

*American Electric Power*  
*UMWA Postretirement Health Care Plan*

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Actuarial Valuation Report

Postretirement Welfare Cost for Fiscal Year Ending December 31, 2010

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*April 2010*

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## *Management Summary of Valuation Results*

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## Financial Results

This report summarizes the financial results for American Electric Power's (AEP) UMWA Postretirement Health Care Plan based on actuarial valuations as of January 1, 2010, and January 1, 2009.

	January 1, 2010	January 1, 2009
Postretirement Welfare Cost		
Amount	\$ 7,781,253	\$ 7,611,800
Per active employee	\$ 86,458	\$ 84,576
Funded Position		
Accumulated postretirement benefit obligation [APBO]	\$70,814,814	\$66,511,729
Fair value of assets [FV]	0	0
APBO funded percentage [FV ÷ APBO]	0%	0%
Prepaid (Accrued) Postretirement Benefit Cost	\$(37,176,945)	\$(31,924,075)
Employer Contributions		
Gross benefit payments and expenses, net of participant contributions	\$ 3,805,288 (expected)	\$ 4,104,553 (expected)
▶ Expected amount of retiree drug subsidy payment	<u>(322,036)</u>	<u>(333,371)</u>
▶ Net expected benefit payments	\$3,483,252	\$3,771,182

## Discussion of Financial Results

The financial results of AEP's UMWA Postretirement Health Care Plan for the current year were affected by the following factors:

- ▶ Long-term corporate bond yields decreased during the prior year, resulting in a slightly lower discount rate, which increased postretirement welfare cost.
- ▶ Health care costs increased less than expected, which decreased postretirement welfare costs.
- ▶ Mortality assumption was updated to the RP2000 mortality with projections to 2017 for annuitants (postretirement) and 2025 for nonannuitants (preretirement), which increased postretirement welfare cost.
- ▶ The health care cost trend assumption was changed from 6.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2012 to 8.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2016. This change increased the postretirement welfare cost.

## Basis for Valuation

### Economic Assumptions

The discount rate for postretirement welfare cost purposes is the rate at which the postretirement welfare obligation could be effectively settled. This rate is developed from yields on available high-quality bonds and reflects the plans expected cash flow. The duration of AEP's postretirement welfare plan is 13.88 years as of December 31, 2009.

The assumptions selected by AEP for postretirement welfare cost purposes are:

	January 1, 2010	January 1, 2009
Discount rate for obligations	5.85%	6.10%

## Health Care Cost Trend Rate Assumptions

The health care cost trend assumptions used in the valuation are:

	January 1, 2010	January 1, 2009
2009 trend	N/A	6.50%
2010 trend	8.00%	6.00%
Ultimate trend	5.00%	5.00%
Year ultimate reached	2016	2012

## Per Capita Claims Cost Assumptions

The assumed per capita costs and Part D subsidy used in the 2009 and 2010 valuations are:

	2010	2009
Under Age 65:		
▶ Post-1993 Retirees	\$ 11,749	\$ 13,142
▶ Pre-1994 Retirees	\$ 12,239	\$ 13,690
Age 65 and Older:		
▶ All Retirees	\$ 7,502	\$ 7,817
▶ Medicare Part D Subsidy	\$ (983)	\$ (976)

The assumed per capita cost is the expected annual per person cash cost of the medical plan, before reflecting participant contributions. The assumed per capita Part D subsidy is the expected annual subsidy for eligible prescription drug claims.

## Plan Changes

The plan provisions have not changed since the prior year.

## Shutdown of Operations

None of the mines are expected to shut down prior to December 31, 2010.

## Postretirement Welfare Cost

Postretirement welfare cost is the amount recognized in AEP's financial statement as the cost of postretirement welfare plans and is determined in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). The fiscal 2010 postretirement welfare cost for the plan is \$7,781,253, or \$86,458 per active participant.

