



1st Quarter 2023 Earnings Release Presentation

May 4, 2023



“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

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This presentation 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: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, the impact of pandemics and any associated disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers, the economic impact of increased global trade tensions including the conflict between Russia and Ukraine, and the adoption or expansion of economic sanctions or trade restrictions, inflationary or deflationary interest rate trends, volatility and disruptions in the financial markets precipitated by any cause including failure to make progress on federal budget or debt ceiling matters or instability in the banking industry, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt, the availability and cost of funds to finance working capital and capital needs, particularly (i) if expected sources of capital, such as proceeds from the sale of assets, subsidiaries or tax credits, do not materialize, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to transition from fossil generation and the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms, including favorable tax treatment, meet cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for renewable generation projects, and to recover all related costs, new legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent nuclear fuel, 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, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.



Non-GAAP Financial Measures

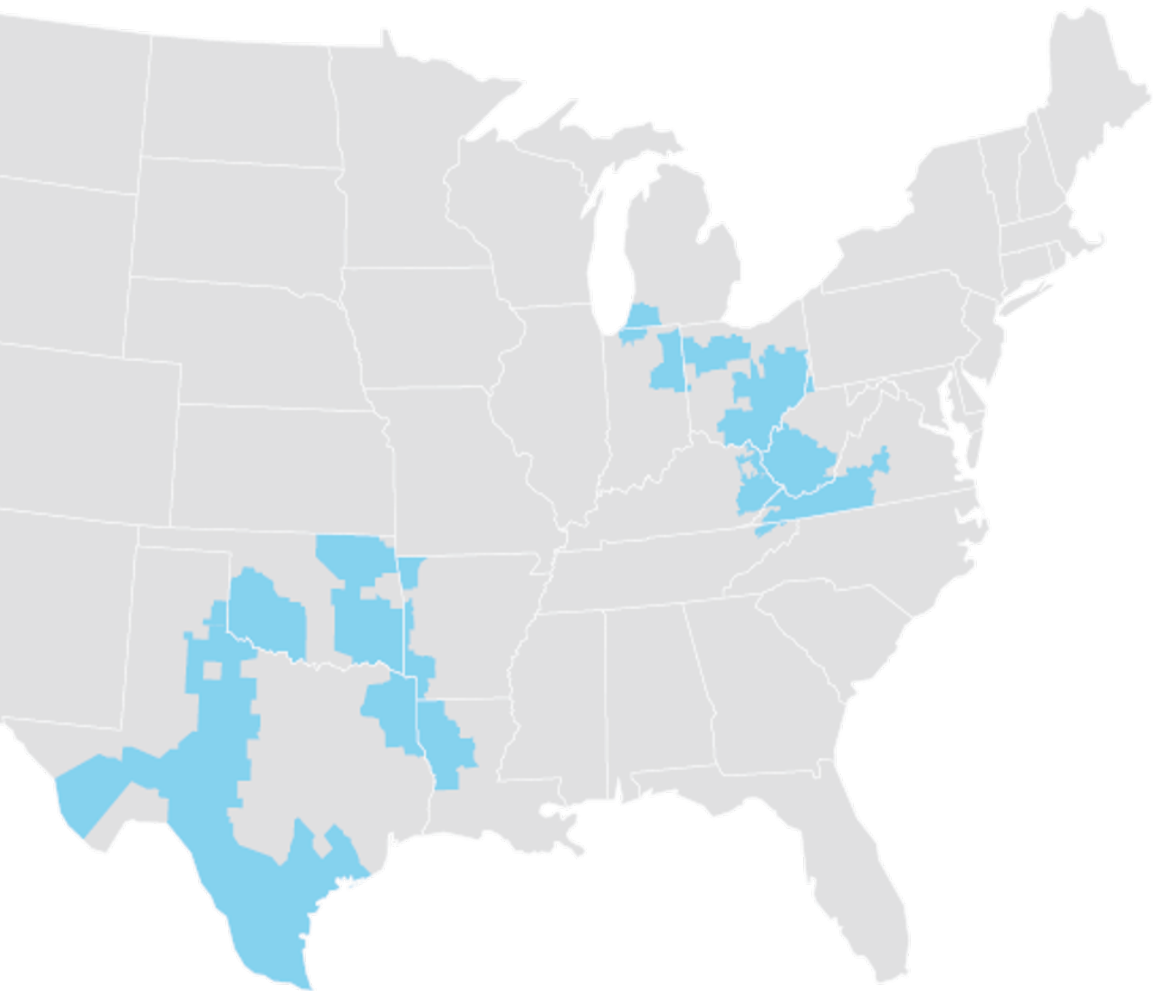
AEP reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). AEP supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including operating earnings (non-GAAP) and FFO to Total Debt. Operating earnings (non-GAAP) excludes certain gains and losses and other specified items, including mark-to-market adjustments from commodity hedging activities and other items as set forth in the reconciliation in the Appendix. FFO to Total Debt is adjusted for the effects of securitization, spent nuclear fuel trust, capital and operating leases, pension, capitalized interest and changes in working capital. Operating earnings could differ from GAAP earnings for matters such as impairments, divestitures, or changes in accounting principles. AEP management is not able to forecast if any of these items will occur or any amounts that may be reported for future periods. Therefore, AEP is not able to provide a corresponding GAAP equivalent for earnings guidance. Reflecting special items recorded through the first quarter of 2023, the estimated earnings per share on a GAAP basis would be \$4.85 to \$5.05 per share.

This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of AEP's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations. AEP has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and supplemental schedules to this presentation.



AEP Is a Pure Play Regulated Utility



40k

TRANSMISSION MILES

Nation's largest electric transmission system

225k

DISTRIBUTION MILES

One of the largest distribution systems in the U.S.

25GW

OWNED GENERATION

Diverse generation fleet
As of March 31, 2023

\$94B

TOTAL ASSETS

Strong balance sheet

\$61B

RATE BASE

As of December 31, 2022

\$47B

CURRENT MARKET CAPITALIZATION

As of May 3, 2023

17,000

EMPLOYEES

Across the system

5.6M

CUSTOMERS

Throughout 11 states

Statistics are as of December 31, 2022 except for owned generation and market capitalization.

AEP Is Powering the Future

One of the Largest Utilities in the U.S. by Rate Base and Market Cap



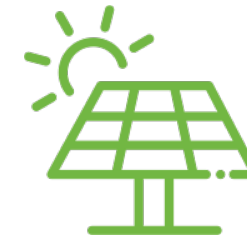
Delivering Consistent, Strong Performance

- Stable, resilient business allows us to keep customer rates affordable
- Commitment to 6%-7% annual operating earnings growth; dividend growth is in line with earnings
- 9%-10% consistent total shareholder return
- Strong balance sheet with a targeted FFO/Debt of 14%-15%
- 2023 operating earnings guidance range of \$5.19-\$5.39



Operating Attractive Transmission and Distribution Assets

- Largest transmission provider in the U.S.
- One of the largest distribution providers in the U.S.
- Bolstered by organic growth with diversity in geographic footprint and customer base
- Capital forecast of \$40B includes \$15B of transmission investment and \$11B of distribution investment



Leading the Clean Energy Transition

- Proven track record of investing in sustainability and reducing fleet emissions
- Plans to add 17 GW of new resource opportunities between 2023 and 2032
- Goal of net zero by 2045
- Capital forecast includes \$9B of regulated renewable investment



Actively Managing the Business and Portfolio

- Immediate-term focus on de-risking and simplifying business
- Thoughtful and proactive portfolio management and investment to support strategy
- Strong employee base led by experienced leaders with a shared passion for the AEP mission



1st Quarter 2023 Business Update

- 1st Quarter 2023 operating earnings of \$1.11 per share or \$572M
- Reaffirm 2023 operating earnings guidance range of \$5.19-\$5.39 and 6-7% long-term growth
- Committed to FFO/Debt target of 14%-15%
- Renewed focus on Kentucky
- Ongoing de-risking and simplifying of the business profile
 - Unregulated contracted renewables sale on track for a 2nd quarter 2023 close
 - Sell New Mexico Renewable Development, a portfolio of solar projects
 - Announce sale of Retail business and include Distributed Resources as part of sale process
 - Pursue strategic review of certain non-core transmission joint ventures
- Regulated renewables execution in key jurisdictions
 - Regulatory filings approved for 209 MW/\$500M owned renewables at APCo
 - Regulatory filings pending for owned renewables; 151 MW/\$466M at APCo, 469 MW/\$1.0B at I&M, 995.5 MW/\$2.5B at PSO and 999 MW/\$2.2B at SWEPCO
 - Additional RFPs in process at APCo, I&M and SWEPCO
- Current regulatory and legislative initiatives: Arkansas, Louisiana, Oklahoma, Virginia and fuel cost management





