



# AEP 2023 Handout

58<sup>th</sup> EEI Financial Conference  
Phoenix, Arizona  
November 12-14, 2023





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

## Darcy Reese, Vice President

Investor Relations  
614-716-2614  
dlreese@aep.com

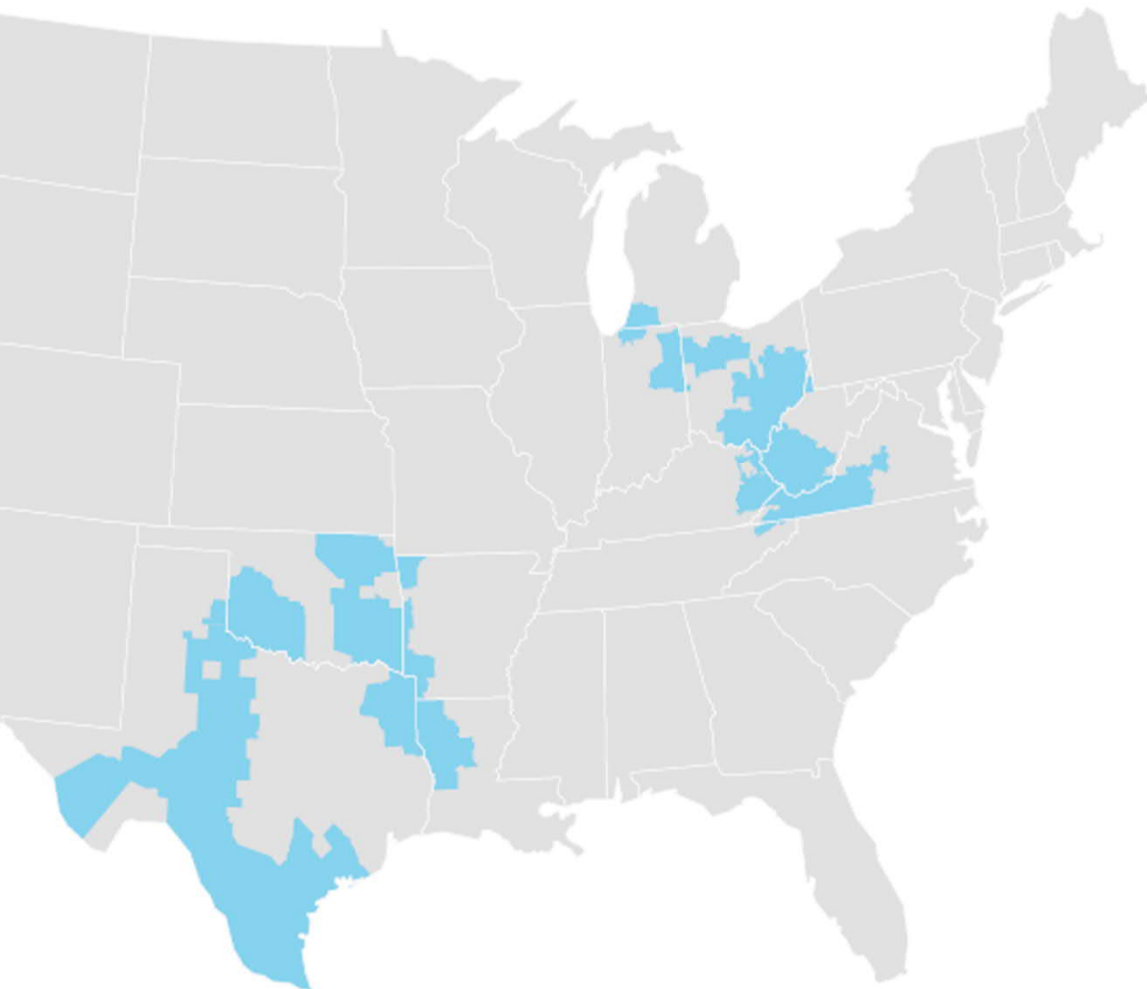
## Annie Pribisko, Director

Investor Relations  
614-716-2646  
acpribisko@aep.com

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, the impact of pandemics and any associated disruption of AEP's business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers, the economic impact of increased global trade tensions including the conflicts in Ukraine and the Middle East, and the adoption or expansion of economic sanctions or trade restrictions, inflationary or deflationary interest rate trends, volatility and disruptions in the financial markets precipitated by any cause including failure to make progress on federal budget or debt ceiling matters or instability in the banking industry, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt, the availability and cost of funds to finance working capital and capital needs, particularly (i) if expected sources of capital, such as proceeds from the sale of assets, subsidiaries or tax credits, do not materialize, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to transition from fossil generation and the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms, including favorable tax treatment, meet cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for renewable generation projects, and to recover all related costs, new legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation or regulatory proceedings or investigation, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, wildfires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.



## AEP Is a Pure Play Regulated Utility



**40K**  
**TRANSMISSION MILES**  
Nation's largest electric transmission system

**225K**  
**DISTRIBUTION MILES**  
One of the largest distribution systems in the U.S.

**23GW**  
**OWNED GENERATION**  
Diverse generation fleet  
As of September 30, 2023

**\$95B**  
**TOTAL ASSETS**  
As of September 30, 2023

**\$62B**  
**RATE BASE**  
Strong rate base growth

**\$42B**  
**CURRENT MARKET CAPITALIZATION**  
As of November 6, 2023

**17,000**  
**EMPLOYEES**  
Across the system

**5.6M**  
**CUSTOMERS**  
Throughout 11 states

Statistics are as of December 31, 2022, unless separately disclosed.

# AEP Is Powering the Future

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



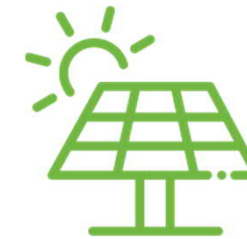
## Delivering Consistent, Strong Performance

- Stable, resilient business allows us to keep customer rates affordable
- Commitment to 6%-7% annual operating earnings growth; dividend growth is in line with earnings
- 10%-11% consistent total shareholder return
- Strong balance sheet with a targeted FFO/Debt of 14%-15%
- Narrowed 2023 operating earnings guidance range to \$5.24-\$5.34
- **2024 operating earnings guidance range of \$5.53-\$5.73**



## Operating Attractive Transmission and Distribution Assets

- Largest transmission provider in the U.S.
- One of the largest distribution providers in the U.S.
- Bolstered by organic growth with diversity in geographic footprint and customer base
- Capital forecast of \$43B includes \$16B of transmission investment and \$11.3B of distribution investment



## Leading the Clean Energy Transition

- Proven track record of investing in sustainability and reducing fleet emissions
- Plans to add 21.5 GW of new resource opportunities between 2024 and 2033
- Goal of net zero by 2045
- Capital forecast includes \$9.4B of regulated renewable investment



## Actively Managing the Business and Portfolio

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

# EEI Key Themes Supporting Stakeholder Commitments

- 2024 operating earnings guidance range of \$5.53-\$5.73
- 6%-7% long-term operating earnings growth rate reinforced by a flexible and robust \$43B wires-focused capital plan from 2024-2028
- Advancing positive regulatory strategies to close the ROE gap
- High-growth transmission business supported by stable, predictable and transparent revenue stream
- Balance sheet progress with FFO/Debt in the targeted range in early 2024
- Improved customer rate outlook with a 3% annual bill increase over the 2024-2028 forecasted period enabled by renewables and economic development activities
- Continued execution of current sale processes and strategic review



6%-7% Annual Operating Earnings Growth



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



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



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



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




ESG Goal of Net Zero by 2045



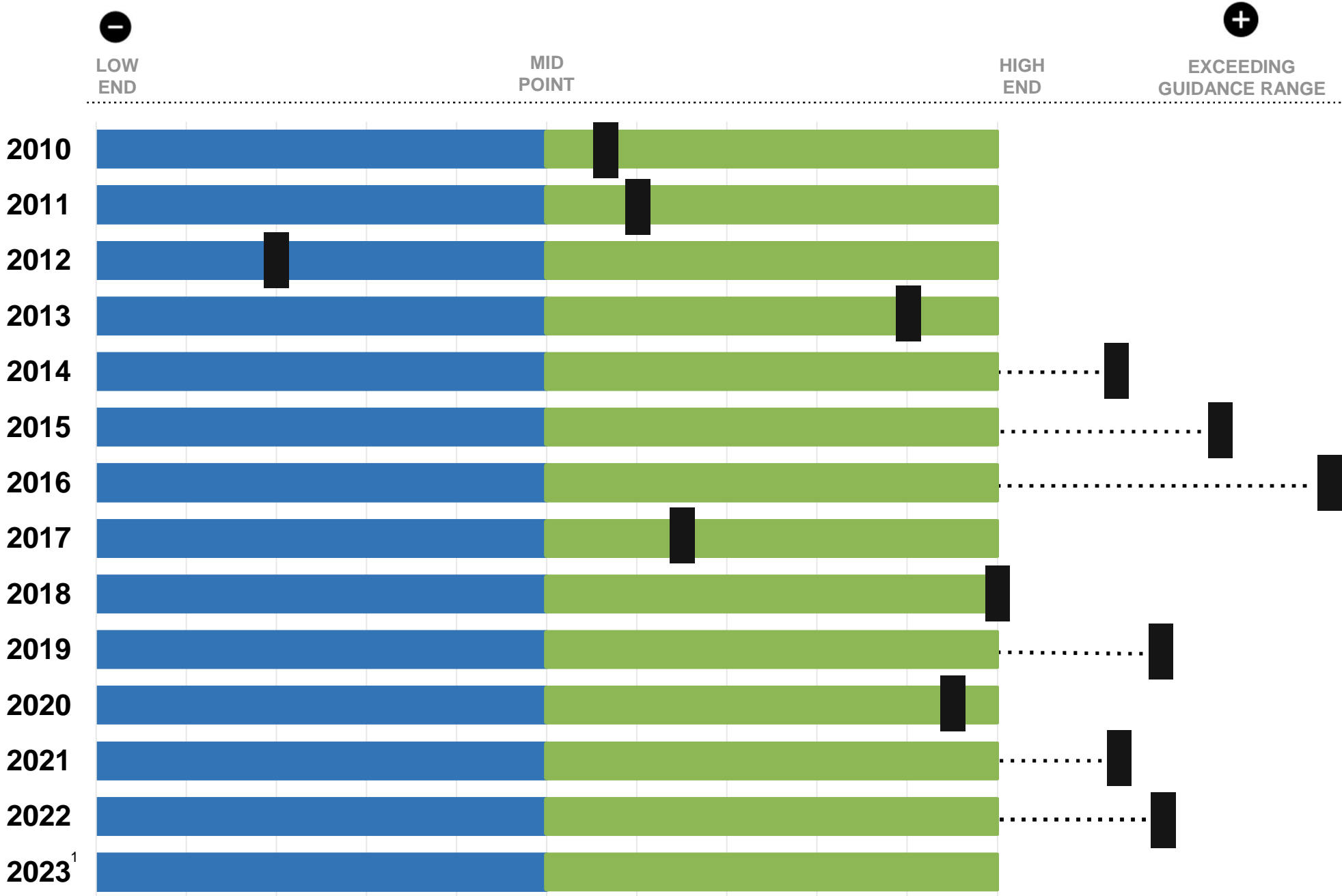
# Proven Track Record of EPS Performance

Over a decade of meeting  
or exceeding original EPS  
guidance

<sup>1</sup> 2023 original operating EPS guidance was \$5.19-\$5.39. In November 2023, guidance was narrowed to \$5.24-\$5.34 and \$5.29 midpoint maintained.

 Actual Result

Actual operating EPS in comparison  
to original EPS guidance range





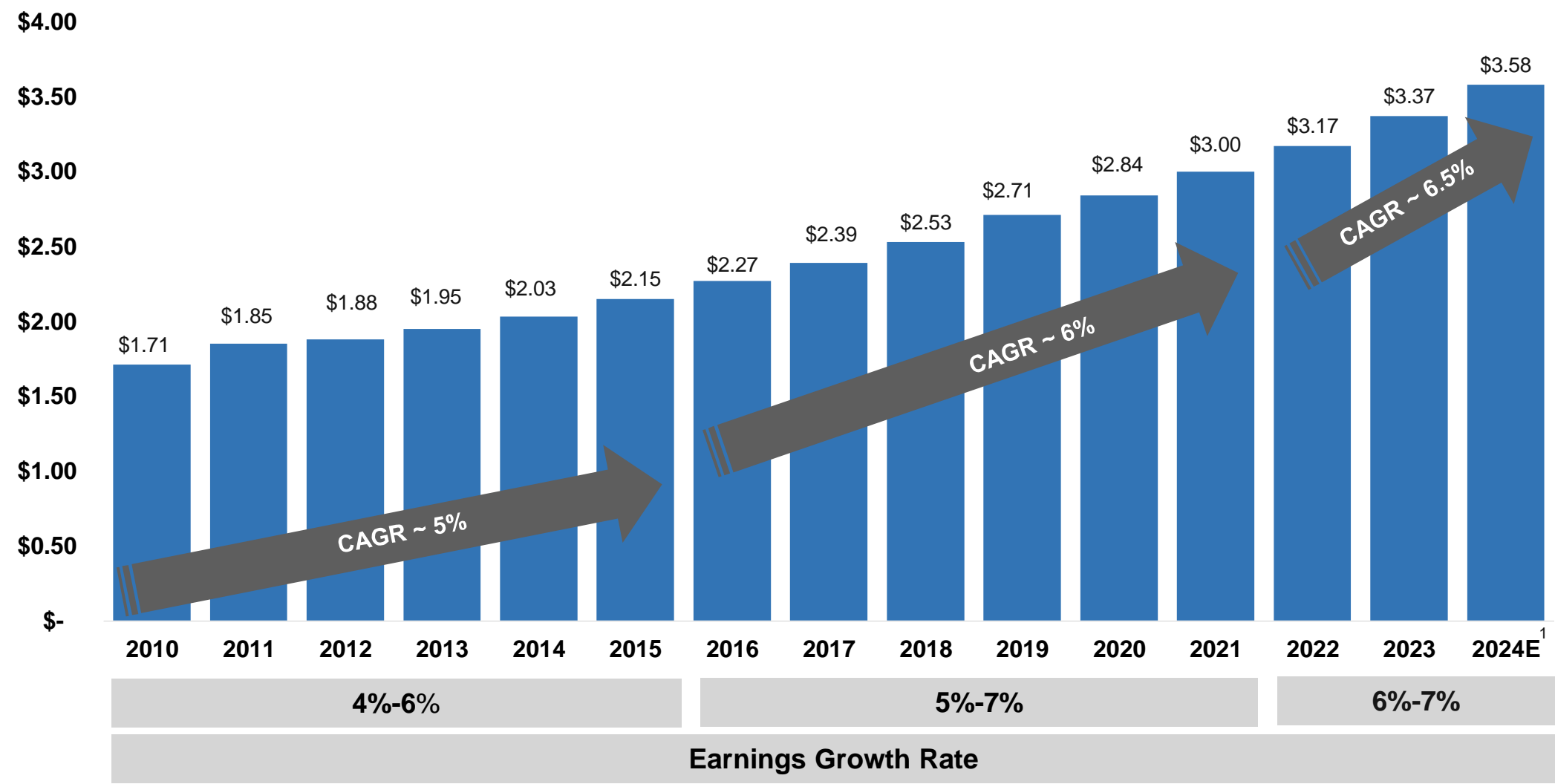
# Strong Dividend Growth

Targeted payout ratio 60-70% of operating earnings

Over 113 years of consecutive quarterly dividends

Targeted dividend growth in line with earnings

<sup>1</sup> Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by Board of Directors.



