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BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO

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

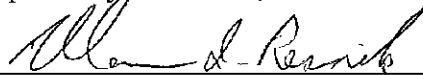
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exist real statutory barriers to the construction of any new base load generation in Ohio, including IGCC facilities

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,



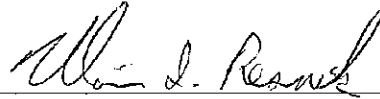
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Marvin I. Resnik, Counsel of Record  
American Electric Power Service Corporation  
1 Riverside Plaza, 29<sup>th</sup> Floor  
Columbus, Ohio 43215  
Telephone: (614) 716-1606  
Fax: (614) 716-2950  
Email: [miresnik@aep.com](mailto:miresnik@aep.com)

Counsel for Columbus Southern Power Company  
and Ohio Power Company

## 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 6<sup>th</sup> day of February, 2009.



Marvin I. Resnik

Samuel Randazzo  
Lisa McAlister  
McNess, Wallace & Nurik  
21 East State Street, 17<sup>th</sup> Fl.  
Columbus, Ohio 43215

Richard A. Kanoff  
Calpine Corporation  
Two Atlantic Ave., Third Floor  
Boston, MA 02110

Michael Kurtz  
David Boehm  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Ste. 1510  
Cincinnati, Ohio 45202

Jessica Davis  
Roetzel & Andress, LPA  
National City Center  
155 E. Broad Street, 12<sup>th</sup> Fl.  
Columbus, Ohio 43215

Dane Stinson  
Bailey Cavaleri, LLC  
10 W. Broad Street, Ste. 2100  
Columbus, Ohio 43215

Thomas McNamee  
Attorney General's Office  
Public Utilities Section  
180 East Broad Street, 9<sup>th</sup> Fl.  
Columbus, Ohio 43215

Kathy Kolich  
FirstEnergy Corporation  
76 South Main Street  
Akron, Ohio 44308

M. Howard Petricoff  
Vorys Sater Seymour & Pease  
52 E. Gay Street  
P.O. Box 1008  
Columbus, Ohio 43216-1008

Sally Bloomfield  
Bricker & Ecker, LLP  
200 South Third Street  
Columbus, Ohio 43215

David Rinebolt  
Ohio Partners for Affordable Energy  
337 S. Main St., 4<sup>th</sup> Fl., Ste. 5  
P.O. Box 1793  
Findlay, Ohio 45839-1793

Thomas Lodge  
Thompson Hine LLP  
10 W. Broad Street, Ste. 700  
Columbus, Ohio 43215

John Bentine  
Chester, Wilcox & Saxbe, LLP  
65 East State Street, Ste. 1000  
Columbus, Ohio 43215-4213

Michael Dortch  
Kravitz, Brown & Dortch  
65 East State Street  
Suite 200  
Columbus, Ohio 43215-4277

Jeffrey Small  
Maureen R. Grady  
Office of the Ohio Consumers' Counsel  
10 West Broad Street, Ste. 1800  
Columbus, Ohio 43215-3485