

Buckeye Power Generating acquires additional OVEC capacity

Buckeye Power Generating, LLC (Buckeye Generating), a subsidiary of Buckeye Power, Inc., of Columbus, Ohio, has secured 214 megawatts (MWs) of coal-fired base load generation in an acquisition of a nine-percent ownership interest in Ohio Valley Electric Corporation (OVEC) and an entitlement to the power from its Kyger Creek and Clifty Creek power stations.

Buckeye Power provides wholesale electricity to the members of Union Rural Electric Cooperative.

Buckeye Generating, already the owner of nine percent of OVEC's generation, reached agreement with another OVEC capacity owner, FirstEnergy Generation Corp., a subsidiary of FirstEnergy Corp., to acquire an additional nine-percent entitlement from OVEC. The transaction is worth approximately \$252 million.

"This gives us a bridge over uncertain regulatory and legislative times and buffers co-op members from the costs of additional base load generation," said Pat O'Loughlin, vice president of power supply and chief operating officer.

"Building a new coal-fired power plant today entails extremely high risks, even if you can get regulatory approval. Global climate change issues and future greenhouse gas laws mean special treatment and scrutiny for new plants," O'Loughlin explained.

"We wanted to find competitively priced, low-risk opportunities for adding base load capacity."

O'Loughlin said Buckeye's existing relationship with OVEC made the decision to acquire additional capacity wise for today and the future.

OVEC owns and operates five 217-MW units at Kyger Creek in Gallia County, Ohio, and six 217-MW units at Clifty Creek near Madison, Indiana.

Both the Kyger Creek and Clifty Creek stations were constructed and began generating in the mid-1950s to supply the power requirements of the Atomic Energy Commission uranium-enrichment plant in Pike County. Fifteen investor-owned utilities, as "sponsoring companies," formed OVEC to undertake the project, which at the time represented the launching of two of the largest power plants in the world.

When facilities at the uranium enrichment plant were decommissioned, the OVEC sponsoring companies began receiving the full output from the plants.

Buckeye Generating first acquired OVEC capacity in March of 2006. Other sponsoring companies include affiliates of First Energy, American Electric Power, Allegheny Energy, Duke Energy, DPL, E.ON U.S., and Vectren.

Buckeye Power, Inc., is a generation-and-transmission cooperative supplying power and energy to its 25 member electric distribution cooperatives. Ohio's distribution cooperatives' certified service territory covers nearly 40 percent of the land area in portions of 77 of Ohio's 88 counties. They serve more than 390,000 homes, farms, businesses and industries. For more information about Buckeye Power, Inc. visit its web site at www.buckeyepower.com.

CONTACT:

Steve Oden
Director of Communications
Ohio Rural Electric Cooperatives and Buckeye Power, Inc.

(614) 846-5757, Ext. 233
(614) 296-7892 Mobile
soden@buckeyepower.com