Transaction Overview of Unregulated Contracted Renewables Sale

Transaction Description	<ul style="list-style-type: none">On 2/22/2023, AEP signed an agreement to sell 100% of equity of 1,365 MW unregulated contracted renewable assets containing 14 large-scale projects
Buyer	<ul style="list-style-type: none">IRG Acquisition Holdings, consortium owned by Invenergy (20%), CDPQ (40%) and funds managed by Blackstone Infrastructure (40%)
Purchase Price	<ul style="list-style-type: none">\$1.5B enterprise value / \$1.3B equity value
Financial Impact	<ul style="list-style-type: none">The sale resulted in an after-tax expected GAAP loss of \$90M in Q1 2023
Use of Proceeds	<ul style="list-style-type: none">\$1.2B cash proceeds after tax and transaction costsProceeds will be directed to support regulated businesses
Timing	<ul style="list-style-type: none">Made FERC 203 filing on 3/22/2023 and assigned docket EC23-66; on track to close in Q2 2023 after regulatory approval by FERC, clearance from the Committee on Foreign Investment in the United States and approval under applicable competition laws



Asset Sales and Strategic Review Announcements

Sell New Mexico Renewable Development (NMRD), a joint venture solar portfolio

- A 50/50 joint venture partnership with PNM Resources consisting of 8 operating projects of 135 MW, 1 project under construction of 50 MW, 6 development projects of 440 MW, all located in New Mexico
- Book value of AEP's investment as of 3/31/2023 was \$102M
- Assets contribute \$0.01 EPS in 2023 operating earnings guidance
- Advisor hired; sale announcement early in Q4 2023 with transaction close by the end of 2023

Sell Retail and Distributed Resources businesses¹ (not including NMRD)

- Book value of AEP's investment as of 3/31/2023: \$200M Retail and \$350M Distributed Resources
- Assets EPS contributions in 2023 operating guidance: \$0.04 Retail and \$0.02 Distributed Resources
- Advisor hired; sale launch in Summer 2023 with transaction close in the first half of 2024

Strategic review of certain non-core transmission joint venture businesses²

- Businesses under strategic review include Prairie Wind Transmission, Pioneer Transmission and Transource Energy
- Portfolio includes approximately 370 pole line miles, 4 substations and projects under development in PJM and SPP; AEP's portion of PP&E as of 3/31/2023 was \$551M
- Assets contribute \$0.05 EPS in 2023 operating earnings guidance
- Complete strategic review by end of 2023

De-risk and simplify the business profile through active management

¹ Refer to Appendix slide 20 for description of Retail and Distributed Resources businesses.

² Refer to Appendix slide 21 for description of Transmission Joint Venture businesses.



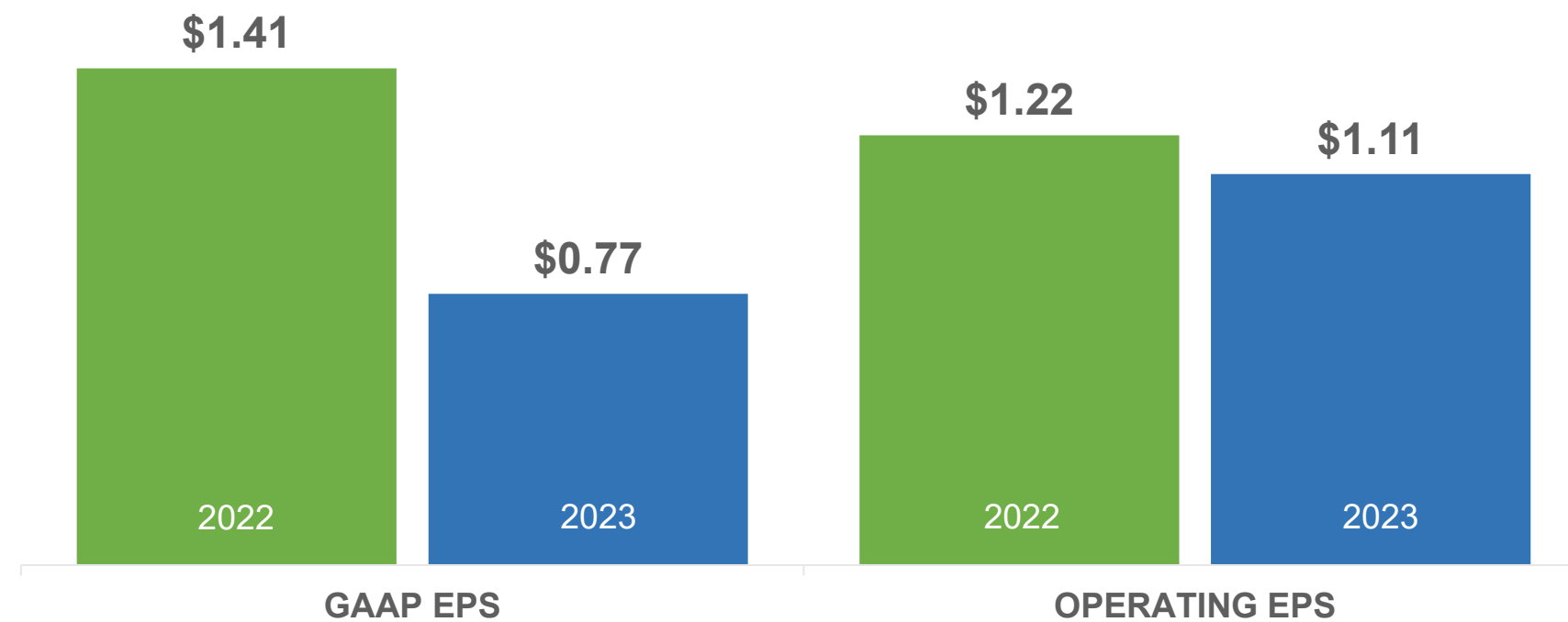
1st Quarter 2023 Financial Update

1st QUARTER 2023

- Delivered GAAP earnings of \$0.77 per share or \$397M for the first quarter of 2023
- Delivered operating earnings of \$1.11 per share or \$572M for the first quarter of 2023

Reaffirm 2023 operating earnings
guidance of \$5.19-\$5.39

Refer to Appendix slide 15 for reconciliation between GAAP and Operating EPS.





