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May 10, 2005

*Via Hand-Delivery*

Ms. Reneé J. Jenkins  
Director of Administration  
Secretary of the Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

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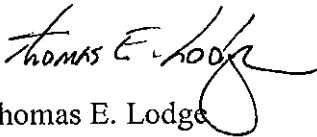
RE: In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Recover Costs Associated with the Construction and Ultimate Operation of an Integrated Gasification Combined Cycle Electric Generation Facility, Public Utilities Commission of Ohio, Case No.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

Dear Ms. Jenkins:

Enclosed are an original and sixteen (16) copies of the Motion to Intervene of Lima Energy Company, to be filed in connection with the above-referenced matter.

Thank you for your assistance. If you have any question, please feel free to call.

Respectfully submitted,



Thomas E. Lodge

Enclosures

(w/enclosures)  
cc: Thomas McNamee  
Marvin Resnik  
Lisa McAlister  
Daniel Conway  
Joseph Condo  
Kathy Kolich

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Tom.Lodge@ThompsonHine.com Phone: 614.469.3246 FAX: 614.469.3361

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**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

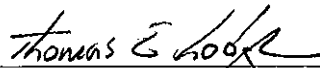
In the Matter of the Application of )  
Columbus Southern Power Company and )  
Ohio Power Company for Authority to )  
Recover Costs Associated with the ) Case No. 05-376-EL-UNC  
Construction and Ultimate Operation of an )  
Integrated Gasification Combined Cycle )  
Electric Generation Facility )

**MOTION TO INTERVENE OF LIMA ENERGY COMPANY**

On March 18, 2005, the Columbus Southern Power Company and the Ohio Power Company (collectively, "AEP"), filed the above-referenced application ("Application") seeking cost recovery associated with the construction and operation of an integrated gasification combined cycle ("IGCC") electric generation facility.

Pursuant to R.C. 4903.221 and Ohio Adm.Code 4901-1-11, Lima Energy Company ("Lima Energy") respectfully moves to intervene in this proceeding. As further explained in the attached Memorandum in Support, this motion should be granted because Lima Energy has a real and substantial interest in the determination of the Application, and the Commission's disposition thereof will affect Lima Energy's ability to protect its interests.

Respectfully submitted,



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Thomas E. Lodge (0015741)  
Carolyn S. Flahive (0072404)  
Thompson Hine LLP  
10 West Broad Street, Suite 700  
Columbus, Ohio 43215-3435  
Tel.: (614) 469-3200  
Fax: (614) 469-3361

Attorneys for Lima Energy Company

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

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

**MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE**

**I. INTRODUCTION**

Lima Energy is a subsidiary of Global Energy, Inc. (“Global Energy”), an international energy technology company, headquartered in Cincinnati, Ohio. Global Energy is focused on gasification technology and IGCC projects to improve environmental and economic results for various industries. Global Energy is planning to construct a 520 MW Advanced Fuel Technology – IGCC electric generating plant in Allen County, Ohio. Lima Energy will be the owner and operator of this proposed facility and has obtained authority to do so from the Power Siting Board.<sup>1</sup> As part of the development process for the Allen County IGCC facility, Lima Energy contracted with AEP for electrical interconnection and coinciding transmission services for the facility.

On March 18, 2005, AEP filed an Application with the Commission to obtain assured cost recovery throughout the life of AEP’s planned IGCC facility in Meigs County, Ohio. On

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<sup>1</sup> See *Application for a Certificate of Environmental Compatibility and Public Need for a Base Load Power Plant in Allen County, Ohio*, Case No. 00-513-EL-BGN (March 16, 2000) and *In the Matter of the Application of Lima Energy Company for Amendment Number 1 to the OPSB Certificate for the Lima Energy Co. Project*, Case No. 04-1011-EL-BGA (November 22, 2004).

April 18, 2005, AEP filed a notice with the Federal Energy Regulatory Commission (“FERC”) requesting that FERC terminate AEP’s interconnection agreement with Lima Energy.<sup>2</sup>

AEP’s actions in filing its Application and seeking termination of its contractual obligations with Lima Energy warrant concern on the part of the Commission that state policies concerning development of IGCC resources are applied fairly and even-handedly. Indeed, R.C. 4928.02(G) establishes that Ohio public policy in the competitive retail electric service arena is to “[e]nsure effective competition in the provision of retail electric service by avoiding anticompetitive subsidies flowing from a noncompetitive retail electric service to a competitive retail electric service or to a product or service other than retail electric service, and vice versa.” Pursuant to the Commission’s mandate to facilitate effective competition among retail electric service providers, Lima Energy should be allowed to intervene in these proceedings to protect its interests in maintaining a healthy competitive environment for IGCC facilities in Ohio.