### Change in Postretirement Welfare Cost

The postretirement welfare cost increased from \$7,611,800 in fiscal 2009 to \$7,781,253 in fiscal 2010 because:

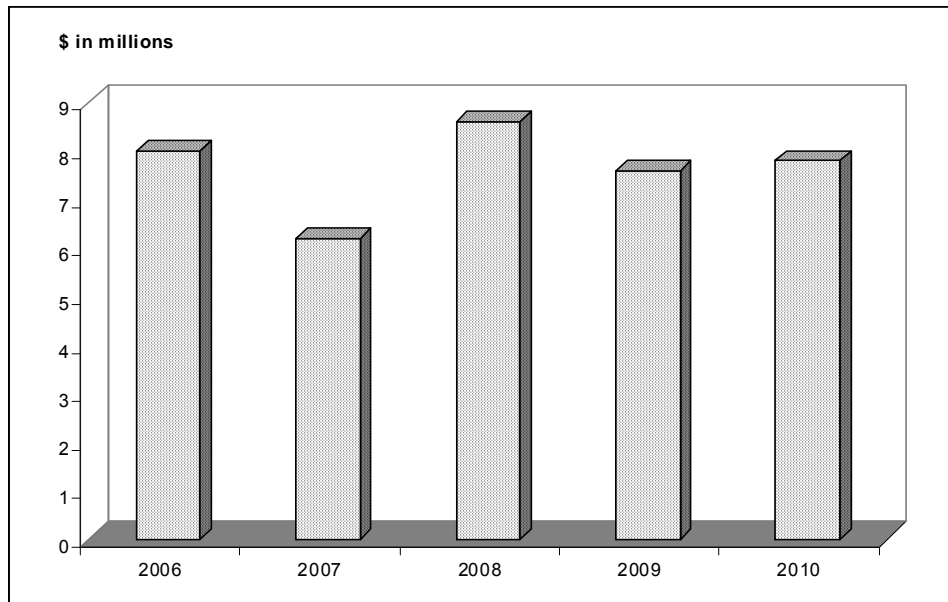
- ▶ Expected changes, based on prior year's assumptions, methods and plan provisions, decreased the postretirement welfare cost \$55,265.
- ▶ Demographic experience decreased the postretirement welfare cost \$198,848.
- ▶ Economic assumption changes increased the postretirement welfare cost \$702,714. The discount rate was decreased from 6.10% to 5.85% and trend was increased from 6.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2012 to 8.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2016. In addition, the mortality table was updated to RP2000 with projections to 2025 (preretirement) and 2017 (postretirement).
- ▶ Changes in per capita claims costs decreased the postretirement welfare cost \$279,148. The favorable experience is largely due to prescription drug claims.

The net increase in postretirement welfare cost is \$169,453 from the prior year.

## History of Postretirement Welfare Cost

The chart below shows the history of postretirement welfare cost.

Postretirement Welfare Cost



History of Postretirement Welfare Cost

<i>Fiscal year</i>	<i>Amount</i>	<i>Discount rate</i>
2010	\$7,781,253	5.85%
2009	\$7,611,800	6.10%
2008	8,603,866	6.20%
2007	6,238,452	5.85%
2006	8,029,988	5.65%

## Employer Contributions

Employer contributions are the amount paid by the company to provide for postretirement benefits, net of participant contributions.

Actual benefits and administrative expenses paid in 2009 were \$6,498,186. For 2010, the expected gross contribution is \$3,805,288, which will be offset by an expected Retiree Drug Subsidy (RDS) payment of \$322,036.

## Actuarial Certification, Reliances and Distribution

American Electric Power retained Towers Watson Pennsylvania Inc. (“Towers Watson”) to perform a valuation of its postretirement welfare benefit plans for the purpose of determining the value of benefit obligations and its postretirement welfare cost in accordance with ASC 715-60 (formerly FAS 106). This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The consulting actuaries are members of the Society of Actuaries and other professional actuarial organizations and meet their “General Qualification Standard for Public Statements of Actuarial Opinion” relating to postretirement welfare plans.

In preparing the results presented in this report, we have relied upon information provided to us regarding plan provisions, plan participants and plan assets. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness but have not audited it. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

The actuarial assumptions and the accounting policies and methods employed in the development of the postretirement welfare cost have been selected by the plan sponsor, with the concurrence of Towers Watson. ASC 715-60 requires that each significant assumption “individually represent the best estimate of a particular future event.” The actuarial assumptions and methods employed in the development of the contribution limits have been selected by Towers Watson, with the concurrence of the plan sponsor. The Internal Revenue Code requires the use of assumptions each of which is reasonable (taking into account the experience of the plan and reasonable expectations) and which, in combination, offer the actuary’s best estimate of anticipated experience under the plan.