1st Quarter Operating Earnings Segment Detail

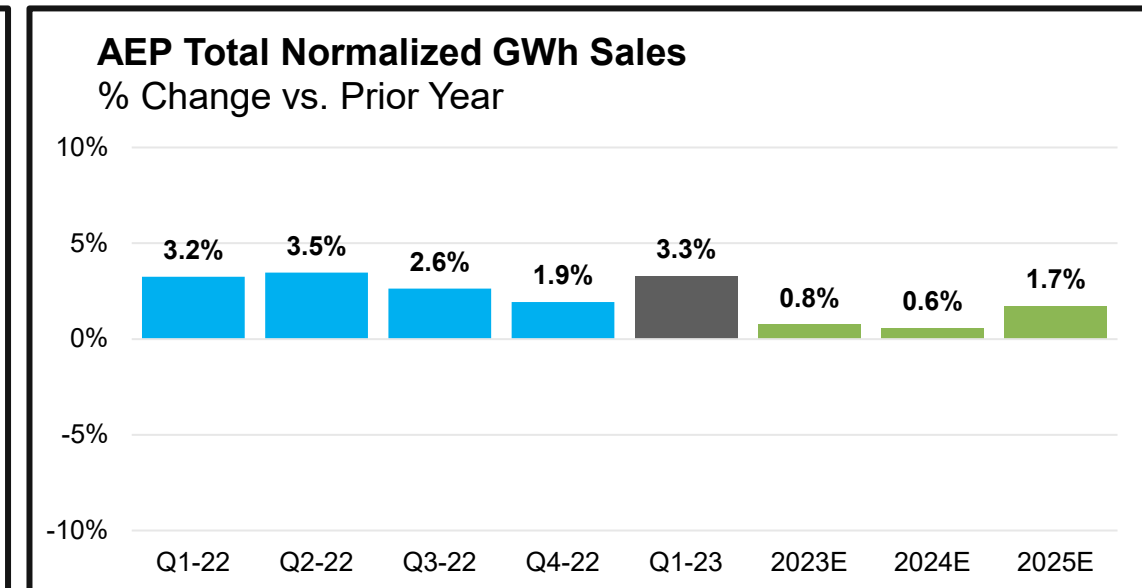
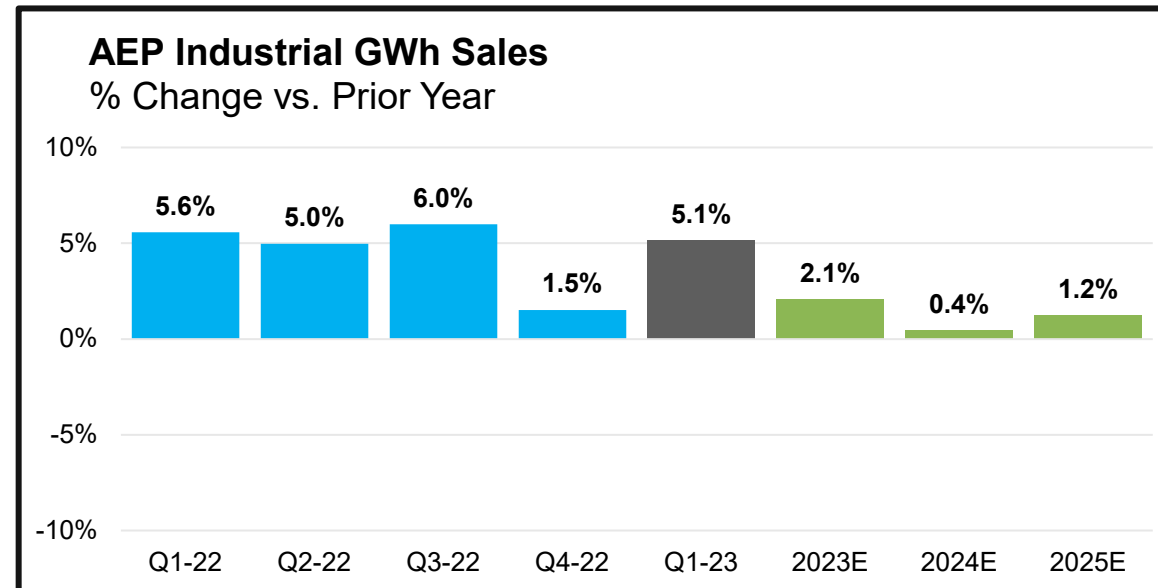
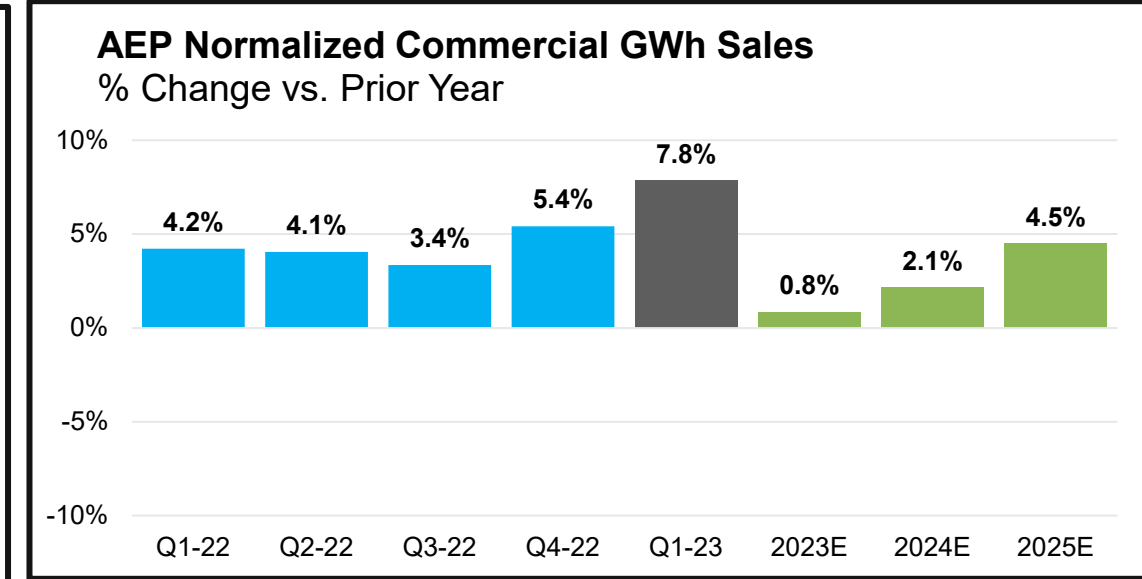
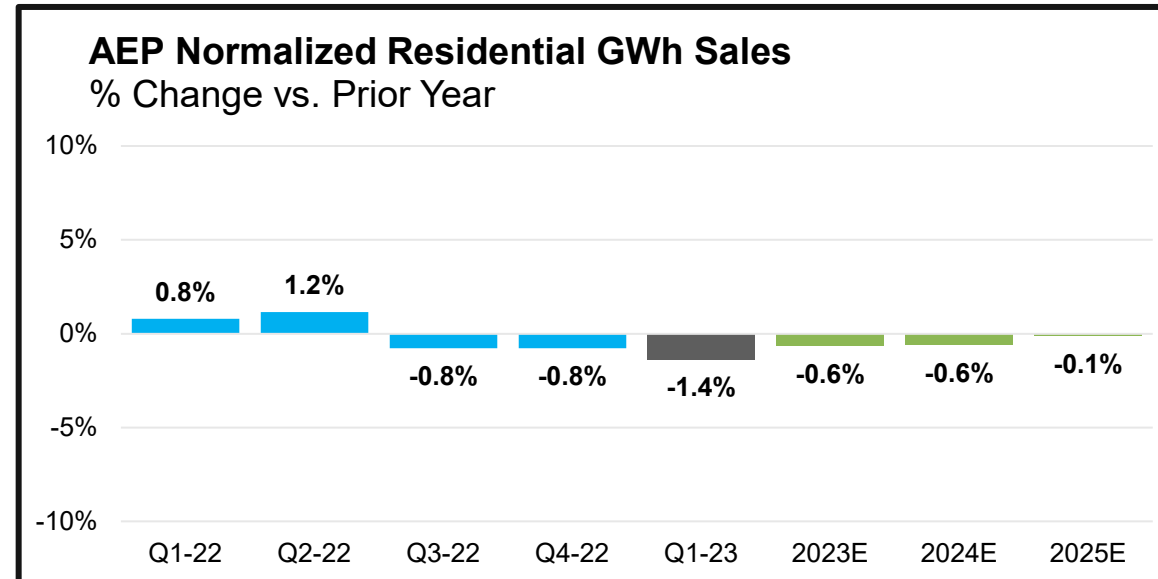
Key Drivers Q1-23 vs. Q1-22

\$1.22 Per Share			(0.07)			(0.06)			0.01			0.06			(0.05)			\$1.11 Per Share
	Rate Changes	\$0.08		Rate Changes	\$0.02		Invest Growth	\$0.02		Renewables	\$0.04		O&M	\$0.02				
	Weather	\$(0.13)		Weather	\$(0.04)		Other	\$(0.01)		Generation	\$(0.02)		Investment Loss	\$(0.01)				
	Normal Load	\$0.05		Normal Load	\$(0.01)			Retail		\$0.05	Net Interest		\$(0.05)					
	Off-System Sales	\$0.05		Trans Revenue	\$0.03			Wholesale		\$0.02	Income Taxes		\$(0.01)					
	Trans Revenue	\$0.03		O&M	\$(0.03)			Net Interest		\$(0.02)								
	O&M	\$(0.10)		Depreciation	\$(0.01)			Other		\$(0.01)								
	Depreciation	\$0.02	Net Interest	\$(0.02)														
	Net Interest	\$(0.02)																
	Income Taxes	\$(0.07)																
	Other	\$0.02																
	2022 Actual		VERTICALLY INTEGRATED UTILITIES		TRANSMISSION AND DISTRIBUTION UTILITIES		AEP TRANSMISSION HOLDCO		GENERATION & MARKETING		CORPORATE AND OTHER		2023 Actual					
2023 Actual EPS		\$0.52		\$0.24		\$0.35		\$0.09		\$(0.09)		\$1.11						



Weather Normalized Billed Retail Load Trends

Load in AEP's service territory remains strong, benefiting from economic development efforts



Load figures are billed retail sales excluding firm wholesale load.

