



A unit of American Electric Power



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FOR IMMEDIATE RELEASE:

VALLEY ELECTRIC MEMBERS VOTE TO DISSOLVE CORPORATION; SWEPCO TO PURCHASE ASSETS

NATCHITOCHEs, La., Jan. 30, 2010 – American Electric Power (NYSE: AEP) utility subsidiary AEP Southwestern Electric Power Company (SWEPCO) and Valley Electric Membership Corporation (VEMCO) have announced preliminary results from the special election meeting held today at Natchitoches Central High School to dissolve the cooperative. There were 7,351 members voting and 95 percent said yes, meeting the required two-thirds majority to dissolve the cooperative.

SWEPCO signed a letter of intent to purchase the assets of Valley Electric Nov. 17, 2009, and the VEMCO and AEP Board of Directors approved the corresponding purchase and sale agreement in Jan. The Valley Electric Board unanimously recommended a voluntary dissolution of the cooperative. Pending final due diligence and all regulatory approvals, SWEPCO will purchase the VEMCO assets for approximately \$96 million, which includes payment for VEMCO patronage capital after closing of sale, currently estimated at about \$30 million.

“Today was a major step for the future of these customers, as they will benefit from 20 percent lower rates and receive a refund on their capital credits,” said Paul Chodak, SWEPCO president and chief operating officer. “Valley members also will gain access to SWEPCO’s additional resources for reliability and service, especially during storm recovery.”

The Louisiana Public Service Commission (LPSC), the Arkansas Public Service Commission, the Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation all still must approve the transaction between VEMCO and SWEPCO. All regulatory approvals must be received before any capital credit refunds can be made, possibly by mid-year 2010.

“Our membership appreciated the opportunity to vote for substantial savings in rates offered by SWEPCO and I’m extremely pleased by the positive vote on the dissolution,” said Tom Epperson, President and CEO of VEMCO.

VEMCO has 41,000 meters and more than 7,000 miles of distribution lines, 90 miles of transmission lines, 29 substations and three service centers. Their 100 employees will join SWEPCO’s work force of some 1,700 across three states.

“Adding Valley’s service area will more than double the size of SWEPCO’s geographic footprint in Louisiana and bring economic growth opportunities with SWEPCO’s lower rates along the I-49 and Toledo Bend corridors,” adds Chodak. “We appreciate the support of LPSC Commissioners Foster Campbell and Clyde Holloway in gaining a successful turnout for the election and bringing significant savings to Valley customers.”

SWEPCO anticipates taking responsibility for current VEMCO customers and providing lower rates by the summer of 2010, subject to all regulatory approvals.

SWEPCO serves 474,000 customers in three states, including 180,000 in Northwest Louisiana (six parishes), 114,000 in western Arkansas, and 180,000 in East and North Texas. SWEPCO’s headquarters are in Shreveport, La. News releases and other information about SWEPCO can be found at www.swepco.com.

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 and north Texas). AEP’s headquarters are in Columbus, Ohio. News releases and other information about AEP can be found at www.aep.com.

This report made by AEP 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: 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 AEP's ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs 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; 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 for new investments, transmission service and environmental compliance); resolution of litigation (including pending Clean Air Act enforcement actions and 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; 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 and other energy-related commodities; changes in utility regulation, including the potential for new legislation in Ohio and membership in and integration into regional transmission organizations; accounting pronouncements periodically issued by accounting standard-setting bodies; the performance of AEP's pension and other postretirement benefit plans; 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.