

**AMERICAN
ELECTRIC
POWER™**

BOUNDLESS ENERGY™



Investor Meetings

Columbus, OH
December 10, 2019

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



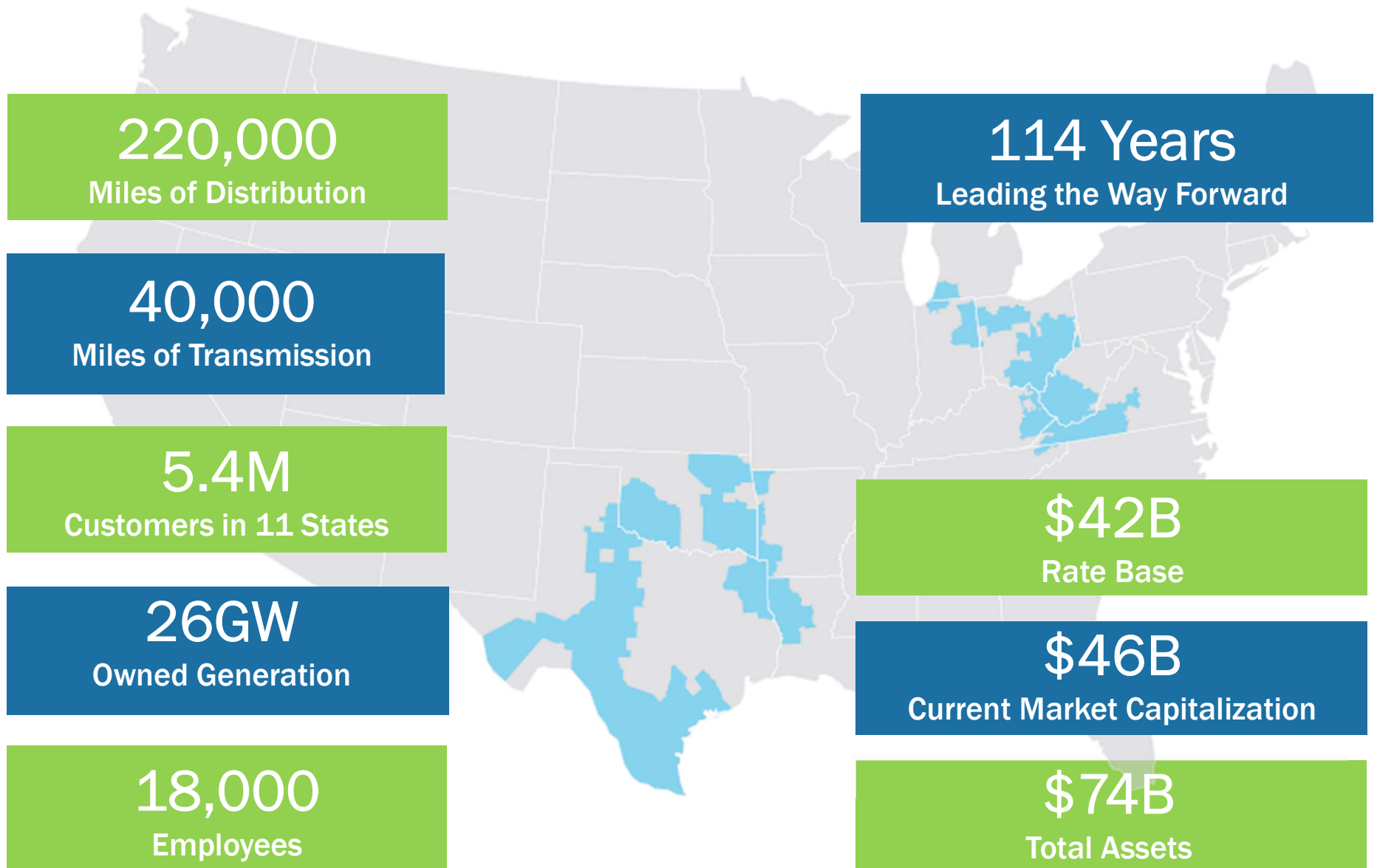
This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that 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, inflationary or deflationary interest rate trends, volatility in the financial markets, 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 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 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 and to recover those costs, new legislation, litigation and government regulation, including 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, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including coal ash and 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, 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, 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.

INVESTOR RELATIONS

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The Premier Regulated Energy Company



Statistics as of September 30, 2019 except for market capitalization as of December 5, 2019 and rate base as of December 31, 2018

**Confidence in
Steady and
Predictable
Earnings
Growth Rate
of
5%-7%**

**Commitment
to Growing
Dividend
Consistent
with Earnings**

**Well
Positioned
as a
Sustainable
Regulated
Business**

**Compelling
Portfolio of
Premium
Investment
Opportunities**

Strategic Vision and Priorities



Invest in transmission and distribution networks

Invest in regulated and contracted renewables

Mitigate generation risk and optimize operations

Superior capital allocation

Relentless O&M optimization/Future of work

Improve customer experience

We are focused on executing our strategy while concurrently improving our operations and keeping rates affordable



EEI KEY THEMES

- 5%-7% Earnings Growth Rate and 2020 Range
- Proven Track Record of TSR and EPS Performance
- Strong Dividend Growth
- O&M Optimization
- Transforming Our Generation Fleet

Strong Profile for Investors

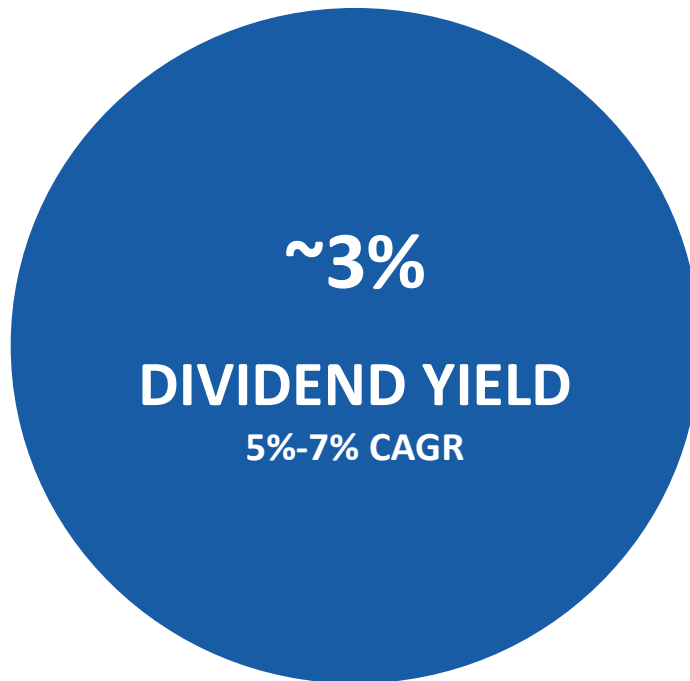


Incentive Comp Tied to High End of EPS

Investment Pipeline

Steady Growth

TOTAL SHAREHOLDER RETURN



Consistent Dividends

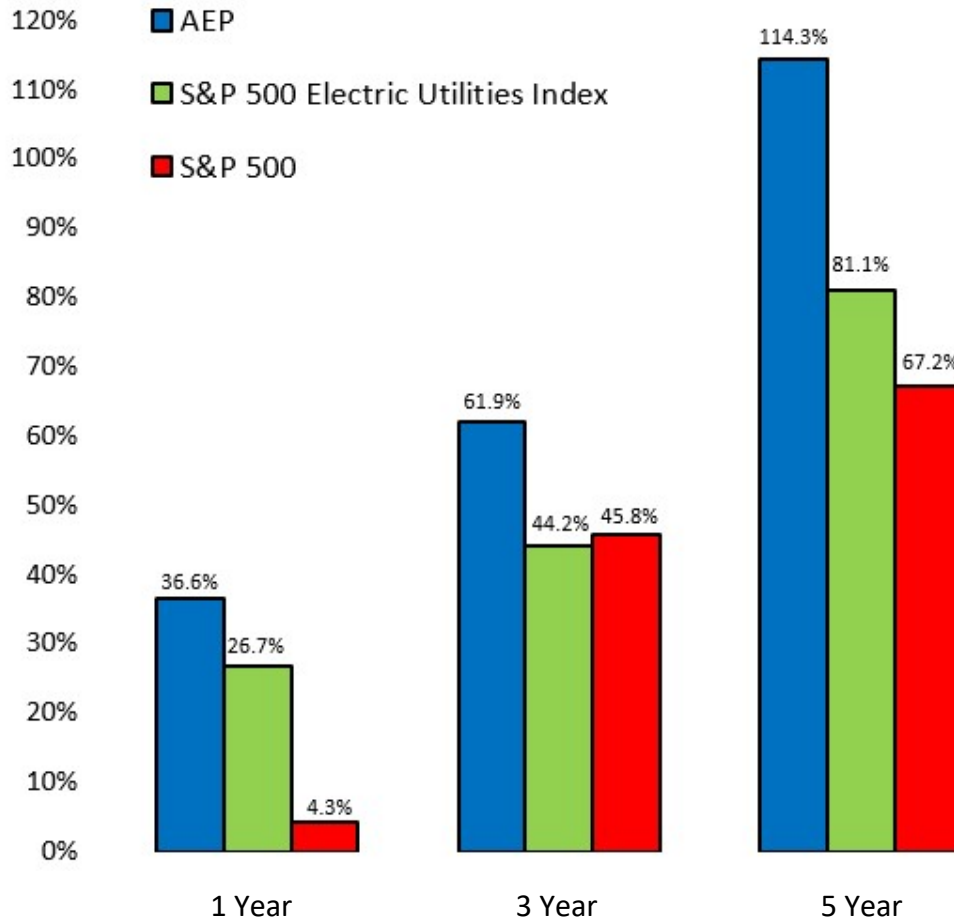
Strong Balance Sheet

Low Risk, Regulated Assets

Proven Track Record of Performance

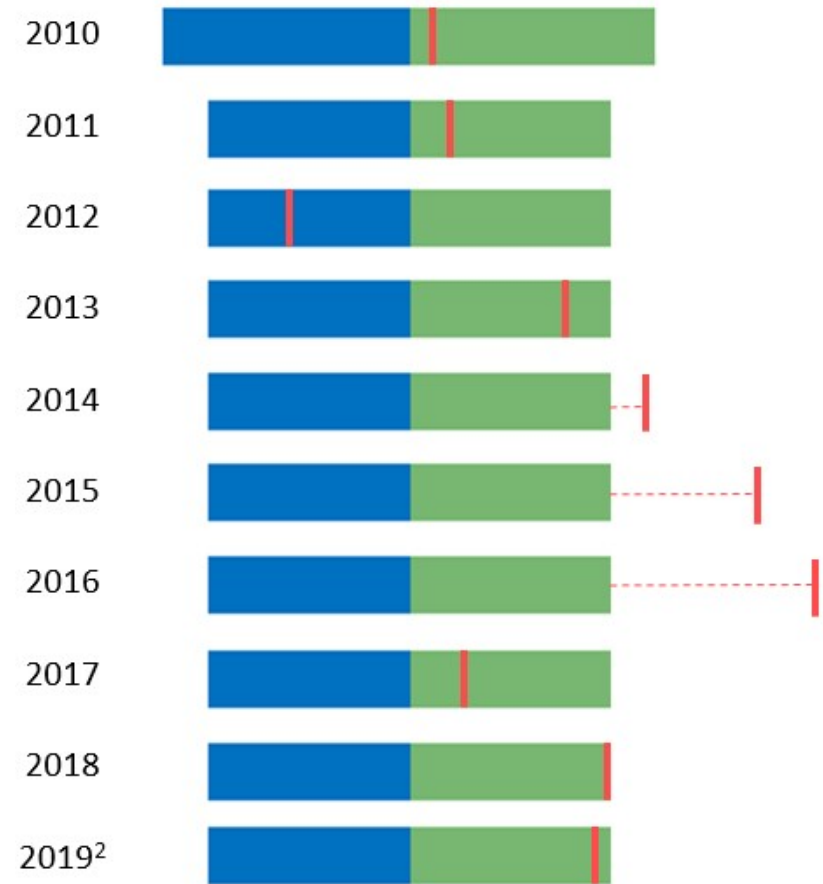


Favorable Total Shareholder Return¹

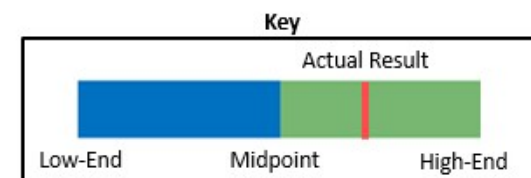


¹ Data as of September 30, 2019

Decade of Meeting or Exceeding Original Guidance



² Expected Operating EPS



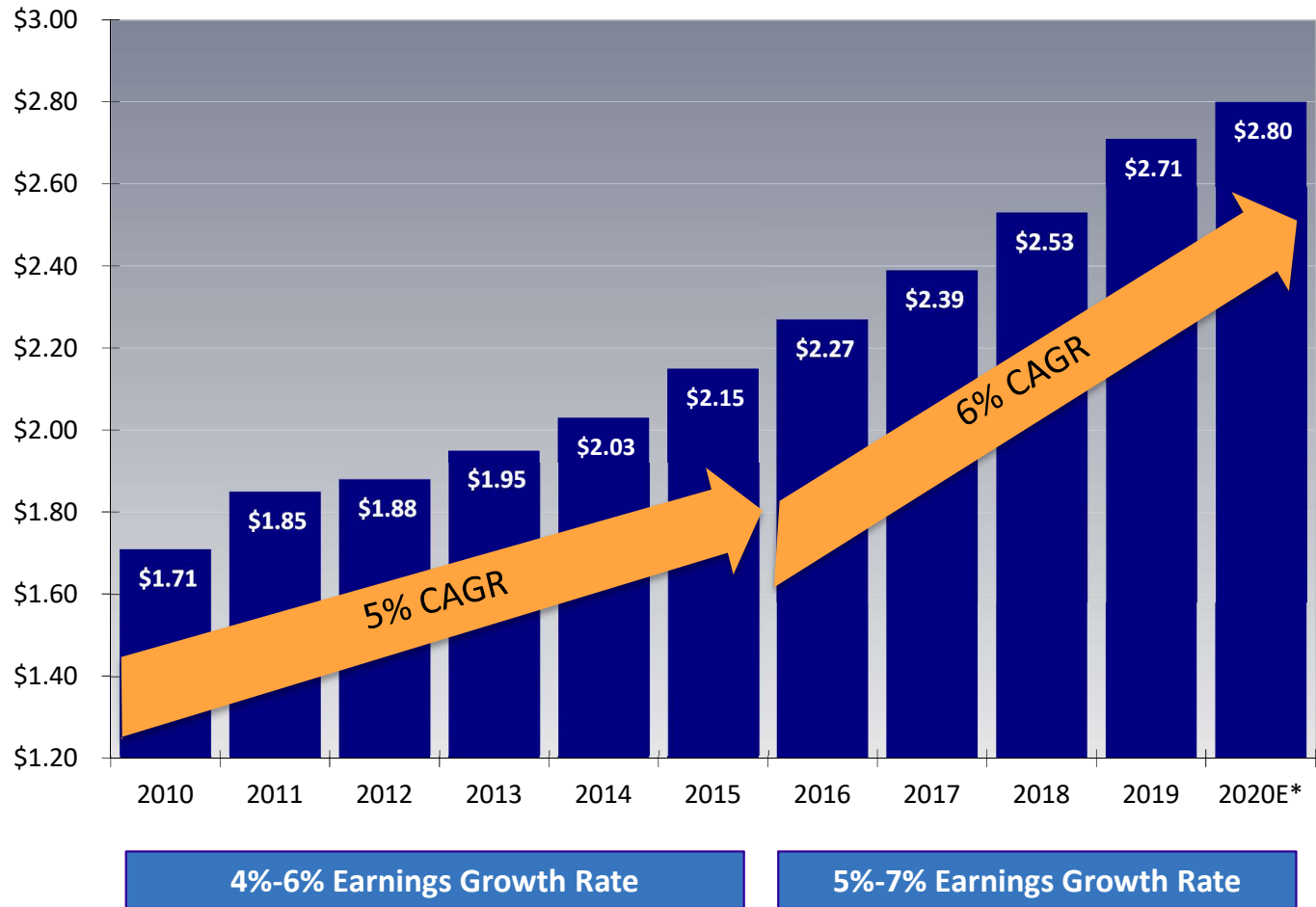
Strong Dividend Growth



Targeted payout ratio 60-70% of operating earnings

Over 109 years of consecutive quarterly dividends

Targeted dividend growth in line with earnings



EPS Growth + Dividend Yield = 8% to 10% Annual Return Opportunity

* Subject to Board approval

Achieving Excellence: A new disciplined O&M optimization process to improve our business

PROCESS OVERVIEW

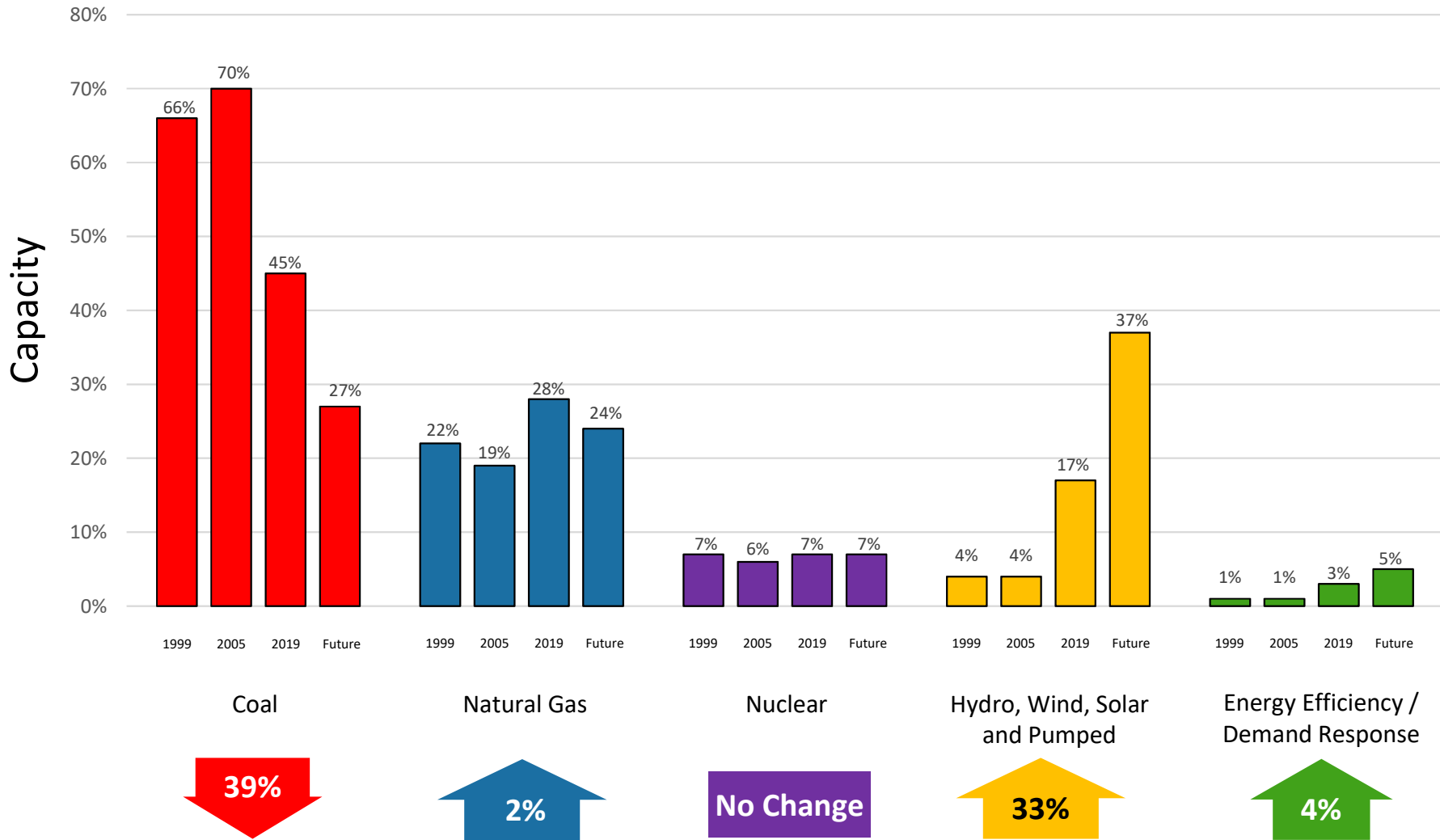
EMPLOYEE DRIVEN; EMPLOYEE OWNED



KEY FEATURES

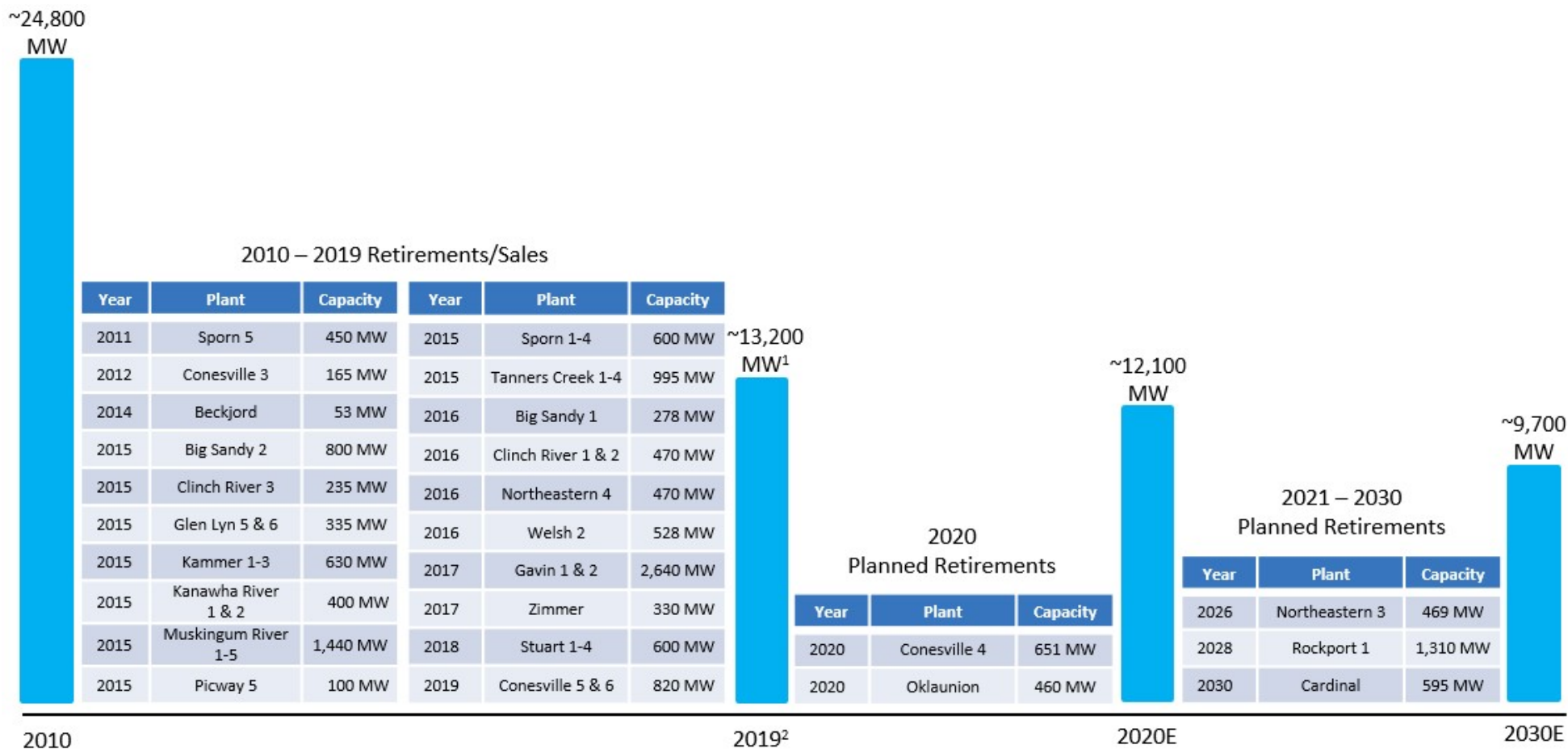
- Program will be an ongoing part of our enhanced target setting process
- Catalyst team includes employees with strong analytic, teamwork and project management skills
- Group leaders include heads of business units who will partner with and evaluate ideas from catalyst team
- Steering Committee reviews recommendations and makes implementation decisions

Transforming Our Generation Fleet



As of 09/30/2019. Future includes IRP forecasted additions and retirements through 2030. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

Retirement Progress and Plans





¹ Includes 2012 Turk Plant addition and 40% of Conesville 4 that was acquired in conjunction with the sale of Zimmer Plant