2023 estimates based on forecast provided at 2022 EEI Financial Conference and adjusted to include Kentucky operations and reflect 2022 actual results.

2024 and 2025 full year estimates adjusted to include Kentucky operations.



Capitalization and Liquidity

FFO/Debt target of 14%-15%; strong liquidity and pension funding status

¹ Represents the trailing 12 months as of 3/31/2023. See Appendix slide 15 for reconciliation to GAAP.

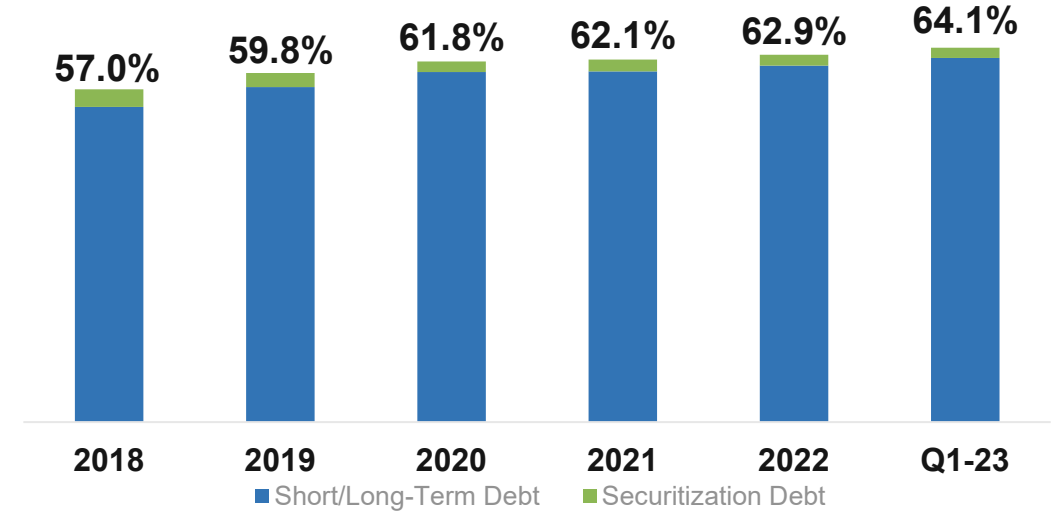
Credit Statistics¹

	Moody's	GAAP
FFO to Total Debt	11.4%	11.4%
Targeted Range	14.0%-15.0%	

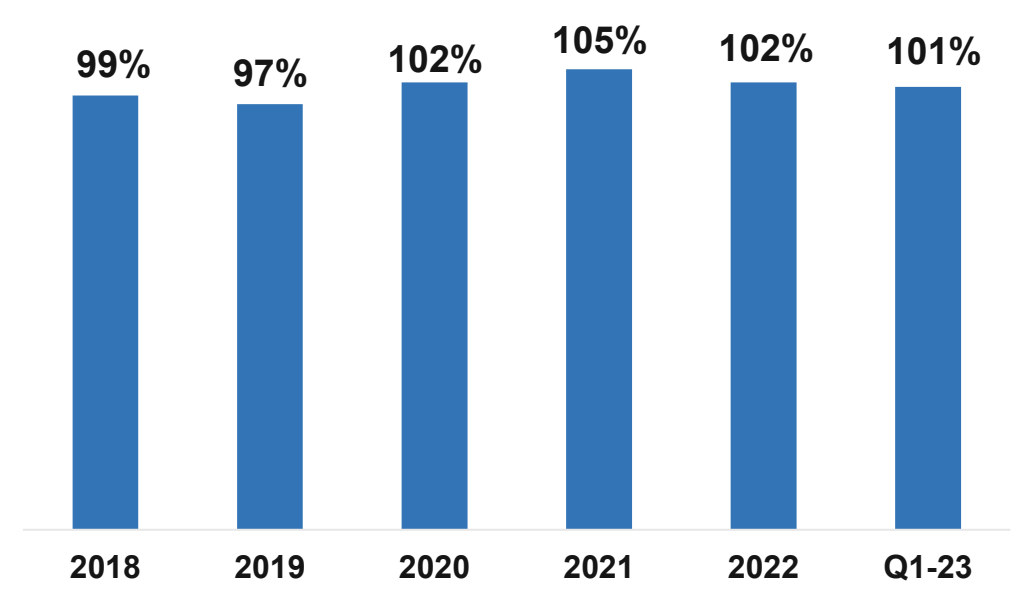
Liquidity Summary

(\$ in millions)	3/31/2023 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	March 2027
Revolving Credit Facility	1,000	March 2025
Plus		
Cash & Cash Equivalents	344	
Less		
Commercial Paper Outstanding	(1,981)	
Net Available Liquidity	\$ 3,363	

Total Debt/Total Capitalization



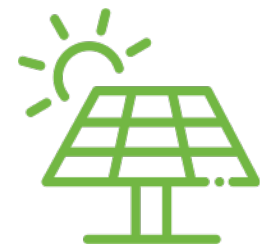
Qualified Pension Funding



Summary of Stakeholder Commitments



**6%-7% Annual
Operating Earnings
Growth**



**ESG Goal of Net
Zero by 2045**



**Dividend Growth In-line with
Earnings Growth and Targeted
Payout Ratio of 60%-70%**



**Customer Care: Commitment to
Identification and Realization of
Efficiencies to Keep Customer Rates
Affordable**



**Strong Balance Sheet
with a Target FFO/Debt
of 14%-15%**



**Active Management of the AEP
Portfolio with the Primary Objective to
De-risk and Simplify Our Business**



Appendix

Q1 2023 Performance

1st Quarter 2023 Earnings Presentation





1st Quarter Reconciliation of GAAP to Operating Earnings

Weighted average number of shares outstanding: 506.1M Q1-22 and 514.2M Q1-23

¹ Items recorded mainly in the Generation & Marketing segment.


² Items recorded in the Corporate and Other segment.

	\$ in millions			Earnings Per Share		
	Q1-22	Q1-23	Change	Q1-22	Q1-23	Change
Reported GAAP Earnings	\$ 715	\$ 397	\$ (318)	\$ 1.41	\$ 0.77	\$ (0.64)
Non-Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities ¹	(100)	119	219	(0.20)	0.23	0.43
Pending Sale of Unregulated Renewables ¹	-	90	90	-	0.17	0.17
Kentucky Operations ²	2	(34)	(36)	0.01	(0.06)	(0.07)
Accumulated Deferred Tax Adjustments ²	(2)	-	2	-	-	-
Mark-to Market Impact of Certain Investments ²	1	-	(1)	-	-	-
AEP Operating Earnings	\$ 616	\$ 572	\$ (44)	\$ 1.22	\$ 1.11	\$ (0.11)





Vertically Integrated Utilities 1st Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q1-23 vs. Q1-22
APCo/WPCo	\$18
I&M	\$16
KPCo	\$(3)
PSO	\$6
SWEPCO	\$12
Kingsport	-
Total	\$49
Impact on EPS	 \$0.08

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q1-23 vs. Q1-22	Q1-23 vs. Normal
APCo/WPCo	\$(43)	\$(49)
I&M	\$(18)	\$(16)
KPCo	\$(8)	\$(9)
PSO	\$(3)	\$(2)
SWEPCO	\$(9)	\$(10)
Kingsport	\$(2)	\$(2)
Total	\$(83)	\$(88)
Impact on EPS	 \$0.13	 \$0.14

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q1-23 vs. Q1-22
APCo/WPCo	(0.6)%
I&M	1.7%
KPCo	1.0%
PSO	1.0%
SWEPCO	2.6%
Kingsport	3.3%
Total	0.8%
Impact on EPS ²	 \$0.05


¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.

² Includes EPS impact of accrued revenues.





Transmission and Distribution Utilities 1st Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q1-23 vs. Q1-22
AEP Ohio	\$12
AEP Texas	\$4
Total	\$16
Impact on EPS	 \$0.02

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q1-23 vs. Q1-22	Q1-23 vs. Normal
AEP Ohio	\$(25)	\$(26)
AEP Texas	-	\$5
Total	\$(25)	\$(21)
Impact on EPS	 \$0.04	 \$0.03

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q1-23 vs. Q1-22
AEP Ohio	1.9%
AEP Texas	13.1%
Total	6.3%
Impact on EPS ²	 \$0.01

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.