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated or selected by Towers Watson, are considered to be reasonable by us and within the “best-estimate range” as described by the Actuarial Standards of Practice. Other actuarial assumptions could also be considered to be reasonable and within the best-estimate range. Thus, reasonable results differing from those presented in this report could have been developed by selecting different points within the best-estimate ranges for various assumptions.

The information contained in this report was prepared for the internal use of American Electric Power and its auditors in connection with our actuarial valuation of the postretirement welfare plan. It is neither intended nor necessarily suitable for other purposes. American Electric Power may also distribute this actuarial valuation report to the appropriate authorities who have the legal right to require American Electric Power to provide them with this report, in which case American Electric Power will use best efforts to notify Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Watson’s prior written consent.



Martin P. Franzinger, ASA, MAAA

Towers Watson  
April 2010



Matthew J. Pilkey, FSA, MAAA

## *Supplemental Information*

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## Basic Results for Postretirement Welfare Cost

	January 1, 2010	January 1, 2009
Service Cost		
Medical	\$ 597,521	\$ 525,602
Accumulated Postretirement Benefit Obligation [APBO]		
Medical:		
▶ Current inactive	\$ 49,377,646	\$ 47,532,730
▶ Other participants fully eligible for benefits	17,748,252	15,930,299
▶ Other active participants	<u>3,688,916</u>	<u>3,048,700</u>
▶ Total	\$ 70,814,814	\$ 66,511,729
Key Economic and Health Care Assumptions		
Discount rate	5.85%	6.10%
Health care cost trend rate:		
▶ First year	8.00%	6.50%
▶ Ultimate	5.00%	5.00%
▶ Year ultimate reached	2016	2012

	January 1, 2010	January 1, 2009
AOCI (Amounts Not Yet Recognized in Net Periodic Cost)		
Net actuarial loss (gain)	\$ 29,634,050	\$29,100,348
Prior service cost (credit)	0	0
Transition obligation (asset)	<u>4,003,819</u>	<u>5,487,306</u>
Total	\$ 33,637,869	\$34,587,654
Effect of Change in Health Care Cost Trend Rate		
One-percentage-point increase:		
▶ Sum of service cost and interest cost	\$ 821,392	\$ 731,026
▶ APBO	10,272,397	8,987,654
One-percentage-point decrease:		
▶ Sum of service cost and interest cost	\$ (643,792)	\$ (580,928)
▶ APBO	(8,329,473)	(7,361,929)

The results above may differ from the amounts disclosed in AEP's 2009 financial statements because disclosures are prepared before the corresponding valuation results are available.

## Postretirement Welfare Cost

	Fiscal 2010	Fiscal 2009
Postretirement Welfare Cost		
Service cost	\$ 597,521	\$ 525,602
Interest cost	4,077,184	3,975,959
Expected return on assets	0	0
Amortization:		
▶ Transition obligation (asset)	1,483,487	1,483,487
▶ Prior service cost (credit)	0	0
▶ Net loss (gain)	<u>1,623,061</u>	<u>1,626,752</u>
Postretirement welfare cost	\$ 7,781,253	\$ 7,611,800
Per active participant	86,458	84,576
Change in Postretirement Welfare Cost		
Postretirement welfare cost for fiscal 2009		\$ 7,611,800
Change from fiscal 2009 to fiscal 2010		
▶ Expected based on prior valuation		(55,265)
▶ Demographic experience loss (gain)		(198,848)
▶ Assumption changes		702,714
▶ Claims cost changes		<u>(279,148)</u>
Postretirement welfare cost for fiscal 2010		\$ 7,781,253

## Information for the Deferred Tax Calculation

The following information is provided for purposes of determining the deferred portion of the tax provision and the deferred tax asset associated with the postretirement welfare cost, as measured January 1, 2010. The values excluding the Part D subsidy were subsequently derived as of March 31, 2010, reflecting changes to tax treatment of post-2010 subsidy payments resulting from passage of HealthCare Reform in March 2010. These updated values are not shown here.

