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FOR IMMEDIATE RELEASE

OVEC TO INVEST \$360 MILLION FOR ENVIRONMENTAL CONTROLS AT KYGER CREEK POWER PLANT

GALLIPOLIS, OH, May 11, 2006 – The Ohio Valley Electric Corp. (OVEC) announced today preliminary plans for investing an estimated \$360-million to install additional environmental controls at its Kyger Creek power plant in Cheshire, Ohio.

OVEC plans to install flue gas desulfurization (FGD) systems at the facility. The Kyger Creek plant has a generating capacity of 1,085 megawatts (MW). FGD systems, commonly called "scrubbers," reduce sulfur dioxide (SO₂) emissions by as much as 98 percent. The Kyger Creek plant has five separate 217-MW generating units. Two absorber modules will be built to treat the boiler exhaust. Three units will be connected to one module and two units to the second module.

"The addition of the FGD systems represents a major commitment to environmental quality in southeastern Ohio," said Ralph Amburgey, Kyger Creek plant manager. "The project will also produce an economic boost to the region."

Engineering and permitting activities are currently under way and construction on the Kyger Creek FGD system is scheduled to begin in 2007. The Kyger Creek system is scheduled to begin operation in 2009.

OVEC has engaged American Electric Power Service Corporation to serve as the project manager for the construction project. AEP will provide professional services in licensing, engineering, design, procurement and construction management for the project.

"The project will produce some changes in the appearance of the plant's stack exhaust," Amburgey explained. "We want to assure our neighbors that the changes actually represent an improvement in air quality for the region."

Because scrubbers increase the amount of water vapor emitted through the stack, the plume will be more visible. “The new plume will essentially be water vapor,” said Amburgey. “It will be the most obvious sign that the plants’ emissions are cleaner than they were before.” A new stack will be built for the plant as part of the overall FGD project.

An FGD system uses both chemical and mechanical processes to remove and capture SO₂ from a combustion boiler’s flue gas. The SO₂ in the flue gas interacts and is absorbed into a finely ground limestone slurry. Once dissolved, the SO₂ reacts with the calcium in the limestone to form a solid compound. A mechanical process removes the water from this slurry, and the resultant FGD material, gypsum, is suitable for disposal in an appropriate landfill. It is also suitable for conversion to usable building materials.

The construction project will create the need for temporary labor. Temporary positions will be filled through contractors selected to install the equipment. Workers from all 14 building trades will be supplied through local and regional union halls. Construction employment is expected to peak at 400 workers. Roughly 20 additional full-time staff will be required at the plant once the scrubbers are completed and in operation.

“The addition of FGD equipment will enable the facility to continue to comply with regional and national air quality standards in the most cost-effective manner,” Amburgey explained. As part of OVEC’s environmental improvement efforts, selective catalytic reduction systems were added to all units in 2002 to reduce emissions of nitrogen oxides (NO_x.) The NO_x reduction systems began operation in 2003.

Kyger Creek’s first unit began generation electricity in 1955.

OVEC was organized in October 1952 by 15 sponsoring utilities. Parent companies of the sponsoring utilities are Allegheny Energy, Inc. (NYSE: AYE), American Electric Power (NYSE: AEP), Buckeye Power, Inc., Duke Energy Corp. (NYSE: DUK), DPL, Inc. (NYSE: DPL), E.ON AG, FirstEnergy Corp. (NYSE: FE) and Vectren Corp. (NYSE: VVC).