EPS Growth + Dividend Yield = 10% to 11% Annual Return Opportunity





# Positioning for the Future

2024-2028 Capital Forecast

Shift to Wires and Renewables

2024-2028 Cash Flows and Financial Metrics

Rate Base Growth

Efficient Cost Recovery Mechanisms





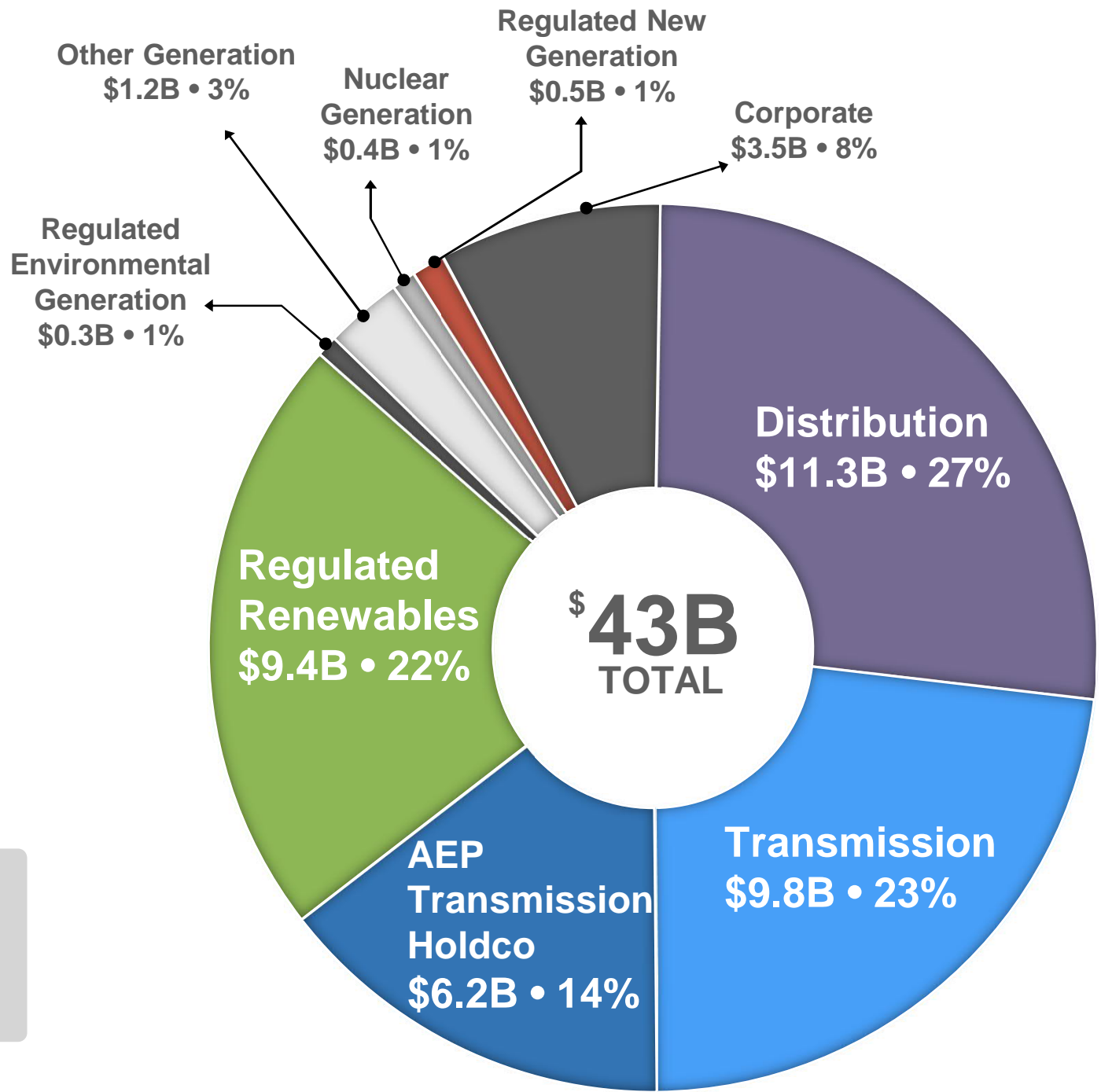


# 2024-2028 Capital Forecast of \$43B

The ability to quickly redeploy transmission and distribution investment ensures we deliver on our 6-7% EPS growth commitment while mitigating customer bill impact

On a system average, we expect rates to go up approximately 3% annually over the forecasted period

A balanced, flexible and robust capital plan designed to meet our customers needs



100%  
of capital allocated to regulated businesses

\$27B 64%  
allocated to wires

\$9B 22%  
allocated to regulated renewables

7.2%  
resulting rate base CAGR



# 2024-2028 Capital Forecast by Subsidiary

Capital plans are continuously optimized which may result in redeployment between functions and companies.

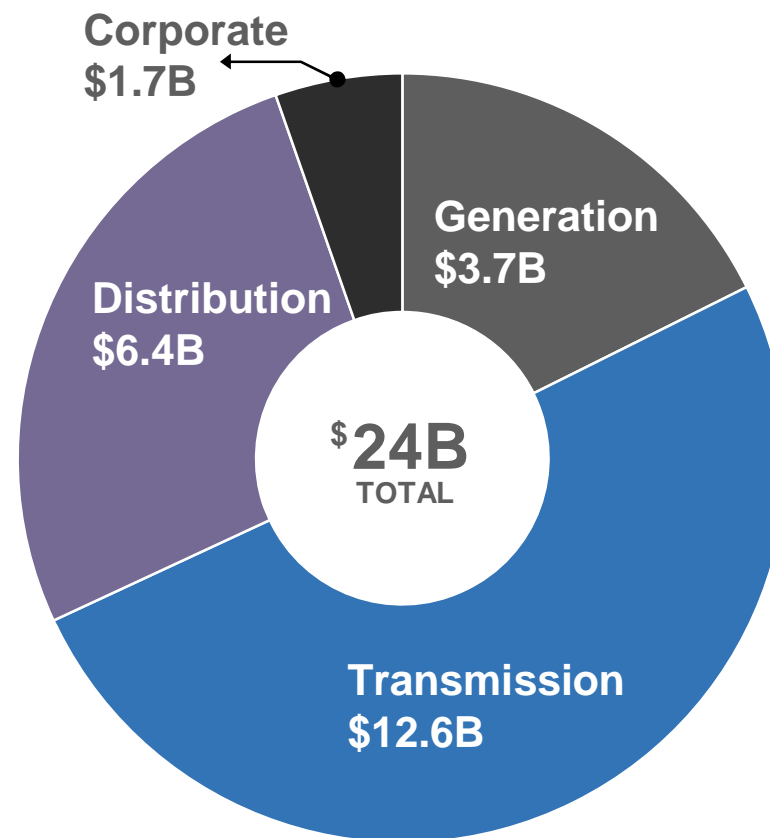
\$ in millions, excludes AFUDC	2024E	2025E	2026E	2027E	2028E	Total
Appalachian Power Company	\$ 963	\$ 1,447	\$ 1,400	\$ 865	\$ 1,063	\$ 5,738
Wheeling Power Company	\$ 85	\$ 59	\$ 64	\$ 52	\$ 60	\$ 320
Kingsport Power Company	\$ 30	\$ 24	\$ 28	\$ 21	\$ 22	\$ 125
Indiana Michigan Power Company	\$ 579	\$ 923	\$ 1,101	\$ 827	\$ 1,388	\$ 4,818
Kentucky Power Company	\$ 166	\$ 158	\$ 164	\$ 163	\$ 185	\$ 836
AEP Ohio	\$ 1,034	\$ 883	\$ 855	\$ 922	\$ 872	\$ 4,566
Public Service Company of Oklahoma	\$ 569	\$ 1,848	\$ 1,580	\$ 710	\$ 749	\$ 5,456
Southwestern Electric Power Company	\$ 1,176	\$ 2,242	\$ 736	\$ 856	\$ 1,650	\$ 6,660
AEP Texas Company	\$ 1,533	\$ 1,420	\$ 1,451	\$ 1,349	\$ 1,448	\$ 7,201
AEP Generating Company	\$ 10	\$ 6	\$ 6	\$ 7	\$ 5	\$ 34
AEP Transmission Holdco	\$ 1,338	\$ 1,031	\$ 1,094	\$ 1,203	\$ 1,574	\$ 6,240
Other	\$ 61	\$ 184	\$ 92	\$ 113	\$ 111	\$ 561
<b>Total Capital and Equity Contributions</b>	<b>\$ 7,544</b>	<b>\$ 10,225</b>	<b>\$ 8,571</b>	<b>\$ 7,088</b>	<b>\$ 9,127</b>	<b>\$ 42,555</b>



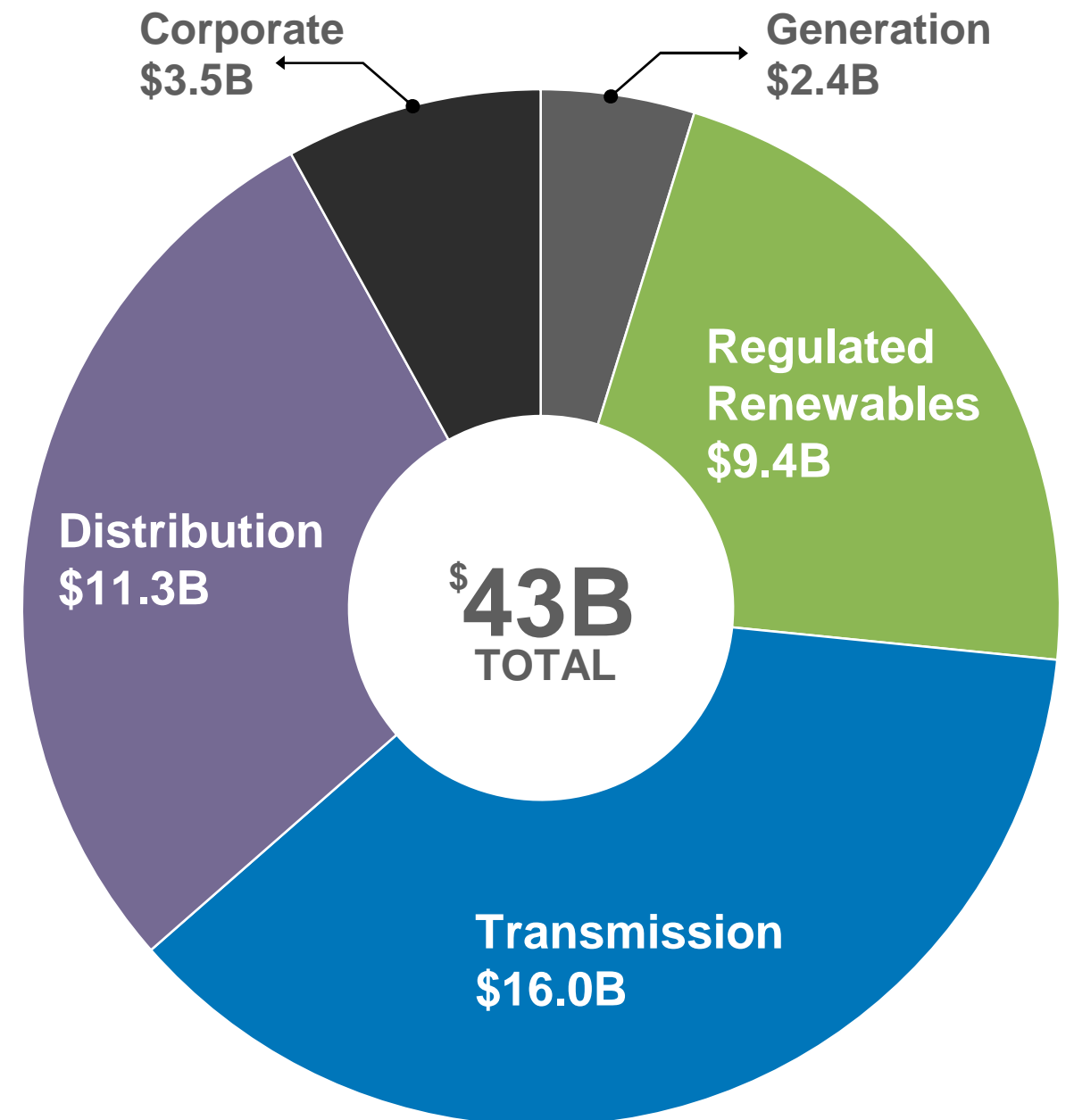
## Shift to Wires and Renewables

Approximately 90% of  
future investment is in  
wires and renewable  
generation

**2014-2018  
Regulated Capital**



**2024-2028 Regulated  
Capital Forecast**





# 2024-2028 Cash Flows and Financial Metrics

<sup>1</sup> Reflects after tax cash proceeds to Parent of \$1.2B related to the sale of unregulated contracted renewable assets.

<sup>2</sup> Reflects after tax cash proceeds to Parent of \$700M for the sale of NMRD, Retail and Distributed Resources businesses and Prairie Wind and Pioneer. Estimate is based on the current book value of the assets. Actual proceeds, reflecting market value, will be determined in a competitive auction process for each asset.

<sup>3</sup> Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by the Board of Directors. The stated target payout ratio range is 60%-70% of operating earnings.

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

\$ in millions	2023E	2024E	2025E	2026E	2027E	2028E
Cash from Operations	\$ 5,000	\$ 6,600	\$ 6,900	\$ 7,800	\$ 8,300	\$8,700
Net Cash Proceeds from Sale of Assets	1,200 <sup>1</sup>	700 <sup>2</sup>	-	-	-	-
Capital Expenditures:						
Capital and JV Equity Contributions	(6,900)	(7,000)	(6,200)	(6,400)	(6,400)	(7,200)
Renewable Capital Expenditures	(200)	(600)	(4,000)	(2,200)	(700)	(1,900)
Other Investing Activities	(100)	(200)	(400)	(200)	(300)	(200)
Common Dividends <sup>3</sup>	(1,700)	(1,900)	(2,100)	(2,200)	(2,300)	(2,600)
Required Capital	<b>\$ (2,700)</b>	<b>\$ (2,400)</b>	<b>\$ (5,800)</b>	<b>\$ (3,200)</b>	<b>\$ (1,400)</b>	<b>\$ (3,200)</b>
<b>Financing</b>						
Required Capital	\$ (2,700)	\$ (2,400)	\$ (5,800)	\$ (3,200)	\$ (1,400)	\$ (3,200)
Long-term Debt Maturities	(2,700)	(2,200)	(3,200)	(1,700)	(1,500)	(2,300)
Short-term Debt Repayments	(1,000)	-	-	-	-	-
Securitization Amortizations	(100)	(200)	(100)	(100)	(100)	(100)
Equity Units Conversion	850	-	-	-	-	-
Equity Issuances – Includes DRP	100	400	800	800	700	700
<b>Debt Capital Market Needs (New)</b>	<b>\$ (5,550)</b>	<b>\$ (4,400)</b>	<b>\$ (8,300)</b>	<b>\$ (4,200)</b>	<b>\$ (2,300)</b>	<b>\$ (4,900)</b>
<b>Financial Metrics</b>						
Debt to Capitalization (GAAP)	Approximately 61%-63%					
FFO/Total Debt (Moody's)	14%-15% Target Range					



