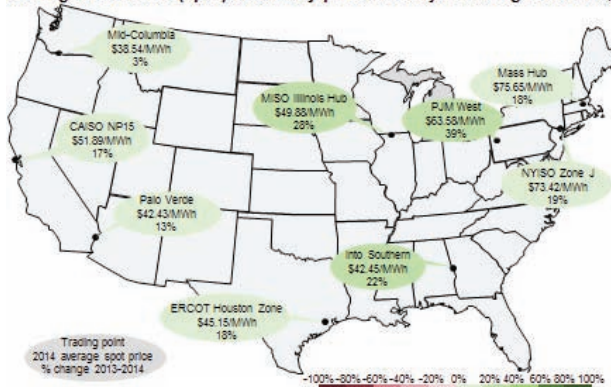
Wholesale on-peak electricity prices were up at trading hubs across the nation between 2013 and 2014, driven largely by increases in spot natural gas prices and high energy demand caused by cold weather in the beginning of the year.

Electricity prices were highest in the Northeast, driven by record-high natural gas prices early in the year during a very cold winter. Spot natural gas prices at the Henry Hub averaged \$4.38 per million British thermal units (MMBtu) in 2014, an increase of 17 percent from 2013, and prices at other major trading points were up 16-40 percent in 2014. Electricity prices were the lowest, and increased the least (only 3 percent), in the Pacific Northwest, where abundant low-cost hydroelectric generation often leads to the lowest prices in the nation.

A major factor for electricity prices in 2014 was the extreme weather system that covered much of the United States, resulting in heavy snowfall and bitterly cold temperatures during the winter of 2013-14, which strained the energy grid in several ways.

On many days natural gas pipelines filled to capacity, leading to record-high wholesale natural gas prices at several

Average wholesale (spot) electricity prices at major trading locations, 2014 vs 2013



Source: U.S. Energy Information Administration, based on SNL Energy

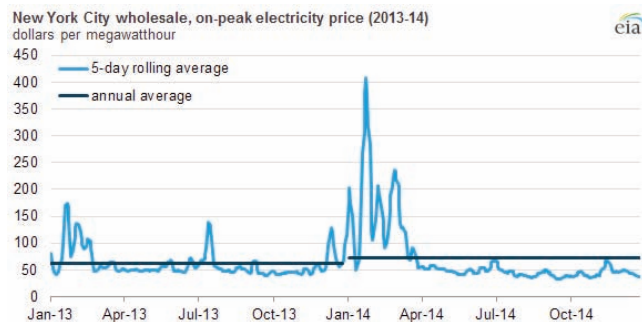
hourly spot electricity prices exceeded \$518/MWh in New York City, \$467/MWh in New England, and \$190/MWh in Northern Illinois.

Petroleum use for electric generation spiked last winter, after trending down significantly over the past decade. In January, more than 10 million barrels of petroleum products were used to generate electricity, the highest since February 2007 and nearly three times more than the previous January. Petroleum generators are rarely called upon to produce electricity, and are usually done so in cases of extreme peak demand, for temporary grid stability, or on the rare occasion where oil is an economic substitute for extremely high-priced natural gas.

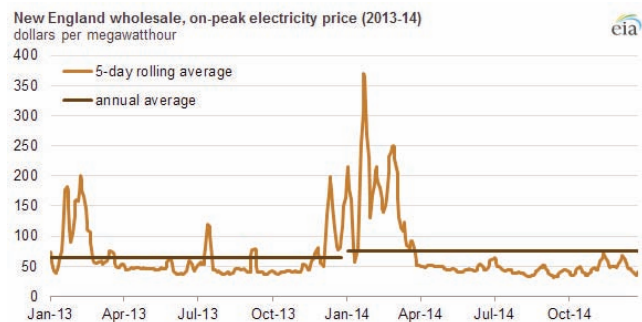
The severe weather in winter 2013-14 slowed coal deliveries, resulting in shrinking power plant coal stockpiles that at some generators in the Midwest fell to uncomfortably low levels. Problems with rail deliveries of coal continued into 2014, in part because competition for rail capacity from other traffic, including grain and oil shipments, led to renewed concerns about the adequacy of coal inventories in fourth-quarter 2014. In response, power plant operators purchased electricity from the wholesale market, reduced output at select facilities, and in a few cases moved coal by truck instead of rail in order to manage stockpiles.

The coal inventory situation improved toward the end of the year, as total U.S. coal stockpile levels increased nearly 10 percent from September to October, the largest percentage monthly build in at least five years. Coal railcar loadings, a leading indicator of coal stockpile activity, were the highest for the year in consecutive weeks in December and were considerably higher than in December 2013. However, the process of rebuilding stockpiles is expected to be slow, continuing into 2015 and possibly 2016.

