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FOR IMMEDIATE RELEASE

AEP'S APPALACHIAN POWER SUBSIDIARY SIGNS LONG-TERM PACT TO PURCHASE WIND ENERGY FROM BEECH RIDGE ENERGY

COLUMBUS, Ohio, Aug. 14, 2008 – American Electric Power (NYSE: AEP) subsidiary Appalachian Power Co. has signed a long-term power purchase agreement for renewable wind energy with Beech Ridge Energy LLC, a subsidiary of Invenergy Wind LLC.

Through the 20-year agreement, Appalachian Power will purchase all of the output – between 100 and 147 megawatts – from the first phase of the planned 186-megawatt Beech Ridge Energy wind project currently under development in Greenbrier County, W.Va. The wind farm is expected to be on line by March 31, 2010. The agreement is subject to approval from the Public Service Commission of West Virginia and extension for 2009 of the federal production tax credit for renewable energy. Pricing terms are confidential.

“Wind and other renewables are becoming an integral part of the diverse power generation mix necessary to meet our customers’ electricity needs,” said Michael G. Morris, AEP’s chairman, president and chief executive officer. “Adding these renewable generation resources, along with our plans for new baseload generation using clean coal and other technologies, positions us to continue to meet our customers’ needs while also reducing our carbon footprint.”

The new agreement is part of AEP’s voluntary plans, announced in 2007, to add 1,000 megawatts of new wind energy by 2011 as a component of the company’s comprehensive strategy to address its greenhouse gas emissions. The addition of wind capacity to AEP’s energy portfolio avoids an increase in greenhouse gas emissions that would otherwise occur if AEP used traditional fossil generation to meet growing customer demand.

“The agreement with Beech Ridge Energy brings our long-term renewable-energy purchase commitments up to 422 megawatts in the year since we established our 1,000-megawatt goal,” Morris said. “We have additional requests for proposals out for up to 600 megawatts of renewable energy, so we are well on the way to meeting that goal.”

“When you add our wind capabilities that were in place prior to the establishment of the goal (310 megawatts of wind generation in Texas owned by AEP and 367 megawatts of long-term wind-energy purchase agreements in Texas and Oklahoma), it’s clear that our energy portfolio now includes a significant amount of renewable energy,” Morris said.

The agreement with Beech Ridge Energy is the third long-term wind-energy purchase agreement for Appalachian Power, providing renewable energy for use by its customers in West Virginia, Virginia and Tennessee. Last year, Appalachian Power announced two agreements for a total of 175 megawatts of wind energy.

“This is our third long-term agreement for wind energy, but it’s the first with a wind farm located in the states served by Appalachian Power,” said Dana Waldo, president and chief operating officer of Appalachian Power. “The agreement to purchase power from a wind generation facility located in West Virginia is an important development for the state and for our company. It aligns with a commitment to renewable energy made by West Virginia Gov. (Joe) Manchin in a speech last week and with legislation signed by Virginia Gov. (Tim) Kaine last year.”

Appalachian Power provides electricity to 1 million customers in Virginia, West Virginia and Tennessee (as AEP Appalachian Power).

American Electric Power is 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 38,000 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.

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 the registrants 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: electric load and customer growth; weather conditions, including storms; available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters; availability of generating capacity and the performance of AEP’s generating plants; AEP’s ability to recover regulatory assets and stranded costs in connection with deregulation; AEP’s ability to recover increases in fuel and other energy costs through regulated or competitive electric rates; AEP’s ability to

build or acquire generating capacity (including the company's ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs (including the costs of projects that are canceled) through applicable rate cases or competitive rates; new legislation, litigation and government regulation including requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances; 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 (including disputes arising from the bankruptcy of Enron Corp. and related matters); AEP's ability to constrain operation and maintenance costs; the economic climate and growth in AEP's service territory and changes in market demand and demographic patterns; inflationary and 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 refinance existing debt at attractive rates; AEP's ability to develop and execute a strategy based on a view regarding prices of electricity, natural gas and other energy-related commodities; 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 debt; volatility and changes in markets for electricity, natural gas, coal, nuclear fuel and other energy-related commodities; changes in utility regulation, including the implementation of the recently-passed utility law in Ohio and the allocation of costs within regional transmission organizations; accounting pronouncements periodically issued by accounting standard-setting bodies; the impact of volatility in the capital markets on the value of the investments held by AEP's pension, other postretirement benefit plans and nuclear decommissioning trust; prices for power that AEP generates and sells at wholesale; changes in technology, particularly with respect to new, developing or alternative sources of generation; other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes and other catastrophic events.