

Vertically Integrated Utilities

Jurisdiction	Pro Forma Rate Base ¹ (\$ millions)	Operating Earned ROE ² as of 3/31/2018	Approved ROE	Approved Debt/Equity	Effective Date of last approved rate case
APCo-Virginia			10.40% ³	57/43	2/2/2015
APCo-West Virginia/WPCo			9.75%	53/47	5/27/2015
APCo - FERC			11.06%	54/46	6/1/2016
APCo/WPCo Total	\$ 8,389	9.2%			
Kingsport Power - Tennessee			9.85%	58/42	8/9/2016
KgPCo- TN Total	\$ 113	10.7%			
KPCo -Distribution/Generation			9.70%	54.4/3.9/41.7 ⁴	1/19/2018
KPCo-Kentucky Total	\$ 1,611	6.9%			
I&M-Indiana			10.20%	48/52	2/28/2013
I&M-Michigan			9.90%	52.6/47.4	4/26/2018
I&M - FERC			10.81%	44/56	6/1/2016
I&M Total	\$ 4,919	8.2%			
PSO- Distribution/Generation			9.30%	51.5/48.5	3/1/2018
PSO-Oklahoma Total	\$ 2,840	5.2%			
SWEPCO-Louisiana			9.80% ⁵	48/52	5/1/2017
SWEPCO-Arkansas			10.25%	54/46	11/24/2009
SWEPCO-Texas			9.60%	51.5/48.5	5/20/2017
SWEPCO - FERC			11.10%	50/50	1/1/2016
SWEPCO Total	\$ 5,021	6.0%			

Transmission and Distribution Companies

Jurisdiction	Proforma Rate Base ¹ (\$ millions)	Operating Earned ROE ² as of 3/31/2018	Approved ROE	Approved Debt/Equity	Effective Date of last approved rate case
AEP Ohio - Distribution			10.20% ⁶	52/48	2/25/2015
AEP Ohio - Transmission			10.35% ⁷	45/55	1/1/2018
AEP Ohio Total	\$ 4,661	13.7% ⁸			
AEP Texas Central			9.96%	60/40	5/29/2007
AEP Texas North			9.96%	60/40	3/4/2008
AEP Texas Total	\$ 5,079	10.1%			

Transcos

Company	Proforma Rate Base ¹ (\$ millions)	Operating Earned ROE ² as of 3/31/2018	Approved ROE	Approved Debt/Equity	Effective Date of last approved formula rate filing
AEP Ohio Transco	\$ 2,367	14.9%	10.35% ⁷	45/55	1/1/2018
AEP Kentucky Transco	\$ 76	11.8%	10.35% ⁷	45/55	1/1/2018
AEP Indiana Michigan Transco	\$ 1,466	12.6%	10.35% ⁷	45/55	1/1/2018
AEP West Virginia Transco	\$ 846	10.8%	10.35% ⁷	45/55	1/1/2018
AEP Oklahoma Transco	\$ 751	11.4%	11.20%	50/50	7/1/2016

¹ Rate base represents Net Utility Plant plus Regulatory Assets less Net Accumulated Deferred Income Taxes and less Regulatory Liabilities from 2017 FERC Form 1.

² Operating ROE adjusts GAAP results by eliminating any material nonrecurring items and is not weather normalized. 12-month rolling ROE.

³ 10.4% allowed top of band, 70 BPS above authorized 9.7%, as approved in 2014. Base rates subsequently frozen in VA by the Feb 2015 Rate Freeze Law. A 9.4% ROE was approved in Oct 2016 to be applied to Rate Adjustment Clauses (RACs) only.

⁴ Approved Debt/AR/Equity.

⁵ Represents the midpoint of the ROE range approved in the formula rate case settled in Apr 2017.

⁶ Per Feb 2015 ESP III Order for base distribution. Per Apr 2018 ESP III Extension Order, ROE is 10.0% for riders only.

⁷ For AEP's PJM Transmission Companies, represents a 9.85% base ROE plus 50 BPS RTO adder.

⁸ ROE is 9.5% adjusted for SEET items.

Note: Chart above excludes AEG's Rockport plant investment. AEG sells capacity & energy to I&M and KPCo under a PPA.