The summer, often a time of stress in power markets because of hot weather and high demand, was relatively quiet in 2014. Daily peak loads were significantly lower than all-time peak loads in all regions except Texas (ERCOT), where a peak load of 66,725 megawatts (MW) on Aug. 25 approached the 68,305 MW all-time peak set in August 2011.



Source: U.S. Energy Information Administration, based on SNL Energy



Source: U.S. Energy Information Administration, based on SNL Energy.
Note: Price data are for Massachusetts Hub day-ahead, on-peak power price.

locations. Spot natural gas prices reached \$120/MMBtu in New York City (up from a 2013 high of \$36/MMBtu), \$78/MMBtu in Boston (up from a 2013 high of \$34/MMBtu), and \$34/MMBtu in Chicago (up from a 2013 high of \$5/MMBtu). Spot wholesale electricity prices – which in many markets are largely determined by the spot price of gas sold to natural gas-fired generators – spiked in turn. Peak



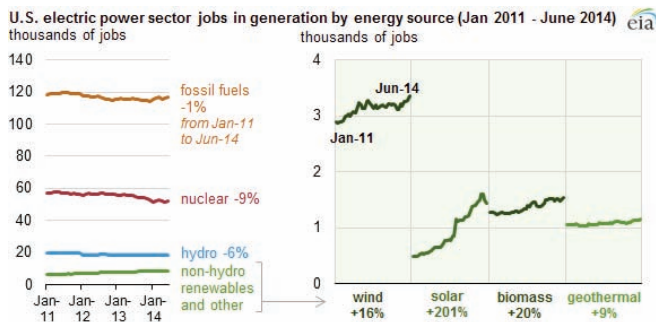
Sustainability trends

By Randy Corbin – assistant vice president for energy policy & sustainability

In December, the Energy Information Administration (EIA) of the U.S. Department of Energy (DOE) reported that analysis of Bureau of Labor Statistics information revealed that power sector employment has declined from January 2011 through June 2013 – except for employment in the renewable energy sector.

The U.S. electric power sector lost more than 5,800 jobs in the period, despite a gain of nearly 1,800 non-hydro renewable electricity generation jobs over the same period. Nuclear employment was down 9 percent total over the period, with hydro employment down 6 percent and fossil fuel generation (combined coal, natural gas and petroleum-fueled generation) employment down just 1 percent. Employment in solar topped the growth in the renewables sector with gains of over 200 percent. Other renewable sector growth: biomass up 20 percent; wind up 16 percent; geothermal up 9 percent.

EIA notes that the overall decline in electricity sector employment matches the decline over the same period in year-over-year electricity sales, partly driven by efficiency improvements and growth in distributed generation. The chart below shows gains and losses over time. For more information, please see <http://www.eia.gov/todayinenergy/detail.cfm?id=19271>.



Source: Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages. Note: 2014 data are preliminary.

Deadline to apply for AMP scholarships is Jan. 30

By Karen Ritchey – manager of communication programs

The deadline for members to submit 2015 AMP scholarship nominations is Jan. 30. Richard H. Gorsuch scholarship applicants must be students whose parent or guardian is an employee of an AMP member municipal electric department or an employee of AMP. Lyle B. Wright scholarship applicants must be students whose household receives electricity from an AMP member community.

The AMP Board of Trustees will announce the recipients in May. Up to four Wright and four Gorsuch scholarships will be awarded.

Since the program began in 1988, AMP has provided \$256,000 in scholarships to graduating high school seniors.

If you have any questions, please contact me at 614.540.0933 or kritchey@amppartners.org.

Classifieds

Ephrata seeks electric lineworker

The Borough of Ephrata is a small community located in Lancaster County, PA. Ephrata is located within one-two hours from three major cities: Philadelphia, Baltimore and New York. The borough has approximately 6,600 meters in a service area of 3.4 square miles.

Working as part of a team, use your technical, analytical and electrical knowledge to deliver reliable electric service to our customers. The 1st Class Electric Lineman position will be responsible to perform inspections, maintenance, operations and construction work on the substations, transmission, distribution and street lighting systems. Work on circuits up to 13.2 kV with hot sticks and/or with rubber protective equipment in aerial buckets and in required safety apparel.

Applicants must possess: minimum Class B motor vehicle license; minimum of four years of work experiences for a public or private utility or completion of a recognized apprenticeship program, demonstrate thorough working knowledge of transformer connections, phasing, testing line inspections, emergency sectionalizing, meter and service installation; must be able to climb utility poles and perform work up to 60 feet above the ground. Lineworker must reside within 30 minutes of Ephrata to respond to call-outs.

