

## UTILITIES

# AEP denies report it's likely to sell Ohio plants

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By [Dan Gearino](#)

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American Electric Power says there is no basis for an analyst's report this week suggesting that the company might look to sell its Ohio power plants.

The report, from Julien Dumoulin-Smith of UBS Investment Research, comes as AEP is changing its structure to make the Ohio plants into a new subsidiary.

AEP spokeswoman Melissa McHenry said there are "no current plans to sell that business."

"Our current focus is working through the regulatory process to separate our Ohio generation from the other Ohio assets," she said.

Columbus-based AEP has about 9,000 megawatts of electricity generation in Ohio, which is the company's largest market among the 11 states where it has utility customers.

AEP Ohio has long operated its power plants and its electricity-delivery service as a single company, with the plants selling power to be delivered to local homes and businesses.

The company is splitting its Ohio operations into two subsidiaries: a utility that owns the wires and delivers power, and a generation company that owns the power plants.

With the planned structure, the generation company will sell its electricity on the open market, and AEP's delivery company will buy from a variety of providers at market prices. The switch is in line with Ohio's continuing move toward deregulation of the electricity market, supported by regulators and lawmakers.

Dumoulin-Smith said that AEP's Ohio power plants probably are worth \$2.1 billion after \$1.2 billion in debt. He said the most-likely buyer is Dynegy, a Houston-based electric company.

"We believe a sale process is likely," Dumoulin-Smith said.

One factor that might hurt the plants' value is potential competition from other Ohio power companies looking to sell their assets, he said. He named Duke Energy and the parent company of Dayton Power & Light as other potential sellers.

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