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NEWS from Indiana Michigan Power

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FOR IMMEDIATE RELEASE

INDIANA MICHIGAN POWER, MID AMERICA TERMINALS REACH AGREEMENT TO HELP BRING MULTI-COMMODITY RIVER PORT TO ROCKPORT

ROCKPORT, Ind., January 31, 2007 – Indiana Michigan Power (I&M) and Mid America Terminals, Inc. (MAT) today announced an agreement whereby I&M and its parent American Electric Power (NYSE: AEP) have extended the exclusive rights to purchase 600 acres of its Rockport Plant site to MAT for use as a multi-commodity river port. This will bring the total acreage of the site to approximately 900 acres when all options are exercised.

The site, which borders the Ohio River between Rockport and Grandview, Ind., will also be available for future economic development expansion for the entire southern Indiana region.

“This site, located between mile marker 743 and 744 on the Ohio River, has the potential to be one of the largest and most active river ports between Pittsburgh and St. Louis,” says Bruce Kanipe, president of Mid America Terminals. “The availability of rail, river and highway transportation makes this a prime site for development.”

Mid America Terminals will invest about \$30 million in the first phase of this project, which will bring up to 18 fulltime terminal jobs, as well as a large number of construction jobs, says Kanipe. He estimates preliminary ground breaking work will begin in June 2007.

"Indiana Michigan Power is pleased and proud to be a part of this historic agreement," said Helen J. Murray, I&M president and chief operating officer. "This project not only provides investment in the community today, but sets the stage for additional investment – and jobs — in the future for this region."

"This is a huge step forward for both Spencer County and the state of Indiana," said Tom Utter, executive director of the Lincolnland Economic Development Corp. "This port project not only creates opportunities for business expansion in the immediate area, but opens much of southern Indiana to both domestic and international markets. That could be critical to the growth of agriculture, mining, manufacturing and steel production – as well as other industries – that need to get materials and products in and out of this region by river, rail and highway."

Indiana Michigan Power (I&M) is headquartered in Fort Wayne, and its 2,650 employees serve more than 580,000 customers in Indiana and Michigan. It operates 3,595 MW of coal-fired generation in Indiana, 2,110 MW of nuclear generation in Michigan, and 22 MW of hydro generation in both states.

I&M is part of American Electric Power, 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 36,000 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 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). American Electric Power, based in Columbus, Ohio, celebrated its 100th anniversary in 2006.

News releases and other information about I&M can be found on the World Wide Web at <http://www.IndianaMichiganPower.com>