The borough offers an attractive wage, comprehensive benefit package and a workplace with an emphasis on quality and teamwork.

Complete an application at the borough or send a resume to: Human Resources Dept., Borough of Ephrata, 124 S. State St., Ephrata, PA 17522 or skramer@ephrataboro.org. Visit website at www.ephratboro.org. Application deadline: Feb. 6, 2015. EOE M/F/D/V

Columbus lamp servicer exam

The City of Columbus Department of Public Utilities is seeking qualified candidates for the position of Lamp Servicer. To apply, candidates must first take the open competitive examination. Applications must be submitted to the Civil Service Commission by applying online at www.csc.columbus.gov by Jan. 30, 2015. If you prefer a paper application, you may pick one up at the Civil Service Commission. Applicant Tracking is now managed by NEOGOV. If you do not already have a profile in NEOGOV, you will have to set up a new one in NEOGOV before you can submit an application.

This position is responsible for maintaining street lighting systems for the Division of Power such as installing luminaries, repairing street lighting outages, fuses, lamps, and other components, and performing work on street light controllers. This position operates a bucket truck to reach inoperative streetlights and may work with energized lines or equipment carrying up to 600 volts. To qualify you must have one year of experience working

see CLASSIFIEDS Page 7

CLASSIFIEDS continued from Page 6

with energized electrical lines and equipment. Substitution: Successful completion of a formal training program in the general principles of electricity or power distribution may be substituted for the required experience. Must possess a valid Class A. CDL with air brakes endorsement by the end of the 365 day probationary period. Salary \$37,876 - \$56,035. Contact the Civil Service Commission at 614.645.8300 with questions. EOE. 77 North Front St., 3rd Floor, Columbus, Ohio 43215.

Galion accepts journeyman-lineworker applications

The City of Galion will be accepting applications for a full-time journeyman/lineman. Under general direction, linemen for the city will conduct skilled maintenance and installation of high voltage and secondary electric lines, among other duties. Applications should have knowledge of electric line maintenance techniques, materials and equipment and electrical principles.

Applicants must possess a valid Ohio license with CDL endorsement and have completed a Certified Apprentice Training course. Pay range is \$23.39-\$25.35/hour, along with an excellent fringe benefits package. If interested, applications may be obtained at www.ci.galion.oh.us and must be returned to the city in person by 4 p.m. on Friday, Feb. 6, 2015. A written exam will be administered on Feb. 9 and a performance exam on Feb. 21.

Part-time village administrator needed in Village of Beach City

The Village of Beach City is seeking a part-time village administrator. Position is responsible for the drafting, promulgation and administration of by-laws and regulations related to the Public Utilities of the village which must be consistent with village or state laws. Hours will range from 800 to 1,100 annually, along with emergency call outs. Experience and education in the areas of leadership and management, independent judgment in decision making, purchasing, water, sewer, and electric distribution, along with job site assistance to department workers. Hourly rate (no additional benefits) will commensurate with experience.

A detailed job description along with applications can be obtained at the Village Hall, 105 E. Main St., Beach City, Ohio, Jan. 12 through Jan. 23, 2015. Applications must be completed on site between the hours of 9 a.m. to 3 p.m. weekdays.

Monroeville seeks village administrator candidates

The Village of Monroeville is seeking qualified candidates for the full-time position of Village Administrator. The successful candidate must have management experience, preferably with demonstrated skills in utility opera-

tions/public works, as well as leadership and community development or an equivalent combination of education, training and experience. Salary: \$35,000 to \$45,000 commensurate with qualifications and experience.

This position oversees eight full-time employees and indirectly oversees the operations of village departments that include streets, parks, water distribution and treatment, electric department and zoning, and excludes the fiscal officer, income tax department and police department. See Ohio Revised Code Section 735.273 for Administrator Powers and Duties. Village residency may be required within six months of appointment. Interested candidates should submit a cover letter, resume, salary history and at least three professional references on or before Feb. 8, 2015 to the Administrative Offices, 2 S. Main St., PO Box 156, Monroeville, OH 44847. Monroeville is an EOE.

APPA Academy Webinar Series



An internet connection and a computer are all you need to educate your entire staff for just \$89. Register today at PublicPower.org/APPAAcademy. Non-APPA members enter coupon code **AMP** to receive the member rate.

- Energy Efficiency Webinar Series: Implementing an Energy Efficiency Portfolio **Feb. 10**
- Public Utility Governance Series: Public Power's Unique Business Model and Governance Structure **Feb. 12**
- Electric Utility 101 Series: Generation **Feb. 17**
- Key Accounts Series: Program Development and Enhancement **Feb. 24**
- Rating Agency Outlook for Public Power **March 18**
- Electric Utility 101 Series: Substations **March 19**



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