² Includes EPS impact of accrued revenues.



GAAP to Non-GAAP Reconciliations and Ratios

Adjusted FFO Calculation

	12 Months Ended 3/31/2023 (in millions)
Cash Flow from Operations	\$ 4,384
Adjustments:	
Changes in Working Capital	657
Capitalized Interest	(80)
Securitization Amortization	(119)
Adjusted Funds from Operations (FFO)	\$ 4,842

Adjusted Total Debt (Non-GAAP) Calculation

	As of 3/31/2023 (in millions)
GAAP Total Debt (incl. current maturities)	\$ 42,766
Less:	
Securitization Bonds	(466)
Spent Nuclear Fuel Trust	(288)
Equity Units Capital Adjust (25%)	(213)
Junior Subordinated Debentures (25%)	(188)
Add:	
Finance Lease Obligations	211
Operating Leases	674
Adjusted Total Debt (Non-GAAP)	\$ 42,496

FFO to Total Debt Ratio = 11.4%

\$4,842M Adjusted FFO / \$42,496M Adjusted Total Debt



Appendix

Portfolio Management

1st Quarter 2023 Earnings Presentation



Competitive Business Platform



CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

RETAIL SERVICES *(SALE ANNOUNCED)*



- Electric Sales
- Natural Gas Sales
- Demand Response Sales
- Sustainability Services

DISTRIBUTED RESOURCES *(SALE ANNOUNCED)*



- Solar
- Energy Storage
- Reciprocating Engines
- Fuel Cells
- Substations

WHOLESALE SERVICES



- Electric Sales
- Renewable PPA Sourcing
- Congestion Management
- RTO Services
- Portfolio Optimization



Transmission Joint Venture Businesses

In 2023 operating earnings guidance, Prairie Wind, Pioneer and Transource transmission joint ventures contribute \$0.05 EPS; AEP's portion of PP&E as of 3/31/2023 was \$551M

Project Name	Location	Owners	AEP's Portion of Net Plant as of 3/31/2023	Base ROE	RTO Adder	Project Risk ROE	Total Authorized ROE
ETT	Texas (ERCOT)	BHE (50%), AEP (50%)	\$1,729M	9.60%	0.00%	0.00%	9.60%
Prairie Wind <i>(Under Strategic Review)</i>	Kansas	Evergy, Inc. (50%), BHE (25%), AEP (25%)	\$ 32M	10.80%	0.50%	1.50%	12.80%
Pioneer Project <i>(Under Strategic Review)</i>	Indiana	Duke Energy (50%), AEP (50%)	\$ 91M	10.02%	0.50%	0.00%	10.52%
Transource-Iatan-Nashua <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 53M	9.80%	0.50%	0.00%	10.30%
Transource-Nebraska-Sibley <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 196M	9.80%	0.50%	1.00%	11.30%
Transource-WV <i>(Under Strategic Review)</i>	West Virginia	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 70M	10.00%	0.50%	0.00%	10.50%
Transource-Sooner-Wekiwa <i>(Under Strategic Review)</i>	Oklahoma	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 19M	9.80%	0.50%	NA	10.30%
Transource-PA & MD ¹ <i>(Under Strategic Review)</i>	Pennsylvania & Maryland	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 90M	9.90%	0.50%	0.00%	10.40%

¹ The Independence Energy Connection transmission project was approved by the Maryland commission and rejected by the Pennsylvania commission; federal litigation is currently pending. The project received the abandonment incentive from FERC.



Appendix

Financial Forecast and Focus on O&M Efficiency

1st Quarter 2023 Earnings Presentation





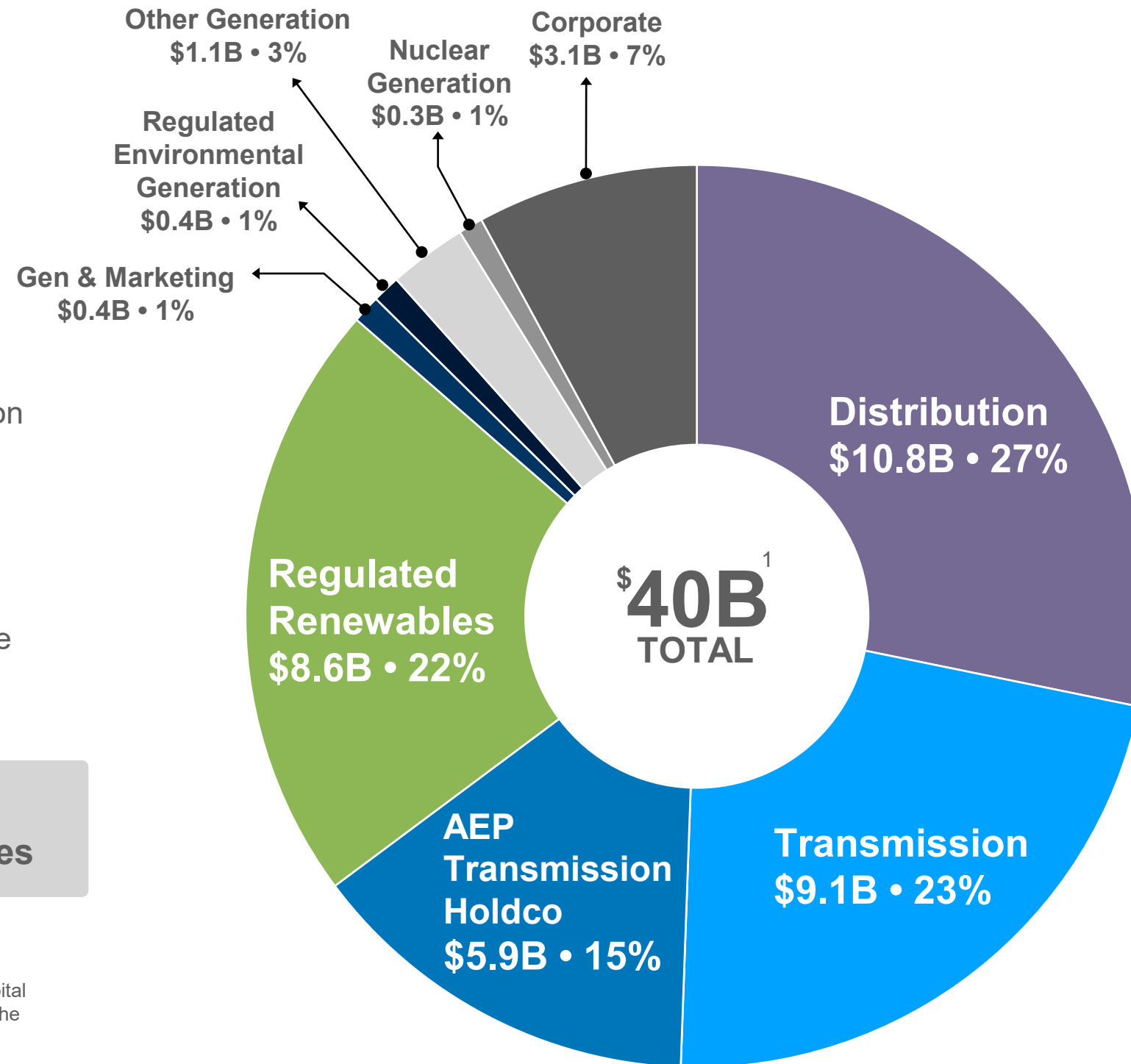
2023-2027 Capital Forecast of \$40B

The ability to quickly redeploy transmission and distribution investment ensures we maintain capital spend while mitigating customer bill impact

On a system average, we expect rates to go up approximately 4% annually over the forecasted period

Capital forecast emphasizes investment in wires and renewables

¹ With the recent Kentucky operations sale termination, KPCo capital will be absorbed within the current capital plan while maintaining the existing functional split.