² MW Capacity as of 9/30/2019

Projected Resource Additions



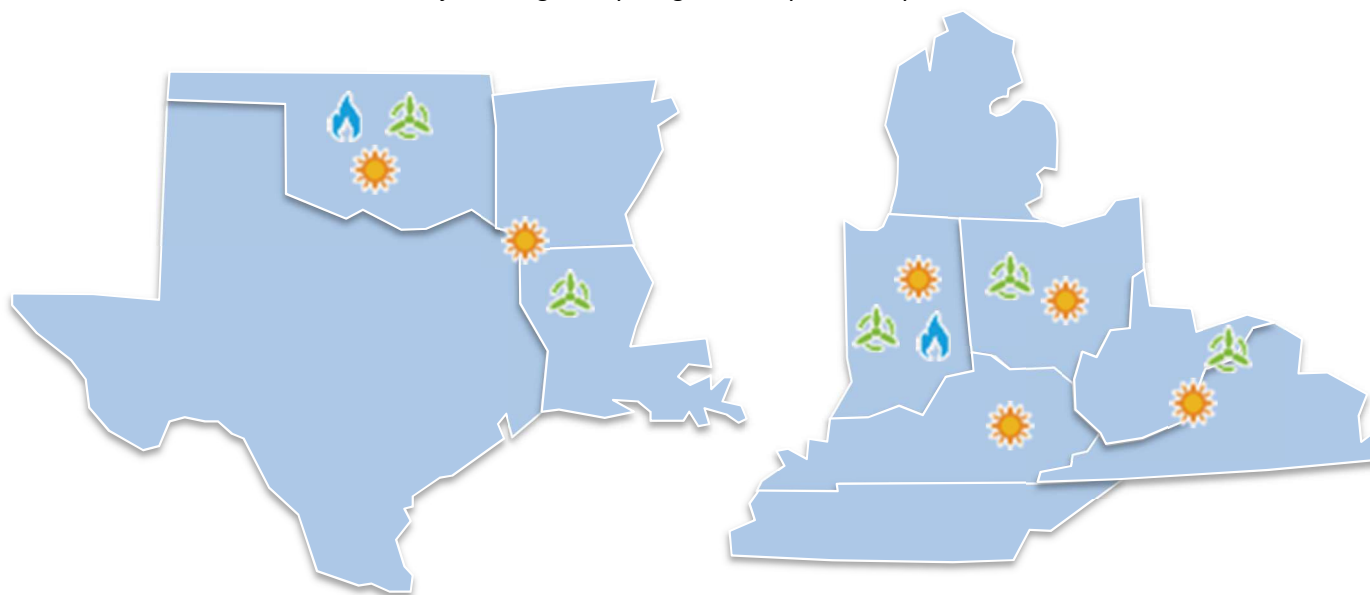
Solar Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
AEP Ohio	400	-	-
APCo	15	300	750
I&M	150	600	550
KPCo	20 ¹	30	40
PSO	11	600	600
SWEPCO	-	-	300
Totals	596	1,530	2,240

Wind Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
AEP Ohio	500	-	-
APCo	-	300	-
I&M	300	150	300
KPCo	-	-	-
PSO	675 ¹	400	200
SWEPCO	810 ¹	600	-
Totals	2,285	1,450	500

Natural Gas Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
I&M	18	18	788
PSO	373 ²	410 ²	-
Totals	391	428	788

² To replace expiring PPA

¹ Subject to regulatory filings currently underway



Total Projected Resource Additions (MW)	
Resource	2020-2030
Solar	4,366
Wind	4,235
Natural Gas	1,607
Totals	10,208

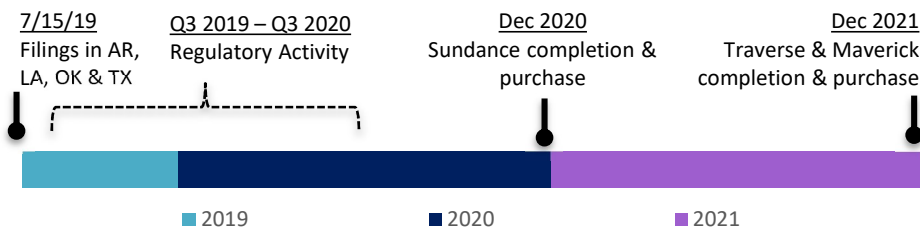
Updated 12/01/2019

North Central Wind Overview



SWEPCO and PSO Regulated Wind Investment Opportunity				
Total Rate Base Investment	~\$2 billion (1,485 MW)			
North Central Wind	Name	MW	Investment	In-Service
	Sundance	199	\$307M	EOY 2020 (100% PTC)
	Traverse	999	\$1,287M	EOY 2021 (80% PTC)
	Maverick	287	\$402M	
Net Capacity Factor	44.0%			
Customer Savings	~\$3 billion (30-year nominal \$)			
Developer	Invenergy			
Turbine Supplier	GE			

Jurisdiction (Docket #)	MW	% of Project
PSO (PUD 2019-00048)	675	45.5%
SWEPCO – AR (19-035-U)	155	10.4%
SWEPCO – LA (U-35324)	268	18.1%
SWEPCO – TX (49737)	309	20.8%
SWEPCO - FERC	78	5.2%
Total:	1,485	100%



- ❑ Regulated rate base wind investment opportunity with ability to meaningfully reduce customer rates
 - Acquiring facilities on a fixed cost, turn-key basis at completion
 - Contingent upon satisfactory regulatory approvals
- ❑ Investment not included in the Company's current capital expenditure plan
- ❑ Acquisition can be scaled, subject to commercial limitations, to align with individual state resource needs and approvals

Customer Benefits

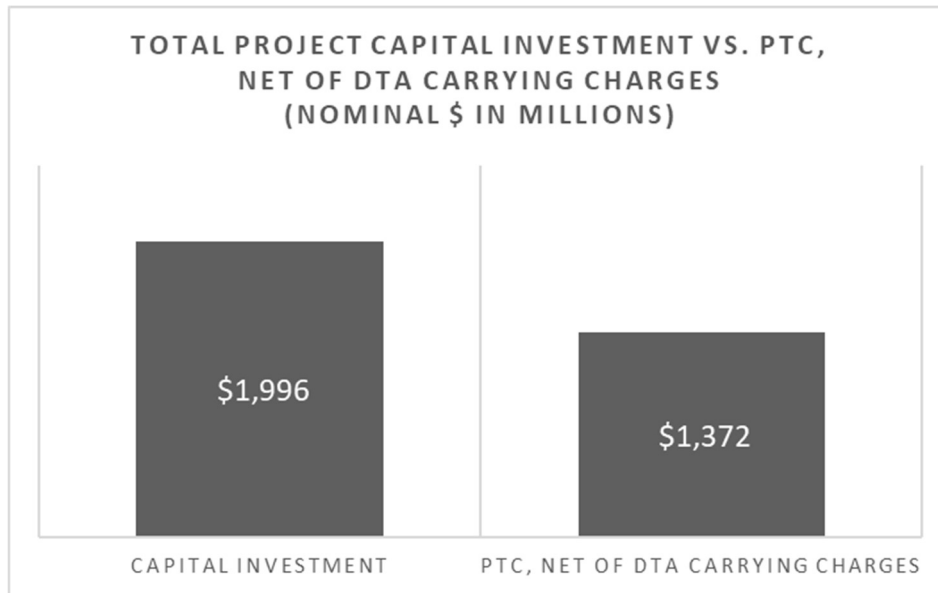
- Low-cost, clean, renewable long-term energy resource
- Reduces overall customer rates starting in year one
- Takes advantage of expiring federal PTC, which alone offsets nearly 70% of the capital investment
- Insulates customers from fuel price volatility for 30-year period
- Adds fuel diversity to generation mix with efficient high capacity factor wind resource (44%)
- Future asset optionality provides value to customers through repowering, storage coupling opportunities, etc.
- Significant local, state and regional economic benefits due to investment

Shareholder Benefits

- ~\$2 billion of rate base investment diversified over 5 jurisdictions
- Receives regulated return on equity
- ~\$100 million of earnings in 1st full year of operation (2022)
(total company earnings will be impacted by equity needs and capital allocation)
- Provides customer headroom to allow for future investment
- Grows rate base and insulates PSO/SWEPCO from future rate case disallowance volatility
 - Grows PSO rate base by 32%
 - Grows SWEPCO rate base by 21%
- Meaningful contribution to clean energy and carbon reduction goals

Transaction Represents A Unique Win-Win Opportunity For Both Customers And Shareholders

- Expiring federal Production Tax Credit (PTC) **provides a limited time opportunity** to take advantage for benefit of customers



Project Scalability

- The projects are designed to be scalable with regulatory approvals, subject to commercial limitations
 - Minimum of 810 MWs required to move forward
 - Included “step-up” options in regulatory applications to provide states the ability to take more MWs should another state or state(s) reject applications

Power and Gas Price Sensitivities

- Wind investment produces net customer benefits across a wide range of production, power, and gas price sensitivities, including the full range of current U.S. Energy Information Administration (EIA) gas price scenarios and other publically available gas price forecasts.

Customer Guarantees Offered

1. **Capital Cost Cap Guarantee** – Cost cap for 100% of aggregated filed capital cost of the wind facilities
2. **Production Tax Credit Eligibility Guarantee**– Facilities will be eligible for the federal PTC
3. **Minimum Production Guarantee** – Guarantees a minimum production level for first 10-years of operation

North Central Wind Procedural Schedules



Jurisdiction (Docket #)	Intervenor Testimony	Staff Testimony	Rebuttal Testimony	Settlement Conference	Hearing
PSO (PUD 2019-00048) ¹	November 1, 2019	November 1, 2019	December 4, 2019	December 12, 2019	January 13, 2020
SWEPCO – AR (19-035-U)	December 13, 2019	December 13, 2019	January 17, 2020	N/A	March 10, 2020
SWEPCO – LA (U-35324)	February 7, 2020	February 7, 2020	March 9, 2020	N/A	March 25, 2020
SWEPCO – TX (49737) ²	January 14, 2020	January 22, 2020	February 12, 2020	N/A	February 24, 2020

¹ Oklahoma has a 240-day statutory timeline for issuing an order, making the requested approval date March 11, 2020

² Texas has a 365-day statutory timeline for issuing an order, making the requested approval date July 15, 2020 (366 days, 2020 is a leap year)



POSITIONING FOR THE FUTURE

CAPITAL INVESTMENT OPPORTUNITIES

Robust Organic Capital Opportunities

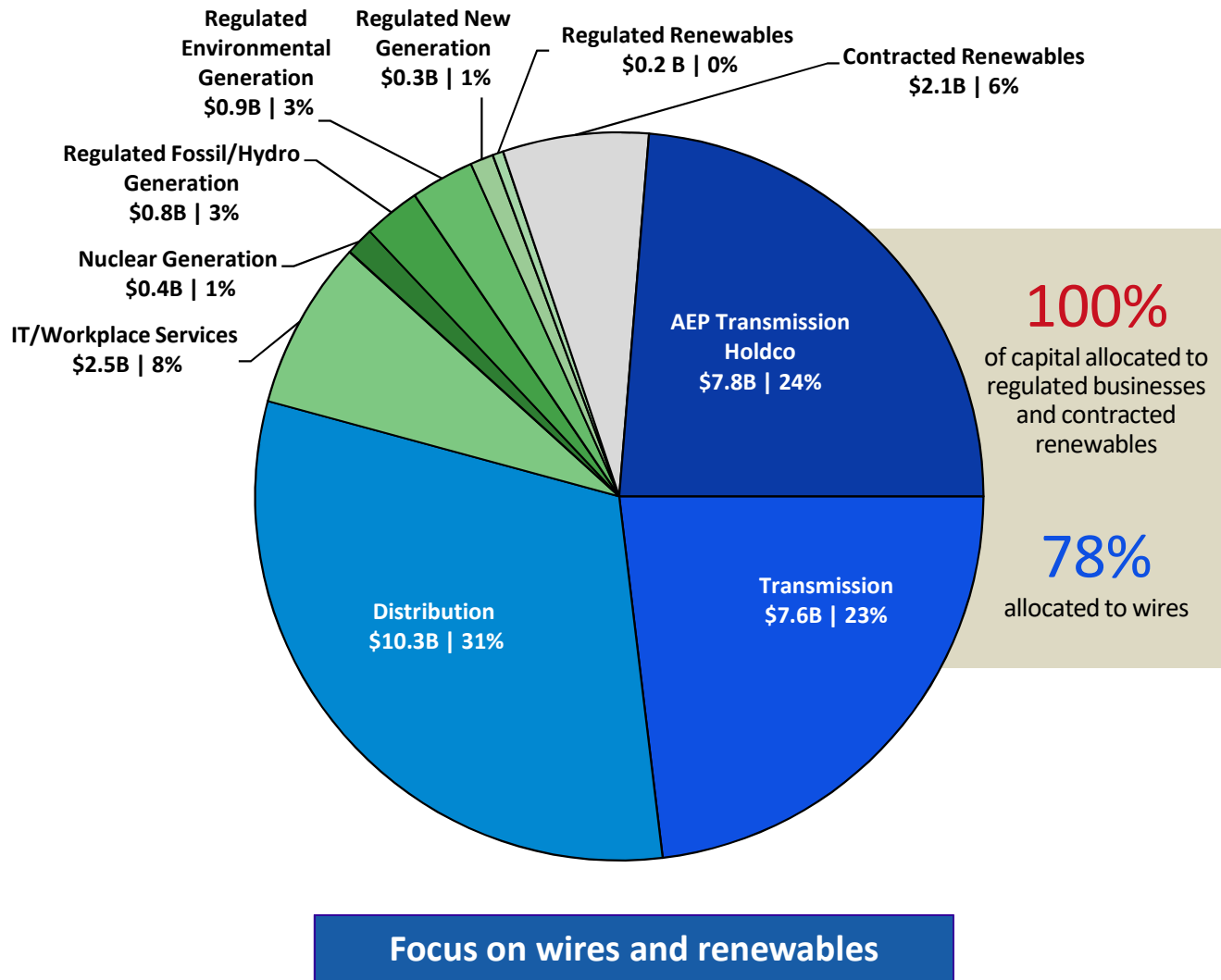


Transmission	Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects
Distribution	Grid modernization, reliability improvement projects and distribution station refurbishment
Renewables	Regulated renewables supported by integrated resource plans and contracted renewables
Technology	Digitization, automation, cyber security, enterprise-wide applications

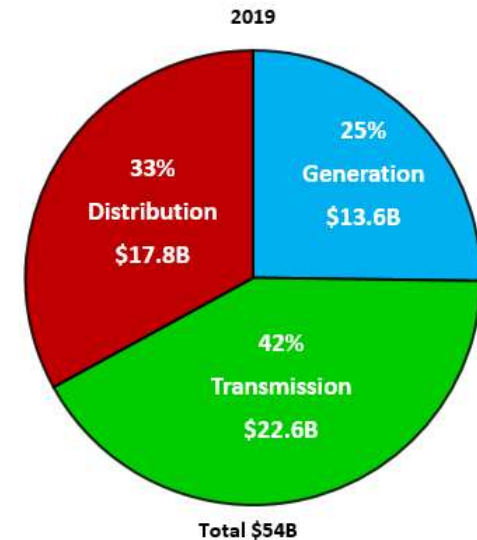
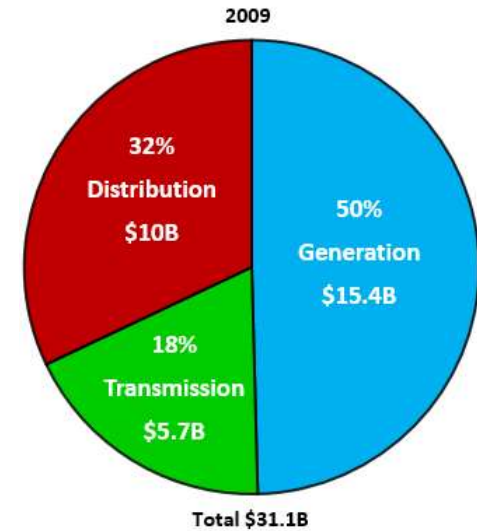
2020 - 2024 Capital Forecast of \$33B and Net Plant



2020-2024 Capital Forecast¹



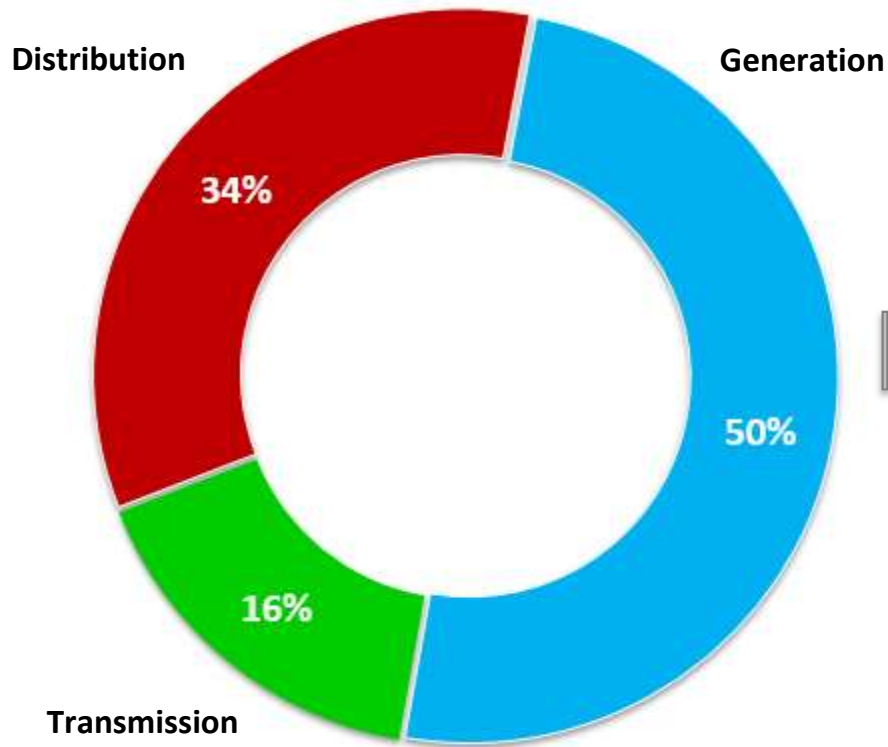
Historical Net Plant Profiles



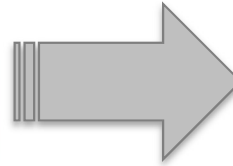
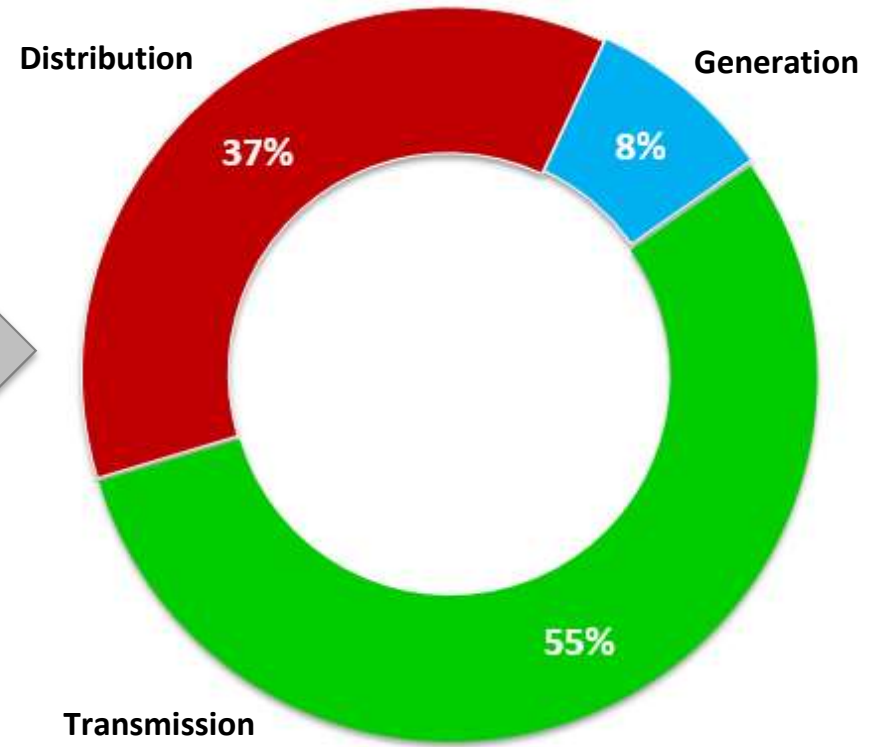
¹ Does not include North Central Wind

Capital Allocation Shifted to Wires from Generation

2009 Capital



2020-2024 Capital Forecast



2020 - 2024 Capital Forecast by Subsidiary



\$ in millions (excluding AFUDC)	2020E	2021E	2022E	2023E	2024E	Total
Appalachian Power Company	\$ 762	\$ 738	\$ 1,024	\$ 1,027	\$ 950	\$ 4,501
Wheeling Power Company	\$ 21	\$ 37	\$ 57	\$ 45	\$ 39	\$ 199
Kingsport Power Company	\$ 15	\$ 21	\$ 19	\$ 25	\$ 19	\$ 99
Indiana Michigan Power Company	\$ 625	\$ 568	\$ 525	\$ 525	\$ 680	\$ 2,924
Kentucky Power Company	\$ 200	\$ 184	\$ 170	\$ 170	\$ 161	\$ 886
AEP Ohio	\$ 688	\$ 716	\$ 714	\$ 774	\$ 1,017	\$ 3,909
Public Service Company of Oklahoma	\$ 311	\$ 326	\$ 506	\$ 432	\$ 391	\$ 1,965
Southwestern Electric Power Company	\$ 375	\$ 437	\$ 442	\$ 517	\$ 592	\$ 2,363
AEP Texas Company	\$ 1,169	\$ 1,121	\$ 1,092	\$ 1,092	\$ 1,529	\$ 6,003
AEP Generating Company	\$ 42	\$ 23	\$ 21	\$ 22	\$ 16	\$ 124
AEP Transmission Holdco	\$ 1,505	\$ 1,547	\$ 1,441	\$ 1,378	\$ 1,938	\$ 7,809
Generation and Marketing	\$ 612	\$ 497	\$ 339	\$ 339	\$ 346	\$ 2,133
Other	\$ 12	\$ 8	\$ 8	\$ 6	\$ 3	\$ 36
Total Capital and Equity Contributions	\$ 6,339	\$ 6,223	\$ 6,357	\$ 6,353	\$ 7,681	\$ 32,952

Capital plans are continuously optimized which may result in redeployment between functions and companies. Table may not foot due to rounding. Data does not include North Central Wind.

Cash Flows and Financial Metrics



\$ in millions	2019E	2020E	2021E	2022E
Cash from Operations	\$ 4,500	\$ 4,900	\$ 4,900	\$ 5,400
Capital & JV Equity Contributions ¹	(7,800)	(6,300)	(6,200)	(6,400)
Other Investing Activities	(100)	(500)	(200)	(200)
Common Dividends ²	(1,300)	(1,400)	(1,400)	(1,400)
Excess (Required) Capital	\$ (4,700)	\$ (3,300)	\$ (2,900)	\$ (2,600)
Financing				
Excess (Required) Capital	\$ (4,700)	\$ (3,300)	\$ (2,900)	\$ (2,600)
Debt Maturities (Senior Notes, PCRBs)	(1,200)	(1,000)	(1,900)	(2,700)
Securitization Amortizations	(300)	(200)	(100)	(100)
Equity Units	805	-	-	-
Equity Units Conversion	-	-	-	805
Equity Issuances - Includes DRP	100	100	100	600
Debt Capital Market Needs (New)	\$ (5,295)	\$ (4,400)	\$ (4,800)	\$ (3,995)
Financial Metrics				
Debt to Capitalization (GAAP)	55 - 60%			
FFO/Total Debt (Moody's)	Low to Mid Teens Reflecting Accelerated Flowback of ADFIT			

¹ Includes Sempra/Santa Rita acquisitions in 2019. Excludes AFUDC and removal costs included in Total Spending Limit. (2019 Total Spending Limit = \$8.1B)

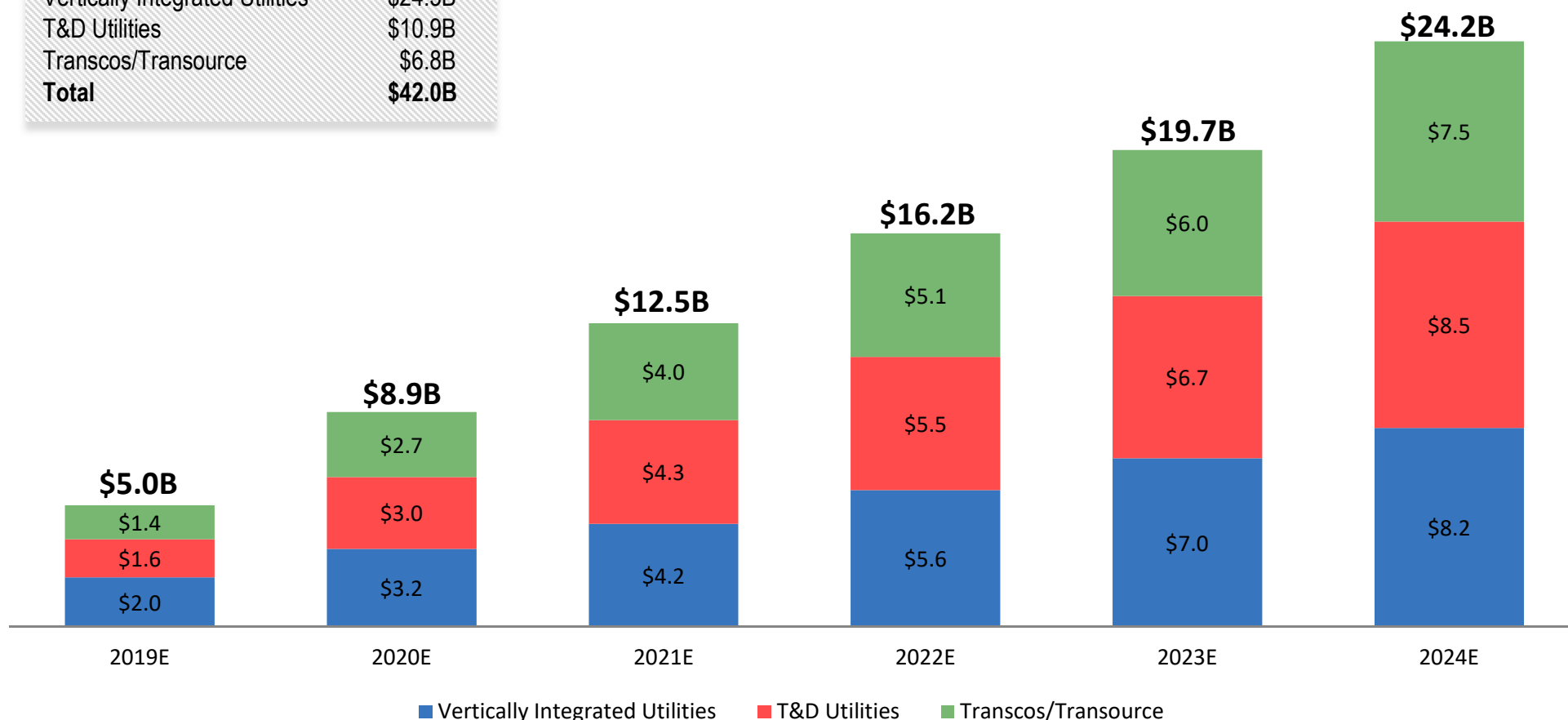
² Common dividends increase to \$0.70 per share Q4 2019 for total dividends of \$2.71/share; \$2.80/share 2019-2022. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.