	Including Part D Subsidy	Excluding Part D Subsidy
Postretirement Welfare Cost		
Fiscal 2010	\$ 7,781,253	\$ 8,548,679
Fiscal 2009	\$ 7,611,800	\$ 8,292,872
Funded Position		
Overfunded (underfunded) APBO	\$(70,814,814)	\$(78,990,383)
AOCl (Amounts Not Yet Recognized in Net Periodic Cost)		
Net actuarial loss (gain)	\$ 29,634,050	\$ 33,734,533
Prior service cost (credit)	0	0
Transition obligation (asset)	<u>4,003,819</u>	<u>4,003,819</u>
Total	\$ 33,637,869	\$ 37,738,352

## Expected Benefit Disbursements, Administrative Expenses and Participant Contributions

	January 1, 2010	January 1, 2009
Gross without RDS		
Gross disbursements	\$ 3,805,288	\$ 4,104,553
Participant contributions	<u>0</u>	<u>0</u>
Net disbursements	\$ 3,805,288	\$ 4,104,553
RDS		
Gross disbursements	\$ 322,036	\$ (333,371)
Participant contributions	<u>0</u>	<u>0</u>
Net disbursements	\$ 322,036	\$ (333,371)
Net with RDS		
Gross disbursements	\$ 3,483,252	\$ 3,771,182
Participant contributions	<u>0</u>	<u>0</u>
Net disbursements	\$ 3,483,252	\$ 3,771,182

## Actuarial Assumptions and Methods

### Economic Assumptions

Discount rate	5.85%	
Medical cost trend rate	2010	8.00%
	2011	7.50
	2012	7.00
	2013	6.50
	2014	6.00
	2015	5.50
	2016+	5.00

### Medical Benefit Assumptions

Average annual 2010 per capita claims cost:

	Age	Post-1993 Retirees	Pre-1994 Retirees
▶ Prior to age 65	< 35	\$5,077	\$5,288
	35-49	5,655	5,890
	40-44	6,431	6,699
	45-49	7,908	8,237
	50-54	9,462	9,856
	55-59	10,482	10,919
	60-64	14,121	14,709
	Average pre-65	11,749	12,239

	Age	All Retirees	Medicare Part D Subsidy
▶ Age 65 and after (net of Medicare)	65-69	\$6,336	\$(870)
	70-74	7,275	(983)
	75-79	7,715	(1,018)
	80-84	7,884	(1,009)
	85-89	8,041	(1,001)
	90-94	7,869	(914)
	≥ 95	7,582	(914)
	Average post-65	7,502	(983)

Administrative expenses \$438 per primary participant in 2010, increasing 3.5% per year.

## Demographic Assumptions

Mortality	Preretirement: RP2000, projected to 2025 Postretirement: RP2000, projected to 2017.			
Termination	Rates vary by age as indicated by the following sample values:			
	<i>Age</i>	<i>Rate</i>		
	20	10.7%		
	30	5.9		
	40	2.1		
	≥45	0.0		
Disability	Rates vary by age as indicated by the following sample values:			
	<i>Age</i>	<i>Rate</i>		
	20	0.120%		
	30	0.120		
	40	0.147		
	50	0.357		
	60	1.380		
Retirement	Rates vary by age as indicated by the following values:			
	<i>Age</i>	<i>Rate</i>	<i>Age</i>	<i>Rate</i>
	55	6.0%	61	10.0%
	56	6.5	62	12.0
	57	7.0	63	15.0
	58	7.5	64	20.0
	59	8.0	65	50.0
	60	9.0	66-69	30.0
			70	100.0
	Rates apply to employees with ten or more years of service.			
Percent married	94%			
Spouse ages	Wives three years younger than husbands.			
Participation rates	<i>Employee</i>	<i>Dependent</i>		
	100%	100%		

