

AEP Completes Sale Of AEP River Operations To ACL

COLUMBUS, Ohio, Nov. 12, 2015 /PRNewswire/ -- American Electric Power (NYSE: [AEP](#)) today completed the sale of its commercial barge transportation subsidiary, AEP River Operations LLC, to American Commercial Lines (ACL), owned by Platinum Equity, for approximately \$550 million.

AEP announced Oct. 1 that it had reached an agreement to sell AEP River Operations to ACL. AEP acquired the business, formerly known as MEMCO, in 2001.

ACL purchased all the stock of AEP Resources, the parent company of AEP River Operations.

AEP netted approximately \$400 million in cash after taxes, debt retirement and transaction fees. The company will invest the proceeds in its regulated business.

AEP will retain ownership of its captive barge fleet that delivers coal to the company's regulated coal-fueled power plants owned by Appalachian Power, Kentucky Power and Indiana Michigan Power. AEP has signed a contract with ACL to dispatch and operate AEP's captive barge fleet through the end of 2016. The captive barge fleet delivers about 19 million tons of coal annually to AEP's regulated power plants. The fleet has 12 towboats, 498 barges and 229 employees.

AEP River Operations is a commercial inland barge company delivering about 45 million tons of products annually, including 10 million tons of coal. AEP River Operations has 56 towboats, 2,301 barges and 1,090 employees. The company is based in Chesterfield, Missouri, with operations in Paducah, Kentucky, and Convent, Algiers and Belle Chasse, Louisiana.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity to nearly 5.4 million customers through 223,000 miles of distribution lines in 11 states. AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP also ranks among the nation's largest generators of electricity, owning approximately 32,000 megawatts of generating capacity in the United States. 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.

This report made by American Electric Power and its Registrant Subsidiaries contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: the economic climate, growth or contraction within and changes in market demand and demographic patterns in AEP's service territory; inflationary or deflationary interest rate trends; volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing AEP's ability to finance new capital projects and refinance existing debt at attractive rates; the availability and cost of funds to finance working capital

and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material; electric load, customer growth and the impact of competition, including competition for retail customers; weather conditions, including storms and drought conditions, and AEP's ability to recover significant storm restoration costs; the costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters; availability of necessary generating capacity and the performance of AEP's generating plants; AEP's ability to recover fuel and other energy costs through regulated or competitive electric rates; AEP's ability to build transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs; new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances, or additional regulation of fly ash and similar combustion products that could impact the continued operation, cost recovery, and/or profitability of AEP's generation plants and related assets; evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel; a reduction in the federal statutory tax rate that could result in an accelerated return of deferred federal income taxes to customers; timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance; resolution of litigation; AEP's ability to constrain operation and maintenance costs; AEP's ability to develop and execute a strategy based on a view regarding prices of electricity and other energy-related commodities; prices and demand for power that AEP generates and sells at wholesale; changes in technology, particularly with respect to new, developing, alternative or distributed sources of generation; AEP's ability to recover through rates or market prices any remaining unrecovered investment in generating units that may be retired before the end of their previously projected useful lives; volatility and changes in markets for capacity and electricity, coal, and other energy-related commodities, particularly changes in the price of natural gas and capacity auction returns; changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP; the transition to market for generation in Ohio, including the implementation of ESPs and AEP's ability to recover investments in its Ohio generation assets; AEP's ability to successfully and profitably manage its separate competitive generation assets; changes in the creditworthiness of the counterparties with whom AEP has contractual arrangements, including participants in the energy trading market; actions of rating agencies, including changes in the ratings of AEP debt; the impact of volatility in the capital markets on the value of the investments held by AEP's pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements; accounting pronouncements periodically issued by accounting standard-setting bodies; and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

SOURCE American Electric Power