7.9% CAGR in Rate Base Growth



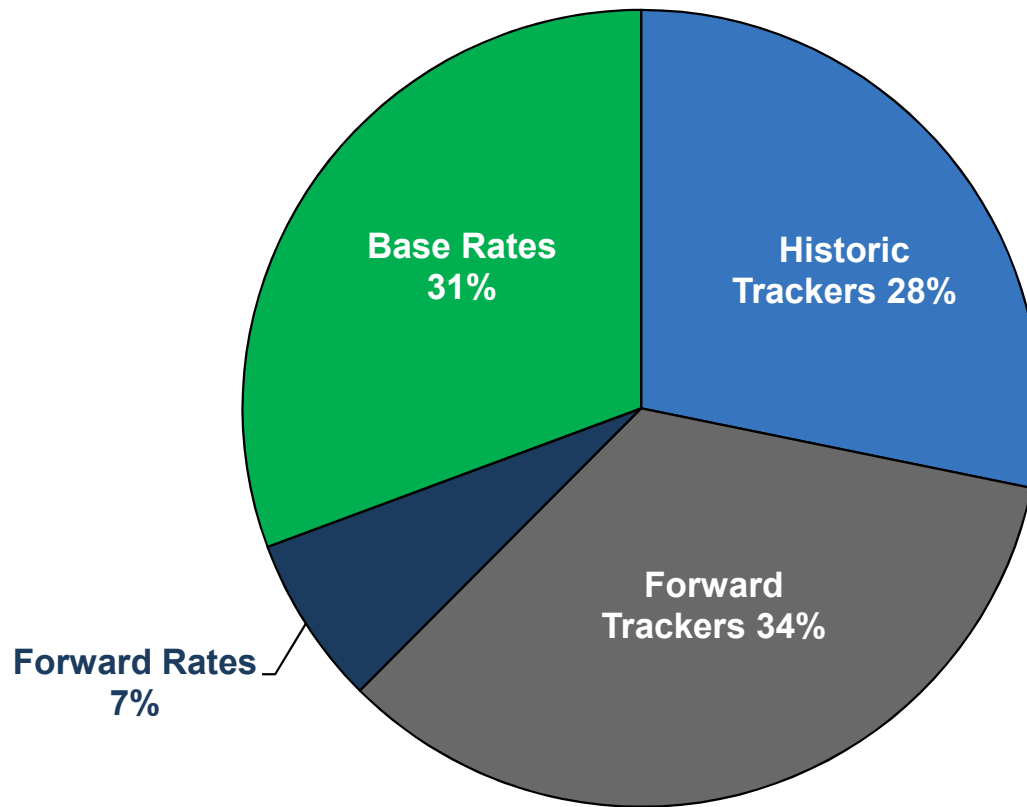
Cumulative Change from 2018 Base

2018 Rate Base Proxy	
Vertically Integrated Utilities	\$24.3B
T&D Utilities	\$10.9B
Transcos/Transource	\$6.8B
Total	\$42.0B



5%-7% EPS growth is predicated on regulated rate base growth

Efficient Cost Recovery Mechanisms



Nearly 70% of 2020-2024 capital plan recovered through reduced lag mechanisms



TRANSMISSION TRANSFORMATION

AEP STRATEGIC VISION: INVEST IN TRANSMISSION NETWORK

Diverse five-year capital investment portfolio of over \$15 billion across AEP's broad footprint

Delivering significant customer benefits:

- Higher reliability
- Lower energy costs
- Economic development
- Public policy goals

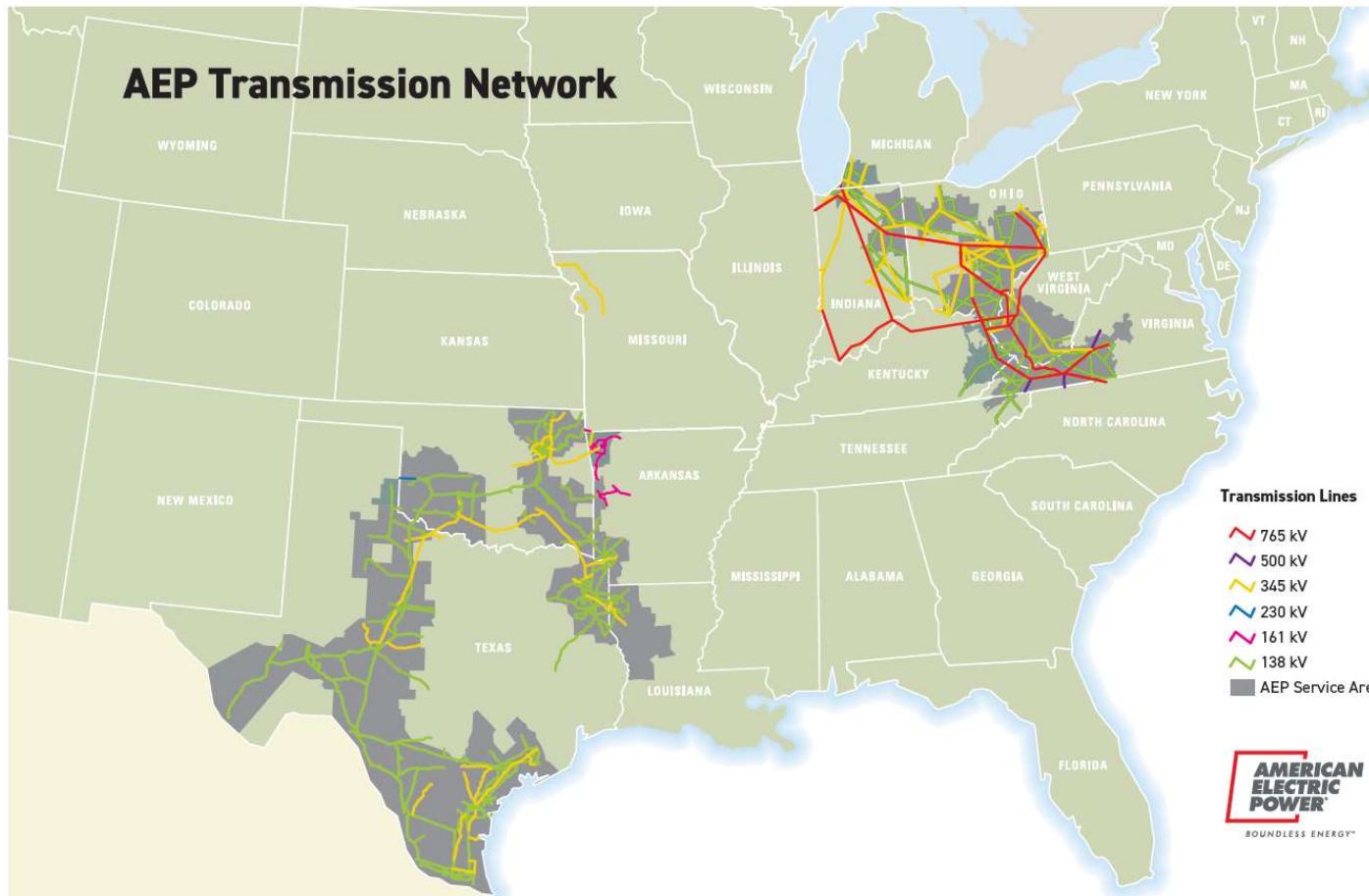
Disciplined execution:

- Low cost, high value solutions
- High speed delivery
- Technological innovation

STABLE COST RECOVERY FRAMEWORK

DELIVER VALUE TO CUSTOMERS AND PREDICTABLE EARNINGS GROWTH

AEP's Broad Transmission System



AEP TRANSMISSION

- Largest network in the U.S.
- Over 40K circuit miles, across 15 states
- Member of three RTOs and ERCOT
- Over 3,000 transmission employees

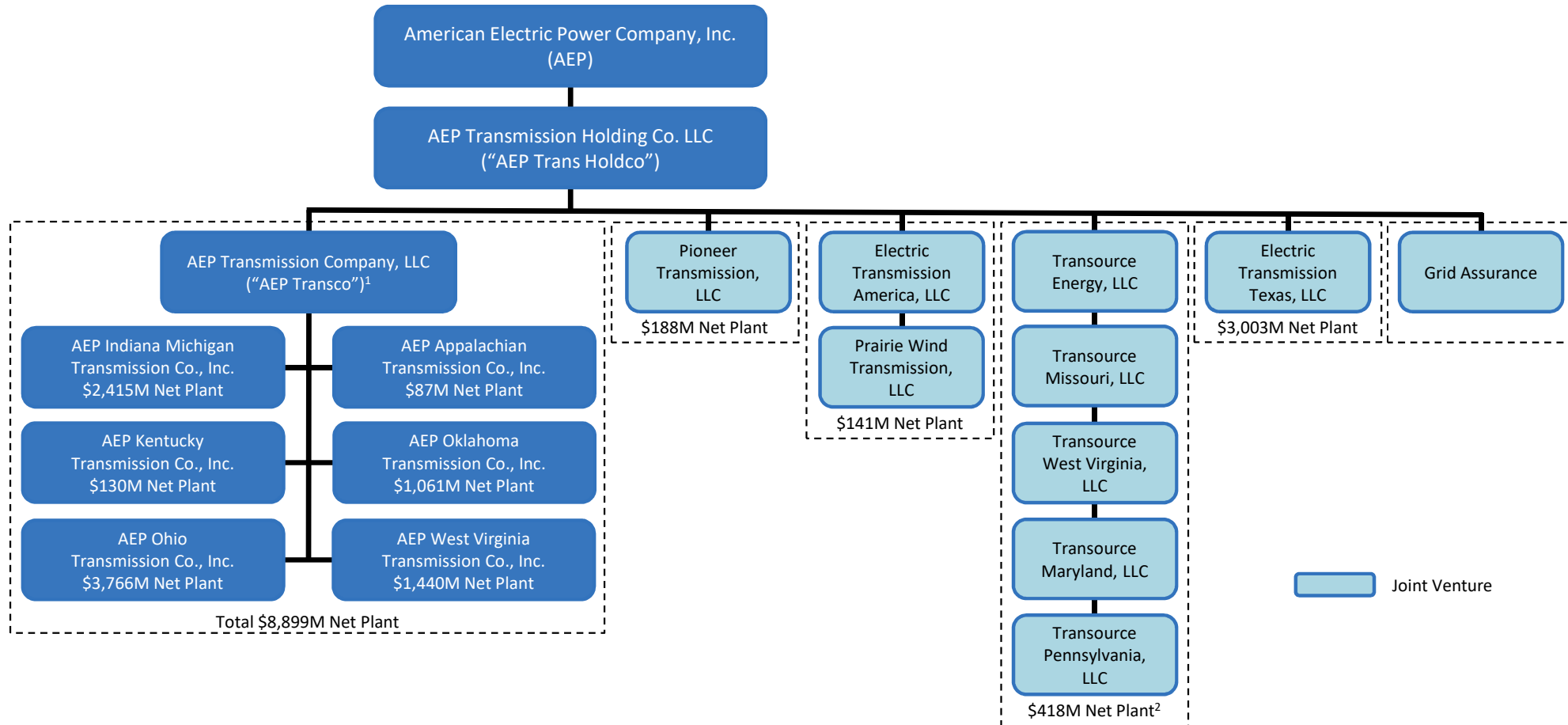
AEP'S SYSTEM SERVES AS THE BACKBONE IN PJM, SPP AND ERCOT AND IS VITAL TO MAINTAINING REGIONAL AND LOCAL RELIABILITY, EFFICIENT MARKETS AND ECONOMIC DEVELOPMENT

AEP Transmission Holdco Legal Entity Structure



AEP INVESTS TRANSMISSION CAPITAL IN BOTH THE INTEGRATED OPERATING COMPANIES AND IN THE AFFILIATES HELD UNDER AEP TRANSMISSION HOLDING COMPANY

AEP PROVIDES A STAND-ALONE EARNINGS FORECAST FOR AEP TRANSMISSION HOLDING COMPANY



Joint Venture net plant balances are inclusive of non-affiliate share

Net plant totals are as of September 30, 2019, except Pioneer and Prairie Wind, which are as of August 31, 2019

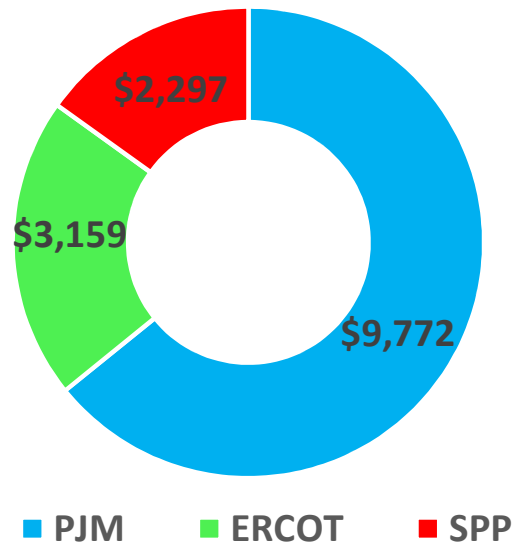
¹ Debt issued at AEP Transco level for transmission companies

² Does not include Independence Energy Connection Project

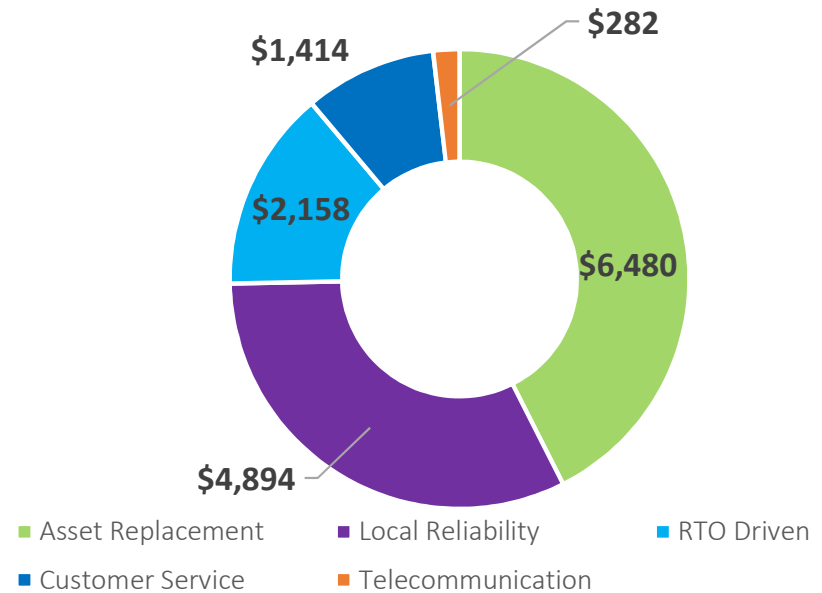
Five Year Transmission Capital Plan



2020-2024 INVESTMENT BY RTO (\$ MILLIONS)¹



2020-2024 TRANSMISSION INVESTMENT BY CATEGORY (\$ MILLIONS)¹



¹ Does not include \$200 million of Transource capital investment

INVESTMENT CATEGORIES

DRIVERS

ASSET REPLACEMENT

- Asset condition, performance history and risk of failure

LOCAL RELIABILITY

- Transmission owner reliability planning criteria

RTO DRIVEN

- RTO reliability planning criteria
- Market efficiency
- Public policy needs and goals

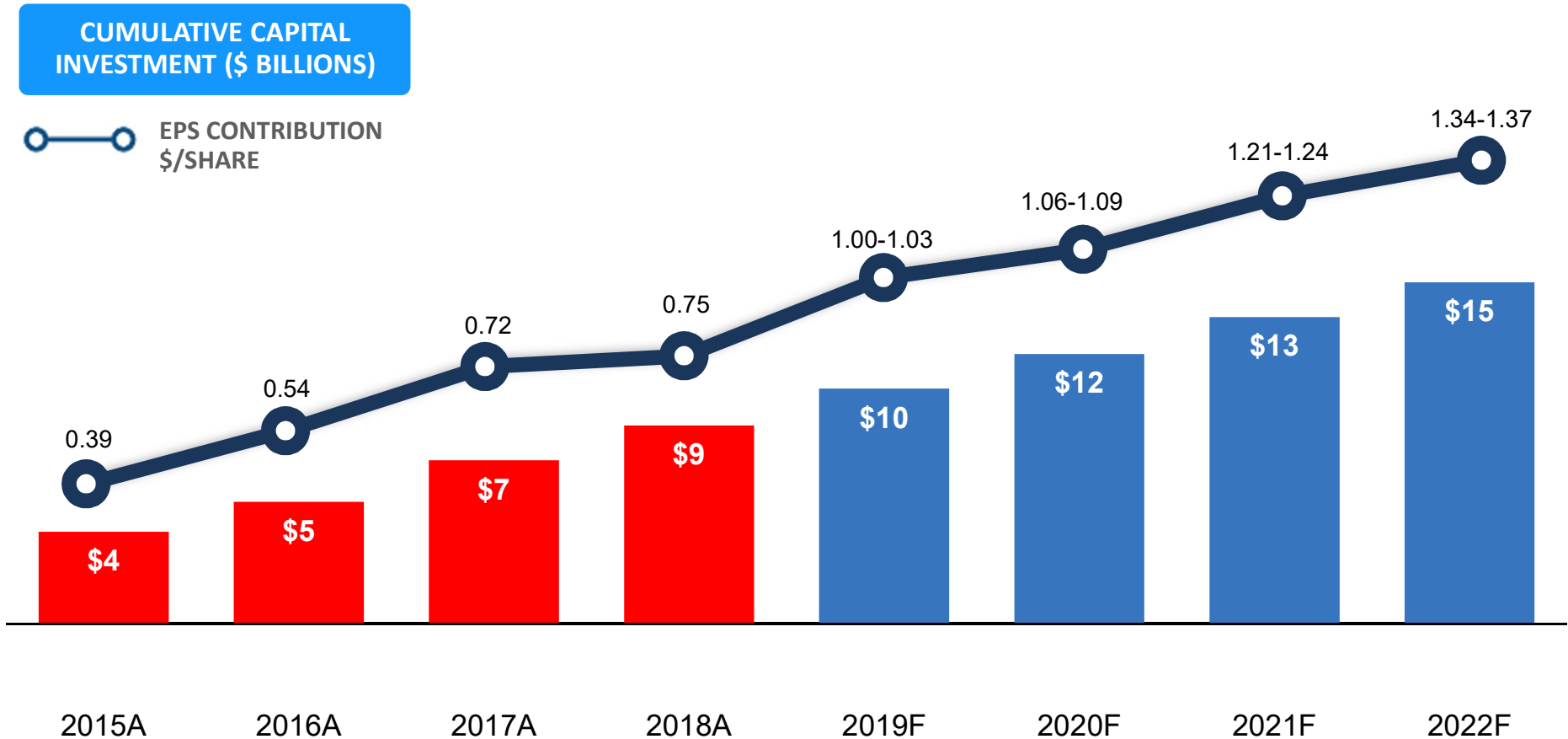
CUSTOMER SERVICE

- Connecting new and enhanced service requests
- Facilitating local economic development

TELECOM

- Cyber-security requirements
- Asset health monitoring
- Efficient grid operations

AEPTHC Target Earnings 2019-2022



AEPTHC'S 2015 – 2022 EPS GROWTH PROJECTED AT A CAGR OF 19.4%

Stable Cost Recovery Framework



	PJM	SPP	ERCOT
ROE	10.35% (Includes RTO adder)	10.5% (Includes RTO adder)	9.6% - 9.96%
Forward Looking Rates	Yes	Yes	Allowed two updates per year
Equity Structure	Capped at 55%	No Cap	Capped at 40%
Rate Effective	January 1, 2018	June 5, 2017	May 29, 2007 and April 4, 2008
Final Regulatory Approval	May, 2019	June, 2019	N/A ¹

STABLE AND CLEAR WHOLESALE COST RECOVERY FOR TRANSMISSION

¹ Pending current rate case

AEP RECOVERS ~93% OF ITS CAPITAL INVESTMENT THROUGH STATE TRACKER/RIDER (T/R) MECHANISMS

² Settlement filed for Commission approval

FULL TRACKER/RIDER (T/R) RECOVERY



Partial T/R Recovery



Pending/Formula or Base Case



FERC BASE ROE AND TRANSMISSION INCENTIVES NOTICES OF INQUIRY

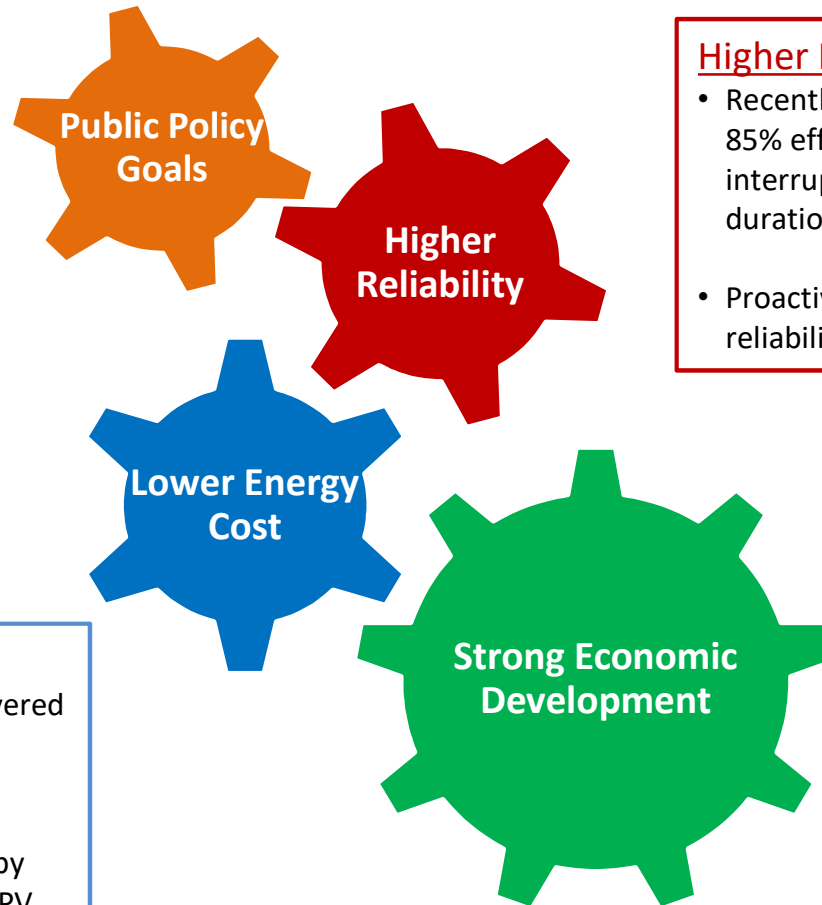
- **Base ROE** – AEP generally supports FERC’s proposed new base ROE methodology which provides more certainty and stability for future base ROE proceedings
- **Transmission Incentives** – AEP supports continuation of the current incentives, particularly the RTO-participation incentive, reflective of the tremendous customer benefits RTO participation provides and additional incentives that provide grid modernization, security and resilience

Transmission Investments Deliver Value to Customers



Public Policy Goals

- A modernized grid facilitates a broad spectrum of state and federal public policy initiatives (i.e. electrification, increase of renewables, shift in generation profile)



Higher Reliability

- Recently completed projects are shown to be 85% effective in reducing customer interruptions and 97% effective in cutting duration of customer outages
- Proactively address historical and predicted reliability issues