## Basis for Per Capita Claims Cost Assumption

Development of claims cost	<p>AEP supplied data on retiree medical claim payments for the period October 2006 through September 2009</p> <p>Separate medical and prescription drug claim rates were calculated by dividing annual paid claims (from October through September for each 12-month period) by covered lives over these three periods. These claim rates were trended to 2010 and a three-year weighted average (20%/40%/40%) was taken to calculate the average pre-65 and post-65 claim rates for medical and prescription drugs. These rates were then age-graded over standard Towers Watson morbidity curves to generate quinquennial 2010 medical and prescription drug rates.</p>
Medicare Part D Subsidy	<p>We calibrated our modeling tool to reflect the 2010 cost of the current prescription drug plans for AEP's post-65 retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of several large Towers Watson clients.</p>
Gain/loss amortization period	<p>The plan covers primarily inactive participants. Gains and losses are amortized over the retiree's average life expectancy.</p> <p>After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2010. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:</p> <ul style="list-style-type: none"><li>▶ <i>Gross Value Test</i> – The Modeler calculates the value of standard Medicare Part D coverage and compares it to AEP's plan costs. AEP's plans passed this test by being richer than the projected value of standard Medicare Part D coverage for these groups.</li><li>▶ <i>Net Value Test</i> – The net value prong of the test compared the value of Standard Part D coverage in 2010 less the greater of \$383.28 (the national average Part D premium) and 25.5% of the gross value of Part D coverage to the projected 2010 value of AEP coverage.</li></ul>

When the plans are deemed to be actuarially equivalent, the tool calculates the average expected value of the employer subsidy in 2010, using the continuance table calibrated to AEP's plan costs. This produced a 2010 per person employer subsidy of \$983.

## Methods

### Postretirement welfare cost:

- ▶ Service cost and APBO      Projected unit credit actuarial cost method, allocated in equal amounts, from the valuation date on or after date of hire to full eligibility date
- ▶ Transition obligation      Amortized over 20 years beginning January 1, 1993
- ▶ Net loss (gain)      Net loss (gain) in excess of 10% of the APBO is amortized on a straight-line basis over the expected average remaining life expectancy of the inactive participants.

### **Benefits Not Valued**

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with AEP and based on that review is not aware of any significant benefits required to be valued that were not.

### **Change in Methods and Assumptions Since Last Year**

The discount rate was decreased from 6.10% to 5.85%. The mortality table was updated to better reflect future anticipated experience. The health care cost trend assumption was changed from 6.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2012 to 8.00% in 2010 decreasing by 0.5% per year until reaching an ultimate of 5.00% in 2016.

## Data Sources

The company furnished the participant and claims cost data, as well as the accrued postretirement benefits cost as of December 31, 2009. Data were reviewed for reasonableness and consistency, but no audit was performed. We are aware of no errors or omissions in the data that would have a significant effect on the results of our calculation.

## Participant Data

	January 1, 2010	January 1, 2009
Active		
Number:		
▶ Fully eligible for benefits	52	52
▶ Other	<u>38</u>	<u>38</u>
▶ Total	90	90
Average age	48.4	48.2
Average past service	19.9	19.2
Average future service:		
▶ To full eligibility age	11.1	11.0
▶ To expected retirement	12.1	12.3
Currently Receiving Benefits		
Retirees, disableds and surviving spouses:		
▶ Number:		
– Under age 65	60	63
– Age 65 and over	<u>247</u>	<u>252</u>
– Total	307	315
▶ Average age of retired participants	75.5	75.2
▶ Average age of disabled participants	N/A	52.3
Dependents*:		
▶ Number:		
– Under age 65	41	46
– Age 65 and over	<u>82</u>	<u>95</u>
– Total	123	141
▶ Average age	70.8	70.9
Average remaining life expectancy	15.7	15.8

\*For retired and disabled participants.

## UMWA Active Employee Age/Service Chart

Age Nearest Birthday		Completed Years of Service								Total
		0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	Over 34	
15 to 24	Count	2	0							2
25 to 29	Count	6	0	0						6
30 to 34	Count	5	1	2	0					8
35 to 39	Count	1	1	1	0	0				3
40 to 44	Count	3	1	2	2	0	0			8
45 to 49	Count	2	1	2	0	1	2	0		8
50 to 54	Count	1	1	1	0	1	3	13	0	20
55 to 59	Count	3	0	1	0	4	4	14	2	28
60 to 64	Count	0	0	0	0	0	2	5	0	7
65 to 69	Count	0	0	0	0	0	0	0	0	0
Over 69	Count	0	0	0	0	0	0	0	0	0
Total	Count	23	5	9	2	6	11	32	2	90

