

# AEP To Retire Entire Tanners Creek Plant In Indiana

COLUMBUS, Ohio, Sept. 17, 2013 /PRNewswire/ -- American Electric Power (NYSE: [AEP](#)) operating unit Indiana Michigan Power today announced that it will retire the 500-megawatt (MW) coal-fueled Tanners Creek 4 generating unit in Lawrenceburg, Ind., along with the other generating units at the plant.

The decision to retire Tanners Creek Units 1 - 3 (495 MW) by mid-2015 was announced in June 2011. An agreement reached in February 2013 provided the option of refueling or retiring Tanners Creek 4. Extensive analysis determined that projections for limited electricity demand growth, combined with the amount of generation currently available to serve Indiana Michigan customers, make it financially unfeasible to refuel Tanners Creek 4. All four generating units at Tanners Creek will be retired by mid-2015.

"The decision to retire Tanners Creek 4 was made as part of our ongoing analysis of resource needs and environmental compliance costs as part of our disciplined approach to capital investment. Based on relatively flat electricity demand and the fact that our Indiana Michigan Power customers don't need additional generation at this time, we've determined that the cost of refueling Tanners Creek 4 is not the right capital investment," said Nicholas K. Akins, AEP president and chief executive officer.

The retirement of Tanners Creek 4 does not impact AEP's 2013 operating earnings guidance range of \$3.05 to \$3.25 per share, and the company still expects to deliver an earnings growth rate of 4 to 6 percent off of 2013 operating earnings guidance. Indiana Michigan Power currently recovers Tanners Creek Plant costs in its rates and plans to seek appropriate regulatory approvals to recover its costs going forward.

"Tanners Creek Plant has served Indiana Michigan Power customers well for many decades," said Paul Chodak III, Indiana Michigan Power president and chief operating officer. "However, the plant's age, combined with new environmental regulations, our successful energy efficiency programs and the fact that we currently don't need additional generation make retirement the best decision for our customers. We are mindful of the impact of this decision on the employees at Tanners Creek and will work with them as they manage their way through this transition."

Approximately 115 employees working at Tanners Creek Plant will be impacted by the plant closure. AEP will work to find job opportunities for displaced employees at other AEP facilities. Employees whose positions are eliminated and who do not find other positions with the company will be considered for severance benefits.

AEP previously announced the retirement of 6,676 MW of coal-fueled generation to comply with new environmental regulations affecting coal-fueled power plants. With the addition of the Tanners Creek 4 retirement, AEP will retire 7,176 MW of coal-fueled generation by early 2016.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5.3 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a 40,000-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.

SOURCE American Electric Power