Lower Energy Cost

- Reduces congestion to lower delivered energy costs
- Recently completed projects are shown to decrease energy losses by 55% on average, representing a NPV savings, due to lower power consumption, of \$108M over the lifetime of investment

Strong Economic Development

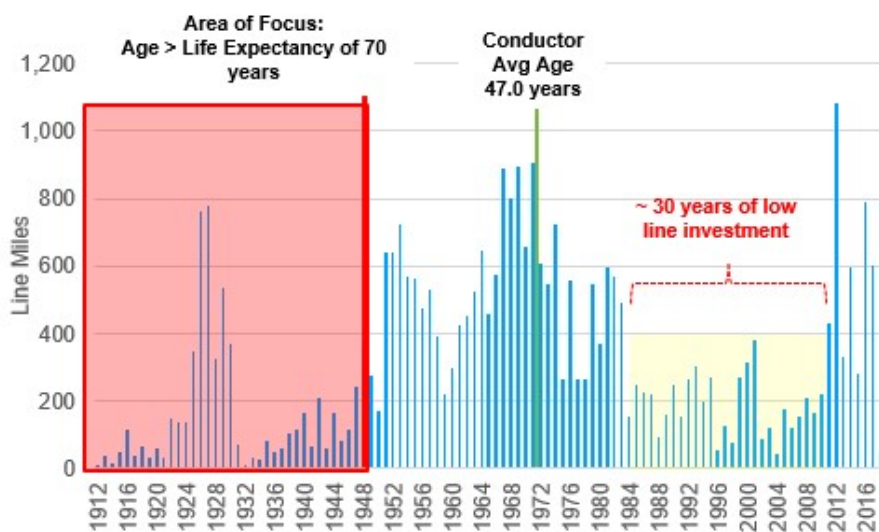
- Robust grid brings new load to AEP territories (data centers, manufacturing, oil and gas facilities)
- From the \$9 billion in investment from 2017-2019, significant economic benefits for our states:
 - \$12.7 billion in economic activity
 - 34,000 jobs annually
 - Over \$600 million in total taxes paid to state and local governments

Significant Need For Asset Replacement

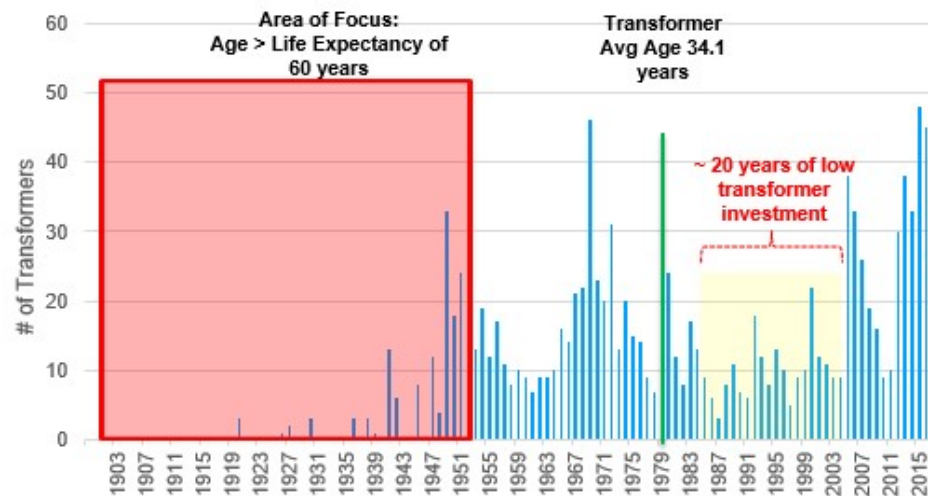


Type	Life Expectancy	Current Quantity over Life Expectancy	Quantity that will Exceed Life Expectancy in Next 10 Years	Total Replacement Need	Percent of AEP System Total
Line Rebuilds	70	5,915	4,931	10,846	27%
Transformers	60	223	124	347	28%
Circuit Breakers	50	882	583	1,465	16%

T-Line Age Profile (Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



\$2.3 billion of annual on-system capital investment is required to maintain current age profile

Asset replacement projects are prioritized based on performance, condition and risk

Transource Missouri

June 2019 Net PPE Balance	\$298 million
Actual Capital Structure	45% debt 55% equity
Authorized ROE ¹	11.15%

Transource West Virginia

Total Estimated Project Size	~\$84 million
Actual Capital Structure	40% debt 60% equity
Authorized ROE ²	10.5%

Transource Pennsylvania and Maryland

Total Estimated Project Size	~\$262 million
Hypothetical Capital Structure	40% debt 60% equity
Authorized ROE ³	10.4%



- Transource is actively involved in pursuing projects in MISO, PJM and SPP competitive processes under FERC Order No. 1000
- Transource is positioned to further participate in new markets such as NYISO and ISO-NE as opportunities unfold

¹ Transource Missouri is authorized a 10.3% ROE for Iatan-Nashua and a 11.3% ROE for Sibley-Nebraska City, resulting in a combined authorized ROE of 11.15%

² Transource West Virginia is authorized a base ROE of 10.0% with an approved 0.5% adder for RTO participation

³ Transource Pennsylvania and Maryland are authorized a base ROE of 9.9% with an approved 0.5% adder for RTO participation

Low Cost, High Value Solutions



Drop in Control Module



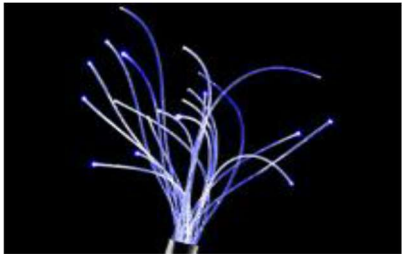
Grid Assurance



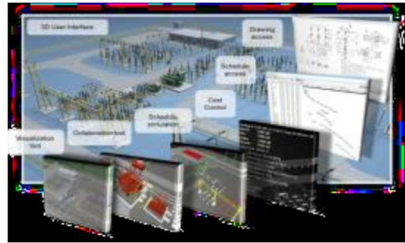
Pre-Fabricated Bus/Station (PFBs)

- Off-Site Assembly
- Flexible Designs
- Built-in Resiliency

High Speed Delivery



Fiber Optic Substations



Integrated Design and Construction



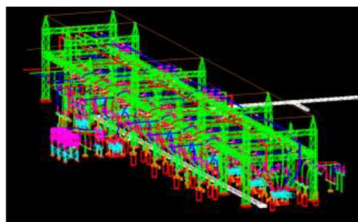
Pre-fabricated Foundations (PFFs)

- Optimized Construction
- Reduced Labor
- Rapid Engineering

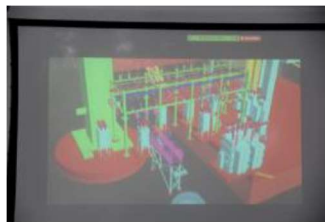
Technological Innovation



BOLD Transmission Line



SMART 3D Design



Augmented/Virtual Reality



Energy Storage

- Future-Ready Solutions
- Digitized Platforms
- Performance Enhancing Tools

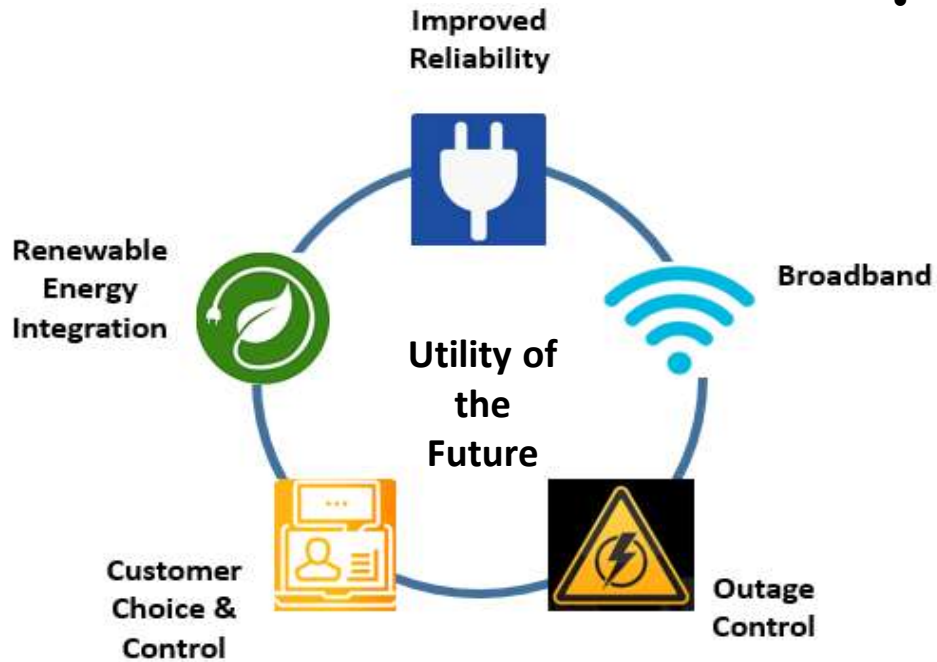
UTILITY TRANSFORMATION



Expanded Core and Future Investments

- Increase core investments in system reliability
- Fully advance metering infrastructure (AMI) and distribution automation circuit reconfiguration (DACR) penetration
- LED Street Light Modernization

- Promote an interactive, modern and efficient grid
- Adapt grid to integrate more diverse energy sources
- Broadband and behind the meter technologies to align with changing customer expectations
- Advance electrification



Positioning to align future investments with customer preferences

Advancing policies and regulatory mechanisms that support timely recovery and diversification of investments

Asset Renewal



Grid Modernization



New Product Lines



Distribution Investment Opportunity

Identified Core Business Investments



Current State of Distribution Grid

- \$1.8B of annual investment
- **\$2.7B** investment needed to maintain current assets

10-Year Incremental Distribution Capital Investment Potential: ~\$18B¹

AEP invests in our customers' future by focusing on reliability and the customer experience. AEP has a strong track record in securing regulatory support and executing distribution investments.

Investment Opportunity	Capital Investment \$
Grid Modernization	\$2.4 billion
Line Re-conductoring – Asset Renewal	\$13.0 billion
Pole Replacements – Asset Renewal	\$0.5 billion
Distribution Station Transformer and Breaker Replacements – Asset Renewal	\$1.4 billion

Known and identified investments that will improve reliability and operability of the grid

Partner with states to help spur economic development

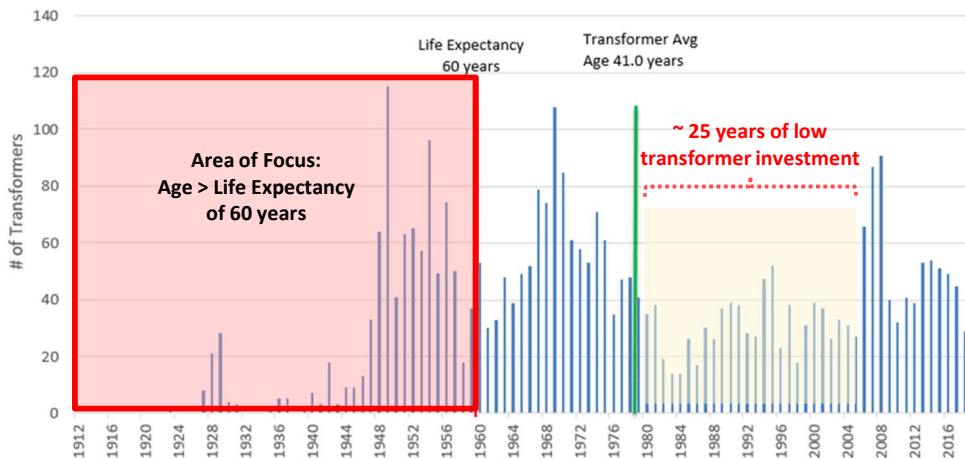
¹ 10-year capital investment potential is above current \$1.8B annual spend, 7-10% O&M required to support the capital investment

Robust Distribution Capital Expenditure Opportunities

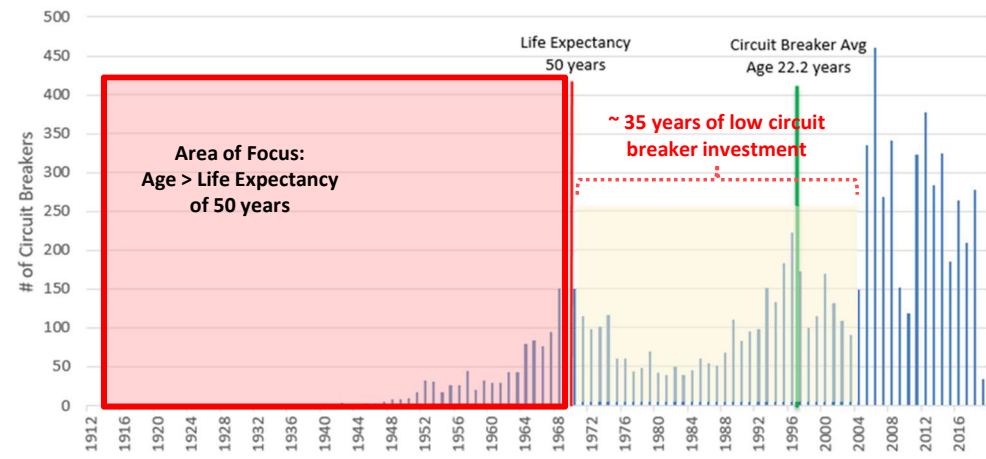


Type	Life Expectancy	Current Quantity over Life Expectancy	Quantity that will Exceed Life Expectancy in Next 10 Years	Total Replacement Need	Percent of AEP System Total
Transformers	60	903	565	1,468	41%
Circuit Breakers	50	1,030	842	1,872	21%

AEP Distribution Transformer Age Profile



AEP Distribution Circuit Breaker Age Profile



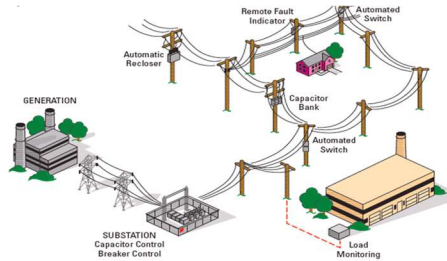
\$2.7 billion of annual on-system capital investment is required to maintain current age profile

- **Ohio Bilateral Contracts Bill (HB6)**
 - Recovery of existing renewable contracts entered into to comply with existing legislation
 - Recovery of OVEC collected on a state-wide basis until 2030
 - Provides opportunity for AEP Ohio to enter into bilateral contracts with certain customers
 - Provides \$20 million of clean air funds for approved solar projects, including 400MW at AEP
- **Ohio Smart Grid Bill (HB247)** – Would allow for inclusion of smart grid technologies in electric security plans and allows AEP Ohio to pursue behind the meter technologies
- **Ohio Broadband Deployment (HB13)** – Promotes broadband investment through establishment of residential broadband expansion program
- **Indiana TDSIC Bill** - Broadens definition of grid improvements included in energy delivery tracker
- **West Virginia Broadband (SB3)** – Promotes broadband investment
- **Virginia Broadband (HB2691)** – Establishes pilot program for broadband capacity to unserved areas
- **Oklahoma EV Bill** – Extends tax credits for EV infrastructure
- **Texas Generation Rider** – Recovery of new power generation facilities outside ERCOT
- **Texas AMI Bill** – Adds recovery of advanced meter deployment outside ERCOT

Innovative Reliability and Operation



Remote Line Sensors

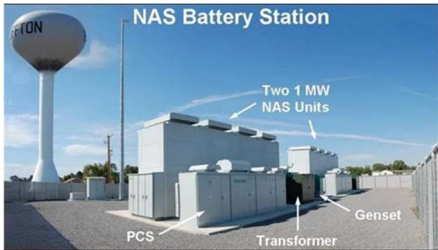


Distribution Automation

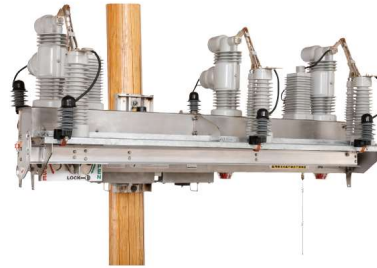


ADMS

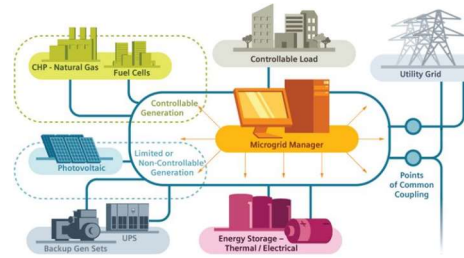
- Reliability-focused Innovation
- Customer Experience
- Operational Visibility
- Economic Operation
- Enhances Safety



Energy Storage

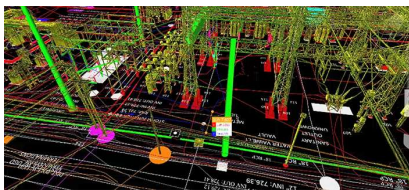


Fault Interruption Technology



Microgrids

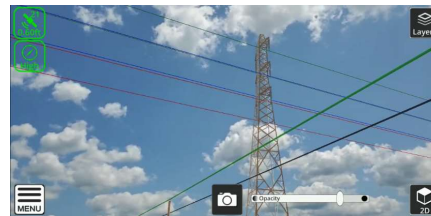
Engineering Innovation



LIDAR



Drones



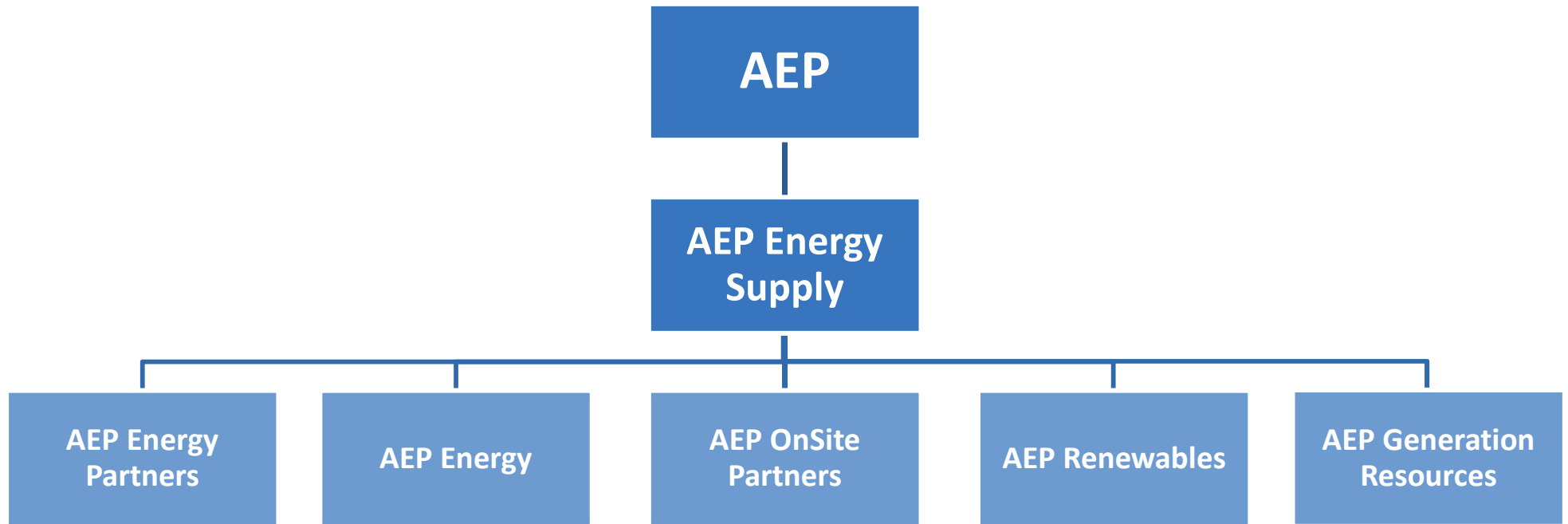
Augmented Reality

- Design Excellence
- Reduced Labor
- Rapid Engineering
- Digitized Platforms

INVESTING IN COMPETITIVE BUSINESS



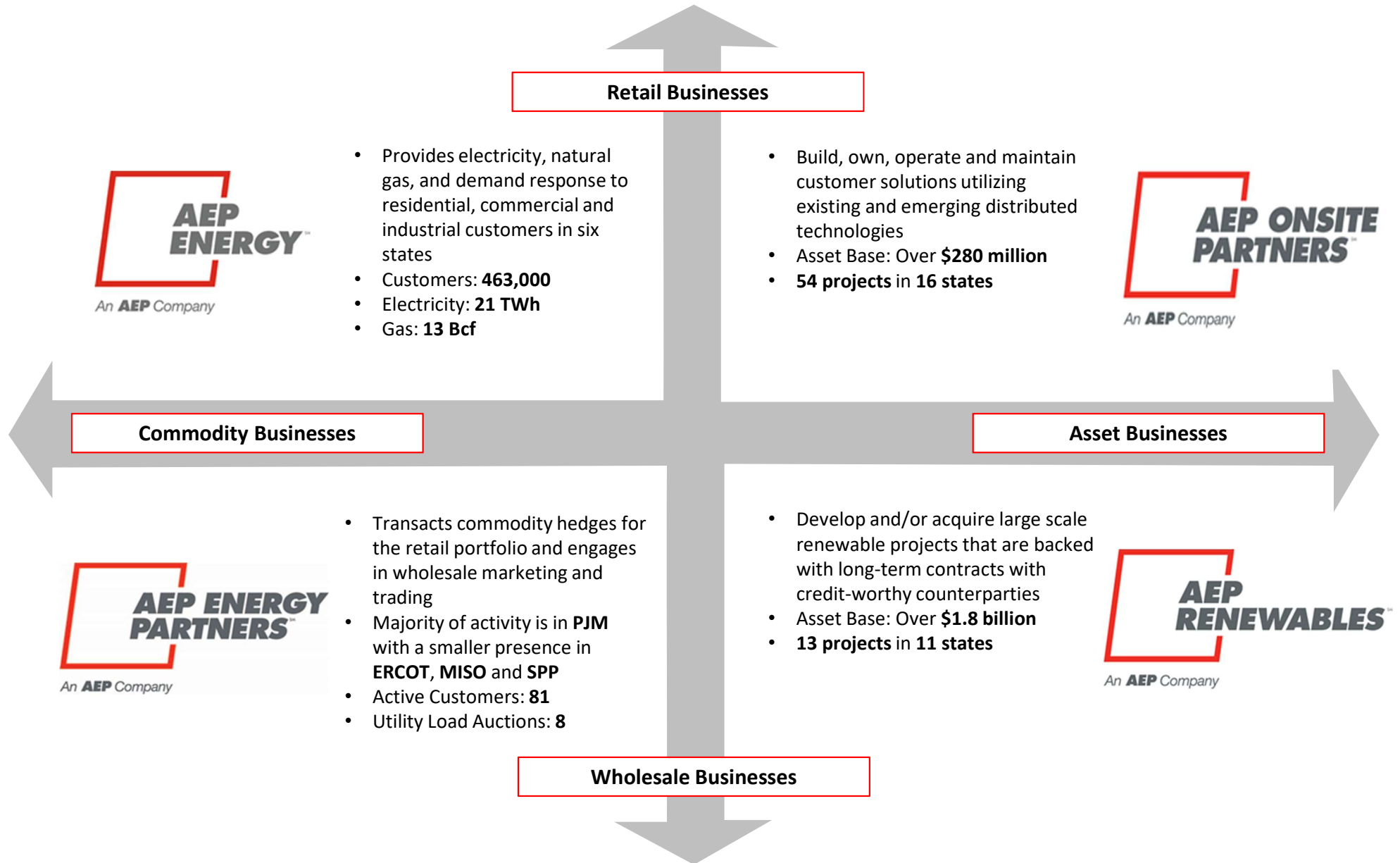
Competitive Operations Organizational Structure



