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January 27, 2009

**VIA CERTIFIED MAIL**

Sandy Buchanan  
Executive Director  
Ohio Citizen Action  
614 West Superior Avenue  
Cleveland, Ohio 44113

Re: American Municipal Power Generating Station Project

Dear Ms. Buchanan:

As you are aware, this firm serves as counsel for American Municipal Power-Ohio, Inc. ("AMP-Ohio") in connection with the American Municipal Power Generating Station ("AMPGS") Project in Meigs County, Ohio. In recent months and weeks, AMP-Ohio has become aware of, and increasingly concerned about, multiple false statements made by you and/or Ohio Citizen Action regarding the AMPGS Project.

These false statements include, but are not limited to:

1. The statement that elected officials in the communities participating in AMPGS have written a "blank check" for this project, posted on Ohio Citizen Action's website on August 25, 2008.
2. The statements that AMP-Ohio is planning to use mountain top removal coal for AMPGS, posted on Ohio Citizen Action's website on February 19, 2008, March 11, 2008, and May 7, 2008 and which is contained in flyers distributed by Ohio Citizen Action in 2008 and 2009.
3. The October 25, 2007 statement comparing a contract for participation in AMPGS with a variable rate mortgage and stating that AMPGS participants have "no control."
4. The October 11, 2007 and February 12, 2008 statements that the AMPGS employs "19th Century technology." This was reiterated in Ohio Citizen Action sponsored "petitions" to the Hudson City Council and other AMP-Ohio Member Councils in December 2008 and January 2009.

5. The statement to the City of Painesville that "private investors won't touch this plant."
6. The February 12, 2008 letter to communities which states that communities could pass ordinances rescinding participation in AMPGS by February 29, 2008 and later reverse withdrawal from participation in AMPGS through the passage of a subsequent ordinance.
7. Finally, and most recently, Ohio Citizen Action's urging that individual AMP-Ohio member communities that have executed valid, binding power sales contracts with AMP-Ohio and each other can "make the wise decision to cancel its participation" in the Project.

While AMP-Ohio believes your and Ohio Citizen Action's opposition to AMPGS is unfounded and misguided, it recognizes the right to oppose the AMPGS Project and to express opinions regarding it. AMP-Ohio also recognizes that you and Ohio Citizen Action have rights protected by the Ohio and United States Constitutions including the right of freedom of speech and the right to petition government agencies. AMP-Ohio does not intend to infringe upon those rights.

However, while the Ohio Constitution provides that "(e)very citizen may freely speak, write and publish his sentiments on all subjects," it also provides that citizens are "responsible for the abuse of the right." The intentional publication of false statements or the reckless publication of statements without regard to their truthfulness or falseness is an abuse of free speech rights and is actionable under Ohio law. Similarly, the United States Supreme Court in its landmark opinion in *New York Times v. Sullivan* recognized that the free speech rights guaranteed by the U.S. Constitution do not extend to statements made with knowledge that they are false or with reckless disregard for whether they were false or not.

Although AMP-Ohio believes that you and Ohio Citizen Action are aware of the false nature of the statements referenced above, this letter will serve as notice to you and Ohio Citizen Action that those statements are false and that:

1. AMP-Ohio communities have not written a "blank check" for AMPGS. Rather, each participating community signed a contract by which it is allocated a certain amount of capacity from AMPGS and obtains rights akin to partial ownership of AMPGS. Further, as you and Ohio Citizen Action should be aware the Participants, collectively, have many rights of consultation and approval including the right to cancel the Project under the provisions of the contract.

2. AMP-Ohio has never stated that it plans to use coal obtained through mountaintop removal, and AMP-Ohio's air permit application and later announcements clearly state that AMP-Ohio will be using a blend of coals from different regions. Who that coal is mined by, and what methods they will use has not been determined.
3. As noted above, Participants in AMPGS possess certain rights of advice and control over AMPGS, including participation in the Participants' Committee, which has been formed for some time.
4. The AMPGS will employ state-of-the-art technology that will meet all current, applicable environmental standards. The technology employed by AMPGS was not used or available during the 19th century.
5. Private investors have never indicated that they would not invest in AMPGS.
6. Communities enacting ordinances to withdraw from AMPGS could not reverse such withdrawal through the mere passage of another ordinance. Such communities would be unable to participate in AMPGS absent execution of a new contract and approval of the Participants Committee and AMP-Ohio.
7. The Power Sales Contract for AMPGS is a valid and binding legal obligation of each of our participating communities and while those participants can collectively "cancel" the project, no one community can cancel its participation. As you and Ohio Citizen Action are well aware, the time to do so without breaching the Power Sales Contract ended March 1, 2008.

We also point out that the Ohio Citizen Action website continues to carry references to the Scott Balice Strategies Report, that contains, in AMP-Ohio's view, a number of conclusions which are simply wrong, as set forth in the attached AMP-Ohio Response to that report.

AMP-Ohio will consider any further publication of these statements, as well as any other blatantly false statements, to be intentional and malicious and will exercise its right to assert all claims available to it against you and your organization.

Sandy Buchanan  
January 27, 2009  
Page 4

Finally, we would also point out that tortious interference with a contract or business relationship is actionable under Ohio law as well as that of a number of other states. We suggest you contact your attorneys to ask them to consider whether or not if your efforts to have one of AMP-Ohio's member communities participating in AMPGS "cancel their participation" is successful, you and Ohio Citizen Action may be liable for any damages caused by such action.

Very truly yours,

A handwritten signature in blue ink, appearing to read "C. Saxbe", written over a horizontal line.

Charles R. Saxbe

CRS/bej

Attachment

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