



November 29, 2005

Lt. Governor Bruce Johnson
Director of Development
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001

Mr. Brad Biggs
Department of Development
Business Representative, Region 10 and 11
77 South High Street
28th Floor
Columbus, Ohio 43215

Dear Lt. Governor Johnson and Mr. Biggs:

We appreciate your preliminary commitment of assistance regarding the preferred site for our proposed American Municipal Power Generating Station in Letart Township/Meigs County, Ohio. We look forward to working with you on this project, which is important not only to our member municipal electric systems and partners, but to the state and region.

This letter serves as our acceptance of your commitment of assistance and our intent to work with the Ohio Department of Development to tailor incentives and infrastructure assistance that will help our unique organization move forward with this extremely significant project.

As you indicate in your October 27, 2005 letter, we're proposing the development of an approximately 1,000 megawatt coal-fired electric generating facility, consisting of a power plant, coal unloading facilities, an ash disposal area, substation, transmission line and access roads at our preferred site in Meigs County. The project would be valued in excess of \$1 billion and would create approximately 600-800 construction jobs and 150 full-time jobs. We anticipate the facility being online by 2012.

We have the necessary land under option and have met with local officials to brief them about the project and to discuss the process of negotiating local incentives and abatements. The decision to locate the proposed facility in Meigs County is contingent upon permitting, geological studies and successful negotiations with state and local officials on appropriate incentives. As you note in your letter, alternative sites and options outside the State of Ohio are being considered should the

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organization determine it is not in the best interests of our members to site the facility at our preferred location.

Your letter references three main options for state assistance – the Ohio Job Creation Tax Credit (estimated value up to \$2.33 million), the Ohio Investment in Training Program (estimated value up to \$150,000) and infrastructure assistance in the form of grant and loan funds available to assist with the cost of off-site infrastructure improvement development. We are happy to work with you on the latter two options.

With respect to the Ohio Job Creation Tax Credit, it's important to note that the structure of our membership and our organization does not lend itself to such a program. As such, we look forward to working with you to find other programs or devices that would assist us in confirming our project at this site, including but not limited to assistance with transmission facilities and interconnection, water and wastewater upgrades, river access and road relocations and improvements. We believe that together we can design an appropriate package of assistance and incentives that recognizes our unique status but nonetheless provides value comparable to that provided others for like investments in the State.

Because the permitting process is so crucial to a project of this nature, we urge you to support our efforts with the state agencies with oversight authority to ensure that their most expert and experienced permit writers are assigned to the process. Your support with federal agencies would also be appreciated.

We appreciate your support and look forward to working with you as we move forward. Please contact Jolene Thompson, AMP-Ohio vice president of government and member relations, at 614-337-6222 (office), 614-519-8901 (cell) or jthompson@amp-ohio, or John Bentine, our general counsel, at Chester Willcox and Saxbe at 614-334-6121 (direct), 614-205-3040 (cell) or jbentine@cwslaw.com, with questions or for more information.

On behalf of the members,



Marc S. Gerken, P.E.
President/CEO

cc: AMP-Ohio Board of Trustees
Jolene M. Thompson, Vice President of Government Relations, AMP-Ohio
John W. Bentine, General Counsel, Chester, Willcox and Saxbe
Scott Kiesewetter, Project Manager, AMP-Ohio
American Municipal Power Generating Project Team