Competitive Businesses Strategy and Operations

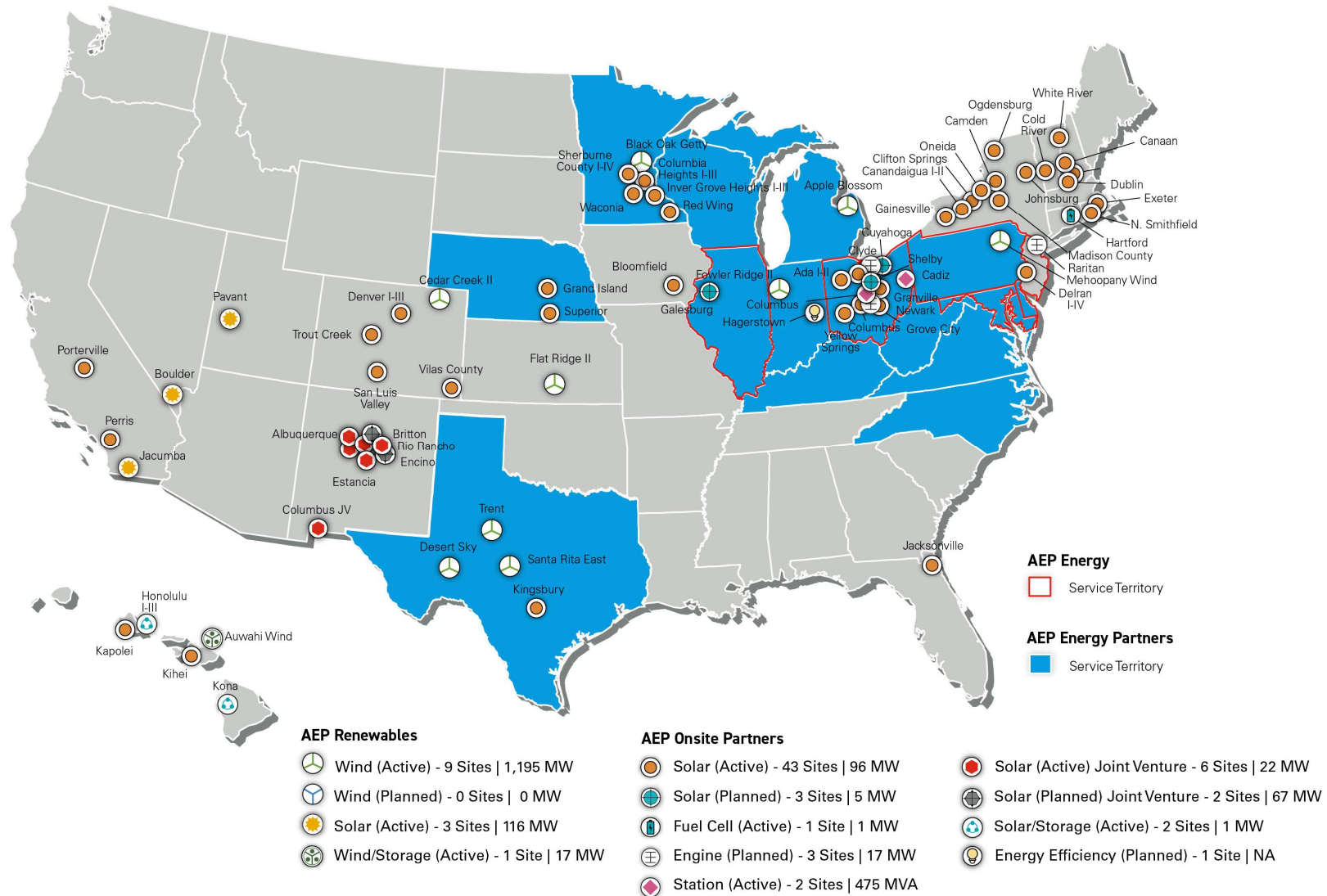


\$2.1B Capital Allocated 2020-2024



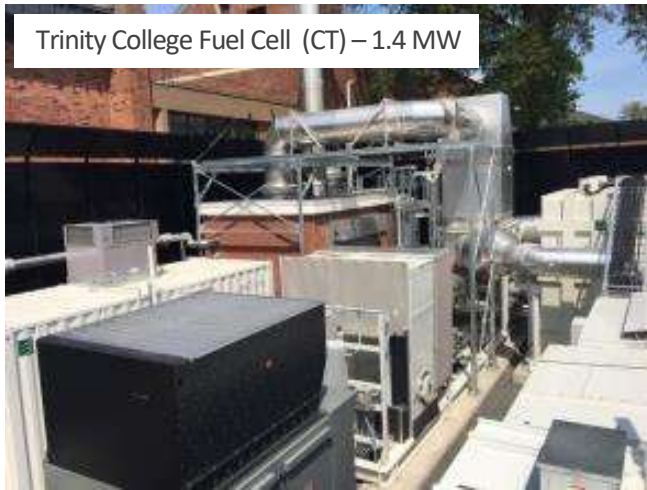
Competitive Businesses Presence

**AEP Competitive Businesses
Active in 31 States (7 State overlap with AEP Utilities)**



As of September 30, 2019

Customer Energy Solutions



- Committed to nearly \$370 million in energy assets
- Portfolio of 63 operating and under construction projects in 18 different states
- Projects include customer sited solar projects, behind the meter energy storage assets, customer sited substations, peaking generation, energy efficiency projects and fuel cell projects

Universal Scale Renewable Projects



- Asset base over \$1.8 billion
- Portfolio of 13 operating projects in 11 different states
- Projects include large scale wind, solar, and storage

¹ AEP's 50% share



Development Pipeline

Progress continues in our development portfolio across four geographically dispersed areas

In late October 2019, the 128 MW Flat Ridge 3 wind project in Kansas was announced to be placed in service in 2020 using all of our PTC Safe Harbor equipment (qualifying the plant for 100% PTCs) and has an offtake agreement with an investment grade utility

The other mid- to late-stage opportunities in our development portfolio possess solid project and market fundamentals, and continue to attract strong interest from utilities, municipalities, cooperatives and corporates

Repower Initiative

Fowler Ridge 2, Cedar Creek 2, Flat Ridge 2 and Mehoopany are all ending their PTC lives by year end 2021

All 4 wind farms are being evaluated as potential repower candidates

If the repowers were to take place, it would most likely be at 80% or 60% PTC level

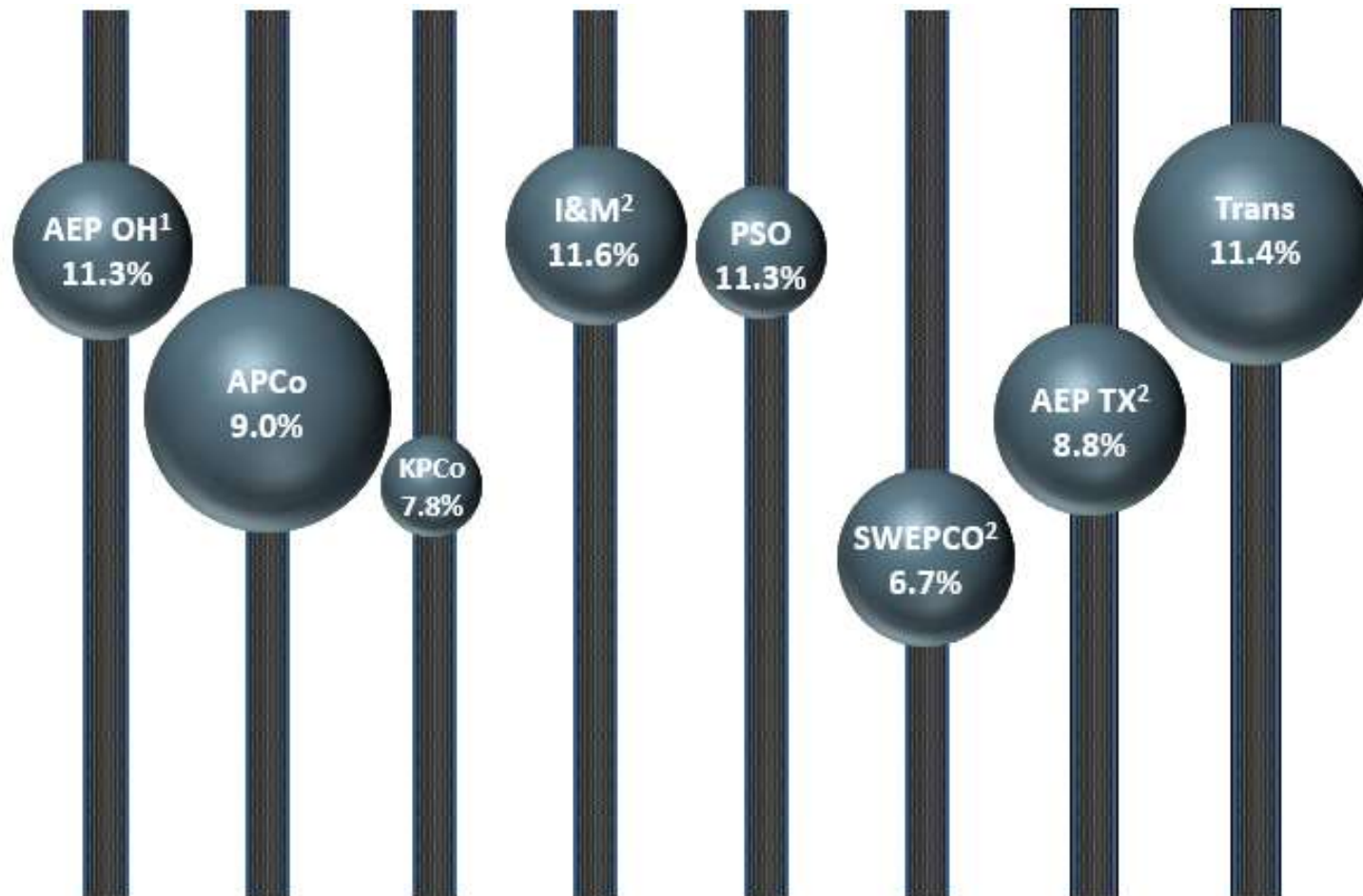


FINANCIAL INFORMATION



Return on Equity

Twelve Months Ended 9/30/2019 Earned ROE's (non-GAAP operating earnings, not weather normalized)

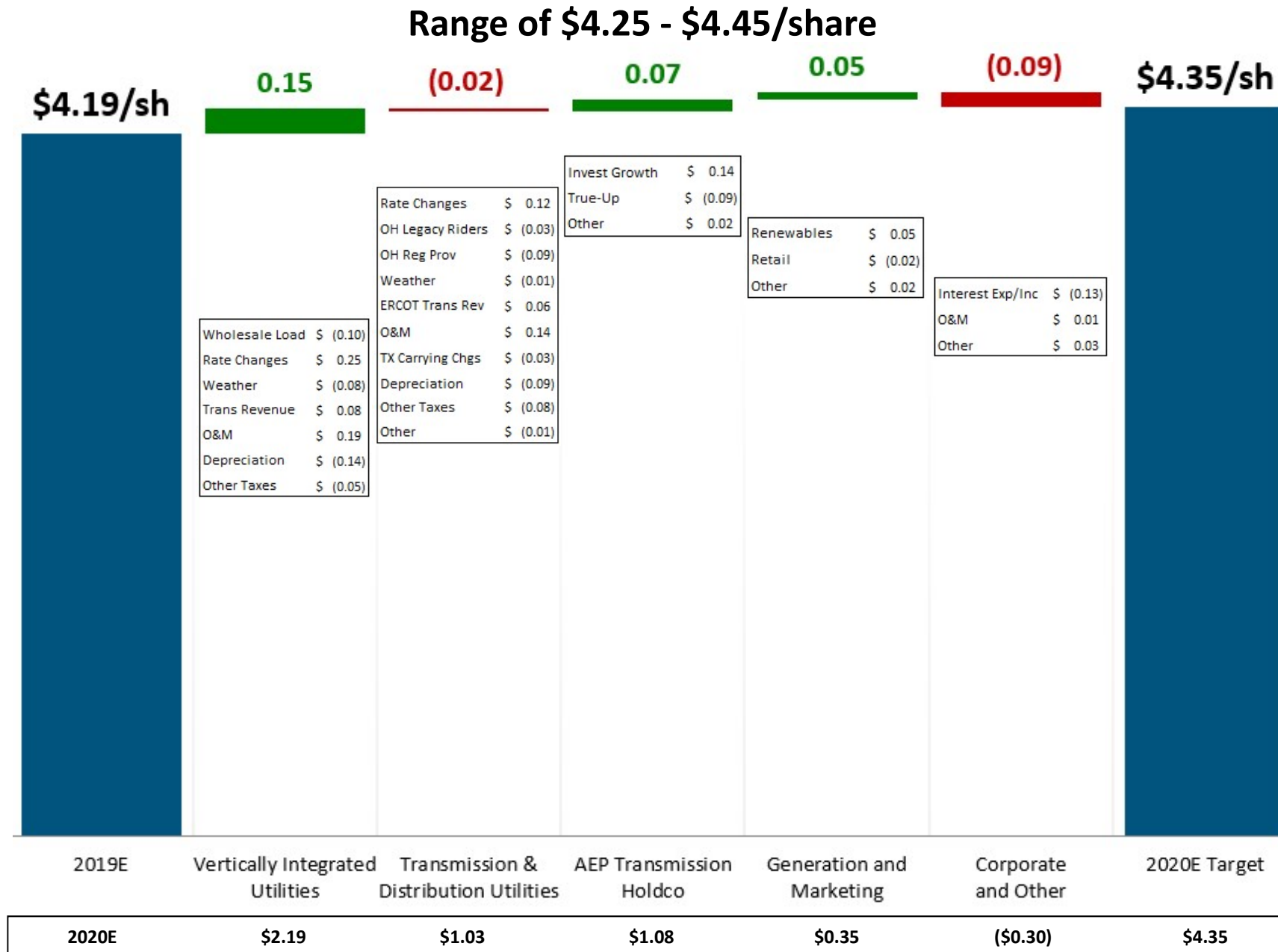


2020 Forecasted Regulated ROE is 9.1%

¹ Adjusted to reflect ROE after roll-off of legacy items | ² Current base rate cases

Sphere size based on each company's relative equity balance

2020 Operating Earnings Guidance



Note: Will maintain midpoint of 2020 range. Waterfall components may change based on actual 2019 results.

2020 Key Guidance Sensitivities and Assumptions



Sensitivities

	Sensitivity		EPS	
			VIU	T&D
Retail Sales			VIU	T&D
Residential	1.0%	+/-	0.030	0.010
Commercial	1.0%	+/-	0.013	0.003
Industrial	1.0%	+/-	0.014	0.002
O&M Expense (excludes O&M with offsets)	1.0%	+/-	0.04	
Interest Expense (floating debt)	25 basis points	+/-	0.02	
Interest Expense (new issuances)	25 basis points	+/-	0.01	
Regulated ROE	10 basis points	+/-	0.05	
A \$6.3M change in pretax earnings equals \$0.01 per share				

Assumptions

Rate Changes: \$216M; \$107M secured

2020 Regulated Connected Load (Billed and Accrued):

Residential	57,112 GWh
Commercial	48,258 GWh
Industrial	60,505 GWh

Average Shares Outstanding: 494.8M

Note: AFUDC earnings move inversely to interest expense from rate changes

Current Rate Case Activity



AEP Texas

Docket #: 49494
Filing Date: 05/01/2019
Requested Rate Base: \$5.0B
Requested ROE: 10.5%
Cap Structure: 55%D / 45%E
Revenue Increase: \$35M
Test Year: 12/31/2018

Procedural Schedule:
Expected Effective Date (Awaiting Order) First quarter 2020



I&M – Indiana

Docket #: 45235
Filing Date: 05/14/2019
Requested Rate Base: \$4.9B
Requested ROE: 10.5%
Cap Structure: 53.2%D / 46.8%E
Gross Revenue Increase: \$172M
(Less \$78M D&A)
Net Revenue Increase: \$94M
Test Year: 2020 Forecasted

Procedural Schedule:
Expected Effective Date (Awaiting Order) March 2020



Current Rate Case Activity



I&M – Michigan

Docket #: U-20359
Filing Date: 06/24/2019
Requested Rate Base: \$1.2B
Requested ROE: 10.5%
Cap Structure: 53.6%D / 46.4%E
Gross Revenue Increase: \$58M
(Less \$6M D&A)
Net Revenue Increase: \$52M
Test Year: 2020 Forecasted

Procedural Schedule:
Expected Commission Order 04/24/2020



SWEPCO – Arkansas

Docket #: 19-008-U
Filing Date: 02/28/2019
Requested Rate Base: \$1.2B
Requested ROE: 10.5%
Cap Structure: 49.5%D / 50.5%E
Gross Revenue Increase: \$46M¹
(Less \$12M D&A)
Net Revenue Increase: \$34M
Test Year: 12/31/2018

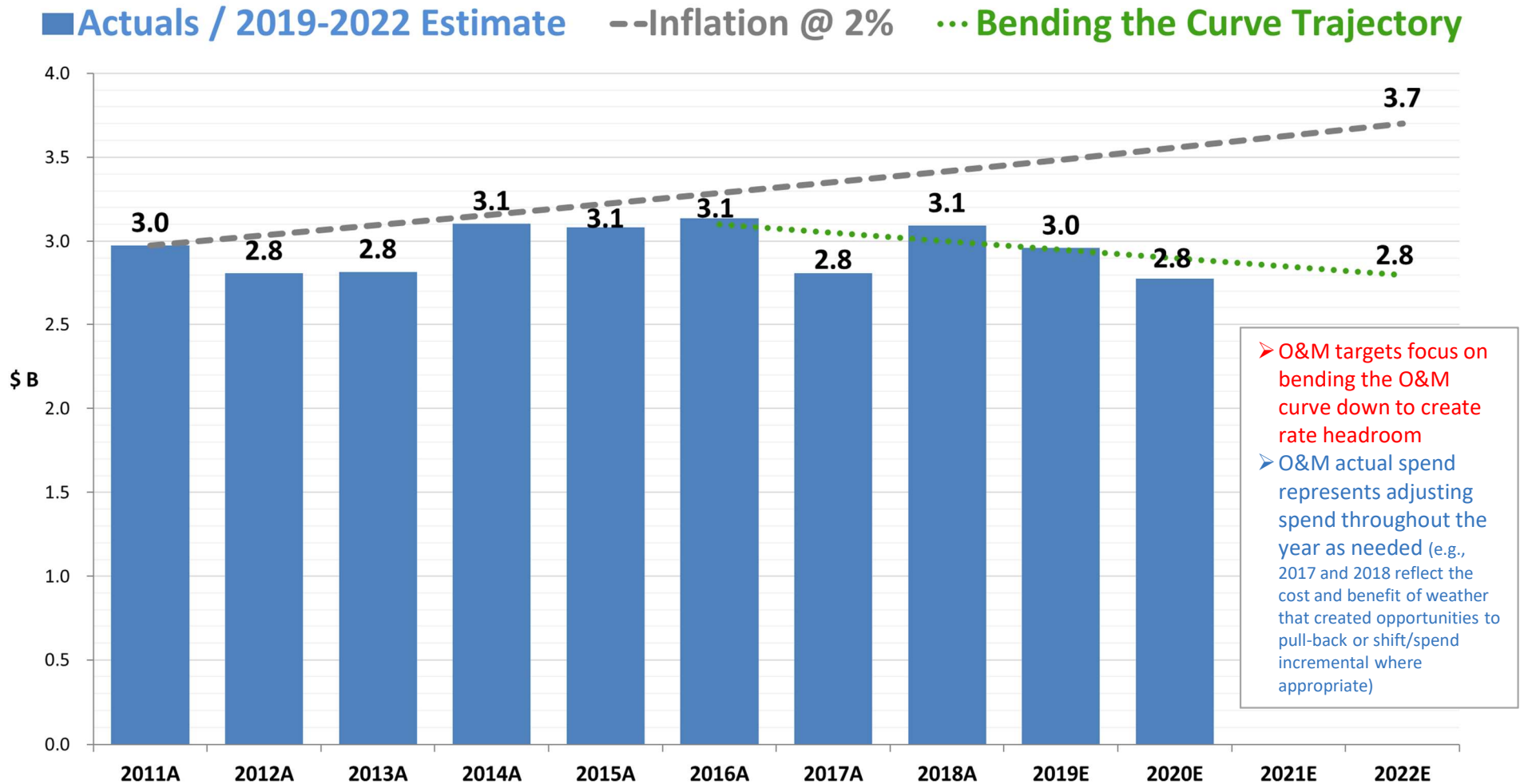
Settlement Summary

Unanimous Settlement Filed: 10/15/2019
(Awaiting Order)
ROE: 9.45%
Cap Structure: 52.1%D / 47.9%E
Gross Revenue Increase: \$24M¹
(Less \$6M D&A)
Net Revenue Increase: \$18M
Expected Effective Date: January 2020
Formula Rate Plan (5 Year Term)

¹ Does not include \$29M of current riders moving to base rates



Bending the O&M Curve



Bending the O&M Curve (Initiatives)



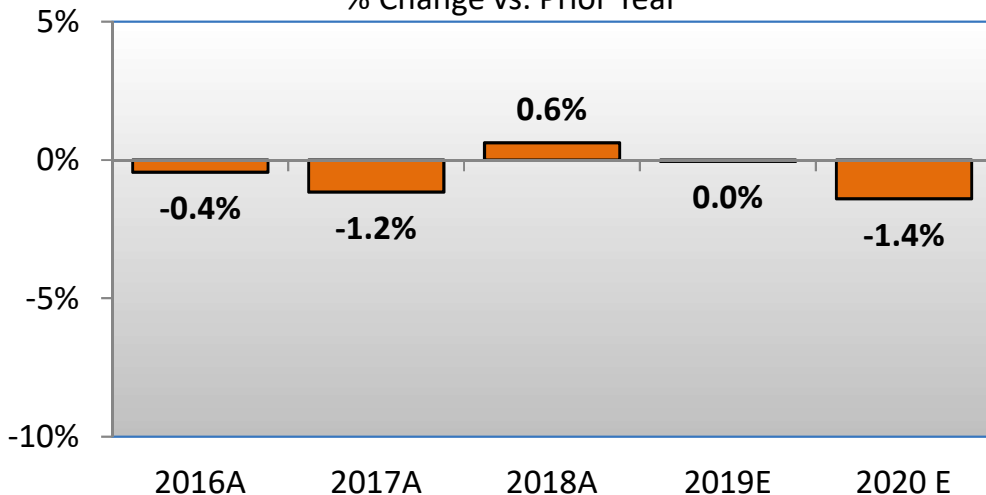
Initiatives	Actions
Achieving Excellence Program	<ul style="list-style-type: none"> • Employee based O&M prioritization and optimization effort • Drive down costs in 2020 and beyond • Program will leverage the experience of EHS Partners
Lean Management System Implementation/Continuous Process Improvement	<ul style="list-style-type: none"> • Distribution – Drive enhanced reliability which will lead to reduced O&M cost associated with storm restoration in the long term • Supply chain – Optimize the material requisition process to improve material lead times, reducing stock outs and increasing crew productivity resulting in reduced O&M cost • Fleet operations – Focus on reducing the number of vehicle platforms/options acquired and optimizing the acquisition process to reduce acquisition and maintenance costs • Generation (system productivity) – Fleet wide team-based focus on the reduction of waste associated with targeted plant systems, e.g. coal handling, scrubbers
Data Analytics	<ul style="list-style-type: none"> • Workforce optimization – Employee/contractor mix • Hot socket model – Using AMI data to preemptively identify meters at risk • Revenue protection – Detecting meter tampering • Frequency regulation – Analysis of PJM bidding strategies
Automation	<ul style="list-style-type: none"> • Scrap metal billing and management • Service Corp billing allocation factors • No-bill workflow assignment process • Customer workflow scheduling
Digital Tools	<ul style="list-style-type: none"> • “The Zone” – Machine learning tool to operate fossil units at optimal level to minimize O&M and capital, while maintaining and improving performance • Generation Monitoring and Diagnostic Center – Predictive capabilities that save O&M and capital
Use of Drones	<ul style="list-style-type: none"> • Storm damage assessment • Real estate and land surveys • Transmission facility inspections, construction monitoring and documentation • Telecommunication tower inspections • Cooling tower and boiler inspections
Outsourcing	<ul style="list-style-type: none"> • Accounting and tax initiative • Rapid application and information support • Lockbox for customer payments by check
Workforce Planning	<ul style="list-style-type: none"> • Approximately 4,000 employees will retire or leave in the next 5 years
Strategic Sourcing	<ul style="list-style-type: none"> • Reducing cost through procurement category management – Continuing to mature our Category Management program and aggressively using strategic sourcing opportunities to optimize the value AEP receives from the \$6B spent annually on goods and services

Normalized Load Trends



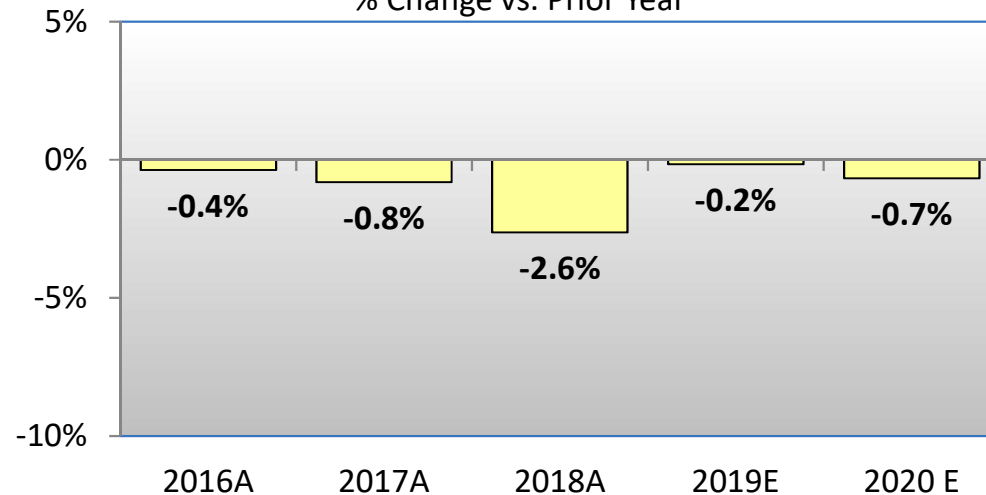
AEP Residential Normalized GWh Sales

% Change vs. Prior Year



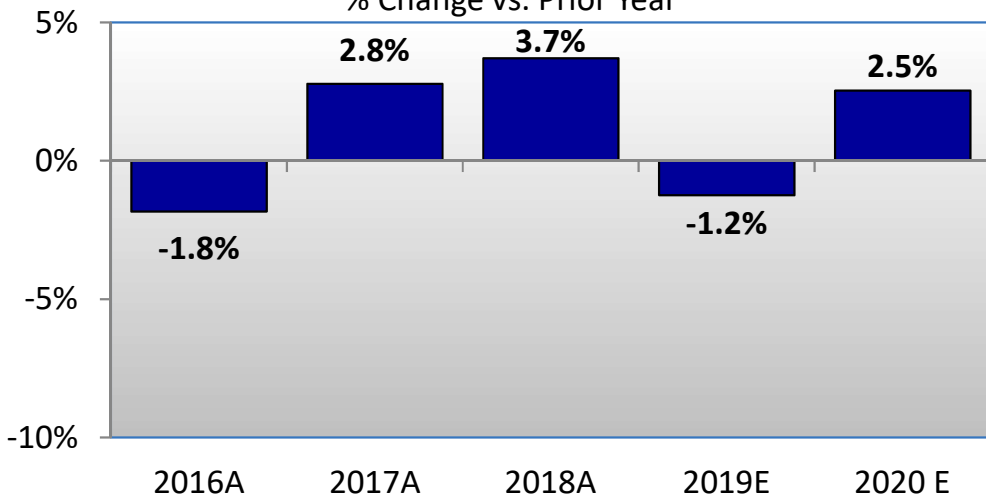
AEP Commercial Normalized GWh Sales

% Change vs. Prior Year



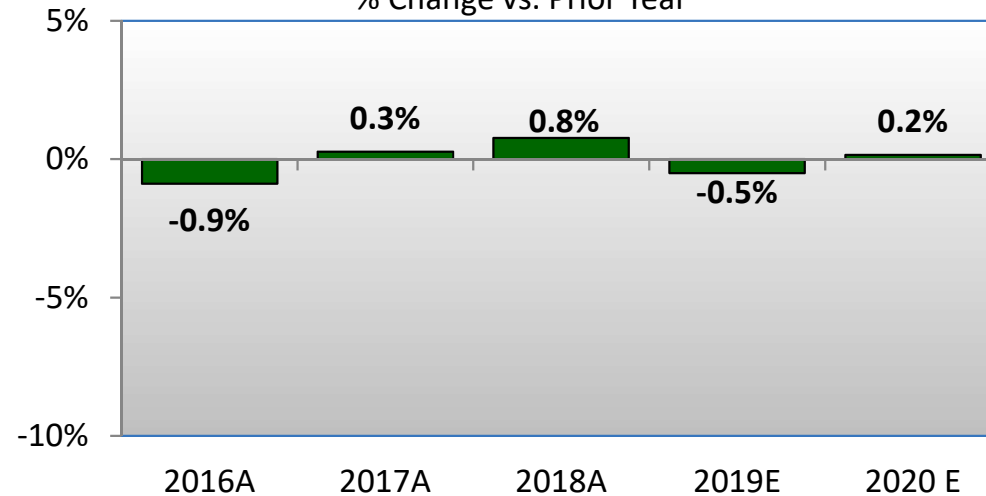
AEP Industrial GWh Sales

% Change vs. Prior Year



AEP Total Normalized GWh Sales

% Change vs. Prior Year



Note: 2019 includes 9 months weather normalized actual results plus 3 months forecasted values. The 2019 and 2020 comparison may change based on actual 2019 results. Historical data adjusted to reflect the reclass of industrial and commercial industry codes for certain customers; no revenue or earnings impact.

