

# Ohio Valley Electric Corporation

GENERAL OFFICES, 3932 U.S. Route 23, Piketon, Ohio 45661

Ohio Valley Electric Corporation (OVEC) and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation (IKEC), collectively, the Companies, were organized on October 1, 1952. The Companies were formed by investor-owned utilities furnishing electric service in the Ohio River Valley area and their parent holding companies for the purpose of providing the large electric power requirements projected for the uranium enrichment facilities then under construction by the Atomic Energy Commission (AEC) near Portsmouth, Ohio.

OVEC, AEC and OVEC's owners or their utility-company affiliates (called Sponsoring Companies) entered into power agreements to ensure the availability of the AEC's substantial power requirements. On October 15, 1952, OVEC and AEC executed a 25-year agreement, which was later extended through December 31, 2005 (DOE Power Agreement). On September 29, 2000, the DOE gave OVEC notice of cancellation of the DOE Power Agreement. On April 30, 2003, the DOE Power Agreement terminated in accordance with the notice of cancellation.

OVEC and the Sponsoring Companies signed an Inter-Company Power Agreement (ICPA) on July 10, 1953, to support the DOE Power Agreement and provide for excess energy sales to the Sponsoring Companies of power not utilized by the DOE or its predecessors. Since the termination of the DOE Power Agreement on April 30, 2003, OVEC's entire generating capacity has been available to the Sponsoring Companies under the terms of the ICPA. In 2004, the Sponsoring Companies and OVEC entered into an Amended and Restated ICPA, which extends its term from March 13, 2006 to March 13, 2026.

OVEC's Kyger Creek Plant at Cheshire, Ohio, and IKEC's Clifty Creek Plant at Madison, Indiana, have nameplate generating capacities of 1,086,300 and 1,303,560 kilowatts, respectively. These two generating stations, both of which began operation in 1955, are connected by a network of 776 circuit miles of 345,000-volt transmission lines. These lines also interconnect with the major power transmission networks of several of the utilities serving the area.

The current Shareholders and their respective percentages of equity in OVEC are:

Allegheny Energy, Inc.....	3.50
American Electric Power Company, Inc.* .....	39.17
Buckeye Power Generating, LLC <sup>1</sup> .....	18.00
Columbus Southern Power Company** <sup>2</sup> .....	4.30
The Dayton Power and Light Company <sup>3</sup> .....	4.90
Duke Energy Ohio, Inc.** <sup>4</sup> .....	9.00
Kentucky Utilities Company <sup>5</sup> .....	2.50
Louisville Gas and Electric Company <sup>5</sup> .....	5.63
Ohio Edison Company <sup>6</sup> .....	7.50
Southern Indiana Gas and Electric Company <sup>7</sup> .....	1.50
The Toledo Edison Company <sup>6</sup> .....	<u>4.00</u>
	<u>100.00</u>

These investor-owned utilities comprise the Sponsoring Companies and currently share the OVEC power participation benefits and requirements in the following percentages:

Allegheny Energy Supply Company <sup>8</sup> .....	3.01
Appalachian Power Company <sup>2</sup> .....	15.69
Buckeye Power Generating, LLC <sup>1</sup> .....	18.00
Columbus Southern Power Company <sup>2</sup> .....	4.44
The Dayton Power and Light Company <sup>3</sup> .....	4.90
Duke Energy Ohio, Inc. <sup>4</sup> .....	9.00
FirstEnergy Generation Corp. <sup>6</sup> .....	11.50
Indiana Michigan Power Company <sup>2</sup> .....	7.85
Kentucky Utilities Company <sup>5</sup> .....	2.50
Louisville Gas and Electric Company <sup>5</sup> .....	5.63
Monongahela Power Company <sup>8</sup> .....	0.49
Ohio Power Company <sup>2</sup> .....	15.49
Southern Indiana Gas and Electric Company <sup>7</sup> .....	<u>1.50</u>
	<u>100.00</u>

Some of the Common Stock issued in the name of:

- \*American Gas & Electric Company
- \*\*Columbus and Southern Ohio Electric Company
- \*\*\*The Cincinnati Gas & Electric Company

Subsidiary or affiliate of:

- <sup>1</sup>Buckeye Power, Inc.
- <sup>2</sup>American Electric Power Company, Inc.
- <sup>3</sup>DPL Inc.
- <sup>4</sup>Duke Energy Corporation
- <sup>5</sup>E.ON U.S. LLC
- <sup>6</sup>FirstEnergy Corp.
- <sup>7</sup>Vectren Corporation
- <sup>8</sup>Allegheny Energy, Inc.