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AEP Releases 2014 Corporate Accountability Report


This is AEP's eighth year of reporting on its sustainability performance and its fifth integrated report combining sustainability and financial information. The company's reporting is guided by the Global Reporting Initiative, the International Integrated Reporting Council and the Sustainability Accounting Standards Board.

"Our 2014 Corporate Accountability Report recognizes the relationship between our financial performance, employee health and engagement, and our environmental responsibilities," said Nicholas K. Akins, AEP's chairman, president and chief executive officer.

"Updating stakeholders on our efforts demonstrates our dedication to being transparent and recognizing the social impact of our activities.

AEP's 2014 Corporate Accountability Report is focused on several key areas: business performance, technology and innovation, customers and communities, and AEP's workforce. Among its highlights, the report discusses AEP's 2013 financial performance. AEP earned $3.23 per share in 2013, above the midpoint of the company's earnings guidance range. AEP's total shareholder return for the year was 14.2 percent, compared with an average of 7.8 percent for the S&P 500 Electric Utilities Index.

The report includes notable workforce-related successes. In 2013, employees implemented sustainable process improvements and began a journey to reshape AEP's culture to be as collaborative and customer-focused as possible. Employees also completed a second year in a row with no fatalities.

The report also discusses AEP's 2013 environmental performance, which was the best in company history. AEP has invested about $10 billion in environmental controls and new generation over the past decade. Between 2005 and 2013, AEP reduced its carbon dioxide emissions by 21 percent. The company also reduced sulfur dioxide and nitrogen oxide emissions by more than 80 percent each since 1990, and reduced mercury emissions by nearly 60 percent since 2001.

The report highlights AEP's increasingly diverse generation fleet as the company retires nearly 6,600 megawatts of coal-fueled generating capacity between now and 2016 due to environmental regulations and market conditions. AEP's generating capacity is expected to shift from 61 percent coal and 23 percent natural gas in 2014 to 49 percent coal and 28 percent natural gas in 2026. The company's use of renewables and energy efficiency resources will continue to increase during that period.

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 more than 40,000-mile network that includes more than 75,000 extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's transmission system directly or indirectly serves 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

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