Kathleen Hartnett White, Chairman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Glenn Shankle, Executive Director



AIR DERC_100642040-300967 TR_20051216_Trade_D2063

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 16, 2005

Mr. Dale Lebsack Environmental Compliance Manager Barney M. Davis, L.P. 2705 Bee Cave Road, Suite 340 Austin, Texas 78746

Re: Transfer of Discrete Emission Reduction Credits from American Electric Power

Barney M. Davis Power Station Corpus Christi, Nueces County

Regulated Entity Number: RN100642040 Customer Reference Number: CN602656472

DERC Certificate Number: D-1083

Dear Mr. Lebsack:

This letter is in response to a notice received from American Electric Power dated January 27, 2005, regarding the transfer of Discrete Emission Reduction Credits (DERCs). We understand that American Electric Power has transferred a total amount of 805.2 tons of nitrogen oxides (NO_x) DERCs to Barney M. Davis, L.P.

Enclosed is a copy of DERC Certificate Number D-2063 issued to Barney M. Davis, L.P., reflecting the transferred amount of 805.2 tons of NO_x DERCs from DERC Certificate Number D-1083. American Electric Power's DERC Certificate Number D-1083 is now canceled.

The above-mentioned certificate has been deposited in the Texas Commission on Environmental Quality (TCEQ) Emissions Credit Registry. The certificate may be transferred or sold to another owner for use per the requirements of Title 30 Texas Administrative Code §§ 101.370 - 101.379. However, the certificate must be submitted to the TCEQ Discrete Emission Credits Registry when ownership of the credits changes.

Please reference the regulated entity number (RN) and customer reference number (CN) noted in this document in all your future banking and trading correspondence. The RN replaces the former TCEQ account number for the facility or site. The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Mr. Dale Lebsack Page 2 December 16, 2005

Re: Transfer of Discrete Emission Reduction Credits from American Electric Power

Thank you for your cooperation in this matter. If you have questions concerning this transaction or need further assistance regarding the banking program, please contact Mr. Ivan Gray at (512) 239-4451 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

P. J. Hyle

Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation, and Registration Texas Commission on Environmental Quality

RH/IKG/bob

cc: Ms. Kim Hughes, Air Quality Engineer, AEP Electric Power, Dallas Air Section Manager, Region 14 - Corpus Christi

Project Number: 300967



Form DEC-4 (Page 1)

Application for Transfer of Discrete Emission Credits (Title 30 Texas Administrative Code § 101.370 - § 101.374)

L. SELLER'S COMPANY IDENTIFYING INFORMATION								
A. Company Name: American Electric Power								
B. Owner or Operator of Generator Source: AEP Texas Central Company								
C. Plant/Site Name: Barney M. Davis Power Station								
D. Street Address: 4301 Waldron Road								
E. Nearest City: Corpus Christi F. Zip Code: 78418								
G. County: Nueces								
H. Regulated Entity Number: RN100642040								
I. Telephone: 361-937-1491								
J. Mailing Address: 4301 Waldron Road								
K. City: Corpus Christi		State: TX		Zip Code: 78418				
II. SELLER'S TECHNICAL CONTACT IDENTIFYING INFORMATION								
A. Technical Contact Name: (!_Mr. X_MrsMsDr.) Kimberly Hughes								
B. Technical Contact Title: Air Quality Engineer								
C. Telephone: 214-777-1155	D. Fax: 21	4-777-1380	E.	E-Mail: kmhughes@aep.com				
F. Mailing Address: P.O. Box 660164								
G. City: Dallas		State: TX		Zip Code: 75266-0164				
III. SELLER'S CONTACT FOR SALE OF CERTIFICATE								
A. Contact Name: (1 Mr. XMrsMsDr.) Kimberly Hughes								
B, Sale Contact Title: Air Quality Engineer								
C. Telephone: 214-777-1155	D. Fax: 214-777-1380 E. E-Mail: kmhughes@aep.c							
F. Mailing Address: P.O. Box 660164								
G. City: Dallas		State: TX		Zip Code: 75266-0164				
IV. BUYER'S COMPANY IDENTIFYING INFORMATION								
A. Company Name: Barney M. Davis, LP (N602656 472								
B. Owner or Operator of Generator Source: Barney M. Davis, LP								
C. Plant/Site Name: Barney M. Davis Powe	r Station							
D. Street Address: 4301 Waldron Road				MEGEIVEU				
E. Nearest City: Corpus Christi		F. Zip Code: 784	18	FFR 0 7 2005				
G. County: Nueces				, 233				
H. Regulated Entity Number: RN100642040	·			AIR PERMITS DIVISIO				
I. Telephone: (361) 937-1491								
. Mailing Address: 4301 Waldron Road								
K. City: Corpus Christi		State: TX		Zip Code: 78418				