99%
of capital allocated to regulated businesses

\$26B 65%
allocated to wires

\$9B 22%
allocated to regulated renewables

7.6%
resulting rate base CAGR



2023-2027 Cash Flows and Financial Metrics

Cash proceeds related to the sale of unregulated contracted renewable assets are included in 2023; proceeds from other future assets sales are not included

\$ in millions	2023E	2024E	2025E	2026E	2027E
Cash from Operations	\$ 5,800	\$ 6,700	\$ 7,000	\$ 7,700	\$ 8,100
Net Cash Proceeds from Sale of Assets ¹	1,200	-	-	-	-
Capital and JV Equity Contributions	(6,800)	(8,900)	(9,700)	(7,300)	(6,900)
Other Investing Activities	(100)	(300)	(200)	(300)	(200)
Common Dividends ²	(1,700)	(1,900)	(2,100)	(2,200)	(2,400)
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Financing					
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Long-term Debt Maturities	(2,600)	(1,700)	(2,300)	(1,700)	(1,500)
Short-term Debt Repayments	(1,000)	-	-	-	-
Securitization Amortizations	(100)	(200)	(100)	(100)	(100)
Equity Units Conversion	850	-	-	-	-
Equity Issuances – Includes DRP	100	600	700	700	700
Debt Capital Market Needs (New)	\$ (4,350)	\$ (5,700)	\$ (6,700)	\$ (3,200)	\$ (2,300)
Financial Metrics					
Debt to Capitalization (GAAP)	Approximately 60%				
FFO/Total Debt (Moody's)	14%-15% Target Range				

¹ Cash proceeds to Parent of \$1.2B in 2023 relates to the sale of unregulated contracted renewable assets.

² Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by Board of Directors. Stated target payout ratio range is 60%-70% of operating earnings.

Actual cash flows will vary by company and jurisdiction based on regulatory outcomes.

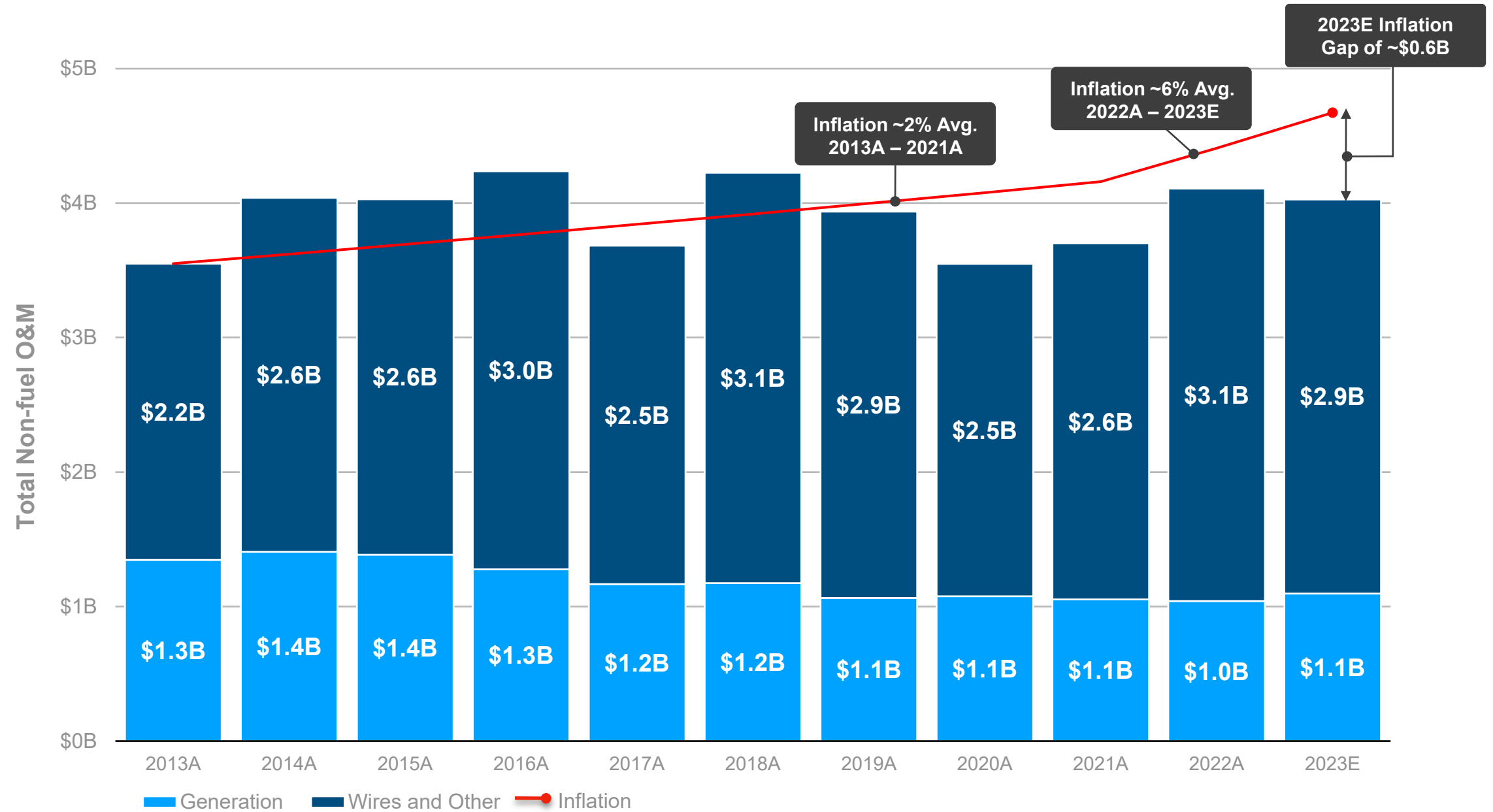


Continuous Focus on O&M Efficiency

O&M discipline over time amid rising costs and growing asset base helps keep customer rates affordable

\$41B 2013A Net Plant **\$79B** 2023E Net Plant

Total tracked and untracked O&M are both actively managed to address customer affordability



(in billions)	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E
Untracked O&M	\$2.8	\$3.1	\$3.1	\$3.1	\$2.8	\$3.1	\$3.1	\$2.7	\$2.8	\$3.0	\$2.9

Data adjusted to include Kentucky.



Appendix

Regulatory and Renewables

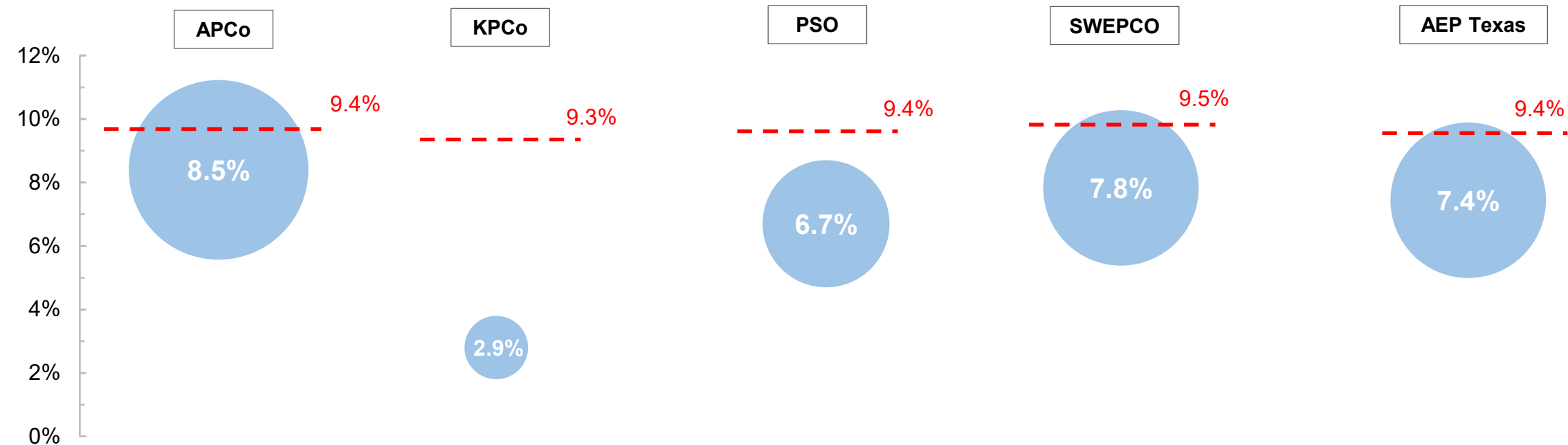
1st Quarter 2023 Earnings Presentation





Actions to Close the ROE Gap

Focus on achieving authorized ROEs in all operating companies; 3/31/2023 Regulated Operations ROE of 8.8%



Other ROEs – 12 Months Ended 3/31/2023:

- AEP Ohio – authorized 9.7% vs earned 9.3%.
- I&M – authorized 9.7% vs. earned 11.3%.
- AEP Transmission Holdco – authorized 10.4% vs. earned 10.5%.