Pension and OPEB Estimates

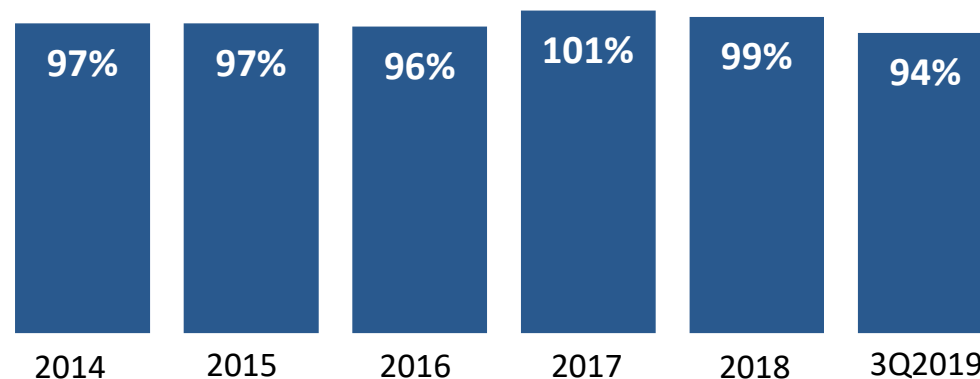


Assumptions	2019E	2020E
Pension Discount Rate	4.30%	3.45%
OPEB Discount Rate	4.30%	3.48%
Assumed Long Term Rate of Return on Pension Assets	6.25%	5.75%
Assumed Long Term Rate of Return on OPEB Assets	6.25%	5.50%
Pension/OPEB Funding	\$11M	\$11M
Pension/OPEB Cost ¹	(\$17M)	\$33M
Pension/OPEB Pre-tax Expense ²	(\$61M)	(\$17M)

¹ Pre-tax expense and pre-capitalization

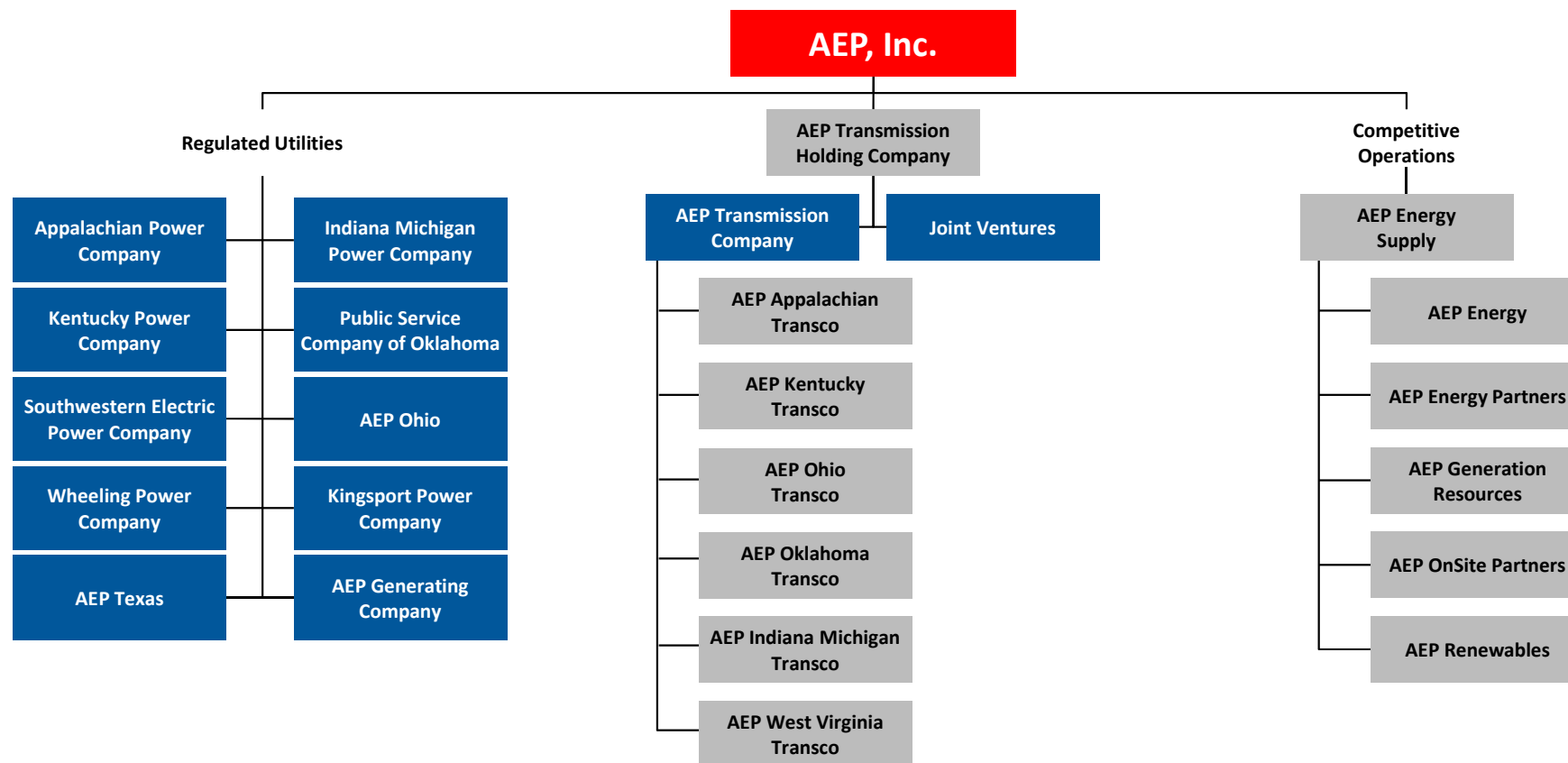
² Recorded in O&M and Non-Service Cost Components of Net Periodic Benefit Cost on the income statement

Qualified Pension Funding



- YTD pension and OPEB returns were up at 12.4% and 16.5% respectively, as modest risk seeking asset returns were coupled with strong fixed income gains, attributed to falling yields. Despite these returns, the funded status of both plans decreased as both plan liabilities increased more than plan assets due to a falling discount rate.
- We expect combined pension and OPEB costs (pre-tax and including capitalized portion) to increase from 2019 to 2020, due to a lower expected return on assets and a falling discount rate, subject to potential changes in investment results, interest rates and actuarial assumptions.
- Pension expense for regulated subsidiaries is recovered through base rates.

Operational and Financing Structure¹



- Uses a combination of external LT financing and commercial paper program
- Uses a combination of external and internal LT financing and money pool
- Uses internal LT financing and money pool

¹ Does not represent legal structure

2019 Long-Term Debt Financings



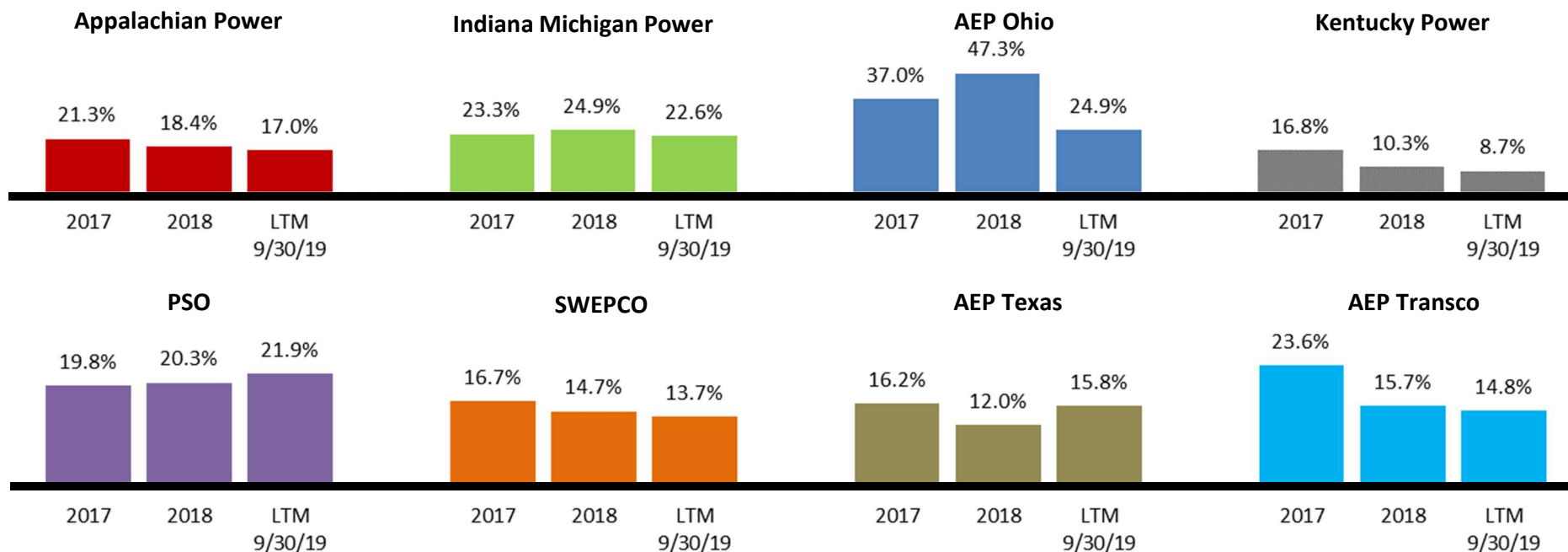
Date	Company	Type	Amount (\$ in millions)	Rate	Term	Credit Ratings (Moody's/S&P) ¹
March	APCo	Senior Notes	\$400	4.50%	30-Year	Baa1/A-
March	PSO	Senior Notes - Private Placement	\$350	4.16%	10-Year, 15-Year, 30-Year	A3/NR
March	AEP, Inc. ²	Mandatory Convertible Equity Units	\$805	6.13%	3-Year	Baa2/BBB
May	AEP Texas	Senior Notes	\$300	4.15%	30-Year	Baa1/A-
May	OPCo	Senior Notes	\$450	4.00%	30-Year	A2/A-
May	AEP Texas	Term Loan	\$200	Variable	3-Year	N/A
June	APCo	Term Loan	\$125	Variable	3-Year	N/A
June	AEP Transco	Senior Notes	\$350	3.80%	30-Year	A2/A-/A- ³
September	AEP Transco	Senior Notes	\$350	3.15%	30-Year	A2/A-/A- ³
September	AEP Texas	Securitization Bonds	\$235	2.22%	8-Year, 11-Year	Aaa/AAA
October	PSO	Term Loan	\$125	Variable	3-Year	N/A
October	AEP, Inc.	Pollution Control Bond Remarketing	\$240	2.51%	10-Year	Baa1/BBB+
December	AEP, Inc.	Pollution Control Bond Remarketing	\$299	2.07%	5-Year	Baa1/BBB+
December	AEP Texas	Senior Notes	\$450	3.45%	30-Year	Baa1/A-

¹ Credit ratings assigned to the bonds at time of issuance

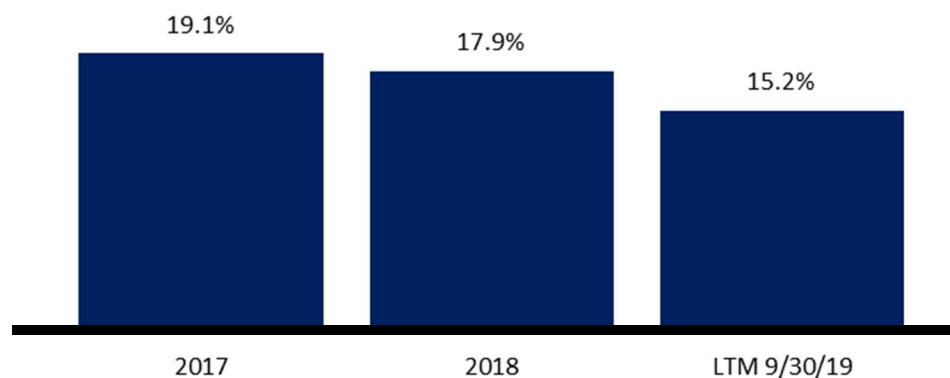
² Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 3.40% Junior Subordinated Notes (notes) due in 2024 and a forward equity purchase contract which settles after three years in 2022. The Junior Subordinated Notes are expected to be remarketed in 2022, at which time the interest rate will reset at the then current market rate. The interest rate for the forward equity purchase contract is 2.725% (not tax deductible) which settles in 2022.

³ AEP Transmission Company, LLC is also rated A- by Fitch

FFO/Debt¹ by Operating Company



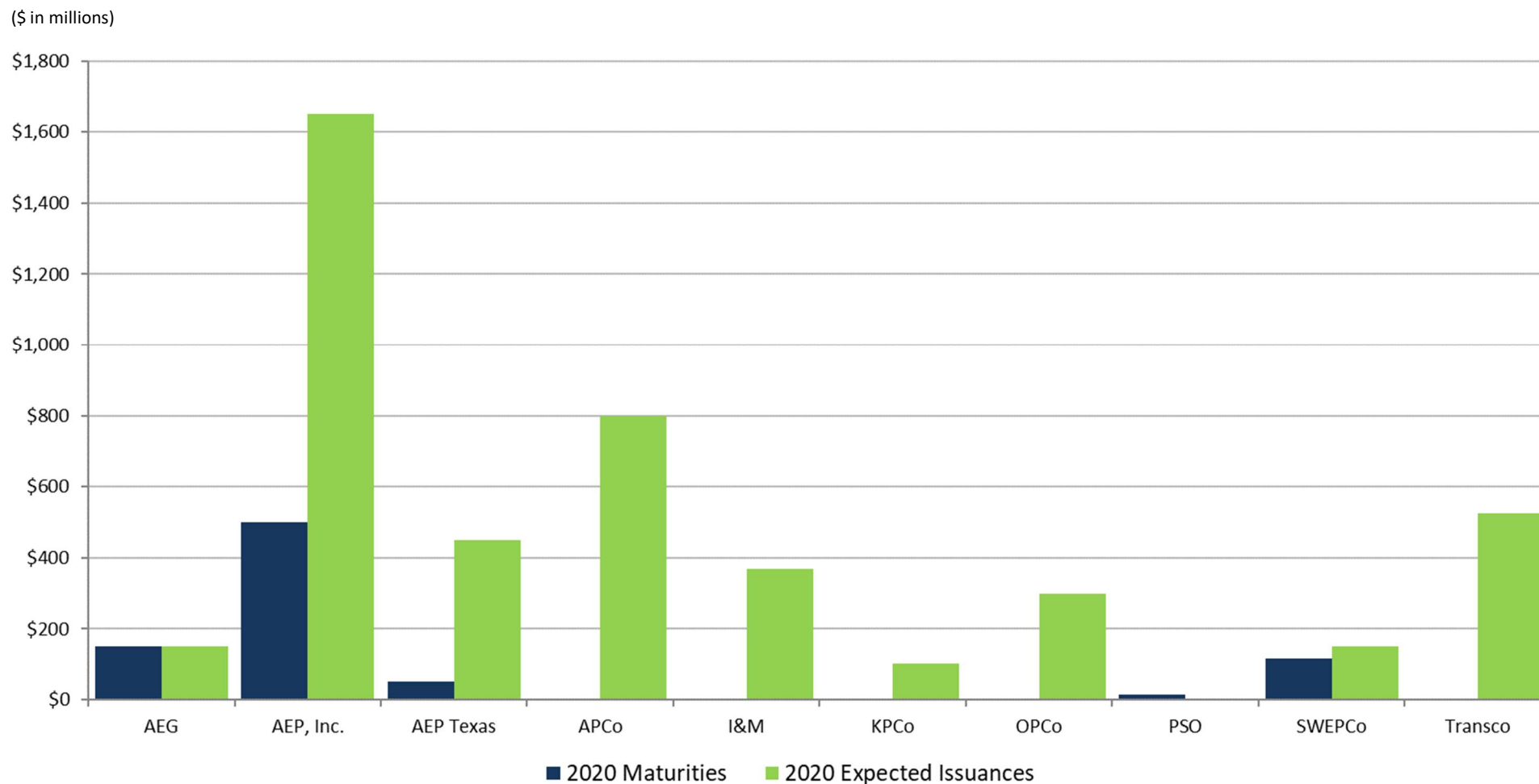
Total AEP FFO/Debt¹



Consolidated FFO to Debt is declining due to elevated capital spend and flow back of ADFIT

¹ FFO/Debt includes capital and operating leases, but excludes securitization and spent nuclear fuel. Ratios reflect AEP view and do not reflect all of the adjustments made by the rating agencies.

2020 Debt Issuance and Maturities Overview



AEP Credit Ratings



Company	Moody's		S&P	
	Senior Unsecured	Outlook	Senior Unsecured	Outlook
American Electric Power Company Inc.	Baa1	N	BBB+	S
AEP, Inc. Short Term Rating	P2	S	A2	S
AEP Texas Inc.	Baa1	N	A-	S
AEP Transmission Company, LLC ¹	A2	S	A-	S
Appalachian Power Company ²	Baa1	S	A-	S
Indiana Michigan Power Company ²	A3	S	A-	S
Kentucky Power Company	Baa3	S	A-	S
AEP Ohio	A2	S	A-	S
Public Service Company of Oklahoma	A3	S	A-	S
Southwestern Electric Power Company	Baa2	S	A-	S
Transource Energy ³	A2	S	NR	NR

¹ AEP Transmission Co. received a senior unsecured debt rating of A- from Fitch. The rating outlook is Stable.

² In conjunction with the unenhanced VRDN remarketings, APCo and I&M both received short term credit ratings of A-2/P2 from S&P and Moody's, respectively.

³ NR stands for Not Rated.

Ratings current as of December 1, 2019

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



Delivering Clean Energy Resources – Environmental



AEP's September 30, 2019 Renewable Portfolio (in MW)

Hydro, Wind, Solar and Pumped Storage	Owned MW	PPA MW	Total MW
AEP Ohio		209	209
Appalachian Power Company	785	575	1,360
Indiana Michigan Power Company	36	450	486
Public Service Company of Oklahoma		1,137	1,137
Southwestern Electric Power Company		469	469
Competitive Wind, Solar and Hydro	1,442	101	1,543
Total	2,263	2,941	5,204



APPROXIMATELY
11,900 MW of
Renewable Generation Interconnected
Across the U.S. via AEP's
Transmission System Today



AEP's Carbon Emission Reduction Goals

70% by 2030
80% by 2050¹

(both from a 2000 baseline)

Strategy to Achieve

- ❑ Investments in renewable energy within and outside of our traditional service territory
- ❑ Technology deployment (e.g., energy storage)
- ❑ Modernization of the grid with significant investments in transmission and distribution
- ❑ Increased use of natural gas
- ❑ Optimization of our existing generating fleet

Environmental, Social and Governance (ESG) Reporting:

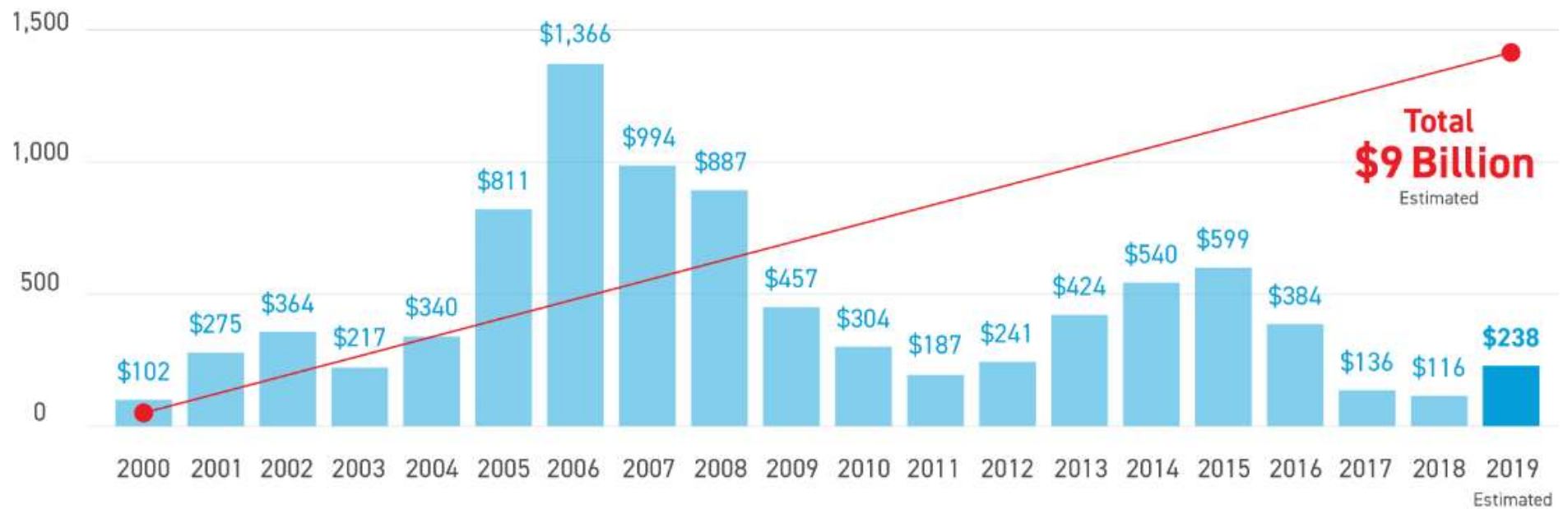
- AEP's Corporate Accountability Report
- Clean Energy Strategy: American Electric Power: Strategic Vision for a Clean Energy Future
- EEI ESG Sustainability Reporting: AEP's 2019 EEI ESG Report
- AEP's CDP Survey Responses
- AEP's GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics

¹ Aspiration is zero emissions

Largest Investment in Controls – Environmental



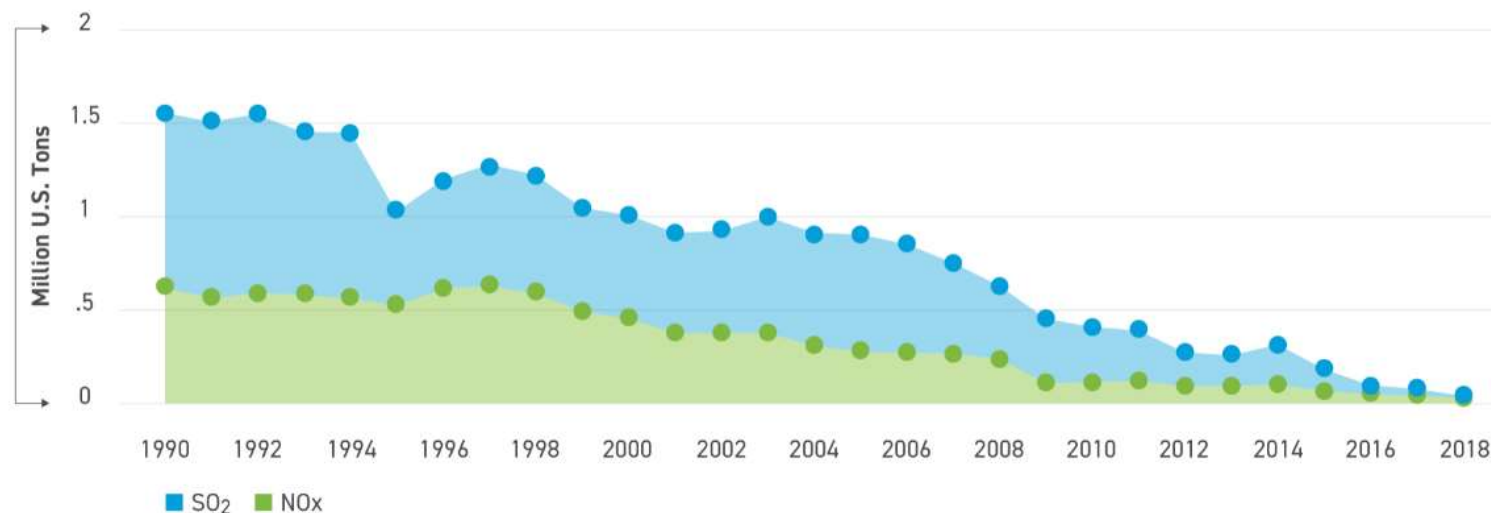
INVESTMENT IN ENVIRONMENTAL CONTROLS \$ in millions



Dramatic Reductions in Emissions – Environmental



TOTAL AEP SYSTEM NO_x & SO₂ EMISSIONS



SO₂

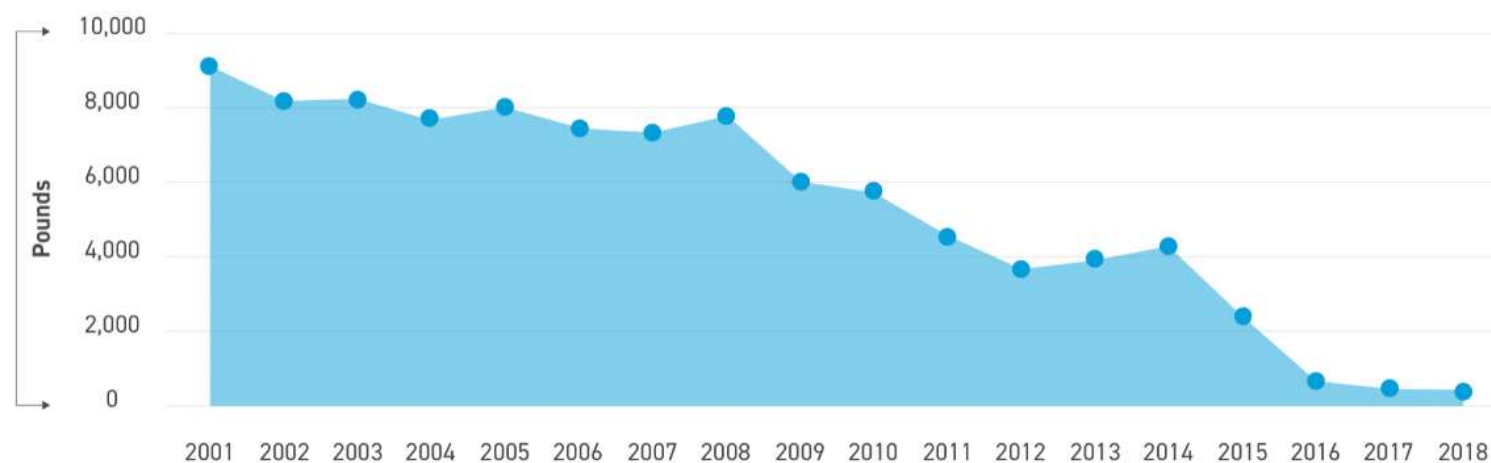
1990-2018
ACTUAL



NO_x



TOTAL AEP SYSTEM MERCURY EMISSIONS



Hg

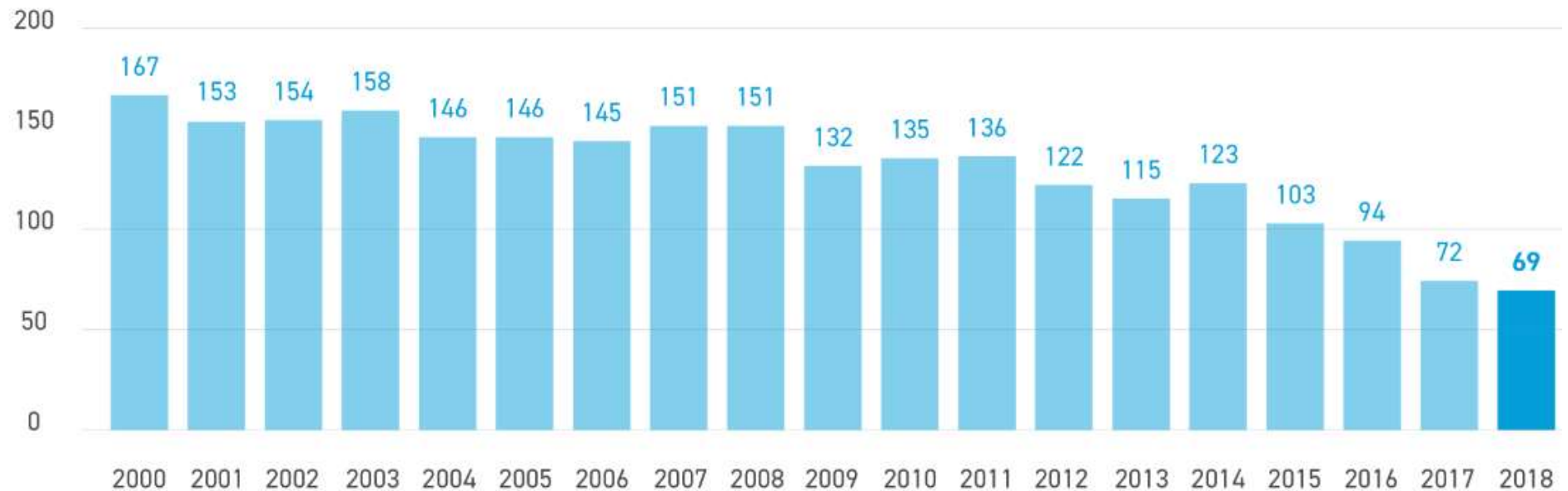
2001-2018
ACTUAL



Dramatic Reductions in Emissions – Environmental



TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons



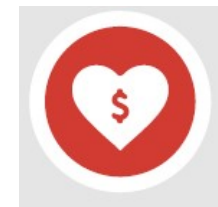
2000-2018
Actual
CO₂ ↓ 59%

Our Employees



- Forbes – America’s Best Employers for Diversity in 2019
- Forbes – Inaugural Best Employers for Women in 2018
- Disability Equality Index – Best Places to Work for Disability Inclusion in 2019
- Human Rights Campaign – Best Places to Work for LGBT Equality in 2018
- VIQTORY Media – Top 100 Military-Friendly Employers in 2019

Our Communities (2018 Stats)



- Energy assistance provided to customers ~ \$66 million
- New jobs provided through economic development ~ 15,000
- Philanthropic giving to more than 1,800 community organizations ~ \$26 million
- Corporate spend to locally-based suppliers ~ 49%

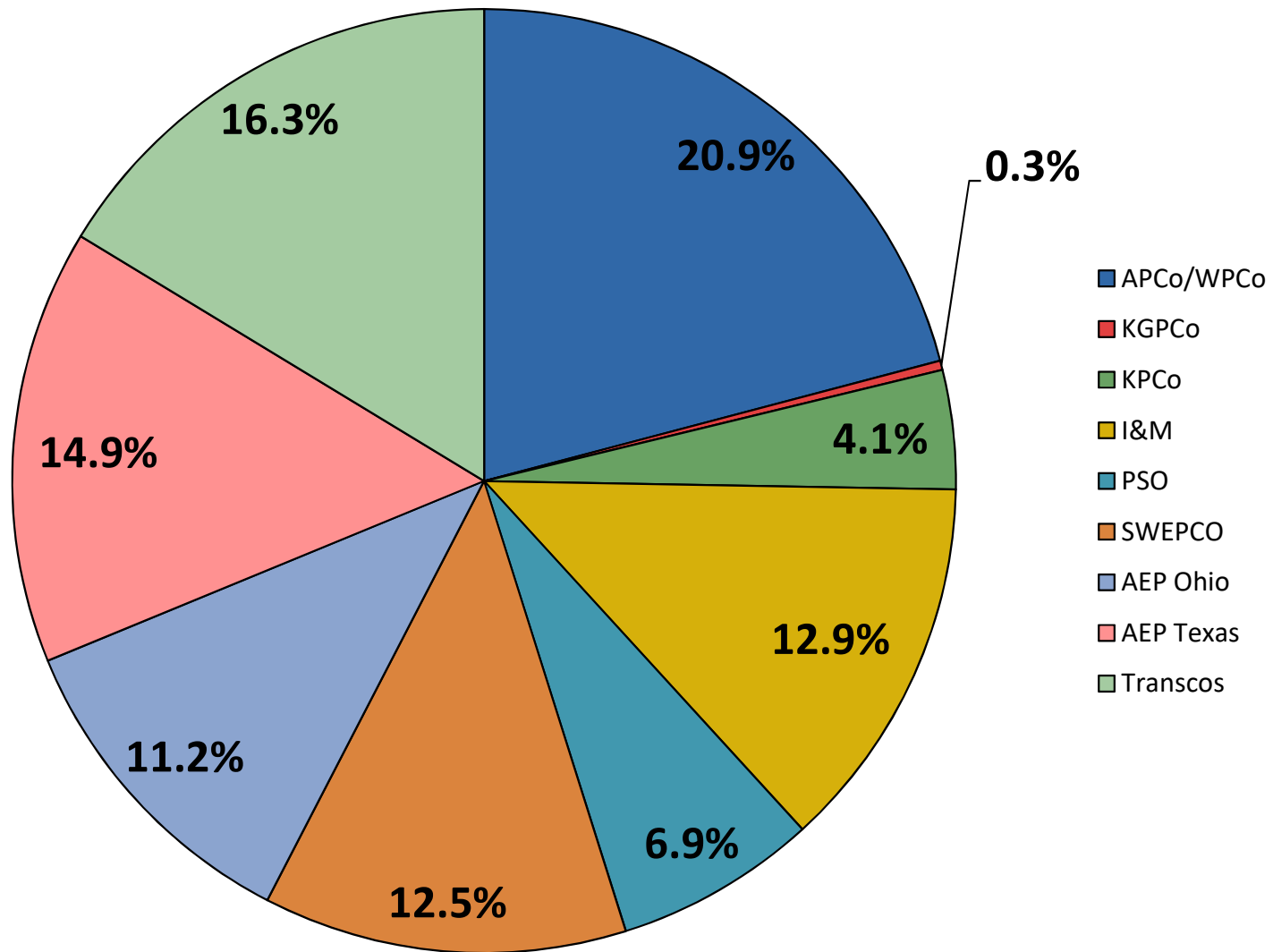
Board Composition		
8 Yrs	93%	43%
Average Tenure	Independent	Diverse

- 13 of 14 directors are independent
- Annual election of directors by majority vote
- Lead independent director elected annually
- Proxy access adopted
- Annual advisory vote on compensation
- Tenure and overboarding policies
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided to Board at every meeting



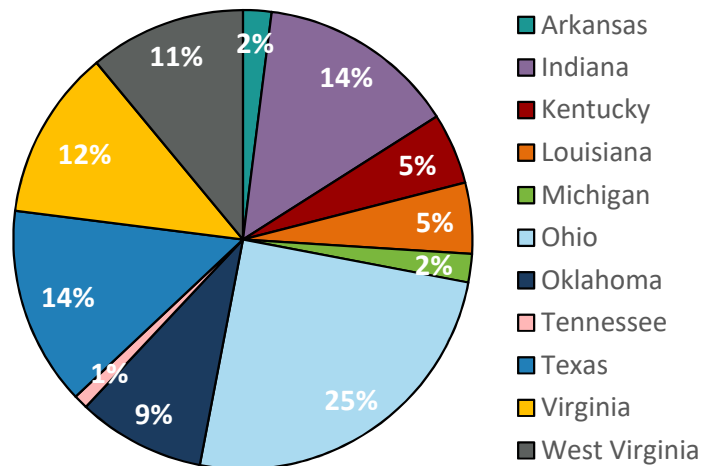
WELL-POSITIONED REGULATED BUSINESS

Composition of Rate Base by Operating Company

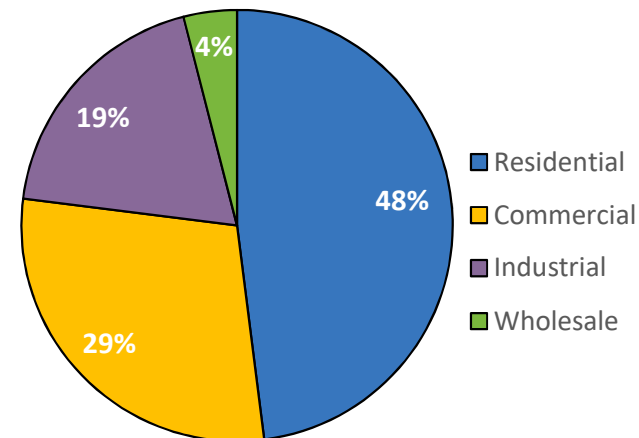


CUSTOMER PROFILE
AEP'S SERVICE TERRITORY ENCOMPASSES APPROXIMATELY
5.4 MILLION CUSTOMERS IN 11 STATES

Percentage of AEP System Retail Revenues



Percentage Composition by Customer Class¹



Top 10 Industrial Sectors Across the AEP System By NAICS Code	% of Total Industrial Sales
331 Primary Metal Manufacturing	15.7%
325 Chemical Manufacturing	11.6%
324 Petroleum and Coal Products Manufacturing	10.5%
486 Pipeline Transportation	9.6%
211 Oil and Gas Extraction	7.4%
322 Paper Manufacturing	6.0%
212 Mining (except Oil and Gas)	5.8%
326 Plastics and Rubber Products Manufacturing	5.4%
311 Food Manufacturing	4.4%
336 Transportation Equipment Manufacturing	4.2%

Source: Billing System

¹ Figures do not include Other Retail

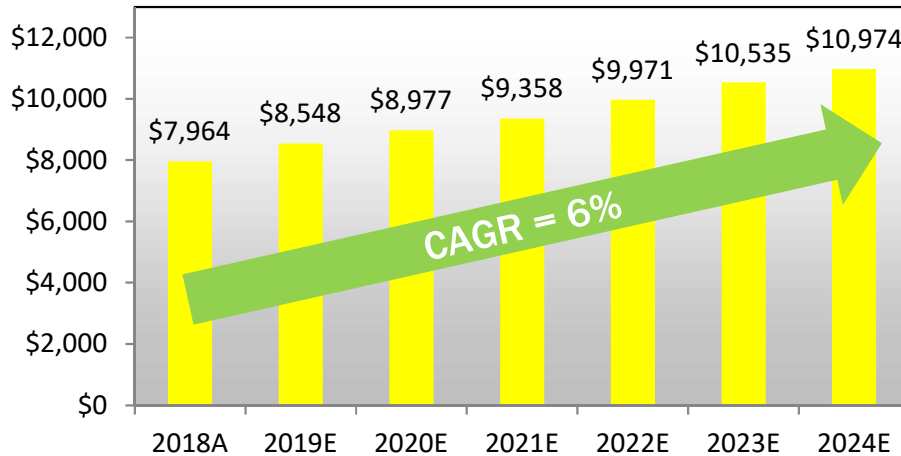
Appalachian Power and Wheeling Power Companies



Rate Base, Sales and Cap-ex

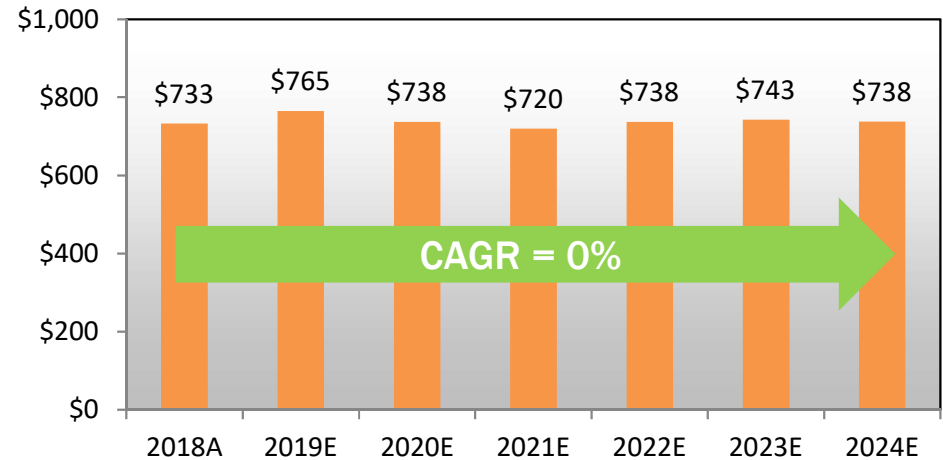
APCo Projected Rate Base Proxy

in millions



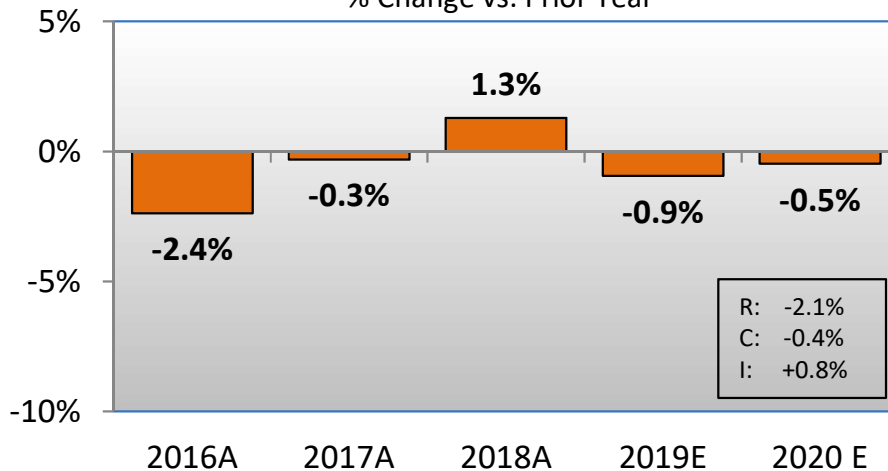
WPCo Projected Rate Base Proxy

in millions



APCo/WPCo Normalized GWh Sales

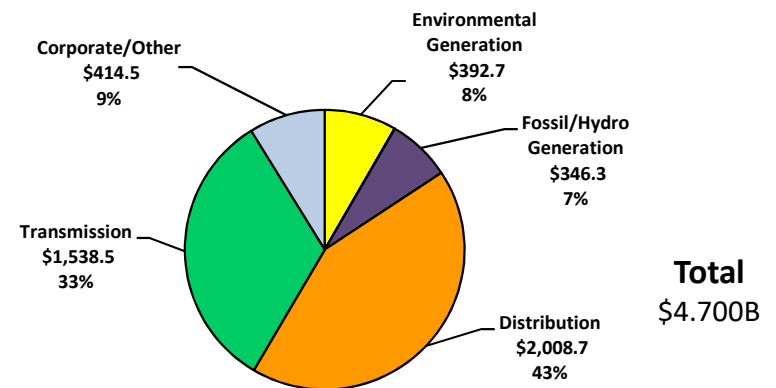
% Change vs. Prior Year



2019 includes 9 months weather normalized actual results plus 3 months forecast

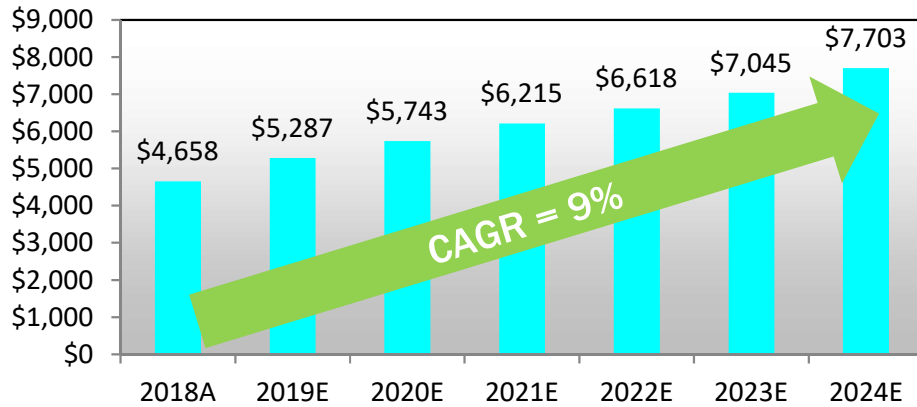
APCo/WPCo 2020-2024 Capital by Function

in millions, excluding AFUDC

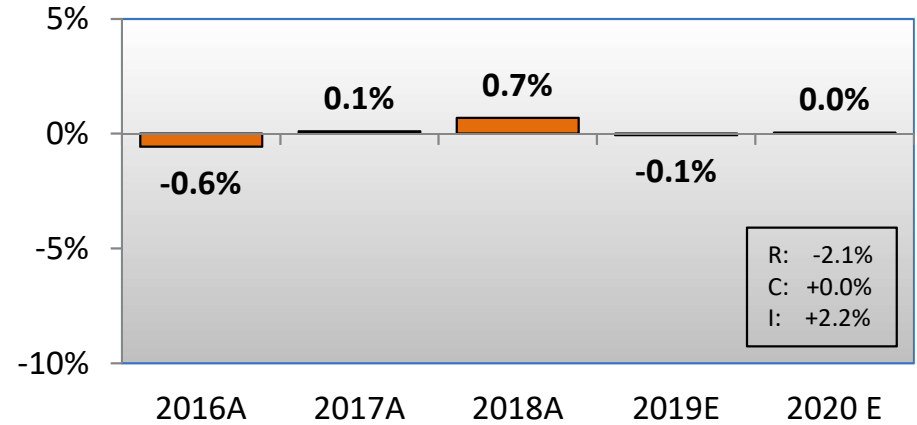


Rate Base, Sales and Cap-ex

AEP Ohio Projected Rate Base Proxy
in millions

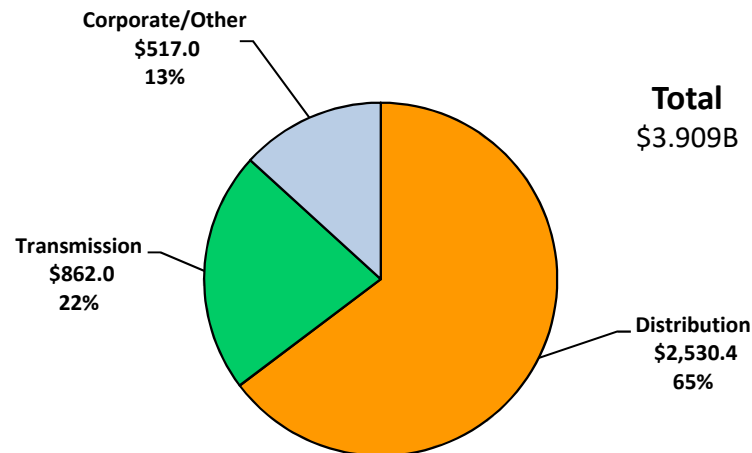


AEP Ohio Normalized GWh Sales
% Change vs. Prior Year



2019 includes 9 months weather normalized actual results plus 3 months forecast

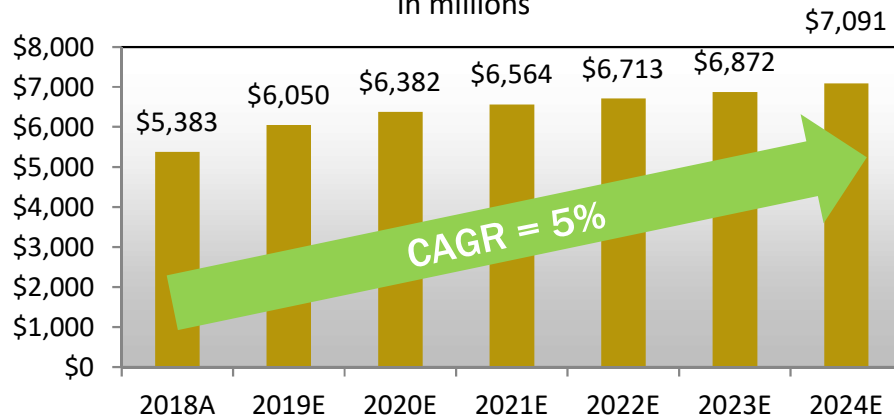
AEP Ohio 2020-2024
Capital by Function
in millions, excluding AFUDC



