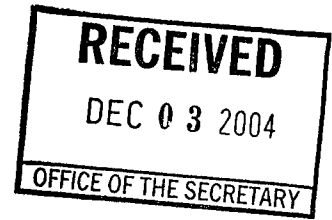


**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**



_____)
In the Matter of)
)
AMERICAN ELECTRIC POWER COMPANY, INC.) Administrative Proceeding
) File No. 3-11616
)
_____)

**MOTION FOR CLARIFICATION
OR, ALTERNATIVELY,
REQUEST TO INTERVENE AS FULL PARTY**

By Order dated October 22, 2004, Presiding Administrative Law Judge Robert G. Mahoney granted Public Citizen, Inc.'s Motion to Intervene to participate in this proceeding on a limited basis.

Although Public Citizen's counsel intended, but apparently failed, to move for Public Citizen to intervene as a full party, limited party participation is not necessarily unacceptable as long as Public Citizen has the right to present witnesses, cross-examine the witnesses of other parties, brief all issues, and the right to appeal all issues to both the Commission and to the Courts.

Counsel for Public Citizen therefore respectfully requests the Presiding Administrative Law Judge to clarify whether or not Public Citizen has those rights as a limited participant under the Commission's rules and the Judge's order. If not, Public Citizen requests full party status herein.¹

¹ The Scheduling Order herein has designated December 3, 2004, as the date for seeking leave to participate.

Public Citizen's Interests as a Representative of Consumers, Investors and the Public Interest Support its Intervention as a Full Party Participant.

As the parties herein are now well aware, the Commission has recently changed its Rules of Practice regarding interventions to eliminate the provision in Section 210(c)(1) that *formerly* required that no person would be admitted as a party unless it was determined that leave to participate as a limited participant would be "inadequate." As a result of this change in the rules, precedent under the prior rules denying intervention as a party because limited participation was "adequate" is clearly no longer relevant, and the Commission clearly intends by the change in the rules that party intervention should be ready more liberally now than under the old rules.

Public Citizen has demonstrated a clear interest in this proceeding as the representative of its members who are consumers of AEP's utility services. As stated previously, Public Citizen has more than 160,000 members nationwide, including more than 24,871 members in the states of Texas, Oklahoma, Indiana, Michigan, Ohio, Kentucky, West Virginia, Tennessee and Virginia, the states in which AEP or CSW currently own operating utilities. In addition, Public Citizen's participation in this proceeding as a strong proponent of the enforcement of PUHCA and as a representative of its members as consumers, investors and the public interest nationwide, will be in the public interest and for the protection of investors and consumers.

Moreover, as the article "*AEP CEO interested in expanding within footprint*" (Attachment A) demonstrates, AEP plans to expand into 11 "Midwestern and Southern States" that it claims are within the "AEP footprint." The article states that Mr. Morris told Reuters that AEP would, for example, be very interested in buying major utility

systems such as Dayton Power & Light and Louisville Gas & Electric Company. This means that many more of Public Citizen's members could become consumers of AEP's and CSW's utility services, depending on the outcome of this case as to what the proper "footprint" of AEP's system will be.

And, as Public Citizen has previously shown, even the limited exemptions for "merchant plants" from PUHCA (Exempt Wholesale Generators or EWGs, under section 32 of PUHCA) have resulted in the same types of economic problems from piling debt on utility facilities that resulted in 53 utility holding company bankruptcies and 23 utility holding company bank loan defaults from 1929 to 1936. As Attachment B, "*Private Equity Players Search for Power Generation Asset Bargains*," shows, investors are buying up "bargain" power plants, while planning to make "significant returns" when electric demand increases (and electric consumers are at the plant owner's mercy if they want to keep the lights on, as in California from 2000-2001.) The public interest, therefore, is in great need of strong enforcement of PUHCA's remaining provisions, or we may all experience what it is like to live through an economic depression (such as the one from which California is still trying to recover.)

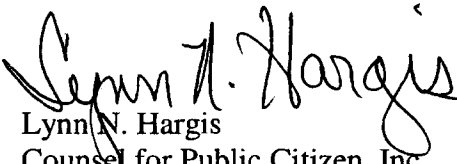
As previously argued, no other party can adequately address Public Citizen's interest as the representative of retail consumers in the states served by, or that may be served by, AEP and CSW.

