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OVEC-IKEC TO RESTART CONSTRUCTION OF CLIFTY CREEK SCRUBBERS

PIKETON, Ohio, Dec. 15, 2010 – Ohio Valley Electric Corp. (OVEC) subsidiary Indiana-Kentucky Electric Corp. (IKEC) will restart construction of two flue gas desulfurization systems, also known as scrubbers, at its Clifty Creek Plant in Madison, Ind. The project will reduce sulfur dioxide emissions from the plant and will cost approximately \$687 million.

Installation of the scrubbers was announced in 2006 and construction initially began in 2007. The project was approximately 35 percent complete when work was suspended in December 2008 due to capital constraints caused by the economic downturn. The OVEC-IKEC board voted Dec. 6 to restart construction.

“We are thrilled to be in a position to restart construction of the scrubbers at Clifty Creek. Not only will this project enhance the environmental performance of the plant, but it will provide hundreds of good paying construction jobs in Jefferson County over the next two years and about 20 new, permanent jobs at the plant when the scrubbers are operational,” said Scott N. Smith, vice president and assistant to the president of OVEC-IKEC.

Each of the two scrubbers at Clifty Creek will treat the flue gas from three of the plant’s generating units. Clifty Creek, a 1,302-megawatt plant, has six separate generating units, each with a generating capacity of 217 megawatts.

Construction of the scrubbers is expected to begin again in May 2011 with completion targeted for 2013. The project will provide approximately 500 to 600 temporary construction jobs at peak and about 20 additional permanent positions at the plant when the scrubbers are operational. American Electric Power Service Corp. is continuing as project manager for the project.

As part of the company's environmental improvement efforts, OVEC-IKEC also is installing scrubbers on its 1,085-megawatt Kyger Creek Plant in Cheshire, Ohio. The Kyger Creek scrubbers should be operational in 2012 and will cost approximately \$661 million. Selective catalytic reduction systems to reduce nitrogen oxide emissions were installed at both Clifty Creek and Kyger Creek in 2003.

OVEC and IKEC were organized in October 1952 by 15 sponsoring utilities. Parent companies of the sponsoring utilities are Allegheny Energy Inc., American Electric Power, Buckeye Power Inc., Duke Energy Corp., DPL Inc., FirstEnergy Corp., PPL Corporation and Vectren Corp.

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