Authorized ROE in multijurisdictional companies is estimated by weighting various jurisdictional factors.

--- Current Authorized ROE

● 12 Months Ended 3/31/2023 ROE (operating earnings, not weather normalized)

✓ Complete

ACTION PLANS TO CLOSE GAP				
APCo	KPCo	PSO	SWEPCO	AEP Texas
<ul style="list-style-type: none"> ✓ Securitization legislation passed in WV ✓ Implemented VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo's favor in 2022 ✓ Filed new VA triennial in 2023 ✓ G, T, broadband, EE, RPS and DR trackers recover most incremental investment; triennial process for balance of recovery in VA ✓ VA biennial rate case legislation passed ✓ Rate base and renewables capital trackers in place for WV 	<ul style="list-style-type: none"> ✓ Right team in place to oversee efficient and effective execution of Kentucky strategy ✓ Securitization legislation passed ✓ Filed for recovery of fuel and storm cost deferrals • File a new base rate case in June 2023 with rates effective in January 2024 • Focus on economic development to build a strong community and promote customer affordability • Right-size rate base including potential securitization 	<ul style="list-style-type: none"> ✓ Securitization of Winter Storm Uri costs and North Central rates put in place in 2022 ✓ Base case filed November 2022; pursuing approval of more efficient cost recovery mechanisms and continuation or expansion of T&D trackers 	<ul style="list-style-type: none"> ✓ Finalized LA rate case in January 2023 and implemented formula rate going forward ✓ Legislation modified to allow AR base case filing flexibility ✓ Filed Turk CCN and rider request in AR with hearing date in July 2023 ✓ Filed LA formula rate update in April 2023 ✓ Filed AR formula rate update in April 2023 ✓ G, T and D trackers in place in TX • Timing of formula rate updates and new generation in-service dates to minimize lag 	<ul style="list-style-type: none"> ✓ Bi-annual TCOS filings recover significant capital investment ✓ Annual DCRF filings recover D-related capital • Pursue regulatory and legislative options to further close gap • Review rate structures for 2024 rate case filing



Actively Managing Current Fuel Cost Impacts

Adapting fuel clause recovery with a focus on customer impacts

APCo VA

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level with a 24-month recovery and carrying charge on under-recovered balance starting in September 2022

APCo/WPCo WV

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Securitization legislation effective March 2023; new fuel case filed in April 2023 proposes to use the securitization legislation to address deferred fuel balance

PSO OK

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level starting in October 2022 which includes 27 months to recover under recovered balance

SWEPCO AR

- Current Mechanism: 12-month fuel clause to reset and account for prior year filed annually in March, effective for April bills
- Adjustment: Filed an interim factor effective October 2022 to recover the under recovery in a 6-month surcharge; this makes the increase effective during the lower winter seasonal rate

SWEPCO TX

- Current Mechanism: May update the fuel factor up to three times per year in a process resetting fuel (filed only in January, May, and/or September); this is not done every year
- Adjustment: Updated fuel surcharge to collect the under recovered balance over a 16-month period starting in February 2023



Current Rate Case Activity



APCo – Virginia

Docket #	PUR-2023-00002
Filing Date	3/31/2023
Requested Rate Base	\$2.9B
Requested ROE	10.6%
Cap Structure	51.7%D / 48.3%E
Gross Revenue Increase	\$213M (Less \$53M D&A)
Net Revenue Increase	\$160M
Test Year	12/31/2022
<u>Procedural Schedule</u>	
Direct Testimony	7/14/23
Rebuttal Testimony	8/11/23
Hearing	8/24/23
Expected Commission Order	Q4-2023
Expected Effective Date	January 2024



PSO – Oklahoma

Docket #	PUD 2022-000093
Filing Date	11/22/2022
Requested Rate Base	\$4.4B
Requested ROE	10.4%
Cap Structure	45.4%D / 54.6%E
Gross Revenue Increase	\$173M ¹ (Less \$70M D&A)
Net Revenue Increase	\$103M
Test Year	6/30/2022
<u>Procedural Schedule</u>	
Hearing	5/9/2023
Expected Commission Order	Q2-2023



SWEPCO – Louisiana

Docket #	U-35441
Filing Date	12/18/2020
Requested Rate Base	\$2.1B
Requested ROE	10.35%
Cap Structure	49%D / 51%E
Gross Revenue Increase	\$114M (Less \$41M D&A)
Net Revenue Increase	\$73M
Test Year	12/31/2019 ²
<u>Settlement Summary</u>³	
Settlement Filed	1/13/2023
Commission Order	1/18/2023
Effective Date	1/31/2023
ROE	9.5%
Cap Structure	49%D / 51%E
Net Revenue Increase	\$27M

¹ Does not include \$75M of current riders moving to base rates.

² Includes proposed pro-forma adjustment to plant-in-service through 12/31/2020.

³ The settlement reestablished the Formula Rate Plan for an initial three-year term starting with 2022 test year, to be filed in April each year with an effective date in August.



Resource Plans Are Aligned with Climate Goals

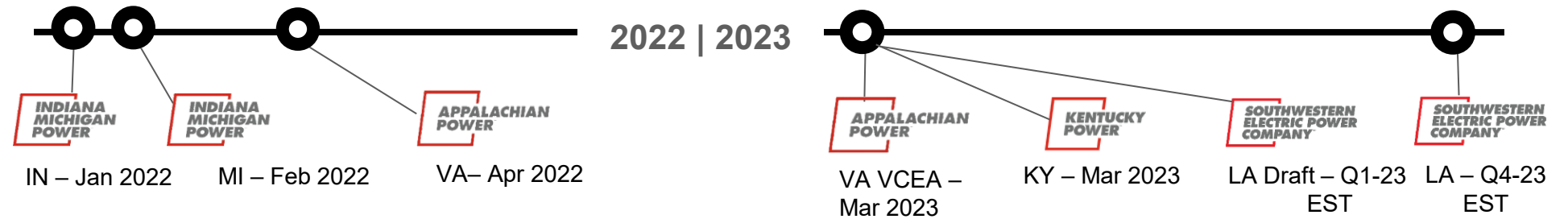
Current IRPs identify a significant need for new clean energy resources over the next 10 years

¹ Resource additions are from most recent Integrated Resource Plans (IRP) filings.

² Investments in renewables will be subject to market availability of viable projects and regulatory approvals.

³ Natural gas additions are peaking units and fuel switching that are primarily selected for capacity (i.e., expected low capacity factors).

IRP FILINGS



10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2023-2032 (MW) ^{1,2}	SOLAR	WIND	STORAGE	NAT. GAS ³	TOTAL
APCo	1,020	1,154	250	-	2,424
I&M	1,300	800	315	750	3,165
PSO	2,550	2,800	-	-	5,350
SWEPCO	3,300	2,450	-	528	6,278
TOTAL	8,170	7,204	565	1,278	17,217





Regulated New Generation Regulatory Status



Total Investment	Resource	Project	MWs	Projected In-Service Date	Jurisdictional Status
209 MW / ~\$500M	Solar	Amherst / Virginia	5	Q2-23	Projects Approved July 2022 ¹
	Wind	Top Hat / Illinois	204	Q3-25	
151 MW / ~\$466M	Wind	Grover Hill / Ohio	143	Q4-25	Virginia Order Expected Q3 2023 ² Docket # PUR-2023-00001
	Storage	Glade-White Top / Virginia	8	2025	
469 MW / ~\$1.0B	Solar	Lake Trout / Indiana	245	Q2-26	Indiana Order Expected ³ Q3 2023 Docket # 45868 Michigan Order Expected ³ Q3 2023-Q1 2024 Docket # U-21377, U-21189
	Solar	Mayapple / Indiana	224	Q2-26	
999 MW / ~\$2.2B	Solar	Mooringsport / Louisiana	200	Q4-25	Louisiana Settlement Filed March 2023; Settlement Not Approved April 2023; Rehearing Q2 2023 Docket # U-36385 Arkansas Settlement Filed January 2023 and Order Expected Q2 2023 Docket # 22-019-U Texas ALJs Recommended Approval April 2023 and Order Expected Q2 2023 Docket # 53625
	Wind	Diversion / Texas	201	Q4-24	
	Wind	Wagon Wheel / Oklahoma	598	Q4-25	
995.5 MW / ~\$2.5B ⁴	Solar	Algodon / Texas	150	Q4-25	Oklahoma Settlement Filed April 2023 and Order Expected Q2-Q3 2023 Docket # 2022-000121
	Solar	Chisholm Trail / Kansas	103.5	Q4-25	
	Solar	Pixley / Kansas	189	Q2-25	
	Wind	Flat Ridge IV / Kansas	135	Q4-25	
	Wind	Flat Ridge V / Kansas	153	Q4-25	
	Wind	Lazbuddie / Texas	265	Q2-25	

¹ Approved projects may be impacted by market conditions during development.