TCEQ -10394 (Rev. 03/01/02)

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These forms are for use by the sources participating in the Emission Banking and Trading Program and are subject to revision. (NSRG 7119v2)



Form DEC-4 (Page 2)

Application for Transfer of Discrete Emission Credits (Title 30 Texas Administrative Code § 101.370 - § 101.374)

V. BUYER'S TECHNICAL CONTACT IDENTIFYING INFORMATION							
A, Technical Contact Name: (Mr. Mrs. Ms. Dr.) Dale Lebsack							
B. Technical Contact Title: Environmental Compliance Manager							
C. Telephone: (512) 314-8604	4 D. Fax: 512-314-8699 E. E-Mai			l: dlebsack@semprats.com			
F. Mailing Address: 2705 Bee Cave Road, Suite 340							
G. City: Austin		State: TX	2	Zip Code: 78746			
VI. BUYER'S CONTACT FOR SALE OF CERTIFICATE							
A. Contact Name: (MrMrsMsDr.) Dale Lebsack							
B. Sale Contact Title: Environmental Compliance Manager							
C. Telephone: 512-314-8604	D. Fax: 512-314-8699		E. E-Mai	E. E-Mail: dlebsack@semprats.com			
F. Mailing Address: 2705 Bee Cave Road, Suite 340							
G. City: Austin	State: TX		Zip Code: 78746				
VII. DERCS TO BE TRANSFERRED							
DERC Serial Numbers Pollutant (NO _X , VOC-N, VOC-O, HAP-N, HAP-O, CO, SO ₂ , PM ₁₀)		Transferred Amount (tons)		Retained Amount (tons)			
D-1083 N	0x	805.2		0			
VIII. PURCHASE PRICE							
*Price of the DERCs acquired or the expected price of the DERCs to be acquired: <u>\$</u> per ton (Required) *Chapter 101 requires the price of DERCs to be publicly disclosed immediately after the transaction is finalized*							
IX. CERTIFICATION BY RESPONSIBLE OFFICIAL							
i, Charles Adami, hereby certify as owner of the above listed emission reduction credits, these credits may be transferred to the listed buyer and that the information entered in this application is correct to the best of my knowledge and belief. Signature Date 1-27-05							
Title Regional Director							

Mail application to:

Emission Banking and Trading Program TCEQ MC 163 PO BOX 13087 AUSTIN, TX 78711-3087 RECEIVED

FEB 0 7 2005

AIR PERMITS DIVISION

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TCEQ -10394 (Rev. 03/01/02)
These forms are for use by the sources participating in the
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Page 2 of 2



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-2063



Number of Credits 805.2 tons NOx

Discrete Emission Reduction Credit Certificate

This certifies that
Barney M Davis LP
4301 Waldron Road
Corpus Christi, TX 78418

is the owner of 805.2 tons of nitrogen oxide discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate.

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

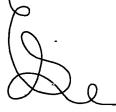
Discrete Emission Reduction Generation Period: October 1, 2001 - October 31, 2002

Generator Regulated Entity No.: RN100642040 Generator Certificate: D-1083

County of Generation: Nueces

Executive Director
Texas Commission on Environmental Quality

Date



The State of Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Certificate Number

D-1083



Number of Credits

805.2 TONS NOx

Discrete Emission Reduction Credit Certificate

This certifies that: American Electric Power P.O. Box 660164 Dallas, Texas 75202

is the owner of 805.2 tons of nitrogen oxide (NOx) discrete emission reduction credits established under the laws of the State of Texas, transferable only on the books of the Texas Commission on Environmental Quality, by the holder hereof in person or by duly authorized Attorney, upon surrender of this certificate

The owner of this certificate is entitled to utilize the discrete emission credits evidenced herein for all purpose authorized by the laws and regulations TO CERTIFICATE NO(S):

TO ATE:

DATE: of the State of Texas and is subject to all limitations prescribed by the laws and regulations of the State of Texas.

Discrete Emission Reduction Generation Period: October 1, 2001-October 31, 2002

Generator Account No.: NE-0024-E

County of Generation: Nueces

Generator Certificate: N/A

July 1, 2003 Date

Texas Commission on Environmental Quality