“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: the economic climate and growth or contraction within and changes in market demand and demographic patterns in our service territory, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinace existing debt at attractive rates, 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, electric load, customer growth and the impact of retail competition, particularly in Ohio, weather conditions, including storms and drought conditions, and our ability to recover significant storm restoration costs through applicable rate mechanisms, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generating capacity and the performance of our generating plants, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build or acquire generating capacity, and transmission line facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs (including the costs of projects that are cancelled) through applicable rate cases or competitive rates, 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 or additional regulation of fly ash and similar combustion products that could impact the continued operation and cost recovery of our plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel, a reduction in the federal statutory tax rate could result in an accelerated return of deferred federal income taxes to customers, 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, our ability to constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity and other energy-related commodities, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to new, developing or alternative sources of generation, our ability to recover through rates or market prices any remaining unrecovered investment in generating units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for capacity and electricity, 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 PJM and SPP, the transition to market and the legal separation of generation in Ohio, including the implementation of ESPs and the successful approval, where applicable, and transfer of such Ohio generation assets and liabilities to regulated and non-regulated entities at book value, our ability to successfully manage negotiations with stakeholders and obtain regulatory approval to terminate the Interconnection Agreement, changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of our debt, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact on future funding requirements, accounting pronouncements periodically issued by accounting standard-setting bodies and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

**Investor Relations Contacts**

**Bette Jo Rozsa**  
Managing Director  
Investor Relations  
614-716-2840  
bjrozsa@aep.com

**Ryan Mills**  
Analyst  
Investor Relations  
614-716-2831  
rtmills@aep.com
American Electric Power Company Overview

$58B
TOTAL ASSETS

5.3M
CUSTOMERS IN 11 STATES

$28B
CURRENT MARKET CAPITALIZATION

38GW
OWNED GENERATION

40,000+
LINE MILES OF TRANSMISSION

Note: Statistics as of September 30, 2014, except market capitalization which is as November 7, 2014
AEP: The Next Premium Regulated Company

Growth Ahead
AEP has performed by credibly managing headwinds and tailwinds.
2015-2017 Capital Spending Forecast

Capital & Equity Contributions
$ in millions, excluding AFUDC
2015: $4.4B; 2016: $3.8B; 2017: $3.9B

Regulated Generation Investment - $2.7B
Regulated Distribution Investment - $3.6B
Regulated Transmission Investment - $4.8B

96% of capital allocated to regulated businesses; 70% allocated to wires
Regulated Rate Base Growth

Cumulative change from 2012 base

2012 Net Regulated Plant = $33.2B

VERTICALLY INTEGRATED UTILITIES

WIRING COMPANIES

TRANSCOS/TRANSOURCE


$1.1B $1.2B $2.0B $2.6B $3.3B

$3.1B $4.4B $5.5B $4.8B

$2.5B $6.2B $9.4B $12.0B $14.5B

7.5% CAGR in Net Regulated Plant
Transmission Holdco

4 types of projects:
- Regional projects for retirements, renewables, economic and market efficiencies
- Local reliability plans
- Aging infrastructure
- Customer-driven projects

Cumulative Base Case Capital Investment
High Case Incremental Capital Investment

EPS Base Case Contribution $/share
EPS High Case Contribution $/share

Non-firm joint venture projects not included; high case investment is strictly related to the existing Transcos (no assumption for securing competitive opportunities); no projects included above subject to loss due to FERC Order 1000 right of first refusal.
Pro-forma 2015 Regulated ROE’s

Expected Earned ROE’s (Operating Earnings*)

Expected Regulated Operations ROE of 9.5%
Pro-forma 2015

* operating adjusts GAAP results by eliminating any material non operating items and is not weather normalized
Managing transition period by executing on continuous improvement plan
Forecasted 4-6% EPS Growth Rate Reaffirmed

4% - 6% EPS growth is off of 2014 original guidance range

Earnings growth achieved through capital investment and rate recovery, identified sustainable cost savings and O&M spending discipline

EPS Growth + Dividend Yield = 8% - 10% Annual Return Opportunity
Targeted payout ratio of 60-70% of operating earnings

Supported by earnings from regulated operations

Declared 418 consecutive quarters

Dividend Growth CAGR = 4.09%

* Subject to approval by Board of Directors
Summary

- Predominantly regulated business focused on cultural transformation, execution, capital allocation, and discipline
- Rationalized cost structure
- Dividend growth supported by regulated earnings with a strong balance sheet
- Total Return Proposition: 8 - 10%
- Infrastructure Development and Enhanced Customer Experience
- Significant transmission growth opportunities