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YELLOW SPRINGS

News from AMP-Ohio

AMERICAN MUNICIPAL POWER-OHIO IS DEDICATED TO PROVIDING SUPPORT SERVICES
AND LOW-COST POWER SUPPLIES TO MEMBER MUNICIPAL ELECTRIC COMMUNITIES

For Immediate Release

May 22, 2003

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AMP-OHIO ANNOUNCES PLANS TO STUDY BASE-LOAD POWER PLANT FEASIBILITY

Columbus, Ohio - American Municipal Power-Ohio (AMP-Ohio) today announced plans to move forward on a study to determine the feasibility of a new base-load power plant to help meet the long-term power needs of its member communities. AMP-Ohio has executed a contract with the Chicago-based consulting engineer firm of Sargent & Lundy LLC, who will perform the study.

AMP-Ohio, with input from consultants, recently completed a power-supply analysis, examining the needs of its member communities for a 20-year period. The analysis shows that beginning in 2007, there is a definitive need for a base-load generation resource for its members of at least 500 megawatts (MW). The study further shows a need for an additional 250 MW of base-load generation for its members beginning in 2009. A base-load plant is designed to run constantly at near capacity levels, as much of the time as possible, to meet basic demand.

Conservative assumptions

were used when performing the study. "The study assumes a load growth factor of 1-percent per year," said AMP-Ohio president Marc Gerken. "That's obviously a pretty conservative figure, we also assumed the continued availability of all member base-load generation. In other words, we used a 'best case scenario' when performing the analysis, and it still indicated a clear need for additional base-load resources."

Based on the results of the needs analysis, the AMP-Ohio Board of Trustees determined that obtaining a new base-load generation resource that can be on-line sometime between 2009 and 2012 will be a critical factor in maintaining low-cost, reliable electric power for its member communities, and in turn, their customers. The base-load generation plant would be made available to AMP-Ohio members on a subscription basis.

In January, AMP-Ohio began making presentations to member communities with specific recommendations to be a part of the developmental

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"Participation of our membership in this initial phase of the project, allows the feasibility study to move forward, and ensures the ability of the participating communities to receive a portion of the plant's output if the further review conducted during the study supports moving forward with new base-load generation - and importantly, if communities choose to participate in the final project."

A total of 74 member communities have formally committed to participate in the developmental phase of the project, which represents 86-percent of AMP-Ohio's membership.

The study will determine and make recommendations for specifics such as the size of the potential plant, location and type of fuel. Ultimately, several factors will determine the location of a facility, or facilities, including: access to transmission; proximity to fuel and water sources; and impact of federal, state and local siting regulations.

Study elements included in AMP-Ohio's contract with Sargent & Lundy include technological analysis and cost estimates; study of regional location/transmission access; fuel availability study; schematic design; site selection; and permitting and easements.

"AMP-Ohio is committed to helping its members maintain a diversified generation resource base, providing reliable, affordable power now and in the future. That is why we feel this project is so important," Gerken said.

AMP-Ohio currently owns and operates the Richard H. Gorsuch Generating Station, a 213 MW coal-fired base-load plant located in Marietta, Ohio. In addition, the organization oversaw construction and operates the 42 MW Belleville Hydroelectric Plant in Belleville, WV. That plant, and associated backup generation, is owned by 42 AMP-Ohio communities participating in the Ohio Municipal Electric Generating Agency Joint Venture 5 (OMEGA JV5). AMP-Ohio also operates and maintains 134 MW of distributed generation owned by 36 member communities participating in the OMEGA JV2 project; and 9 MW of distributed generation owned by 21 member communities participating in the OMEGA JV1 project.

About AMP-Ohio - AMP-Ohio is the Columbus, Ohio-based nonprofit wholesale power supplier and services provider for 80 member municipal electric systems in Ohio, three in Pennsylvania, two in West Virginia and one in Michigan. Formed in 1971, the organization is owned and governed by its member communities, dedicated to providing member assistance and low-cost power supply. In addition, AMP-Ohio serves as the project manager for groups of member municipal electric communities participating

in joint ventures to share ownership of generation and transmission facilities.

About Sargent & Lundy - *Chicago-based Sargent & Lundy LLC is a worldwide leader in professional services for the electric power industry and has been dedicated exclusively to serving electric power clients for 112 years. The firm provides comprehensive engineering, permitting, energy business consulting, and project services for new and operating fossil-fuel and nuclear power plants and power delivery systems.*

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