## Plan Provisions

### Medical Benefits

Eligibility	Participants are eligible upon retirement after age 55 with ten years of service or attaining age 55 with ten years of service after becoming permanently disabled or age 55 if retired with 20 years of service prior to age 50. Miners with less than ten years at retirement who are permanently and totally disabled as a result of a mine accident will retain a health services card for life.
Dependent eligibility	Eligible dependents are spouse and unmarried children who have not attained age 22.
Survivor eligibility	After the death of retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage subject to a \$2,000 per month earnings limit.
Postretirement contributions	None.
Benefits provisions	<p>The UMWA medical plan covers substantially all medical services. Effective for retirements on or after January 1, 1994, a \$750 annual per family deductible is in place for non-Medicare-eligible retirees. Copayments are required only for outpatient physician visits (\$12 in-network and \$20 out-of-network, maximum of \$240 per family per 12 months) and for prescription drugs (\$5 retail in PPL, \$10 out of PPL, no copay mail order). A schedule of allowances for vision care is also provided. Benefits after age 65 are coordinated with Medicare.</p> <p>Expenses associated with the treatment of Black Lung Disease are not covered by this plan.</p>

### Plan Provisions Effective After January 1, 2010

No future plan provision changes were recognized in determining the Postretirement Welfare cost.

### Changes in Plan Provisions Since the Prior Year

No plan provisions have changed since the prior year.

**American Electric Power  
2010 Summary of Postretirement Health Care Plan Participants - UMWA**

ML-1

	<b>Active Participants</b>	<b>Retirees*</b>	<b>Dependent Spouses</b>	<b>Surviving Spouses</b>	<b>Total</b>
Cedar Coal Co.	0	125	87	123	335
Central Coal Co.	0	0	0	0	0
Conesville Coal Preparation Co.	21	19	12	0	52
Ohio Power Co. - Cook Coal	69	12	11	0	92
Blackhawk Coal Co.	<u>0</u>	<u>18</u>	<u>13</u>	<u>10</u>	41
Total	90	174	123	133	520

\* includes disabled employees

American Electric Power  
2010 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-2

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost	Subsidy	Gross Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L				
Cedar Coal Co.	\$38,043,432	\$2,625,978	\$0	\$0	\$2,149,823	\$0	\$1,115,415	\$0	\$871,948	\$1,987,363	\$4,137,186	\$395,802	\$4,532,988
Central Coal Co.	0	\$0	0	0	0	0	30,530	0	0	30,530	30,530	0	30,530
Conesville Coal Preparation Company	9,715,184	\$311,681	0	179,912	569,876	0	43,520	0	222,670	266,190	1,015,978	76,809	1,092,787
Cook Coal Terminal	19,706,805	\$244,852	0	417,609	1,170,218	0	105,629	0	451,676	557,305	2,145,132	(6,414)	2,138,718
Blackhawk Coal Co.	<u>3,349,393</u>	<u>\$300,741</u>	<u>0</u>	<u>0</u>	<u>187,268</u>	<u>0</u>	<u>188,393</u>	<u>0</u>	<u>76,767</u>	<u>265,161</u>	<u>452,429</u>	<u>45,421</u>	<u>497,850</u>
Total	\$70,814,814	\$3,483,252	\$0	\$597,521	\$4,077,185	\$0	\$1,483,487	\$0	\$1,623,061	\$3,106,549	\$7,781,255	\$511,618	\$8,292,873

American Electric Power  
2011 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-3

Forecast year 2011  
Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$37,567,277	\$2,756,042	\$0	\$0	\$2,118,217	\$0	\$1,115,415	\$0	\$781,372	\$1,896,787	\$4,015,004
Central Coal Co.	0	\$0	0	0	0	0	30,530	0	0	30,530	30,530
Conesville Coal Preparation Company	10,153,291	\$352,169	0	188,908	594,864	0	43,520	0	211,181	254,701	1,038,473
Cook Coal Terminal	21,049,780	\$295,789	0	438,489	1,248,535	0	105,629	0	437,820	543,449	2,230,473
Blackhawk Coal Co.	<u>3,235,920</u>	<u>\$302,401</u>	<u>0</u>	<u>0</u>	<u>180,582</u>	<u>0</u>	<u>188,393</u>	<u>0</u>	<u>67,305</u>	<u>255,698</u>	<u>436,280</u>
Total	\$72,006,268	\$3,706,401	\$0	\$627,397	\$4,142,198	\$0	\$1,483,487	\$0	\$1,497,678	\$2,981,165	\$7,750,760