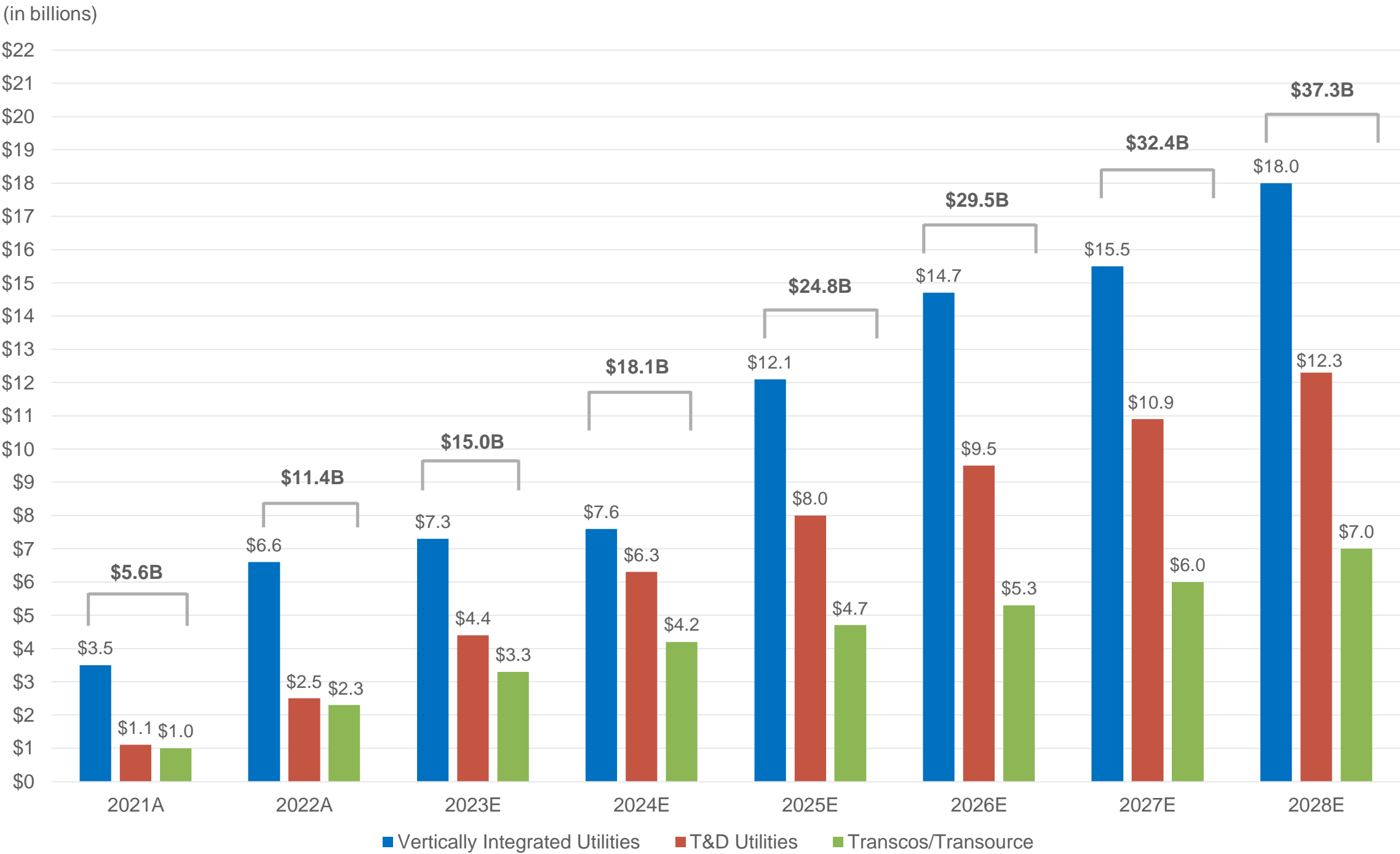


# 7.2% CAGR in Rate Base Growth

Cumulative change from 2020 base

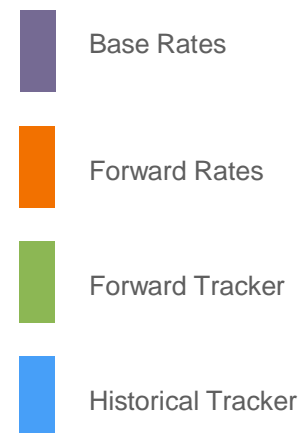
6-7% EPS growth is predicated on regulated rate base growth

2020 RATE BASE PROXY	
Vertically Integrated Utilities	\$27.2B
T&D Utilities	\$13.8B
Transcos/Transource	\$9.4B
<b>TOTAL</b>	<b>\$50.4B</b>



# Efficient Cost Recovery Mechanisms

Approximately 85% of the capital plan is recovered through reduced lag mechanisms



## 2024-2028 Regulated Capital Investments







# Financial Information

Regulated Returns

2024 Operating Earnings Guidance

2024 Key Guidance Sensitivities and Assumptions

Continuous Focus on O&M Efficiency

Weather Normalized Retail Load Trends

Economic Development

Pension and OPEB Estimates

FFO to Total Debt Outlook

Credit Ratings and Downgrade Thresholds

Operational and Financing Structure

2024 Debt Issuances and Maturities Overview



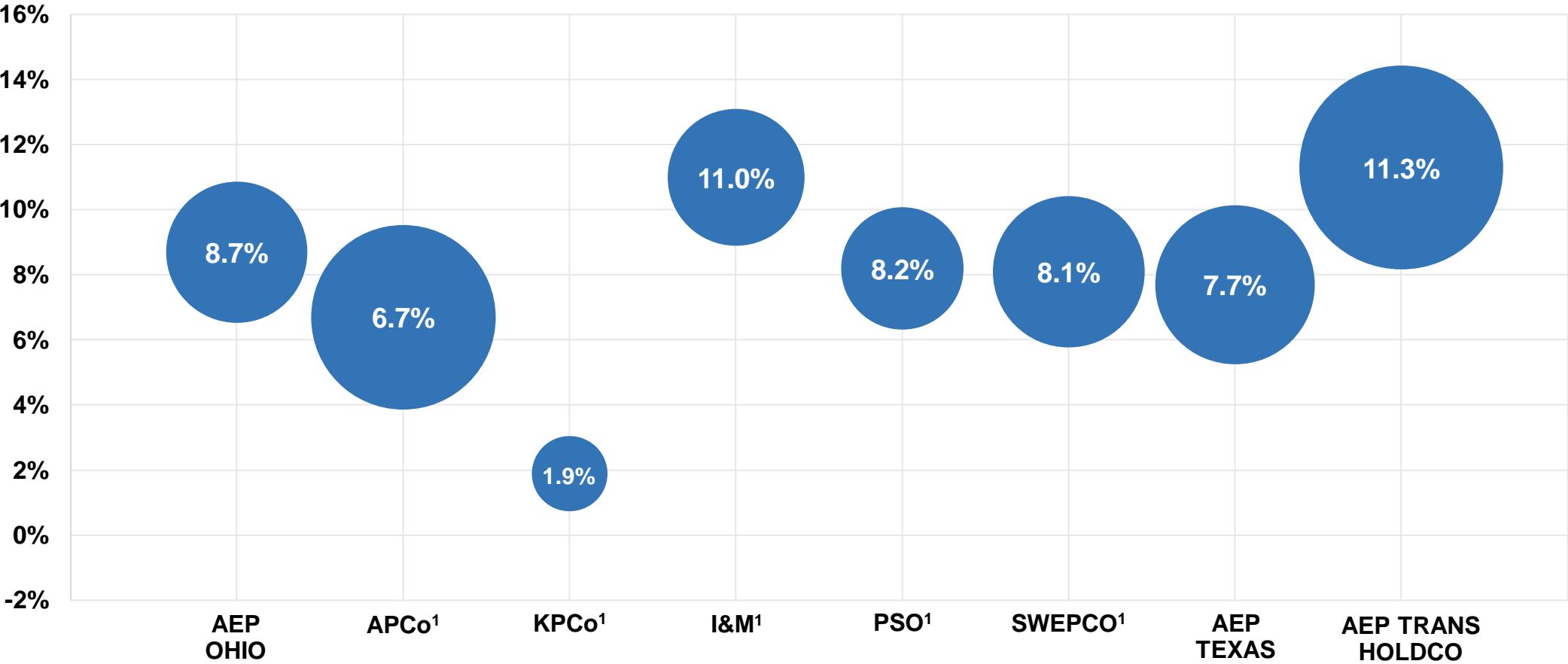


# Regulated Returns

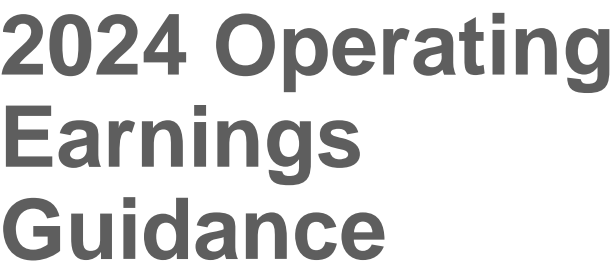
2024 Forecasted Regulated ROE is 9.1%

<sup>1</sup> Base rate cases pending/order recently received.  
<sup>2</sup> The 9/30/2023 earned ROE was depressed by 40 bps on mild weather.  
Sphere size is based on each company's relative equity balance.

Twelve Months Ended 9/30/2023 Earned ROE's – Total Regulated ROE was 8.7%<sup>2</sup>  
(non-GAAP operating earnings, not weather normalized)







- <sup>1</sup> 2024 transmission-related EPS in VIU is \$0.80 of segment total.
- <sup>2</sup> 2024 transmission-related EPS in T&D is \$0.69 of segment total.
- <sup>3</sup> 2024 EPS of \$0.01 from Pioneer and Prairie Wind.
- <sup>4</sup> 2024 EPS of \$0.01 from NMRD, \$0.02 from the Distributed Resources business and \$0.08 from the Retail business.





# 2024 Key Guidance Sensitivities and Assumptions

## Assumptions

### 2024 Regulated Connected Load (Billed and Accrued)

Residential	58,363 GWh
Commercial	56,893 GWh
Industrial	61,209 GWh

Rate Changes: \$462M; \$49M secured  
Average Shares Outstanding: 528M

## Sensitivity Analysis

	SENSITIVITY		EPS	
			VIU	T&D
Retail Sales				
Residential	1.0%	+/-	\$ 0.032	\$ 0.010
Commercial	1.0%	+/-	\$ 0.016	\$ 0.003
Industrial	1.0%	+/-	\$ 0.009	\$ 0.001
O&M Expense (excludes O&M with offsets)	1.0%	+/-	\$ 0.04	
Interest Expense (floating debt)	25 bps	+/-	\$ 0.02	
Interest Expense (new issuances)	25 bps	+/-	\$ 0.01	
Regulated ROE	10 bps	+/-	\$ 0.06	

A \$6.7M change in pretax earnings equals \$0.01 per share





# Continuous Focus on O&M Efficiency

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

\$44B

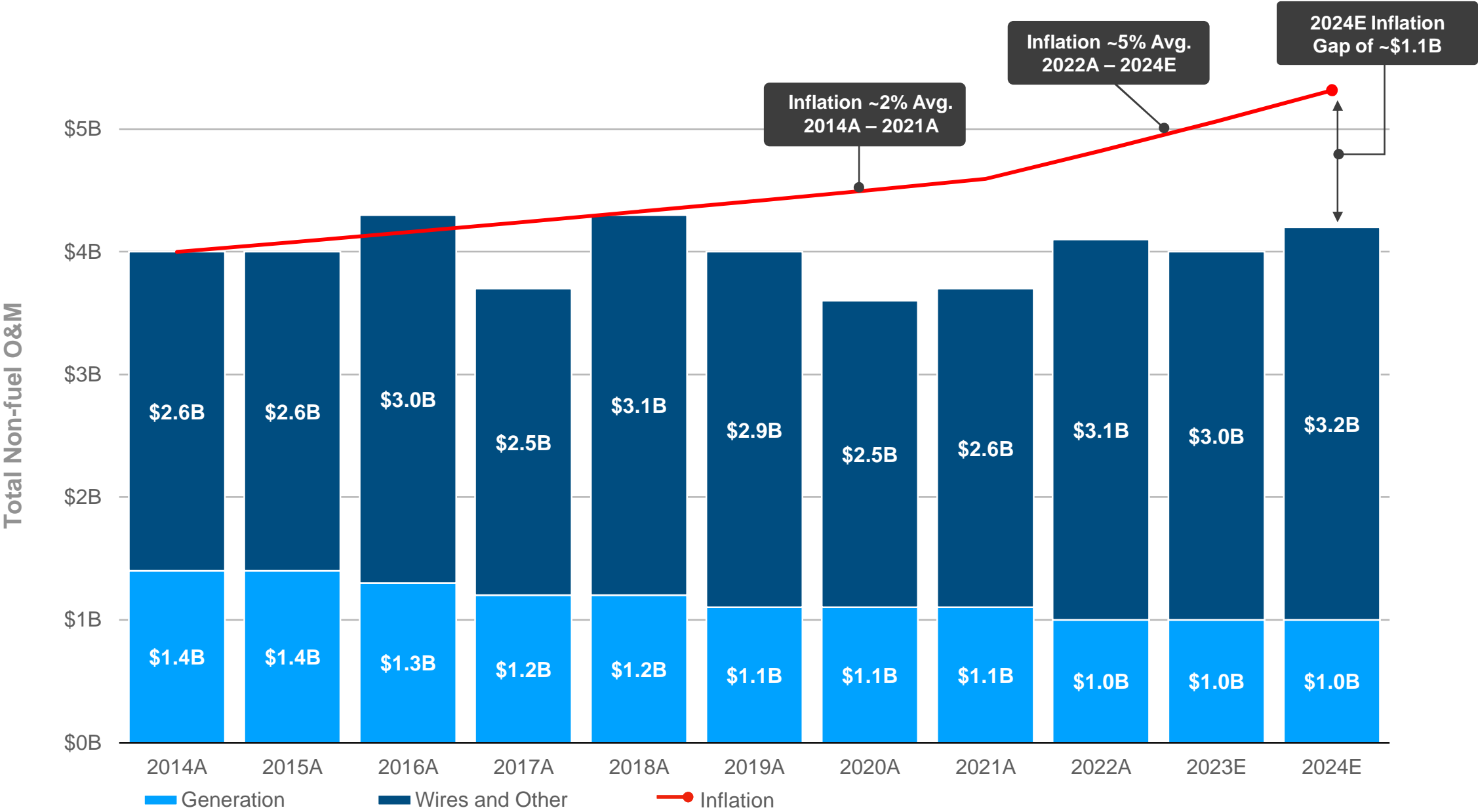
2014A Net Plant

>>

\$82B

2024E Net Plant

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



(in billions)	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E
Untracked O&M	\$3.1	\$3.1	\$3.1	\$2.8	\$3.1	\$3.1	\$2.7	\$2.8	\$3.0	\$2.8	\$2.8

