



A unit of American Electric Power



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IURC APPROVES I&M ROCKPORT AGREEMENT

The Indiana Utility Regulatory Commission (IURC) has approved an agreement between Indiana Michigan Power, the Indiana Office of Utility Consumer Counselor (OUCC) and a group representing I&M's industrial customers to use a lower-cost technology to meet environmental standards at one of its plants.

The agreement allows I&M (an operating unit of American Electric Power, NYSE: AEP) to comply with strict Environmental Protection Agency emissions standards by using dry sorbent injection technology at its Rockport Generation Plant. This environmental retrofit technology will cost an estimated \$258 million, a significant savings over the traditional dry scrubber, which would have cost an estimated \$1.4 billion.

"We're pleased that we reached an agreement with the Utility Consumer Counselor and our industrial customers on a project that will result in cleaner air with a greatly reduced impact on customer rates," said Paul Chodak III, I&M's President and Chief Operating Officer.

"Clean coal technology is and must continue to be a crucial component in addressing Indiana's energy future," said Indiana Utility Consumer Counselor David Stippler. "The OUCC worked diligently in this proceeding to ensure that I&M implements the most cost-effective technology at Rockport in order to satisfy environmental mandates. We appreciate the hard work of I&M and its industrial customers to reach a resolution that will achieve the least impact on I&M's customers' rates for these retrofits."

DSI is a two-step process in which a powdered sorbent such as sodium bicarbonate (also known as baking soda) is injected into the flue gas as it exits the power plant and reacts with emissions. The compound is removed by an electrostatic precipitator or a fabric filter.

The IURC's action follows the Indiana Department of Environmental Management's approval on Aug. 27. In February, I&M reached agreement with the EPA, various environmental groups and several northeast states to use DSI at the Rockport plant, which uses coal to generate electricity.

That agreement also led to a contract for I&M to buy 200 megawatts of electricity annually from a wind farm planned for Winchester, Ind., and the announcement that I&M plans to close an older coal-fired plant in Lawrenceburg.

The Rockport facility and its related operations are the fifth largest employer in Spencer County, according to the Indiana Department of Workforce Development.

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Indiana Michigan Power (I&M) is headquartered in Fort Wayne, and its 2,500 employees serve more than 582,000 customers. It operates 3,595 MW of coal-fired generation in Indiana, 2,110 MW of nuclear generation in Michigan and 22 MW of hydro generation in both states. The company also provides its customers 250 MW of purchased wind generation.

I&M is a unit of American Electric Power (NYSE: AEP), one of the largest electric utilities in the United States, delivering electricity to more than 5 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 39,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's transmission system directly or indirectly serves about 10 percent of the electricity demand in the Eastern Interconnection, the interconnected transmission system that covers 38 eastern and central U.S. states and eastern Canada, and approximately 11 percent of the electricity demand in ERCOT, the transmission system that covers much of Texas. AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and east Texas). AEP's headquarters are in Columbus, Ohio.

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The Indiana Office of Utility Consumer Counselor (OUCC) represents Indiana consumer interests before state and federal bodies that regulate utilities. As a state agency, the OUCC's mission is to represent all Indiana consumers to ensure quality, reliable utility services at the most reasonable prices possible through dedicated advocacy, consumer education, and creative problem solving. To learn more, visit www.IN.gov/OUCC, www.twitter.com/IndianaOUCC, or www.facebook.com/IndianaOUCC.