For the reasons stated above, Public Citizen believes that its participation as a full party will be in the public interest and for the protection of investors and consumers.

Conclusion

Counsel for Public Citizen, Inc. respectfully requests that the Presiding Administrative Law Judge to either grant the motion for clarification and find that limited party status will give Public Citizen the right to present witnesses, cross-examine other party's witnesses, brief all issues in the case, and have the right to appeal all issues to the Commission or to the courts, or, alternatively, to grant Public Citizen full party status.


Respectfully submitted,


Lynn N. Hargis
Counsel for Public Citizen, Inc.

Attachments

Cc: Presiding Administrative Law Judge Mahoney
Service List

Attachment A

 Print this article

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AEP CEO interested in expanding within footprint

Wed Dec 1, 2004 12:16 PM ET

By Michael Erman

NEW YORK, Dec 1 (Reuters) - American Electric Power Co. Inc.'s (AEP.N: Quote, Profile, Research) chief executive on Wednesday said the company was interested in acquisitions to expand in the 11 U.S. Midwestern and Southern states where it already has business.

Michael Morris told Reuters that AEP, one of the largest U.S. power producers, would be very interested in buying Dayton Power & Light Co., a unit of DPL Inc. (DPL.N: Quote, Profile, Research), and E.ON AG's (EONG.DE: Quote, Profile, Research), Louisville Gas & Electric, if either company were made available for sale.

"If you look at the AEP footprint, in most jurisdictions, save Ohio and West Virginia, we're really a small player," Morris said in an interview. "We'd love to have the opportunity to fill in our own footprint."

Morris said AEP would be interested in an acquisition only if it could confine the regulatory proceedings for the deal to a single state.

"What has happened with companies like ours is every time we want to do something, all 11 state regulators get up and say 'What do we get out of this?'" Morris said. "Before we could get into (a deal), we would really have to have some assurance that we could box it in."

Shares of AEP fell 43 cents, or 1.3 percent, at midday on the New York Stock Exchange Wednesday.

(Additional reporting by Caroline Humer)

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Attachment B

Private Equity Players Search for Power Generation Asset Bargains

Wednesday December 1, 2:29 pm ET

Weak Market Conditions and High Discount Rates Offer Opportunity and Risk

SACRAMENTO, CA--(MARKET WIRE)--Dec 1, 2004 -- The recent wave of asset purchases within the merchant generation sector by private equity firms are at dramatically higher discount rates than those previously seen within the sector and are betting on a recovery in the electric power market according to the PowerGeneration Bluebook, recently released by Global Energy Decisions, LLC (Global Energy).

"These Private Equity players are betting on improving market conditions alleviating the current lack of demand for electricity -- its all about timing, if the market recovers as expected they will see significant returns for their investors," said Gary Hunt, President, Global Energy Advisors, a Global Energy business unit.

So are market prices for wholesale electricity recovering? Not yet is the message from the Power Generation Bluebook. While coal and nuclear power generation asset values have increased, gas-fired combined cycle power plant prices continued to decline between 2003 and 2004 with overall combined cycle values falling by 11%.

"A delay in recovery of a couple of years will destroy their returns and result in the same assets being sold in a few years time," Hunt said.

With significant uncertainty still surrounding asset valuations the recent sales confirm that the private equity players are buying merchant generating assets despite project discounting at real, pre-tax rates of 20%. This compares with utility rates closer to 12%.

"This differential reflects the significant risk the private equity players are taking in buying merchant assets in locations where limited liquidity and limited transmission means that there may be no natural home for the power in the current market," according to Grant Thain, Global Energy's Vice President of Planning and Risk.

The Power Generation Bluebook is a comprehensive study that values 5000 generation units across North America, providing stochastic analysis of the expected asset value for every power generator over 50MW for use as a portfolio benchmark service. A fast, cost-effective way to value an individual plant or an entire energy portfolio against market prices, The Power Generation BlueBook provides standard metrics that matter: expected value, deterministic value, median value and the underlying "Cash Flow at Risk" parameters essential to decisions about asset transactions.