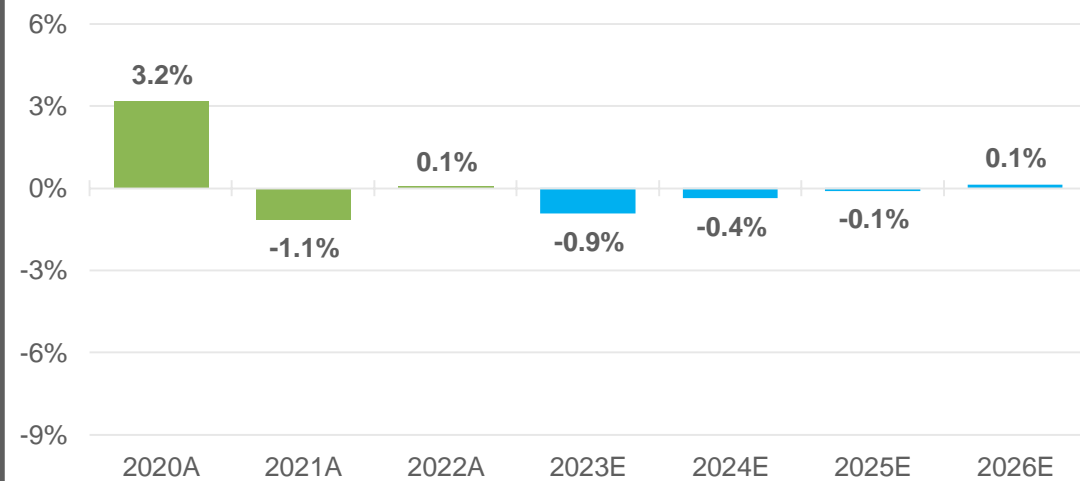


# Weather Normalized Billed Retail Load Trends

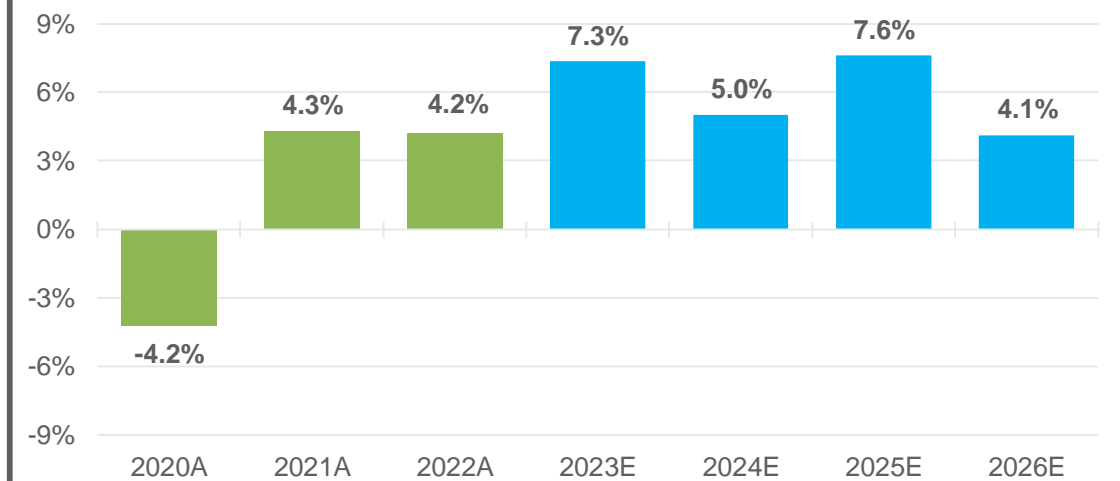
Load in AEP's service territory remains strong, benefiting from economic development efforts

Load figures are billed retail sales excluding firm wholesale load.

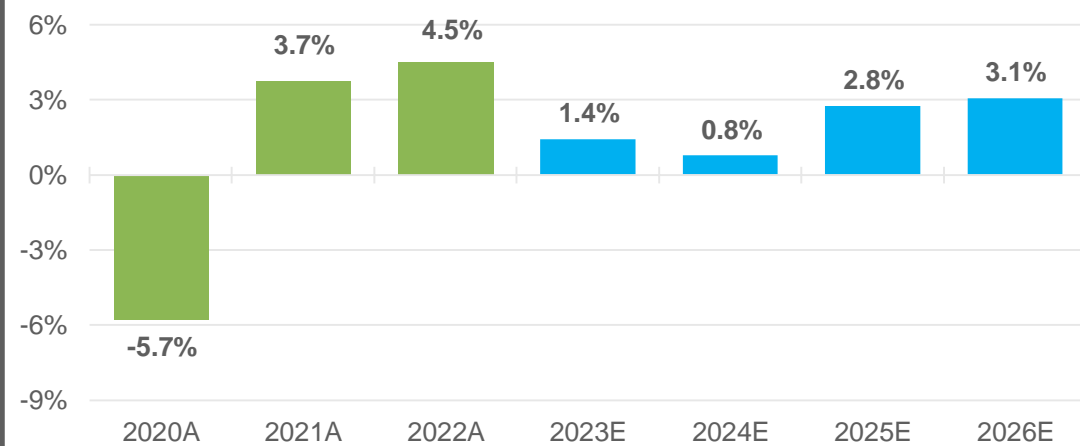
**AEP Normalized Residential GWh Sales**  
% Change vs. Prior Year



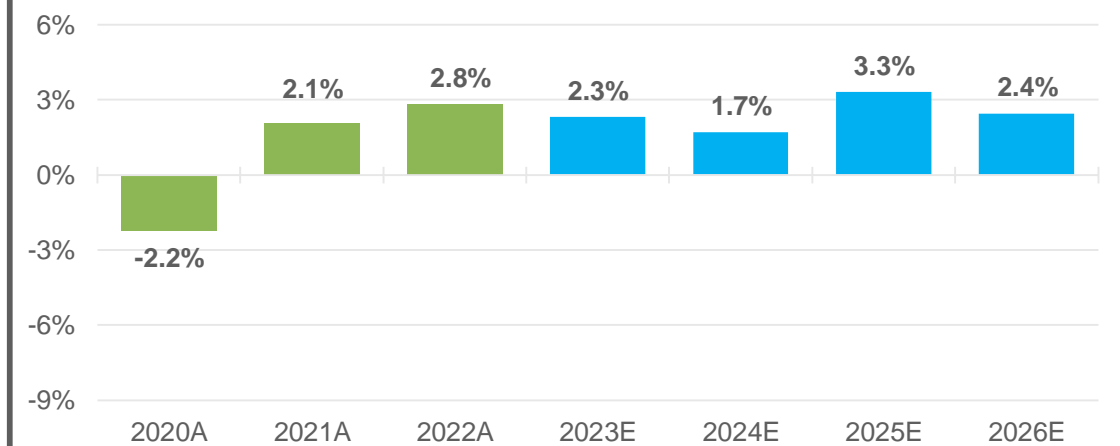
**AEP Normalized Commercial GWh Sales**  
% Change vs. Prior Year



**AEP Industrial GWh Sales**  
% Change vs. Prior Year



**AEP Normalized Retail GWh Sales**  
% Change vs. Prior Year



■ Actual Normalized Load   ■ Estimated Normalized Load

# Economic Development Project Announcements: 2021 to Q3 2023<sup>1</sup>

AEP has an attractive  
service territory for  
economic development

## Summary of Future Impacts<sup>2</sup>

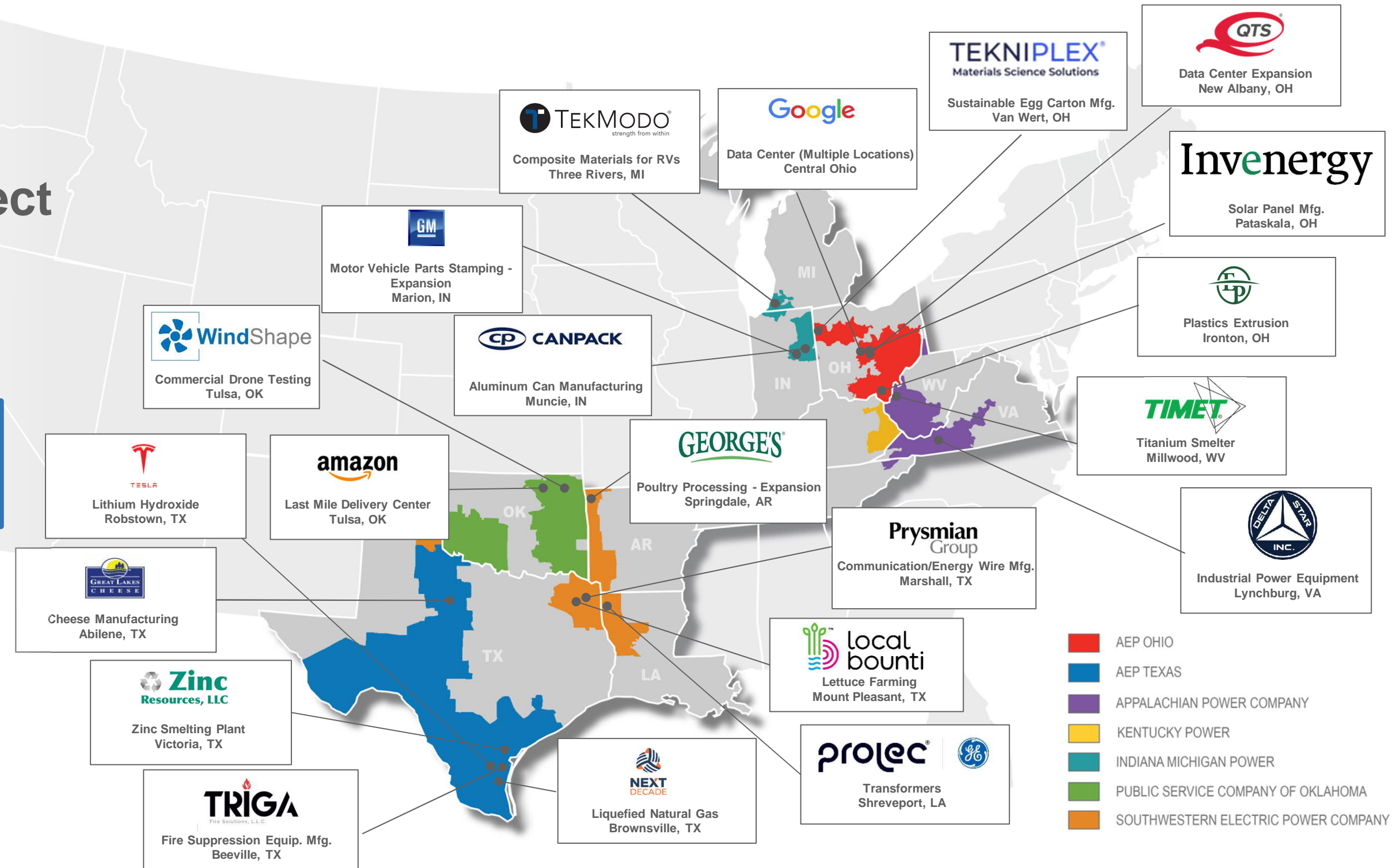
33K Direct Jobs

49K Indirect/Induced Jobs

4.9 GW from 2021 to  
Q3 2023 Announced Projects

<sup>1</sup> Companies in the graph represent recently added economic development projects and do not reflect all announced projects.

<sup>2</sup> Represents the impact of all economic development projects announced during the 2021-Q3 2023 period, including all companies listed on slides 21 and 22.





# Recent AEP Reshoring Successes

Targeting industries eligible for federal funding and tax credits from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) and grow the communities we serve.

## Intel (AEP Ohio)

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

## Nucor (APCo)

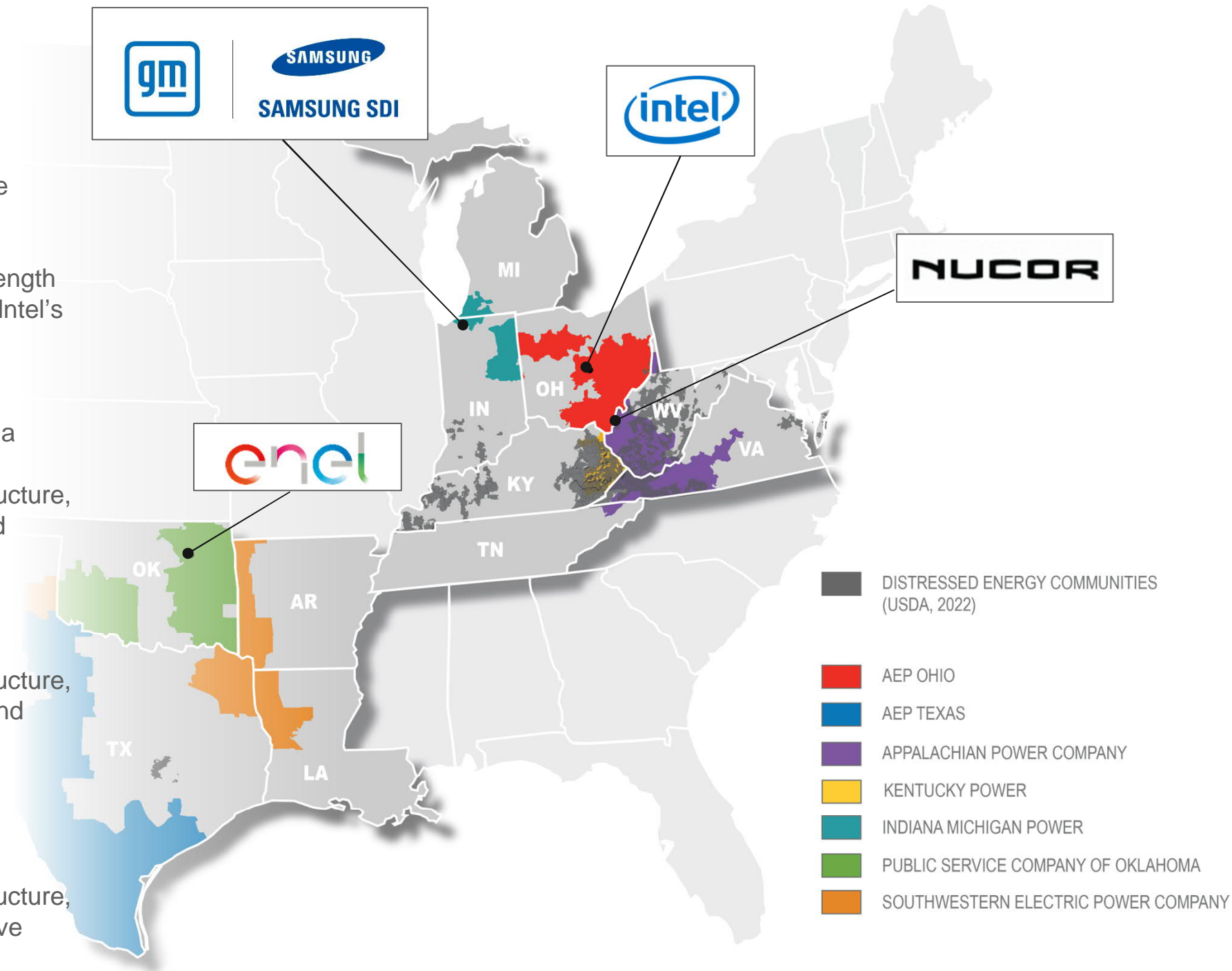
- The largest single investment in West Virginia history.
- Site chosen because of high voltage infrastructure, AEP's proven ability to serve large loads and AEP's excellent customer service.

## GM + Samsung SDI (I&M)

- The largest EV battery investment in US.
- Site chosen because of high voltage infrastructure, proximity to automotive assembly facilities and Indiana's pro-business environment.

## Enel (PSO)

- The largest single investment in Oklahoma history.
- Site chosen because of high voltage infrastructure, shovel readiness, and PSO's ability to achieve company's 100% renewable energy goals.



