

FILE

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

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In The Matter of the Application of)
Columbus Southern Power Company)
and Ohio Power Company for Authority) Case No. 05-376-EL-UNC
to Recover Costs Associated with the)
Construction and Ultimate Operation)
of an Integrated Gasification Combined)
Cycle Electric Generation Facility)

COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S
RESPONSE TO THE
ATTORNEY EXAMINER'S
JANUARY 8, 2009 ENTRY

By Entry dated January 8, 2009, Attorney Examiner See directed AEP Ohio
(Columbus Southern Power Company and Ohio Power Company) to:

provide a detailed statement outlining the status of the construction of the
IGCC facility, including whether AEP-Ohio is engaged in a continuous
course of construction on the IGCC facility.

The notion of being engaged in a "continuous course of construction" has its
origin in the Commission's June 28, 2006 Entry on Rehearing in this docket wherein the
Commission stated:

Therefore, we find that if AEP-Ohio has not commenced a continuous
course of construction of the proposed facility within five years of the date
of issuance of this entry on rehearing, all Phase I charges collected for
expenditures associated with items that may be utilized in projects at other
sites, must be refunded to Ohio ratepayers with interest.

At this time, AEP Ohio has not commenced construction of the IGCC facility.
While we recognize that in enacting SB 221 the General Assembly addressed the need for
advanced energy resources such as IGCC technology, AEP Ohio believes that there still

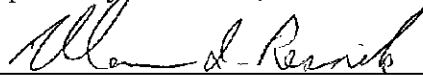
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exist real statutory barriers to the construction of any new base load generation in Ohio, including IGCC facilities

Although construction of the Great Bend IGCC facility has not commenced, and, based on the current state of the economy and uncertainty regarding load growth as well as the current law, might not commence by June 2011, a variety of changes could result in construction of the IGCC facility commencing on a continuous basis by June 2011. Such changes could include the enactment of carbon or other environmental legislation, changes in Ohio law or changes in AEP Ohio available generating capacity.

AEP Ohio continues to believe that there are substantial reasons for pursuing the construction of an IGCC generating facility and still favors the Great Bend location. It believes that such a project, with appropriate rate recovery provisions, would be good for the State of Ohio's economy, for AEP Ohio's customers as well as for AEP Ohio.

Respectfully submitted,

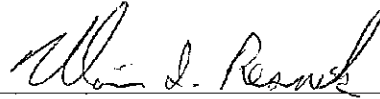


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Counsel for Columbus Southern Power Company
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Columbus Southern Power Company's and Ohio Power Company's Response to the Attorney Examiner's January 8, 2009 Entry was served by U.S. Mail upon counsel identified below this 6th day of February, 2009.



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