² APCo also seeks regulatory approval of PPAs for seven solar facilities for a total of 204 MW.

³ I&M also seeks regulatory approval of PPAs for two solar facilities for a total of 280 MW.

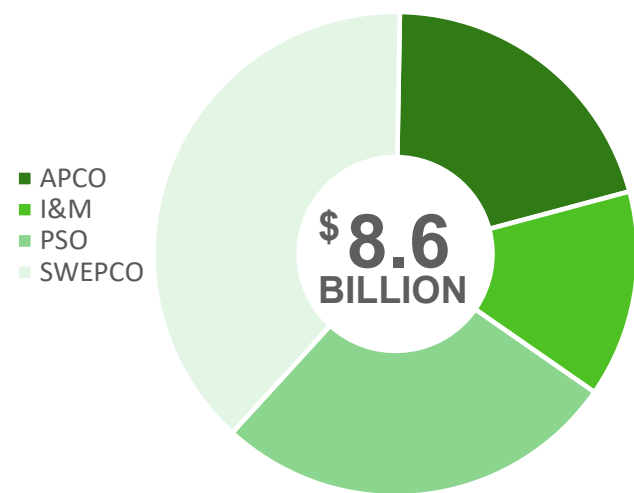
⁴ Additional RFP issuances expected the near term consistent with the IRPs for energy and capacity needs.



Regulated New Generation Investment Growth

Continuing execution on the \$8.6B regulated renewables investment over the next five years

2023-2027 CAPEX



RFPs IN PROGRESS ¹	APPALACHIAN POWER	INDIANA MICHIGAN POWER	SOUTHWESTERN ELECTRIC POWER COMPANY
RFP Issued	April 2023	March 2023 ²	September 2022
Wind	600 MW	800 MW	1,900 MW
Solar		850 MW	500 MW
Storage	-	315 MW	-
Natural Gas	-	540 MW	-
Reg. Filings and Approvals	Q2-24 – Q4-24	Q1-24 – Q2-25	Q4-23 – Q4-24
Projected In-service Dates	YE26	YE27	YE25 – YE26

REGULATED GENERATION PIPELINE

~17 GW Pipeline

Long-term investment potential beyond current 5-year plan

Capital Flexibility

Investments contingent upon markets and regulatory approvals and are backed-up by a flexible pipeline of T&D investments

Growth Drivers

Generation needs coupled with new federal legislation support our clean energy goals and extend our investment runway

¹ RFPs represent up-to MW capacity values; related regulatory filings will take into consideration commission preferences.

² RFP is an all-source solicitation seeking proposals for both owned and PPAs from various types of generation.



Appendix

Economic Development

1st Quarter 2023 Earnings Presentation





Economic Development Project Announcements: 2021 to Q1 2023

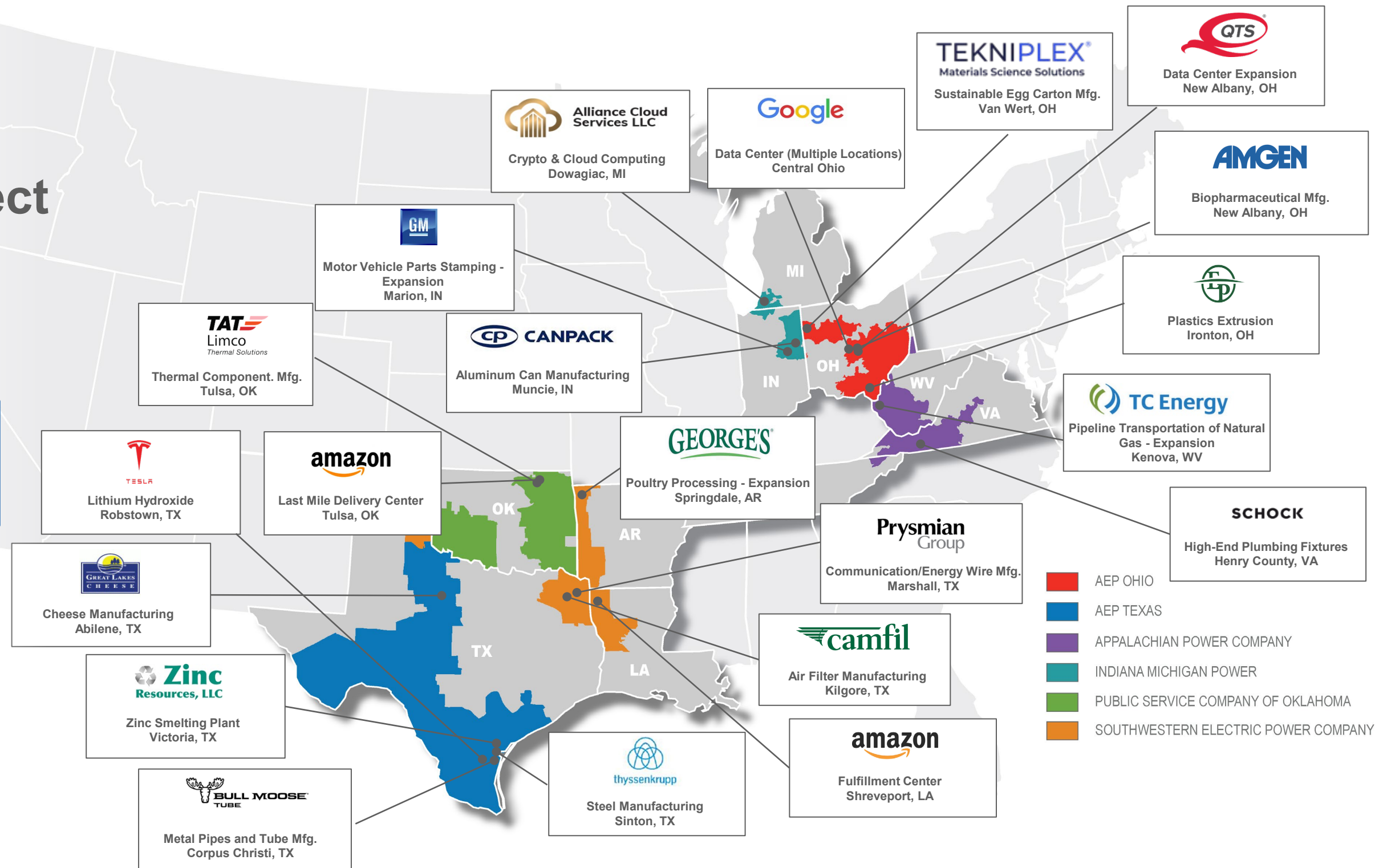
AEP has an attractive service territory for economic development

Summary of future impacts

25,600 direct jobs

74,500 total jobs

3,177 MW from 2021 to Q1 2023 announced projects



Recent AEP Reshoring Successes

Parts of AEP service territory in OH, VA and WV may be eligible for announced federal tax credits from the IRA

Nucor (APCo)

- The largest single investment in West Virginia history.
- Site chosen because of high voltage infrastructure, AEP's proven ability to serve large loads and AEP's excellent customer service.

Intel (AEP Ohio)

- \$20B investment at the first Midwest chip production plant.
- Property was annexed into AEP Ohio service territory.
- The site was selected because of AEP's competence in serving large loads, team strength and depth and demonstrated ability to meet Intel's unique needs.

Blue Star NBR (APCo)

- Largest economic development project ever for Southwest Virginia.
- Supported by Federal dollars designated for PPE production.

Lyseon North America (PSO)

- Automotive supplier to Navistar/IC bus plant in Tulsa, Oklahoma, for electric buses.
- Locating in large vacant facility at Tulsa Port of Catoosa.