## **II. LIMA ENERGY SATISFIES THE PREREQUISITES FOR INTERVENTION.**

Lima Energy meets the Commission’s requisite showing for a successful intervention. A timely motion to intervene in a Commission proceeding will be granted where the prospective intervenor demonstrates “a real and substantial interest in the proceeding,” and “is so situated that the disposition of the proceeding may, as a practical matter, impair or impede” the intervenor’s ability to protect its interest, unless the “interest is adequately represented by existing parties.” Ohio Adm.Code 4901-1-11(A)(2). In considering a motion to intervene, the Commission may consider (i) the nature and extent of the intervenor’s interest; (ii) the extent to which existing parties represent the intervenor’s interest; (iii) the intervenor’s contribution to complete development of the factual issues, and just and expedient resolution of the proceeding;

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<sup>2</sup> See “Notice of Filing,” *American Electric Power Service Corp.*, Docket No. ER05-837-000, issued on April 21, 2005, 70 FR 22026. AEP proposes that the termination be made effective on April 15, 2005.

and (iv) whether permitting intervention would cause undue delay in the proceeding or undue prejudice to any existing party. Ohio Adm.Code 4901-1-11(B); R.C. 4903.221(B).

Because Lima Energy may be in competition with AEP in the IGCC arena, Lima Energy has a direct, real, and substantial interest in being involved in these proceedings to consider AEP's cost recovery application. In its Application, AEP seeks guaranteed cost recovery of a generation source. Lima Energy's competitive interests could potentially be adversely affected if AEP is permitted to recover costs associated with constructing and operating its IGCC project through charging its captive customers while Lima Energy must rely solely upon its competitive efforts. The Commission's disposition of the Application may impair or impede Lima Energy's ability to protect its interests.

At this point, Lima Energy takes no position as to whether the relief sought by AEP's Application should be granted, rejected, or approved with conditions. Lima Energy supports the technology proposed by AEP, as well as any initiative to develop and implement that technology. Nonetheless, Lima Energy also seeks to ensure that a fair competitive environment is maintained for all IGCC facilities operating in Ohio. Given that the Commission is charged by statute to effectuate a competitive environment among retail electric service providers, Lima Energy's competitive concerns directly implicate an issue at the heart of this proceeding. Because Lima Energy may be affected by the outcome of the Commission's decision on the Application, Lima Energy must be in a position to carefully monitor these proceedings, and to raise any concerns that may present themselves.

Furthermore, Lima Energy's participation in this proceeding will not cause undue delay, nor unjustly prejudice any existing party. To the contrary, Lima Energy's intervention will contribute to the full development and just resolution of the issues before the Commission.

### III. CONCLUSION

For these reasons, Lima Energy satisfies the criteria for intervention in this proceeding. Lima Energy has a direct and substantial interest in the issues involved in this proceeding. No other party can protect Lima Energy's important interests. Lima Energy therefore requests that the Commission grant its Motion to Intervene.

Respectfully submitted,



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Thomas E. Lodge (0015741)  
Carolyn S. Flahive (0072404)  
Thompson Hine LLP  
10 West Broad Street, Suite 700  
Columbus, Ohio 43215-3435  
Tel.: (614) 469-3200  
Fax: (614) 469-3361

Attorneys for Lima Energy Company

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Motion to Intervene of Lima Energy Company, LLC has been served by hand-delivery or regular U.S. mail upon the parties listed below this \_\_\_\_ day of May, 2005.

Marvin Resnik, Esq.  
American Electric Power Service Corp.  
1 Riverside Plaza  
Columbus, OH 43215

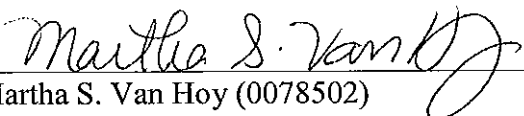
Thomas McNamee, Esq.  
Attorney General's Office  
Public Utilities Section  
180 E. Broad Street  
9th Floor  
Columbus, OH 43215

Lisa McAlister, Esq.  
McNees, Wallace & Nurik  
21 E. State Street  
17th Floor  
Columbus, OH 43215

Daniel Conway, Esq.  
Porter Wright Morris & Arthur LLP  
41 S. High Street  
Columbus, OH 43215

Joseph Condo  
Calpine Corporation  
250 Parkway Drive  
Suite 380  
Lincolnshire, IL 60069

Kathy Kolich, Esq.  
FirstEnergy Corp.  
76 S. Main Street  
Akron, OH 44308

  
\_\_\_\_\_  
Martha S. Van Hoy (0078502)