# Pension and OPEB Estimates

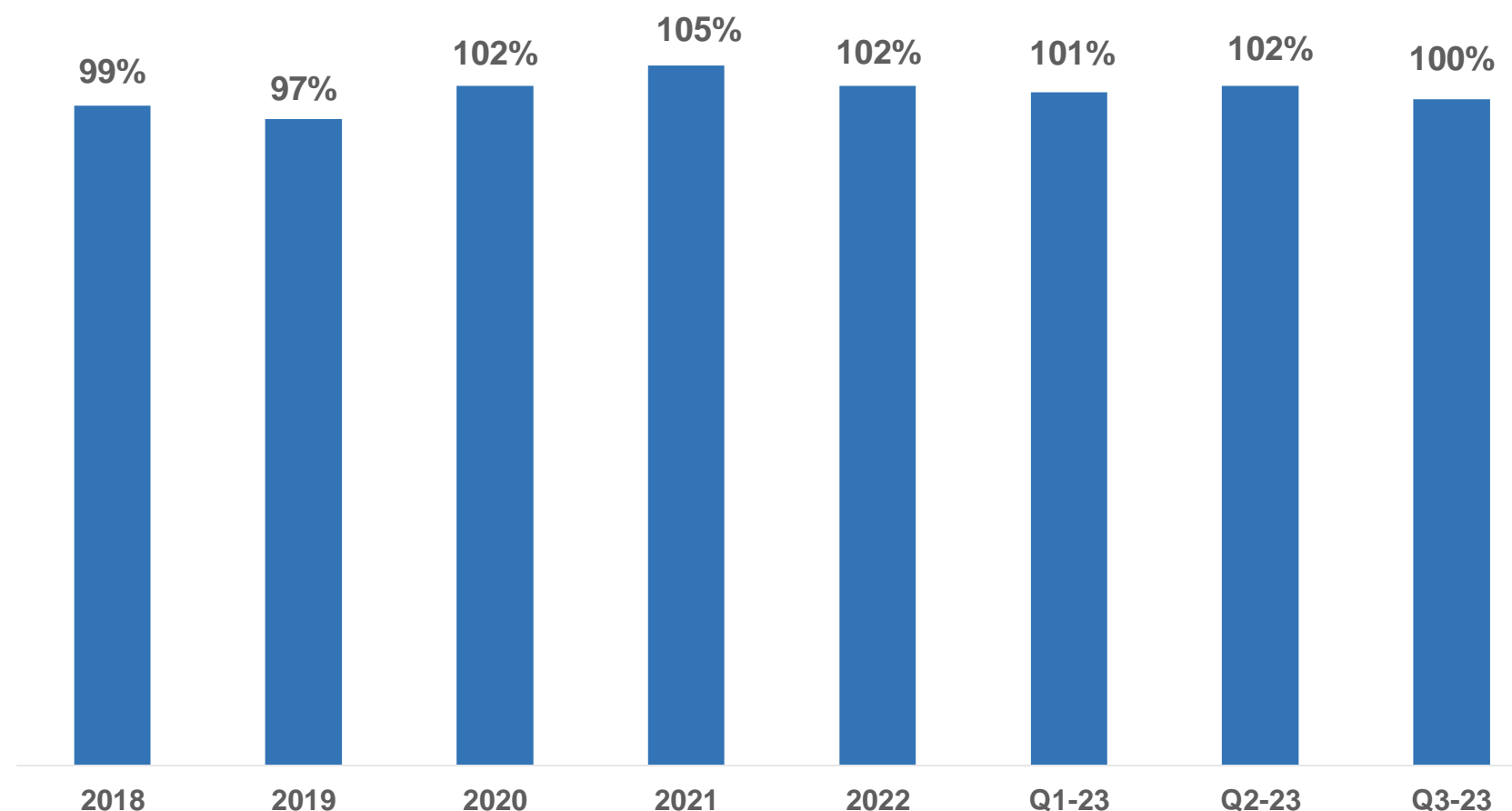
ASSUMPTIONS	2023E	2024E
Pension Discount Rate	5.50%	5.13%
OPEB Discount Rate	5.50%	5.20%
Assumed Long Term Rate of Return on Pension Assets	7.50%	7.00%
Assumed Long Term Rate of Return on OPEB Assets	7.25%	6.75%
Qualified Pension Funding <sup>1</sup>	-	-
Pension/OPEB Cost (Credit) <sup>2</sup>	(\$132M)	(\$68M)
Pension/OPEB Pre-tax Expense (Benefit) <sup>3</sup>	(\$173M)	(\$111M)

<sup>1</sup> AEP does not expect to make qualified pension contributions in 2023 and 2024 due to Plan's funded position.

<sup>2</sup> Cost (credit) are pre-tax and pre-capitalization. Actual amounts are subjected to change due to investment results, interest rates and actuarial assumptions.

<sup>3</sup> Regulated pension and OPEB expense (benefit) are recovered or pass back through base rates and recorded in O&M and Non-Service Cost Components of Net Periodic Benefit Cost on the income statement.

## Qualified Pension Funding



**Rising interest rates in 2023 lowered plan liabilities and the positive impacts were offset by depressed pension and OPEB returns, keeping the funded status for both plans stable.**



# FFO to Total Debt Outlook

**AEP expects to be in the FFO/Debt target range by early 2024**

## FFO to Total Debt (Trailing 12 months as of 9/30/2023)

	Moody's	GAAP
FFO to Total Debt	11.4% <sup>1</sup>	11.4% <sup>1</sup>
<b>Targeted Range</b>	<b>14.0%-15.0%</b>	

## FFO to Total Debt Path to Target Range

	Impact on FFO	Basis Points	Projected FFO to Total Debt
<b>FFO to Total Debt Trailing 12 Months as of 9/30/2023</b>			<b>11.4%<sup>1</sup></b>
Q4-22: Roll-off of Prior Year Cash Collateral Outflow	\$ 370M	90 bps	
Q4-22: Roll-off of Prior Year Deferred Fuel Outflow	\$170M	40 bps	
Q4-22: Roll-off of Prior Year Foundation Contribution	\$60M	10 bps	
Q4-23: Estimated Deferred Fuel Recovery <sup>2</sup>	\$150M – \$200M	40 bps – 50 bps	
<b>Q4 -23: Projected Favorable Drivers to FFO</b>	<b>\$750M – \$800M</b>	<b>180 bps – 190 bps</b>	<b>13% - 14%</b>
Q1-23: Roll-off of Prior Year Cash Collateral Outflow	\$ 390M	90 bps	
Q1-23: Roll-off of Prior Year Unfavorable Weather <sup>3</sup>	\$ 90M	20 bps	
<b>Early 2024: Projected Favorable Drivers to FFO</b>	<b>\$ 1.2B – \$1.3B</b>	<b>290 bps – 300 bps</b>	<b>14% – 15%</b>

<sup>1</sup> The metric was depressed due to the roll-off of \$687M received from the PSO securitization in September 2022. This was offset by the reduction in debt from the contracted renewables proceeds of \$1.2B and the 2022 equity unit conversion of \$850M (both transactions were completed in August 2023), as well as trailing 12-month collateral and deferred fuel positive impacts.

<sup>2</sup> Consistent with the third quarter 2023 recovery rates and mechanisms.

<sup>3</sup> Reflects the unfavorable first quarter 2023 weather impact versus normal.





# Credit Ratings and Downgrade Thresholds

## Current ratings for AEP and subsidiaries

### AEP Downgrade Threshold (on a sustained basis)

Moody's: FFO/Debt	13%
S&P: FFO/Debt	16%
Fitch: FFO Leverage	5.8x

<sup>1</sup> In conjunction with the unenhanced VRDN remarketings, APCo and I&M both received short-term credit ratings of A-2/P2 from S&P/Moody's.

<sup>2</sup> NR stands for Not Rated.

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

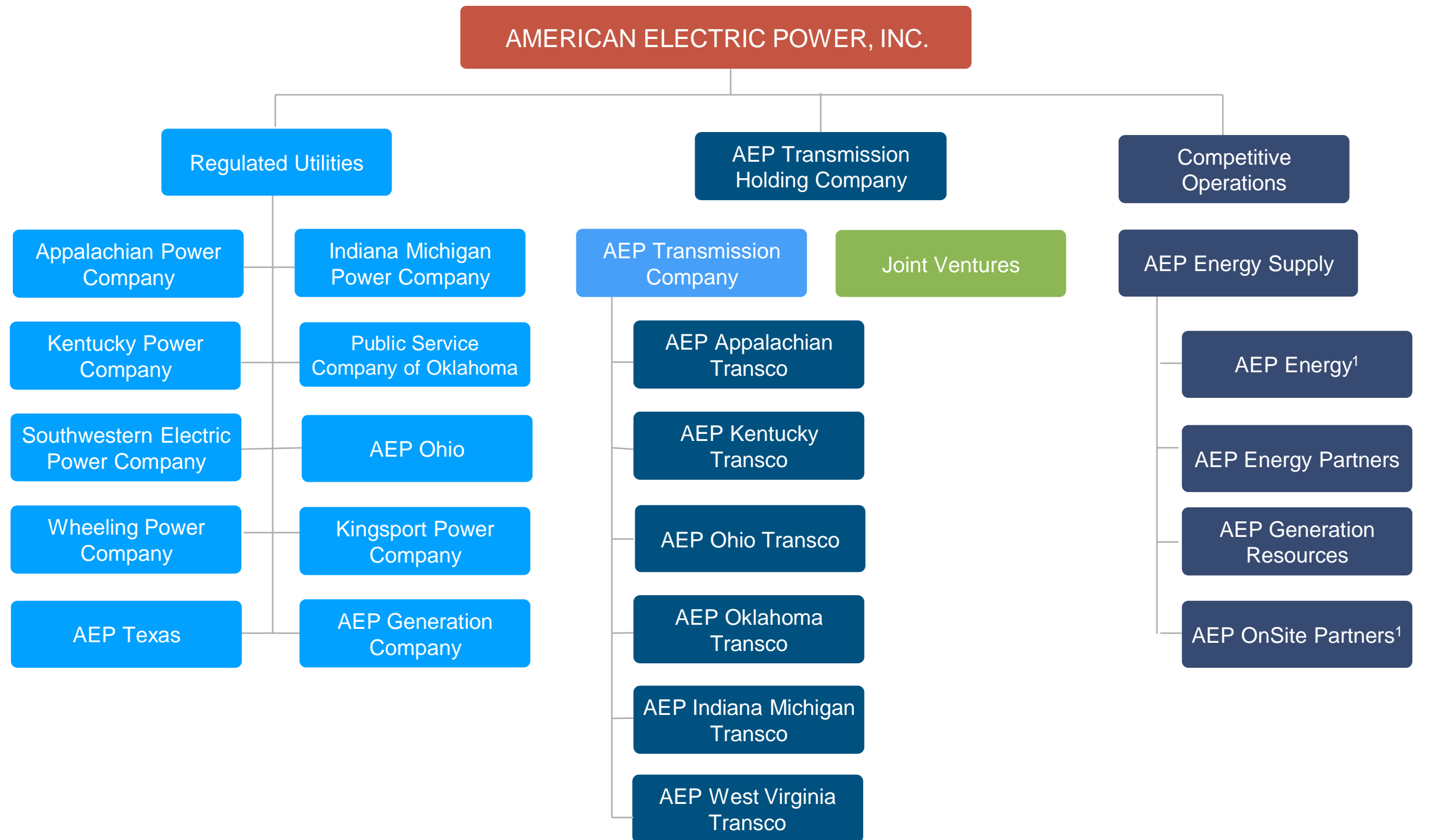


# Operational and Financing Structure

- 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
- Uses a combination of external and internal LT financing

Does not represent legal structure.

<sup>1</sup> AEP initiated sale process for the AEP Energy Retail business and the AEP OnSite Partners Distributed Resources business with expected transaction close in the first half of 2024.



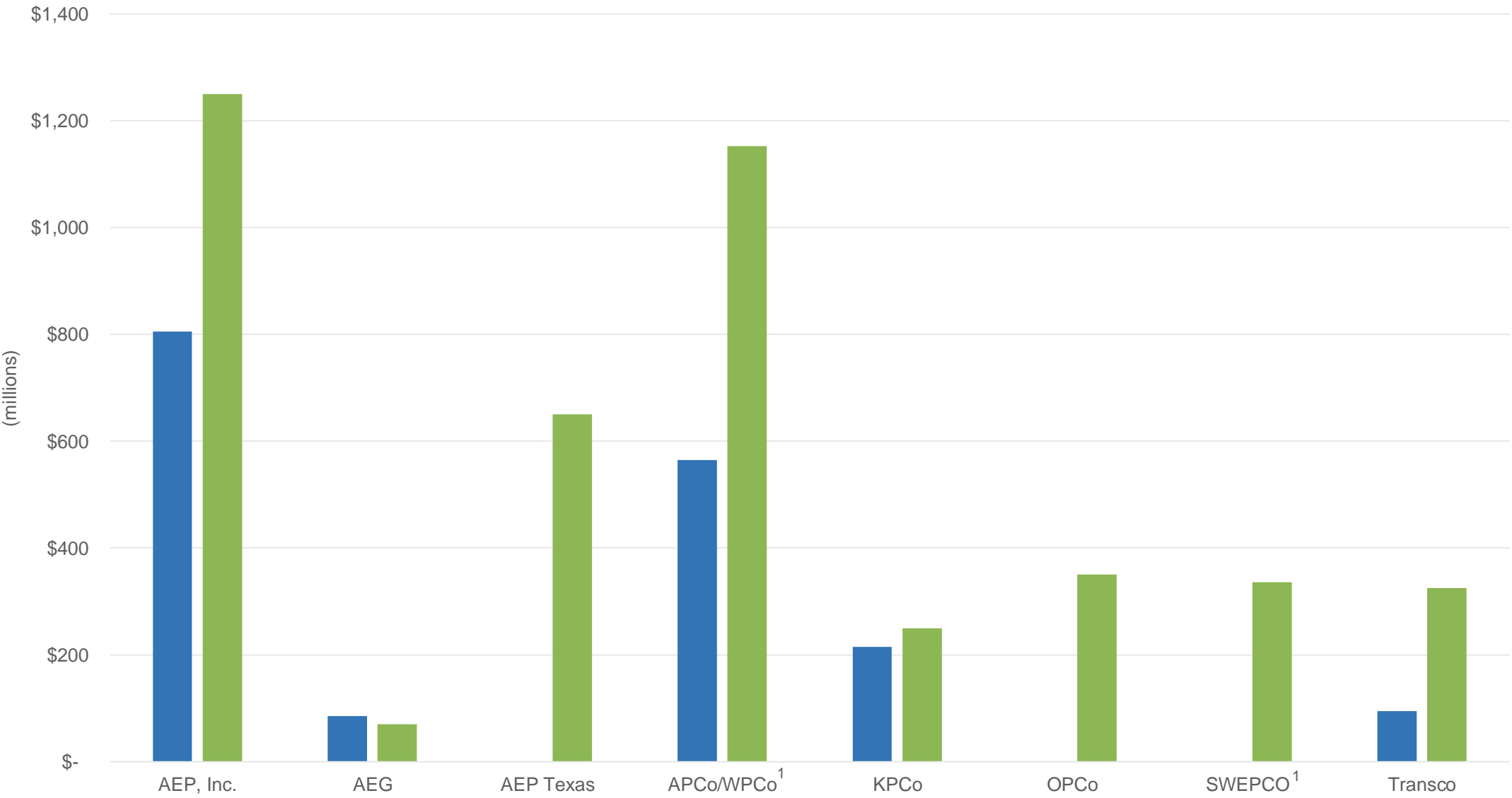


# 2024 Debt Issuances and Maturities Overview

Chart excludes pollution control bond remarketings and nuclear fuel leases; no significant maturities and issuances are planned for I&M and PSO in 2024.

<sup>1</sup>Issuances include \$653M of securitization at APCo and \$336M of securitization at SWEPCO.