Rate Base, Sales and Cap-ex

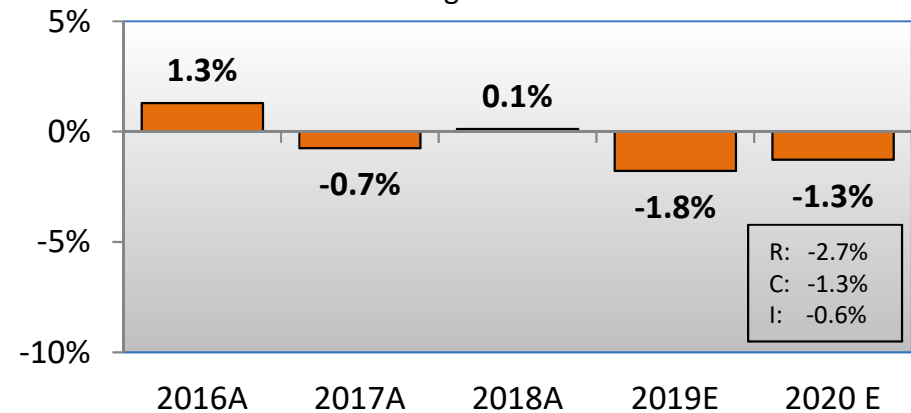
I&M Projected Rate Base Proxy

in millions



I&M Normalized GWh Sales

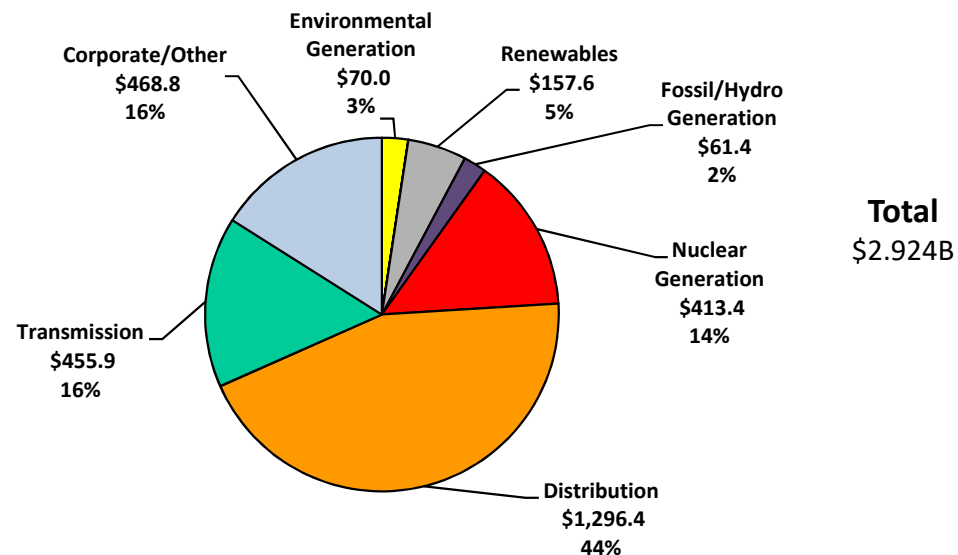
% Change vs. Prior Year



2019 includes 9 months weather normalized actual results plus 3 months forecast

I&M 2020-2024 Capital by Function

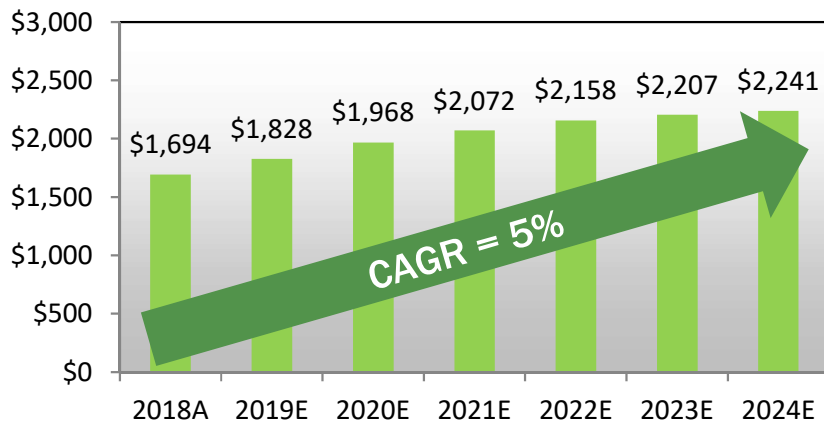
in millions, excluding AFUDC



Rate Base, Sales and Cap-ex

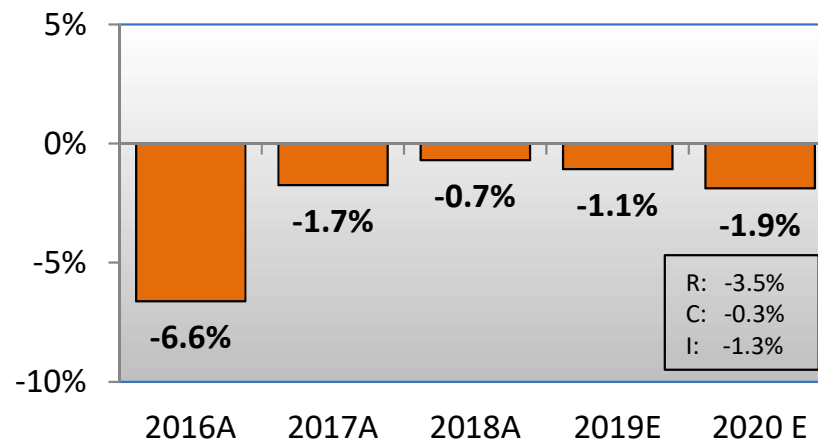
KPCo Projected Rate Base Proxy

in millions



KPCo Normalized GWh Sales

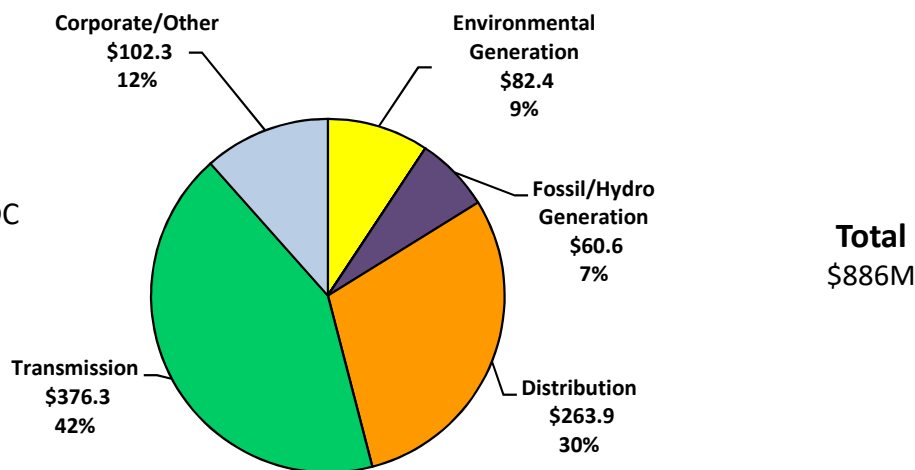
% Change vs. Prior Year



2019 includes 9 months weather normalized actual results plus 3 months forecast

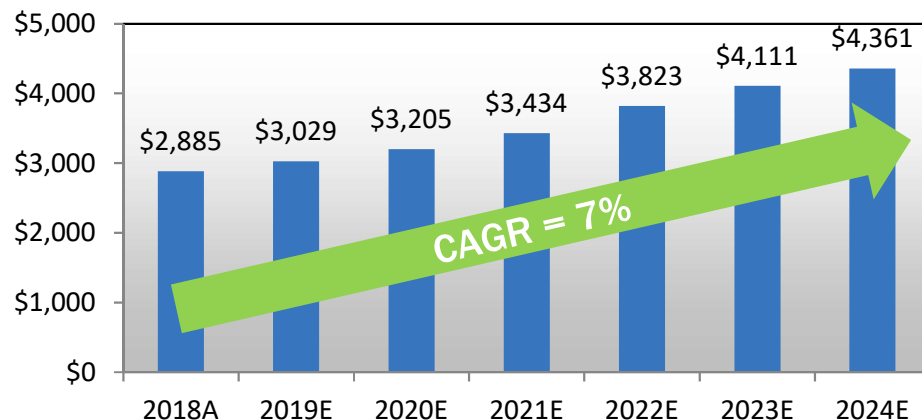
KPCo 2020-2024 Capital by Function

in millions, excluding AFUDC

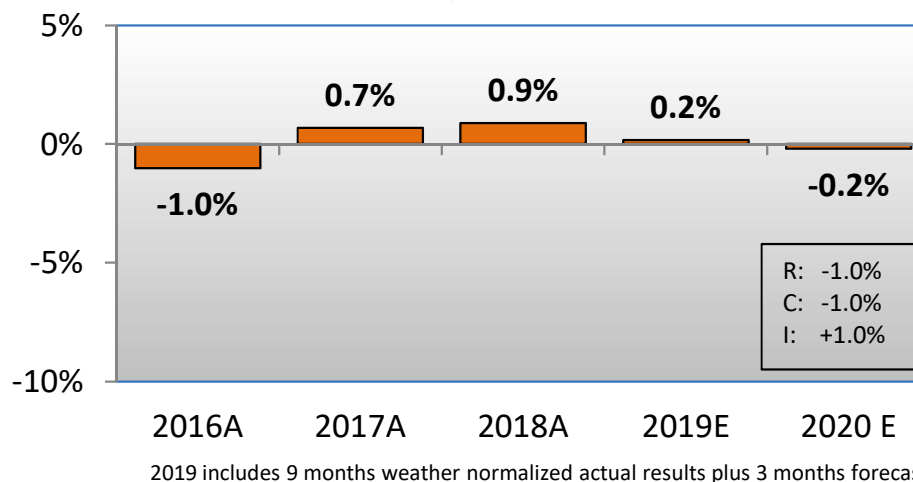


Rate Base, Sales and Cap-ex

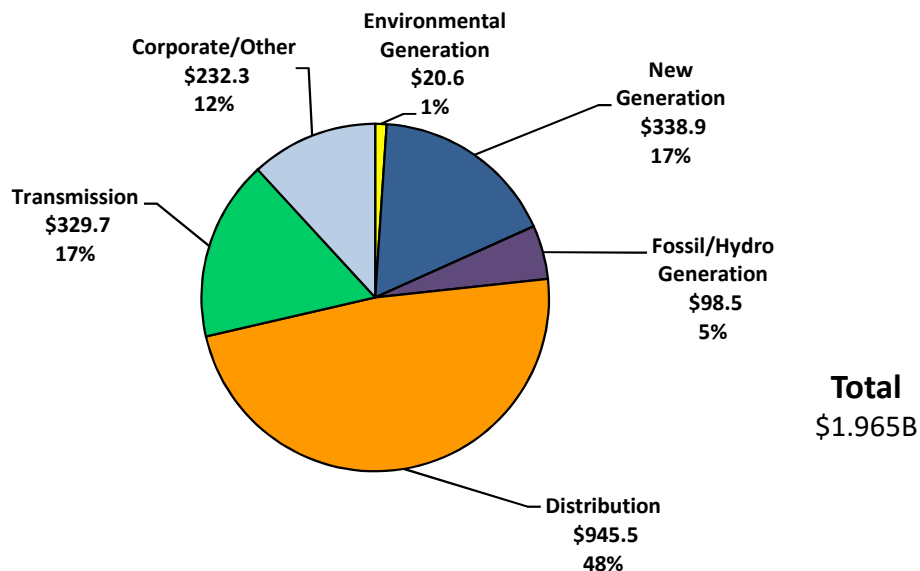
PSO Projected Rate Base Proxy
in millions



PSO Normalized GWh Sales
% Change vs. Prior Year



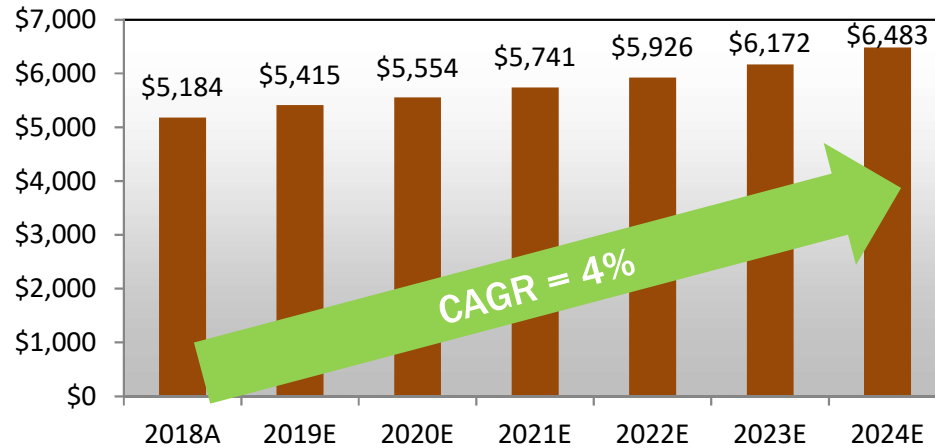
PSO 2020-2024
Capital by Function¹
in millions, excluding AFUDC



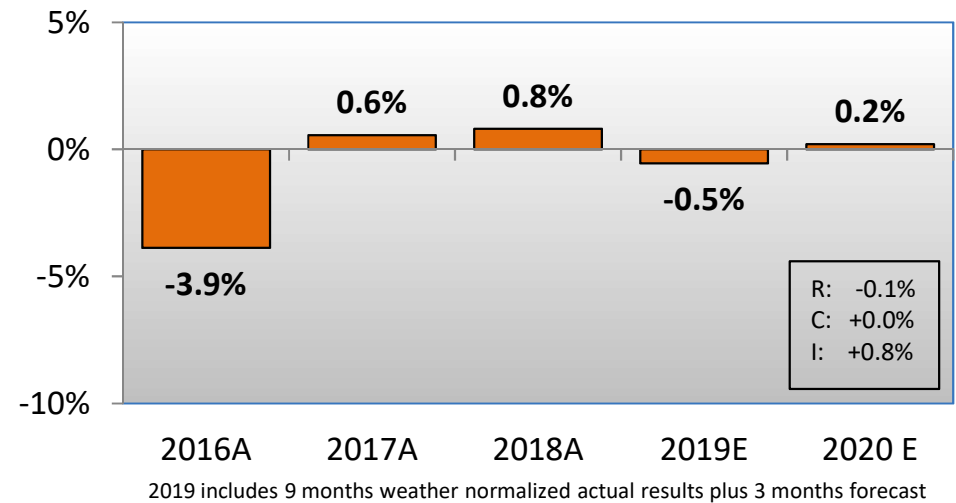
¹ Does not include North Central Wind

Rate Base, Sales and Cap-ex

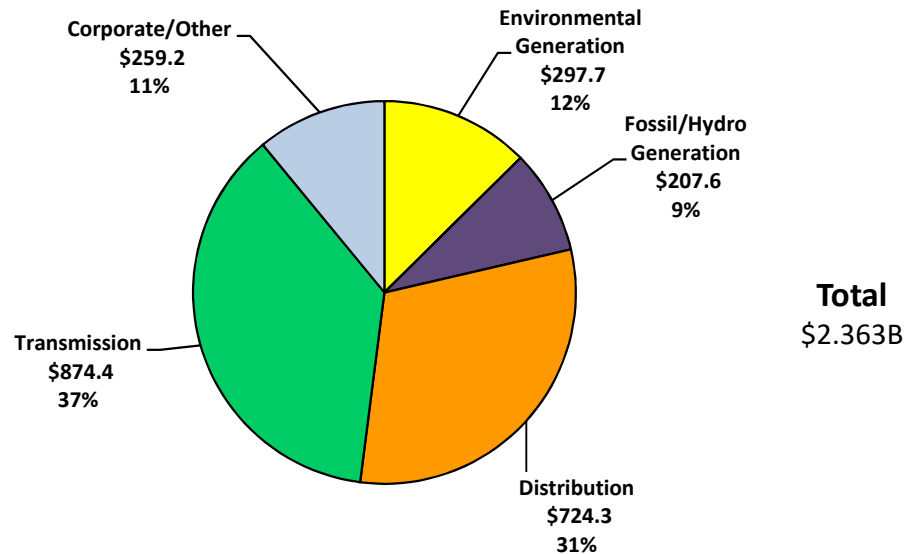
SWEPCO Projected Rate Base Proxy
in millions



SWEPCO Normalized GWh Sales
% Change vs. Prior Year



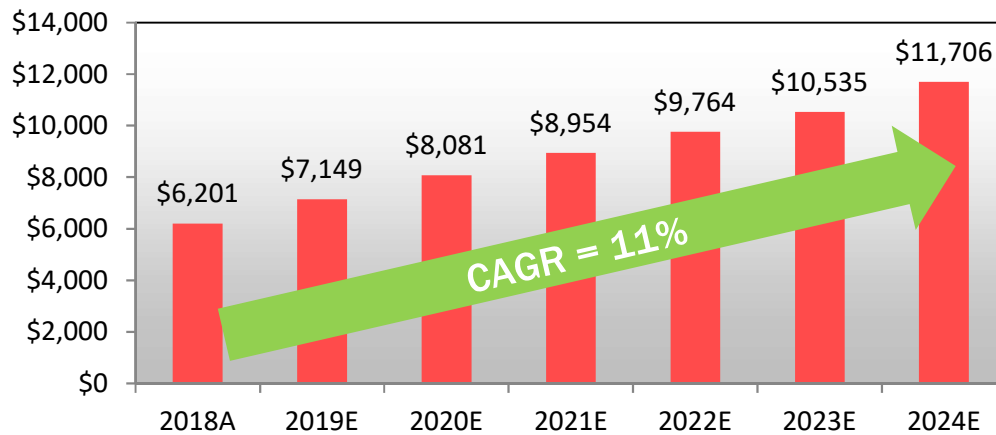
SWEPCO 2020-2024 Capital by Function¹
in millions, excluding AFUDC



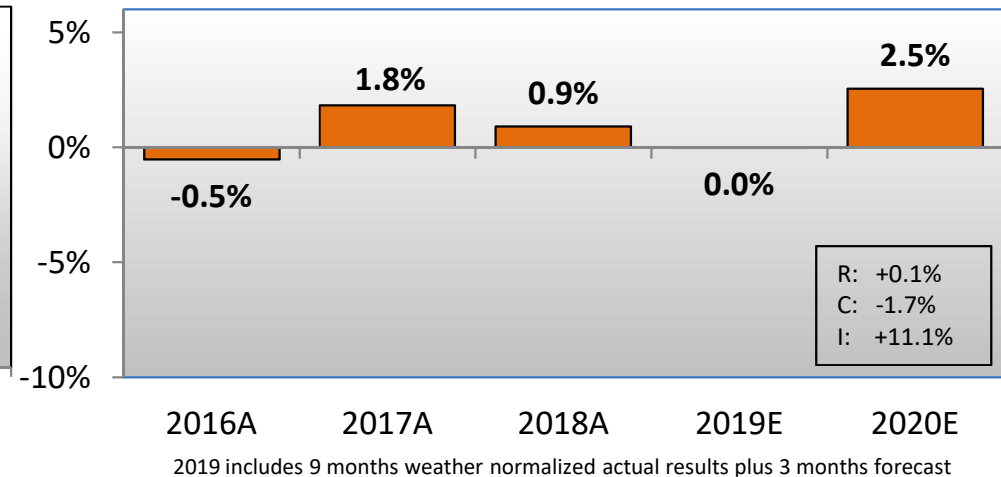
¹ Does not include North Central Wind

Rate Base, Sales and Cap-ex

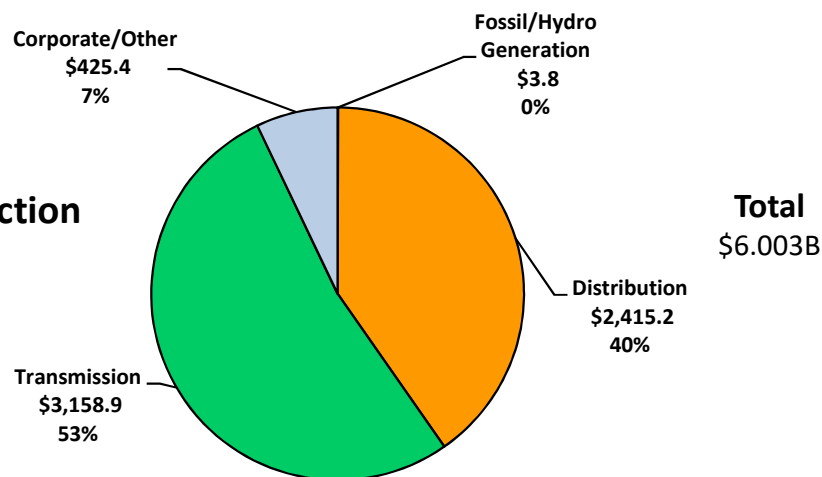
AEP Texas Projected Rate Base Proxy
in millions



AEP Texas Normalized GWh Sales
% Change vs. Prior Year

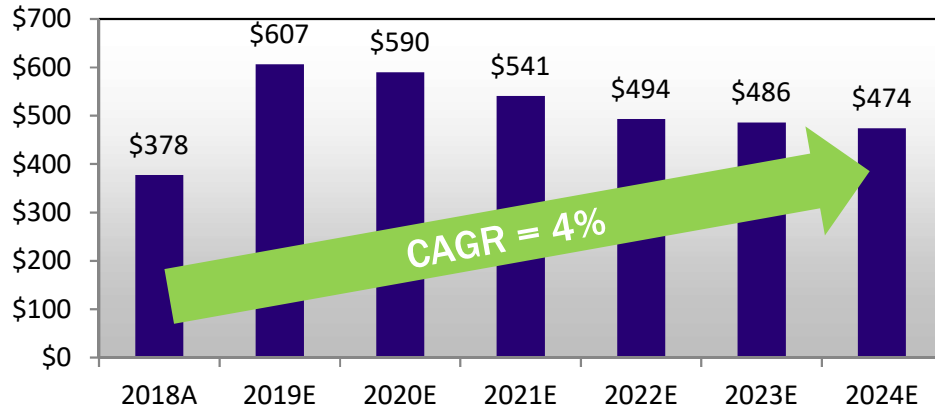


AEP Texas 2020-2024 Capital by Function
in millions, excluding AFUDC

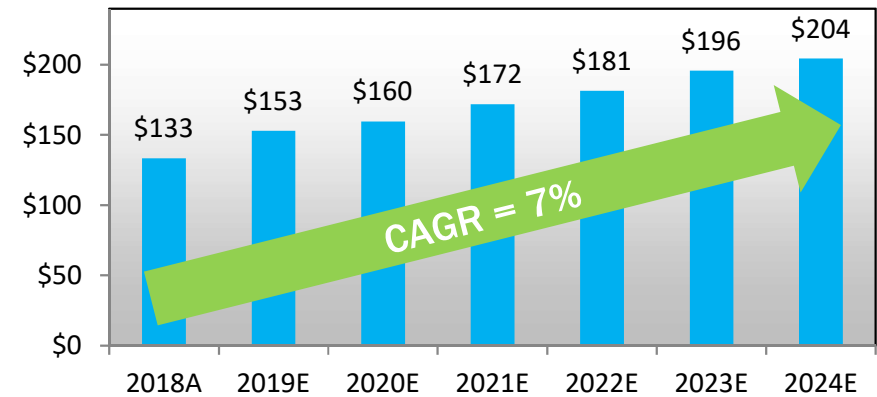


Rate Base and Cap-ex

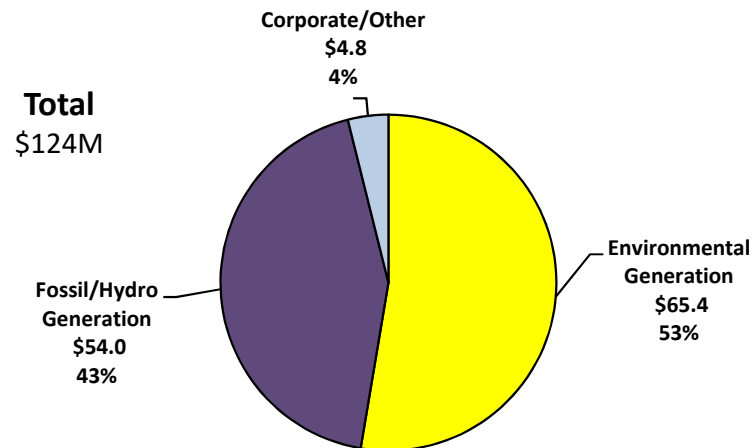
AEP Generating Projected Rate Base Proxy
in millions



Kingsport Projected Rate Base Proxy
in millions



AEP Generating 2020-2024 Capital by Function
in millions, excluding AFUDC



Kingsport 2020-2024 Capital by Function
in millions, excluding AFUDC

