

AEP IN OHIO CUTS 123 JOBS



According to The Columbus Dispatch, American Electric Power has cut 123 **jobs**, which is less than one percent of its entire workforce. The cuts come from the company's restructuring plan announced in the fall. It has been put into action over the past handful of months.

So far, 285 jobs have been eliminated, but some of those employees have been able to stay on with the company in other positions. The company also added other jobs, which has helped lower the number of jobs lost.

Of the recent 123 cuts, 74 came from Ohio, with 53 of those jobs located in the central portion of the state. The reason the central portion lost so many jobs is because it is home to the company's corporate headquarters Downtown and the AEP Ohio headquarters in Gahanna.

"We initiated the repositioning effort to address changes in the company's overall business strategy, including an increased focus on our transmission business, changes in our power-generation fleet, and deregulation in Ohio," said spokeswoman Tammy Rideout in an email. "The effort also was designed to identify areas for process improvements within the organization that would reduce costs."

The company serves customers in 11 states and its total employment following the **job cuts** sits at 18,574. There are 5,892 employees in Ohio and 3,291 employees in central Ohio. The restructuring was put into place so the company can place more of an emphasis on the business of transmissions. This segment focuses on interstate movement of power over high-voltage lines. The company also said it is looking to reduce its employees elsewhere.

"We're in the position now where we can talk about the strategic repositioning of our corporation," President and CEO Nick Akins said at a meeting with investors last month. Akins also noted that he will be focusing on regulated utilities and transmission, which have steady financial numbers.

The utility in Ohio for AEP is going to split into two segments: an unregulated company that operates power plants and a regulated company that oversees delivery of power. The company is making the change in large part because of pressure from the Public Utilities Commission of Ohio. The commission wants increased competition between companies that generate electricity in the state.

According to Goldman Sachs analyst Michael Lapidus, the share price of the company "dramatically outperformed peers over the last 12 months," which surpassed his expectations. "We simply missed this improving story, as more certainty in Ohio rate-making emerged in 2012."

In 2010, 2,461 employees were laid off at AEP. Prior to those **cuts**, the company had 21,700 employees.

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