- 2024 Maturities
- 2024 Expected Issuances







# Portfolio Management

Competitive Business Platform

Other Asset Sales and Strategic Review

Transmission Joint Venture Businesses



# Competitive Business Platform



## CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

## RETAIL SERVICES (SALE ANNOUNCED)



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

## DISTRIBUTED RESOURCES (SALE ANNOUNCED)



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

## WHOLESALE SERVICES



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

# Other Asset Sales and Strategic Review

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

- A 50/50 joint venture partnership with PNM Resources consisting of 9 operating projects of 185 MW and 6 development projects of 440 MW, all located in New Mexico
- Book value of AEP's investment as of 9/30/2023 was \$119M
- Assets contribute \$0.01 EPS in 2023 operating earnings guidance
- Advisor hired; sale launched in June 2023 and expected sale agreement to be announced in Q4 2023 with transaction close in December 2023 or early 2024

## Sell Retail and Distributed Resources businesses (not including NMRD)

- Book value of AEP's investment as of 9/30/2023: \$244M Retail and \$353M Distributed Resources
- Asset EPS contributions in 2023 operating guidance: \$0.04 Retail and \$0.02 Distributed Resources
- Advisor hired; sale launched in August 2023 and expected sale agreement to be announced in Q1 2024 with transaction close in the first half of 2024

## Sell Prairie Wind and Pioneer non-core transmission joint ventures

- Sell Prairie Wind Transmission and Pioneer Transmission
- As of 9/30/2023, AEP's portion of PP&E was \$123M and rate base was \$107M
- Assets contribute \$0.02 EPS in 2023 operating earnings guidance
- Advisor hired, expect to launch the sale process Q4 2023 with transaction close in 2024

## Continue strategic review of Transource non-core transmission joint venture

- Complete strategic review of Transource Energy by end of 2023
- As of 9/30/2023, AEP's portion of PP&E was \$433M and rate base was \$348M
- Assets contribute \$0.03 EPS in 2023 operating earnings guidance

De-risk and simplify the business profile through active management





# Transmission Joint Venture Businesses

In 2023 operating earnings guidance, Prairie Wind and Pioneer contribute \$0.02 EPS and Transource contributes \$0.03 EPS

As of 9/30/2023, AEP's portion of rate base for Prairie Wind and Pioneer was \$107M; Transource was \$348M

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

Project Name	Location	Owners	AEP's Portion of Net Plant as of 9/30/2023	AEP's Portion of Rate Base as of 9/30/2023	Base ROE	RTO Adder	Project Risk ROE	Total Authorized ROE
ETT	Texas (ERCOT)	BHE (50%), AEP (50%)	\$1,807M	\$1,418M	9.60%	0.00%	0.00%	9.60%
Prairie Wind <i>(Sale Announced)</i>	Kansas	Evergy, Inc. (50%), BHE (25%), AEP (25%)	\$ 32M	\$25M	10.80%	0.50%	1.50%	12.80%
Pioneer Project <i>(Sale Announced)</i>	Indiana	Duke Energy (50%), AEP (50%)	\$ 91M	\$82M	10.02%	0.50%	0.00%	10.52%
Transource-Iatan-Nashua <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 51M	\$40M	9.80%	0.50%	0.00%	10.30%
Transource-Nebraska-Sibley <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 196M	\$154M	9.80%	0.50%	1.00%	11.30%
Transource-WV <i>(Under Strategic Review)</i>	West Virginia	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 70M	\$64M	10.00%	0.50%	0.00%	10.50%
Transource-Sooner-Wekiwa <i>(Under Strategic Review)</i>	Oklahoma	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 24M	-	9.80%	0.50%	NA	10.30%
Transource-PA & MD <sup>1</sup> <i>(Under Strategic Review)</i>	Pennsylvania & Maryland	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 92M	\$90M	9.90%	0.50%	0.00%	10.40%



# Regulatory Initiatives

Strategies to Close the ROE Gap

Current Rate Case Activity

Actively Managing Fuel Cost Impacts

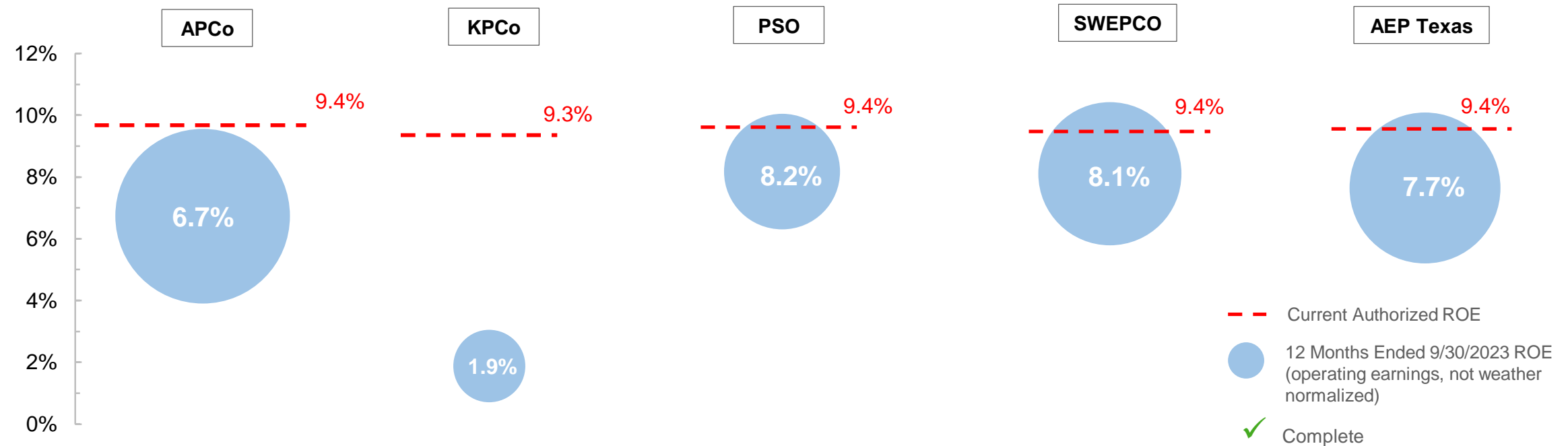
Review of Multi-jurisdictional Regulatory Constructs



# Strategies to Close the ROE Gap

- Actively listen to stakeholders on the needs and timing of incremental rate recovery
- Revisit prior case decisions to find new opportunities
- Establish legislative mechanisms that provide more concurrent recovery
- Improve alignment of spend with recovery to reduce regulatory lag

**Building a strong foundation to close the ROE gap**



BUILDING A STRONG FOUNDATION WITH REGULATORY AND LEGISLATIVE ACTIONS				
APCo	KPCo	PSO	SWEPCO	AEP Texas
<ul style="list-style-type: none"> <li>✓ Securitization legislation passed in WV</li> <li>✓ Implemented VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo's favor in 2022</li> <li>✓ Filed new VA triennial in 2023</li> <li>✓ G, T, broadband, EE, RPS and DR trackers recover most incremental investment; triennial process for balance of recovery in VA</li> <li>✓ VA biennial rate case legislation passed</li> <li>✓ Rate base and renewables capital trackers in place for WV</li> </ul>	<ul style="list-style-type: none"> <li>✓ Right team in place to oversee efficient and effective execution of Kentucky strategy</li> <li>✓ Securitization legislation passed</li> <li>✓ Filed for recovery of fuel and storm cost deferrals</li> <li>✓ Base case filed June 2023; statute allows for interim rates effective January 2024</li> <li>✓ Securitization filed in June 2023 to right-size rate base and mitigate rate impacts</li> <li>• Implement new economic development opportunities to build a strong community and promote customer affordability</li> </ul>	<ul style="list-style-type: none"> <li>✓ Securitization of Winter Storm Uri costs and North Central rates put in place in 2022</li> <li>✓ Base case filed November 2022; pursued approval of more efficient cost recovery mechanisms with the continuation of T&amp;D trackers</li> <li>✓ PSO submitted a Notice of Intent on 11/8/2023 to file a new base case in January 2024</li> <li>✓ Renewable approval with interim recovery until added to rates</li> </ul>	<ul style="list-style-type: none"> <li>✓ Finalized LA rate case in January 2023 and implemented formula rate going forward</li> <li>✓ Legislation modified to allow AR base case filing flexibility</li> <li>✓ Filed Turk CCN and rider request in AR</li> <li>✓ Filed LA formula rate update in April 2023</li> <li>✓ Filed AR formula rate update in April 2023</li> <li>✓ G, T and D trackers in place in TX</li> <li>✓ Timing of formula rate updates and new generation in-service dates to minimize lag</li> </ul>	<ul style="list-style-type: none"> <li>✓ Bi-annual TCOS filings recover significant capital investment</li> <li>✓ Annual DCRF filings recover D-related capital</li> <li>✓ Bi-annual DCRF legislation passed</li> <li>• Review rate structures for 2024 rate case filing</li> </ul>

# Current Rate Case Activity

Continued focus on regulatory execution



## APCo – Virginia

Docket #	PUR-2023-00002
Filing Date	3/31/2023
Requested Rate Base	\$2.9B
Requested ROE	10.6%
Cap Structure	51.7%D / 48.3%E
Gross Revenue Increase	\$213M (Less \$53M D&A)
Net Revenue Increase	\$160M
Test Year	12/31/2022
<u>Settlement Summary</u>	
Pending Commission Approval	
Settlement Filed	8/22/2023
Expected Commission Order	Q4-23
Expected Effective Date	January 2024
ROE	9.5%
Cap Structure	51%D / 49%E
Gross Revenue Increase	\$127M
Net Revenue Increase	\$86M



## I&M – Indiana

Docket #	45933
Filing Date	8/9/2023
Requested Rate Base	\$5.4B
Requested ROE	10.5%
Cap Structure	48.8%D / 51.2%E
Gross Revenue Increase	\$116M (Less \$75M D&A)
Net Revenue Increase	\$41M
Test Year	2024 Forecasted
<u>Procedural Schedule</u>	
Intervenor Testimony	11/15/2023
Rebuttal Testimony	12/13/2023
Hearing	1/16/2024
Expected Commission Order	June 2024
Expected Effective Date	June 2024



## I&M - Michigan

Docket #	U-21461
Filing Date	9/15/2023
Requested Rate Base	\$1.3B
Requested ROE	10.5%
Cap Structure	49.4%D / 50.6%E
Revenue Increase	\$34M
Test Year	2024 Forecasted
<u>Procedural Schedule</u>	
Intervenor Testimony	1/18/2024
Rebuttal Testimony	2/9/2024
Hearing	2/22/2024
Expected Commission Order	July 2024
Expected Effective Date	July 2024



# Current Rate Case Activity

Continued focus on regulatory execution

<sup>1</sup> The base case filing also included a request to securitize \$471M of regulatory assets to mitigate rate impacts

<sup>2</sup> Does not include \$39M of existing riders moving to base rates; total revenue increase equals \$94M.

<sup>3</sup> Does not include \$75M of existing riders moving to base rates.

<sup>4</sup> The commission approved efficient cost recovery mechanisms with the continuation of T&D trackers. Inclusion of Rock Falls wind facility in rate base will be considered in a future case (within 6 months after the end of the test year); PSO submitted a Notice of Intent on 11/8/2023 to file a new base case in January 2024.



## KPCo – Kentucky<sup>1</sup>

Docket #	2023-00159
Filing Date	6/29/2023
Requested Rate Base	\$1.8B
Requested ROE	9.9%
Cap Structure	58.4%D / 41.6%E
Net Revenue Increase	\$55M <sup>2</sup>
Test Year	3/31/2023
<u>Procedural Schedule</u>	
Rebuttal Testimony	11/6/2023
Hearing	11/28/2023
Statute Allows for Interim Rates	January 2024



## PSO – Oklahoma

Docket #	PUD 2022-000093
Filing Date	11/22/2022
Requested Rate Base	\$4.4B
Requested ROE	10.4%
Cap Structure	45.4%D / 54.6%E
Gross Revenue Increase	\$173M <sup>3</sup> (Less \$70M D&A)
Net Revenue Increase	\$103M
Test Year	6/30/2022
<u>Commission Order Summary<sup>4</sup></u>	
Settlement Filed	5/5/2023
Commission Order	11/3/2023
Effective Date	6/1/2023
ROE	9.3%
Cap Structure	48%D / 52%E
Net Revenue Increase	\$47M

# Actively Managing Current Fuel Cost Impacts

Adapting fuel clause recovery with a focus on customer impacts

## APCo VA

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

## APCo/WPCo WV

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

## PSO OK

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

## SWEPCO AR

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

## SWEPCO TX

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


# Review of Multi-jurisdictional Regulatory Constructs

Allows customers and states greater flexibility in generation needs

Capacity data as of 9/30/2023.

APCo

Owned Generating Capacity	7,492 MW
PPA Capacity	969 MW
Generating & PPA Capacity by Fuel Mix	
Coal	63.7%
Natural Gas	19.4%
Hydro, Wind & Solar	16.9%




### Recent State-level Divergence and Need:

- ELG investments for existing coal assets now approved in both Virginia and West Virginia
- Virginia Clean Energy Act (VCEA) mandated renewables now being planned and built to serve Virginia-jurisdictional customers
- Customer Focus – Develop renewables tariff and contract offerings to meet customer needs and support economic development
- Studying the Future – Reviewing IRA options and infrastructure support for new potential options in Appalachia

SWEPCO

Owned Generating Capacity	5,009 MW
PPA Capacity	469 MW
Generating & PPA Capacity by Fuel Mix	
Coal	32.7%
Natural Gas	44.0%
Hydro, Wind & Solar	23.3%



### Recent State-level Divergence and Need:

- Arkansas portion of Turk was never included in rates due to Arkansas Supreme Court ruling; presenting the commission an option to allow customers to benefit from physical hedge provided by Turk
- North Central Wind declined in Texas and flexed up in Louisiana and Arkansas; costs/benefits of resource being direct assigned by states
- SPP raised reserve margin from 12% to 15%, driving further need for new supply for SWEPCO

### Reviewing current construct to ensure individual states and AEP alignment on generation supply

- Reviewing path to dedicated state-by-state resources
- Determining process to organize resource mix based on state policy
- Applying lessons learned in past execution to manage the generation fleet





# Regulated Investments

Regulated Capital Investment Strategy

Transmission

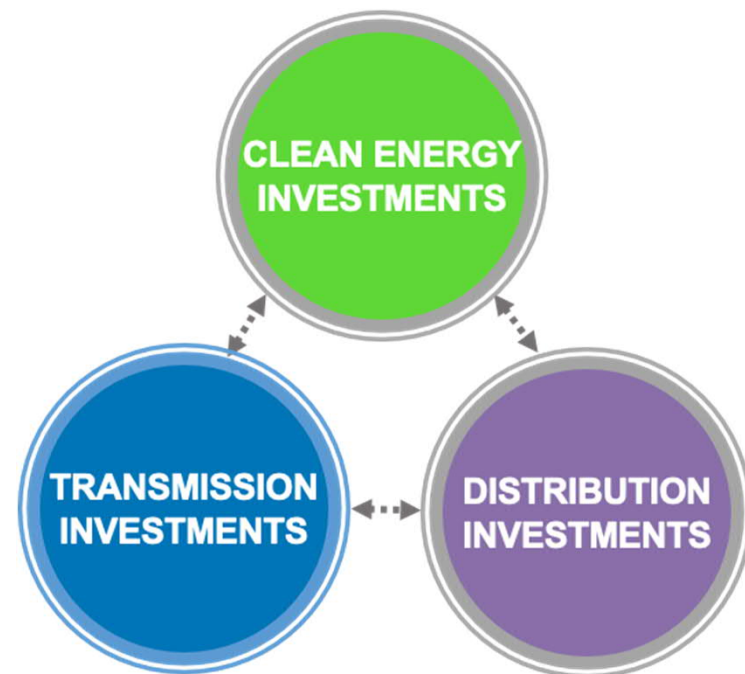
Distribution

Regulated New Generation





# Linking Investments to Outcomes: Regulated Capital Investment Strategy



## KEY INVESTMENT STRATEGIES

- **Diversify our electric generation fleet** to drive down costs to customers and achieve our climate goals
- **Develop a modern and secure electric transmission grid** to bolster system reliability, enhance market efficiency and integrate new generation resources
- **Modernize the electric distribution system** to enhance reliability, accommodate changing resources, loads, advanced technologies and increase customer satisfaction
- Work with regulators, policymakers, and key stakeholders to **ensure a durable and sustainable transition to a clean energy economy** by balancing decarbonization goals and timelines with system reliability, resiliency, security and affordability