American Electric Power  
 2012 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-4

Forecast year 2012  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$36,929,452	\$2,825,487	\$0	\$0	\$2,078,902	\$0	\$779,590	\$0	\$698,588	\$1,478,178	\$3,557,080
Central Coal Co.	0	\$0	0	0	0	0	21,335	0	0	21,335	21,335
Conesville Coal Preparation Company	10,584,894	\$367,378	0	198,353	620,227	0	30,416	0	200,233	230,649	1,049,229
Cook Coal Terminal	22,441,015	\$374,625	0	460,414	1,328,932	0	73,828	0	424,513	498,340	2,287,686
Blackhawk Coal Co.	<u>3,114,101</u>	<u>\$293,648</u>	<u>0</u>	<u>0</u>	<u>173,708</u>	<u>0</u>	<u>131,675</u>	<u>0</u>	<u>58,909</u>	<u>190,584</u>	<u>364,292</u>
Total	\$73,069,462	\$3,861,138	\$0	\$658,767	\$4,201,769	\$0	\$1,036,844	\$0	\$1,382,242	\$2,419,086	\$7,279,622

American Electric Power  
 2013 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-5

Forecast year 2013  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$36,182,867	\$2,857,909	\$0	\$0	\$2,034,292	\$0	\$0	\$0	\$623,121	\$623,121	\$2,657,413
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	11,036,096	\$406,835	0	208,271	646,065	0	0	0	190,057	190,057	1,044,393
Cook Coal Terminal	23,855,736	\$486,254	0	483,435	1,409,821	0	0	0	410,830	410,830	2,304,086
Blackhawk Coal Co.	<u>2,994,161</u>	<u>\$291,392</u>	<u>0</u>	<u>0</u>	<u>166,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,564</u>	<u>51,564</u>	<u>218,320</u>
Total	\$74,068,860	\$4,042,390	\$0	\$691,705	\$4,256,934	\$0	\$0	\$0	\$1,275,572	\$1,275,572	\$6,224,211

American Electric Power  
 2014 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-6

Forecast year 2014  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$35,359,250	\$2,851,204	\$0	\$0	\$1,986,304	\$0	\$0	\$0	\$555,207	\$555,207	\$2,541,511
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	11,483,596	\$450,799	0	218,684	671,585	0	0	0	180,314	180,314	1,070,583
Cook Coal Terminal	25,262,738	\$592,495	0	507,606	1,490,481	0	0	0	396,672	396,672	2,394,759
Blackhawk Coal Co.	<u>2,869,525</u>	<u>\$286,195</u>	<u>0</u>	<u>0</u>	<u>159,615</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,057</u>	<u>45,057</u>	<u>204,672</u>
Total	\$74,975,109	\$4,180,693	\$0	\$726,291	\$4,307,985	\$0	\$0	\$0	\$1,177,250	\$1,177,250	\$6,211,526

American Electric Power  
 2015 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-7

Forecast year 2015  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$34,494,350	\$2,805,850	\$0	\$0	\$1,937,015	\$0	\$0	\$0	\$494,194	\$494,194	\$2,431,209
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	11,923,066	\$453,189	0	229,618	697,865	0	0	0	170,819	170,819	1,098,302
Cook Coal Terminal	26,668,330	\$690,546	0	532,987	1,571,366	0	0	0	382,072	382,072	2,486,425
Blackhawk Coal Co.	<u>2,742,945</u>	<u>\$266,737</u>	<u>0</u>	<u>0</u>	<u>152,771</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,298</u>	<u>39,298</u>	<u>192,069</u>
Total	\$75,828,692	\$4,216,322	\$0	\$762,605	\$4,359,017	\$0	\$0	\$0	\$1,086,383	\$1,086,383	\$6,208,005

American Electric Power  
2016 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-8

Forecast year 2016  
Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$33,625,515	\$2,821,708	\$0	\$0	\$1,885,731	\$0	\$0	\$0	\$438,946	\$438,946	\$2,324,677
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	12,397,361	\$514,702	0	241,099	724,509	0	0	0	161,835	161,835	1,127,443
Cook Coal Terminal	28,082,137	\$813,470	0	559,636	1,652,088	0	0	0	366,583	366,583	2,578,307
Blackhawk Coal Co.	<u>2,628,979</u>	<u>\$256,442</u>	<u>0</u>	<u>0</u>	<u>146,401</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,319</u>	<u>34,319</u>	<u>180,720</u>
Total	\$76,733,992	\$4,406,322	\$0	\$800,735	\$4,408,729	\$0	\$0	\$0	\$1,001,683	\$1,001,683	\$6,211,147