**Our flexible and robust capital plan is designed to meet our customer needs and provide the ability to strategically shift capital to deliver on our 6-7% EPS growth commitment**

## 2024-2028 CAPITAL INVESTMENT

**\$16.0B**

### TRANSMISSION

Transmission Investment in Current 5-year Capital Plan

**\$11.3B**

### DISTRIBUTION

Distribution Investment in Current 5-year Capital Plan

**\$9.4B**

### REGULATED RENEWABLES

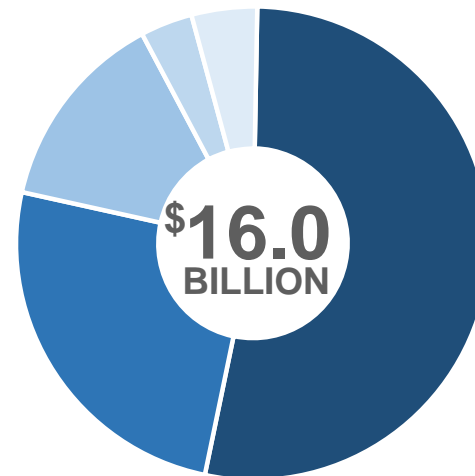
Regulated Renewable Investment in Current 5-year Capital Plan

We have developed a significant pipeline of organic growth opportunities beyond the investments included in our 5-year capital plan

# Transmission Organic Growth Opportunity

AEP has a long runway of organic transmission investment opportunities focused on improving system performance, increasing reliability and resiliency, and enhancing market efficiency

2024-2028 CAPEX



## DRIVERS

### ASSET REPLACEMENT

Asset renewal investments based on condition, performance and risk to reduce customer outages and interruption times

### LOCAL RELIABILITY

Multi-driver projects on the local network addressing reliability and customer concerns

### RTO DRIVEN

Upgrades needed to address RTO standards related to thermal voltage overloads and contingency conditions; opportunities driven by enabling access to renewable generation

### TELECOM / TECHNOLOGY

Asset health monitoring, cyber-security requirements and enhanced situational awareness for grid operations

### CUSTOMER SERVICE

Upgrades to connect new customers and enhanced service requests; facilitates local economic development

## TRANSMISSION PIPELINE

### Large-scale and Growing Pipeline

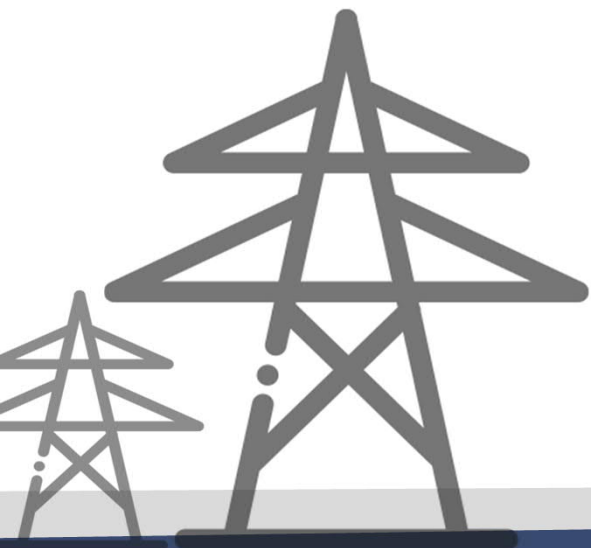
We have a transmission investment pipeline of approximately \$30B in various phases of development over the next 10 years (inclusive of the current 5-year capital plan)

### Capital Flexibility

Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

### Future Growth Drivers

Integration of renewable resources, fossil-fuel generation retirements, regional reliability, inter-regional projects, customer interconnections, positive policy changes that influence inter-regional expansion and cost allocation



# Investments in Asset Renewal Strengthen and Enable the Grid of the Future

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

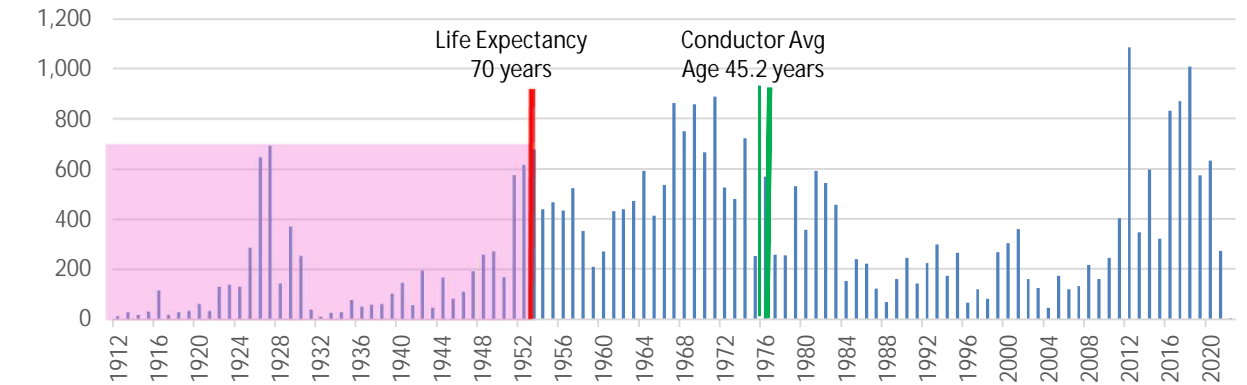
AEP Transmission Assets	Line Miles	Transformers	Circuit Breakers
Life Expectancy (Years)	70	60	50
Current Quantity Over Life Expectancy	6,282	184	711
Quantity That Will Exceed Life Expectancy in Next 10 Years	4,177	151	275
Total Replacement Need Over Next 10 Years	10,459	335	986
% of AEP System	31%	29%	11%

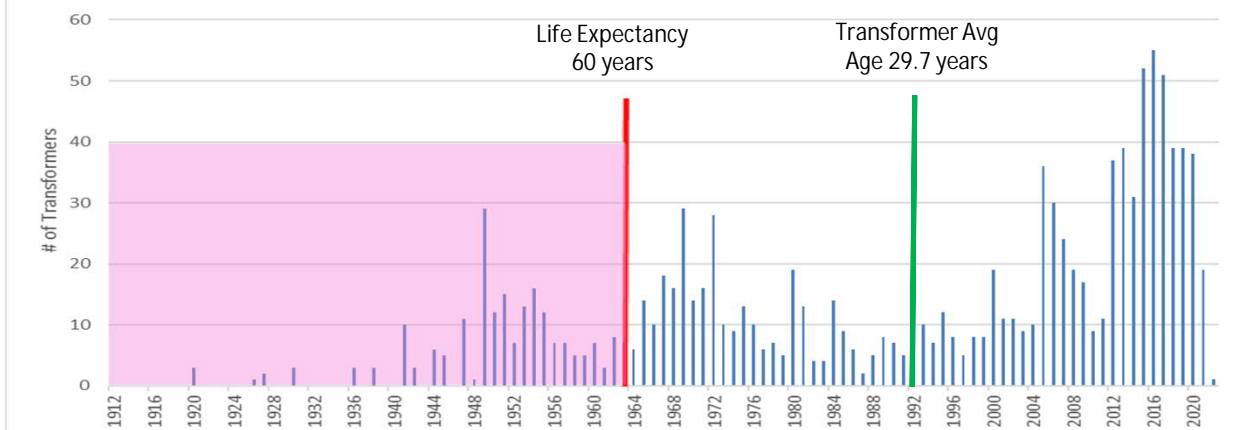
Average Age (years)	Line Miles	Transformers	Circuit Breakers
2016	52.5	36.1	22.9
2022	45.2	29.7	15.8

**\$3B of annual on-system capital investment is required to replace and enhance all asset beyond life expectancy over the next 10 years**

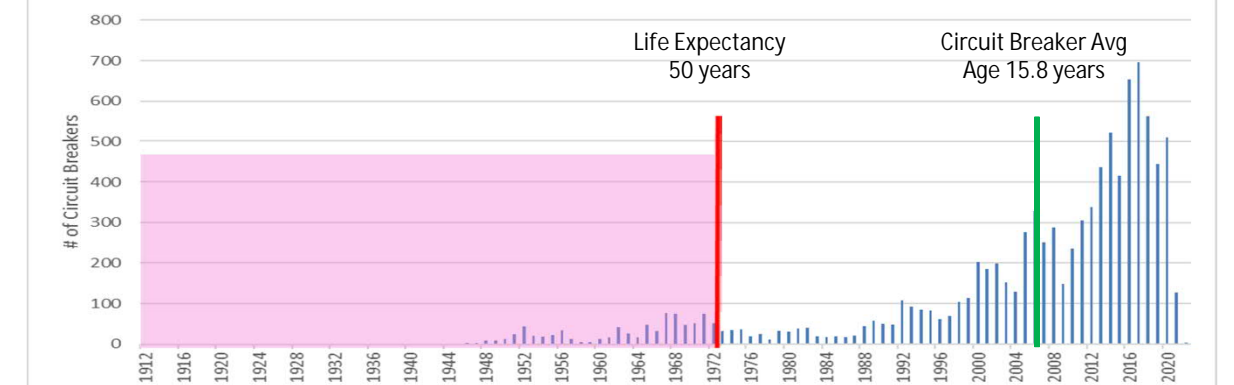
AEP T-Line Age Profile - (Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



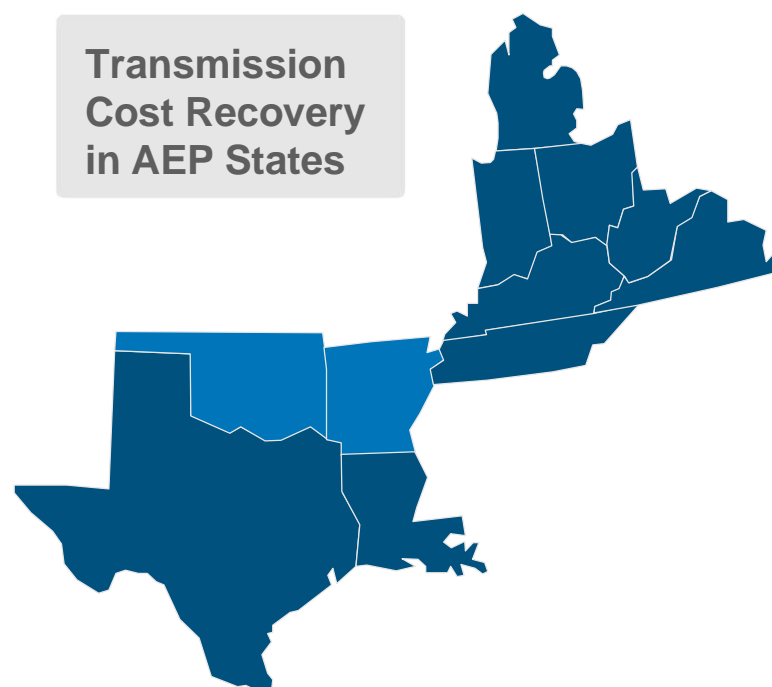
AEP Circuit Breaker Age Profile



Beyond Life Expectancy Range

# Stable and Efficient Transmission Investment Recovery

Transmission Cost Recovery in AEP States



- Full tracker or rider recovery
- Partial tracker or rider recovery



ROE	9.85% Base <sup>1</sup> + 0.50% RTO adder	10.0% Base + 0.50% RTO adder	9.4%
Forward Looking Rates	Yes	Yes	Capital updates allowed 2x per year (not forward looking)
Equity Layer	Capped at 55%	No Cap	Capped at 42.5%
ROE Approval Date	May 2019	June 2019	April 2020

<sup>1</sup> AEP Ohio Transmission, represents base ROE only.

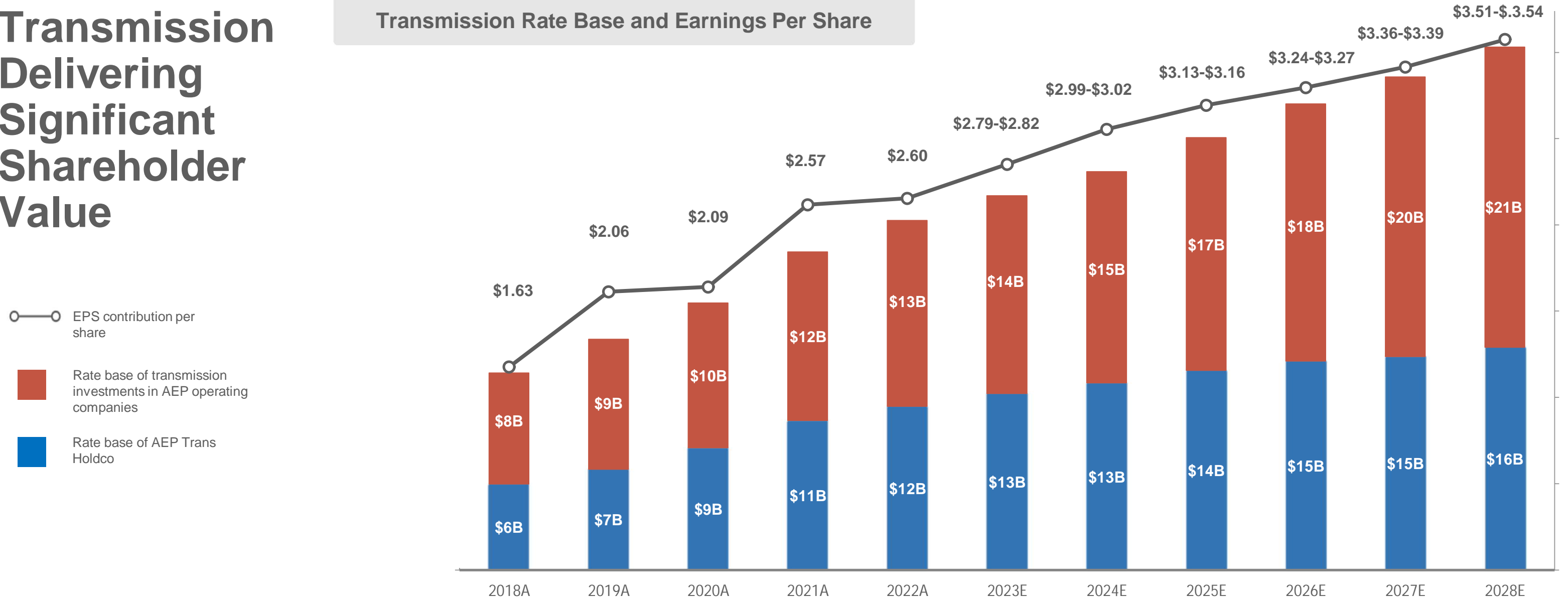
<sup>2</sup> Table data for ERCOT reflects AEP Texas subsidiary; AEP's ETT joint venture in ERCOT has 9.6% ROE, 40% equity layer with rate approved in January 2021.