American Electric Power  
2017 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-9

Forecast year 2017  
Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$32,689,538	\$2,814,089	\$0	\$0	\$1,831,196	\$0	\$0	\$0	\$389,479	\$389,479	\$2,220,675
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	12,848,267	\$583,058	0	253,154	749,621	0	0	0	153,080	153,080	1,155,855
Cook Coal Terminal	29,480,391	\$970,692	0	587,618	1,730,989	0	0	0	351,243	351,243	2,669,850
Blackhawk Coal Co.	<u>2,518,938</u>	<u>\$252,414</u>	<u>0</u>	<u>0</u>	<u>140,080</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,012</u>	<u>30,012</u>	<u>170,092</u>
Total	\$77,537,134	\$4,620,253	\$0	\$840,772	\$4,451,886	\$0	\$0	\$0	\$923,814	\$923,814	\$6,216,472

American Electric Power  
 2018 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-10

Forecast year 2018  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$31,706,645	\$2,798,525	\$0	\$0	\$1,774,145	\$0	\$0	\$0	\$345,605	\$345,605	\$2,119,750
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	13,267,984	\$626,751	0	265,812	773,655	0	0	0	144,622	144,622	1,184,089
Cook Coal Terminal	30,828,306	\$1,055,542	0	616,999	1,809,115	0	0	0	336,031	336,031	2,762,145
Blackhawk Coal Co.	<u>2,406,604</u>	<u>\$242,165</u>	<u>0</u>	<u>0</u>	<u>133,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,232</u>	<u>26,232</u>	<u>160,036</u>
Total	\$78,209,539	\$4,722,983	\$0	\$882,811	\$4,490,719	\$0	\$0	\$0	\$852,490	\$852,490	\$6,226,020

American Electric Power  
 2019 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-11

Forecast year 2019  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$30,682,265	\$2,754,090	\$0	\$0	\$1,715,500	\$0	\$0	\$0	\$305,988	\$305,988	\$2,021,488
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	13,680,700	\$669,991	0	279,103	797,330	0	0	0	136,435	136,435	1,212,868
Cook Coal Terminal	32,198,877	\$1,147,466	0	647,849	1,888,447	0	0	0	321,113	321,113	2,857,409
Blackhawk Coal Co.	<u>2,298,243</u>	<u>\$229,392</u>	<u>0</u>	<u>0</u>	<u>127,833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,920</u>	<u>22,920</u>	<u>150,753</u>
Total	\$78,860,086	\$4,800,939	\$0	\$926,951	\$4,529,110	\$0	\$0	\$0	\$786,456	\$786,456	\$6,242,517

American Electric Power  
 2020 Net Periodic Postretirement Benefit Cost - UMWA Benefits

ML-12

Forecast year 2020  
 Discount rate 5.85%

Location	Accumulated Postretirement Benefit Obligation	Expected Net Benefit Payments	Fair Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Net Amortization	Net Periodic Postretirement Benefit Cost
							NTO	PSC	(G)/L		
Cedar Coal Co.	\$29,643,675	\$2,746,561	\$0	\$0	\$1,654,960	\$0	\$0	\$0	\$270,336	\$270,336	\$1,925,296
Central Coal Co.	0	\$0	0	0	0	0	0	0	0	0	0
Conesville Coal Preparation Company	14,087,142	\$709,149	0	293,058	820,794	0	0	0	128,468	128,468	1,242,320
Cook Coal Terminal	33,587,707	\$1,261,521	0	680,241	1,968,300	0	0	0	306,304	306,304	2,954,845
Blackhawk Coal Co.	<u>2,196,684</u>	<u>\$219,565</u>	<u>0</u>	<u>0</u>	<u>122,175</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,033</u>	<u>20,033</u>	<u>142,208</u>
Total	\$79,515,208	\$4,936,796	\$0	\$973,299	\$4,566,229	\$0	\$0	\$0	\$725,141	\$725,141	\$6,264,669