Approximately 95% of transmission capital investment is recovered through state tracker/rider mechanisms



# Transmission Delivering Significant Shareholder Value

Transmission Rate Base and Earnings Per Share

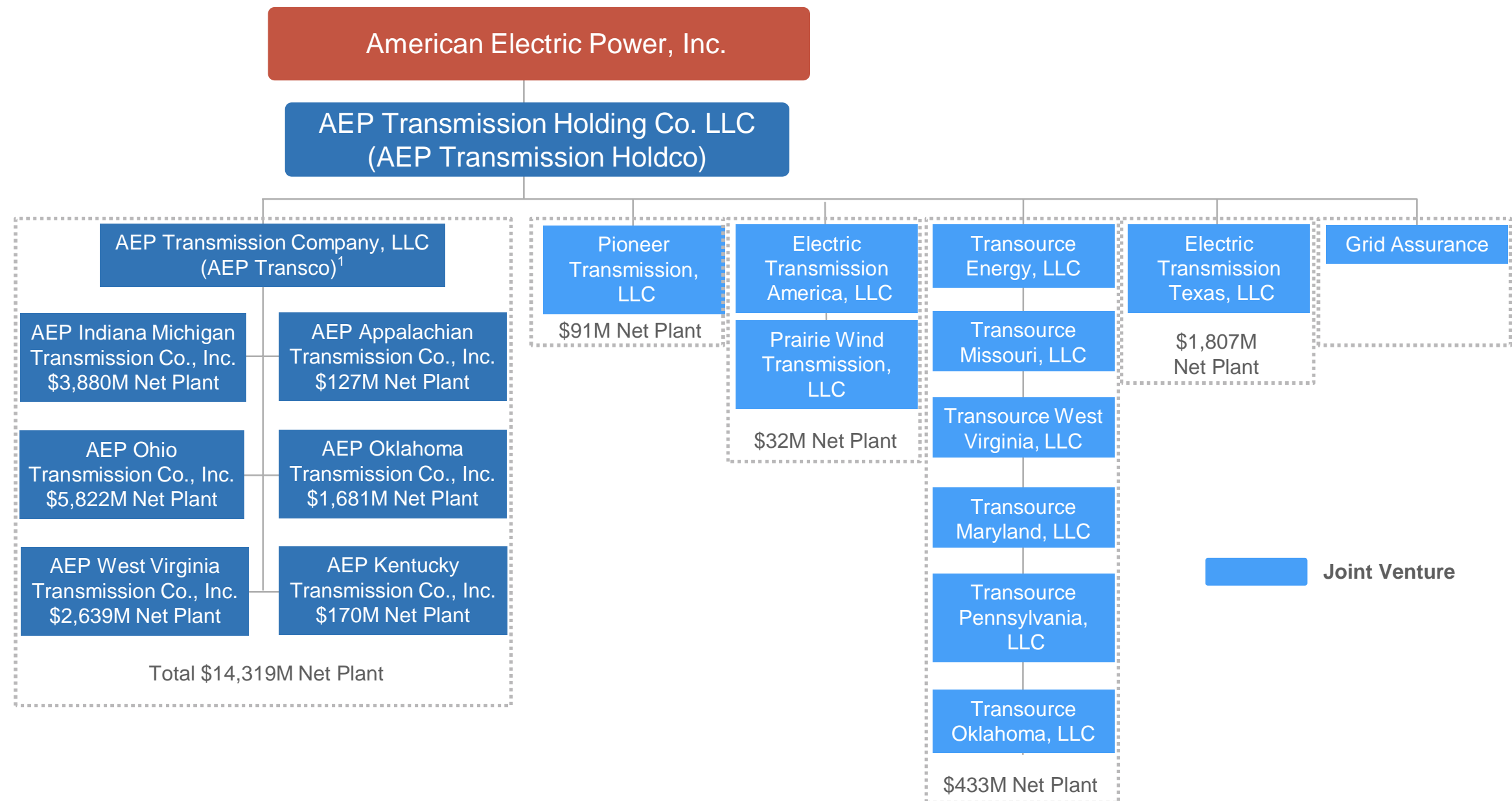


EPS Contributions (\$/Share)	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
AEP Trans Holdco	\$0.75	\$1.05	\$1.03	\$1.35	\$1.32	\$1.43	\$1.51	\$1.52	\$1.55	\$1.58	\$1.63
Transmission Investments in AEP Operating Companies	\$0.88	\$1.01	\$1.06	\$1.22	\$1.28	\$1.37	\$1.49	\$1.62	\$1.70	\$1.79	\$1.89

# AEP Transmission Holdco Legal Entity Structure

AEP Transmission Company, LLC (AEP Transco) is wholly-owned by AEP Transmission Holding Company, LLC (AEP Transmission Holdco)

AEP Transmission Holdco is a wholly-owned subsidiary of American Electric Power Company, Inc. (AEP), one of the largest utility holding companies in the U.S.

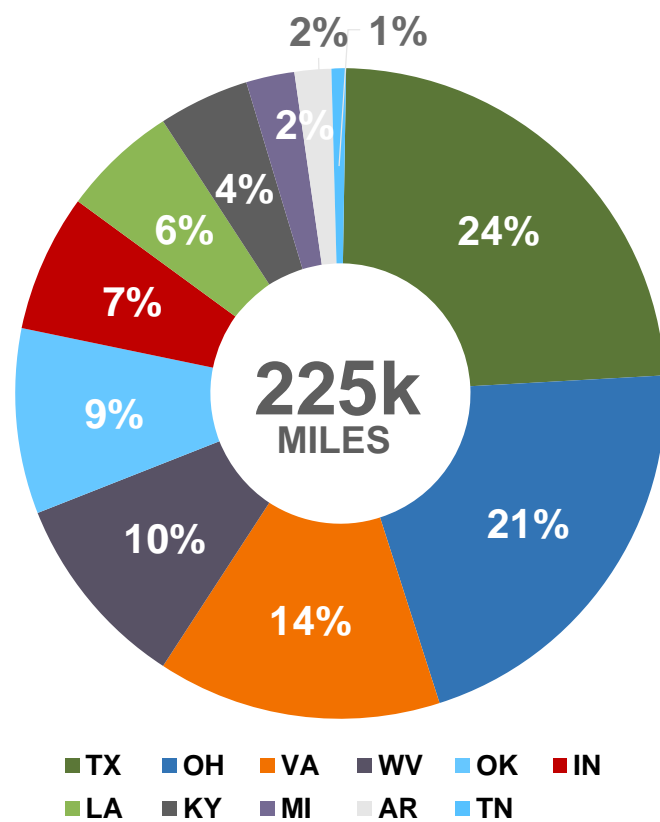


Joint Venture net plant balances reflect AEP's portion.

Net plant totals as of 9/30/2023.

<sup>1</sup> Debt issued at AEP Transco level for transmission companies.

# Transforming the Distribution Grid



## INVESTING IN THE DISTRIBUTION GRID OF THE FUTURE

Improve Reliability and Resiliency through Broad Asset Renewal and Reliability Investments

Significantly Enhance Reliability Performance Across All Operating Companies

Accelerate Service Delivery to All Customers through Enhanced Capacity Investments

Enable Economic Development, Electrification and Decarbonization Across Our Customer Base

Expand Operational Flexibility and Visibility through Targeted Telecommunications, Monitoring and Automation Investments

Enable a Seamless 2-way Exchange of Information and Energy and Optimize Operations for All Customers

**AEP's distribution system is among the largest distribution systems in the U.S.**

## AEP DISTRIBUTION SYSTEM AT A GLANCE:

**~225k**  
CIRCUIT MILES<sup>1,2</sup>

**2,400+**  
DISTRIBUTION  
SUBSTATIONS<sup>2</sup>

**\$11.3B**  
5-YEAR CAPEX  
(2024-2028)

<sup>1</sup> Includes approximately 36,400 miles of underground circuits.

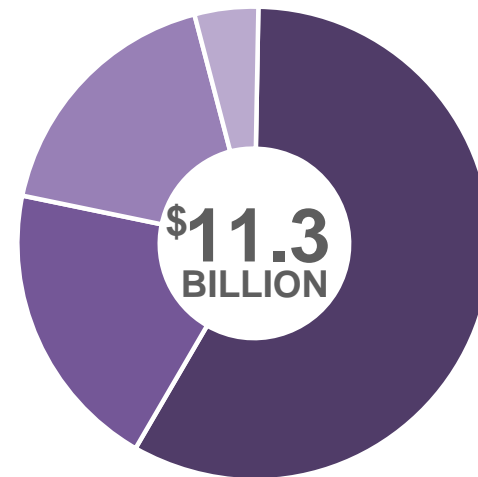
<sup>2</sup> As of year-end 2022.

# Distribution Organic Growth Opportunity

AEP's expansive, aged distribution system provides significant opportunity for investment and we are developing a portfolio of projects to address system needs and ramping-up our capabilities to execute these projects

**\$2B of annual on-system capital investment is required to maintain current age profile**

2024-2028 CAPEX



## DRIVERS

### CAPACITY EXPANSION, RELIABILITY & MODERNIZATION

*Asset renewal and reliability investments including pole, conductor, cutout, station transformer and breaker replacements and capacity additions*

### CUSTOMER REQUESTS

*Investments for new service, upgrades, relocation*

### METERING, AUTOMATION, TECHNOLOGY & TELECOM

*Implementation of automated technology including automated meters, distribution supervisory control and data acquisition, smart switches and reclosers, volt-var optimization and sensors*

### RESTORATION & SPARING

*Storm restoration and spare equipment*

## DISTRIBUTION PIPELINE

### Robust Pipeline Under Development

Significant capital investment opportunity over the next 10-years to renew the distribution system, improve reliability and resilience, and expand operational capabilities

### Capital Flexibility

Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

### Future Growth Drivers

Electrification and higher penetration levels of distributed resources will drive additional distribution investment opportunities





# Resource Plans Are Aligned with Capacity Needs

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

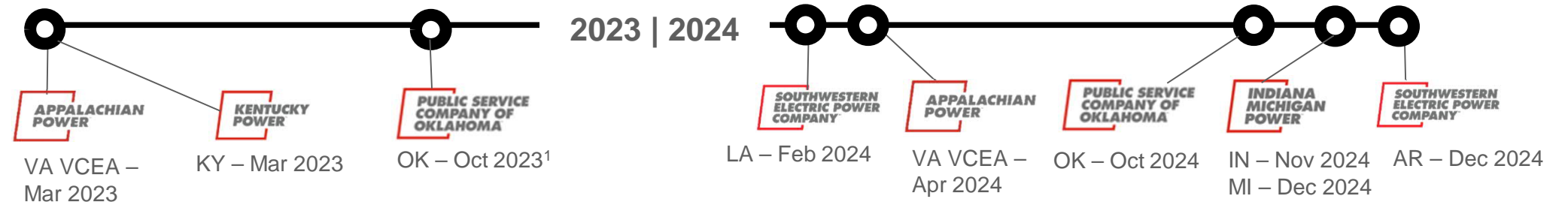
<sup>1</sup> Integrated Resource Plan refresh was required as part of the May 2023 PSO renewables approval.

<sup>2</sup> Resource additions are from Integrated Resource Plans (IRP) filings.

<sup>3</sup> Investments in new generation resources will be subject to market availability of viable projects and regulatory approvals.

<sup>4</sup> Natural gas additions may include peaking units and fuel switching to provide reliable, affordable and flexible power.

## IRP FILINGS



## 10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2024-2033 (MW) <sup>2,3</sup>	SOLAR	WIND	STORAGE	NAT. GAS <sup>4</sup>	TOTAL
APCo	1,454	1,029	308	-	2,791
I&M	1,500	800	315	1,250	3,865
KPCo	800	700	-	480	1,980
PSO	1,193	4,053	20	1,200	6,466
SWEPCO	2,523	2,400	200	1,293	6,416
<b>TOTAL</b>	<b>7,470</b>	<b>8,982</b>	<b>843</b>	<b>4,223</b>	<b>21,518</b>

### 3.3 GW

Owned and PPA Projects That Have Received or Are Pending Regulatory Approval



### 18.2 GW

Remaining Resource Additions in Pipeline (2024-2033)



### 21.5 GW

New Generation Opportunity Over Next 10-years



TRANSMISSION

DISTRIBUTION

REGULATED NEW GENERATION

# Regulated New Generation Status

Approved owned projects total \$6B; projects pending commission approval total \$800M

<sup>1</sup> The project approval also included PPAs for seven solar facilities for a total of 204 MW.

<sup>2</sup> The project approvals in both Indiana and Michigan also included PPAs for two solar facilities for a total of 280 MW.

Approved projects may be impacted by market conditions during development. Additional RFP issuances are expected in the near term consistent with the IRPs for energy and capacity needs.



Total Investment	Resource	Project	MWs	In Service/ Acquisition Date	Jurisdictional Status
209 MW / ~\$500M	Solar	Amherst / Virginia	5	Q2-23	Projects <u>Approved</u> July 2022 Docket # PUR-2021-00206
	Wind	Top Hat / Illinois	204	Q3-25	
143 MW / ~\$426M <sup>1</sup>	Wind	Grover Hill / Ohio	143	Q1-26	Project <u>Approved</u> September 2023 Docket # PUR-2023-00001
469 MW / ~\$1.0B <sup>2</sup>	Solar	Lake Trout / Indiana (~\$600M)	245	Q2-26	Indiana Order Projects <u>Approved</u> October 2023 Docket # 45868
	Solar	Mayapple / Indiana (~\$400M)	224	Q2-26	Michigan Orders Docket # U-21189 Mayapple <u>Approved</u> August 2023 Docket # U-21377 Lake Trout Expected Q1 2024
999 MW / ~\$2.2B	Solar	Mooringsport / Louisiana	200	Q4-25	Projects <u>Approved</u> June 2023 Arkansas Docket # 22-019-U Louisiana Docket # U-36385
	Wind	Diversion / Texas	201	Q4-24	
	Wind	Wagon Wheel / Oklahoma	598	Q4-25	
995.5 MW / ~\$2.5B	Solar	Algodon / Texas	150	Q2-26	Projects <u>Approved</u> May 2023 Docket # 2022-000121
	Solar	Chisholm Trail / Kansas	103.5	Q4-25	
	Solar	Pixley / Kansas	189	Q2-25	
	Wind	Flat Ridge IV / Kansas	135	Q1-25	
	Wind	Flat Ridge V / Kansas	153	Q1-25	
	Wind	Lazbuddie / Texas	265	Q2-26	
154 MW / ~\$150M	Wind	Rock Falls / Oklahoma	154	Q1-23	Inclusion of Rock Falls in rate base will be considered in a future case (outside of Docket # PUD 2022-000093); PSO submitted a Notice of Intent on 11/8/2023 to file a new base case in January 2024

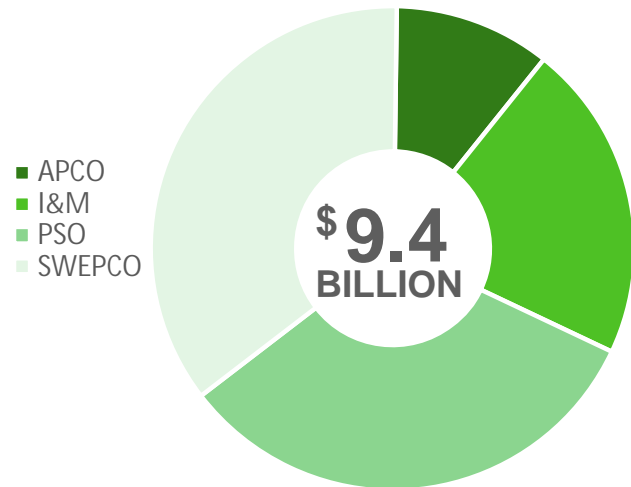


Total Projects Listed = 3.0 GW / \$6.8B Investment

# Regulated New Generation Investment Growth

Continuing execution on the \$9.4B regulated renewables investment over the next five years

2024-2028 CAPEX



## RFPs IN PROGRESS<sup>1</sup>

	APPALACHIAN POWER	INDIANA MICHIGAN POWER
RFP Issued	April 2023	March 2023 <sup>2</sup>
Wind	600 MW	800 MW
Solar		850 MW
Storage	-	315 MW
Natural Gas	-	540 MW
Reg. Filings and Approvals	Q2-24 – Q4-24	Q1-24 – Q2-25
Projected In-service Dates	YE26	YE27

## Future RFPs



Draft all-source RFP issued October 2023; final RFP expected by 11/20/2023



Notice of intent to conduct an all-source RFP filed in September 2023; final RFP expected by February 2024

## REGULATED GENERATION PIPELINE

### 18 GW Pipeline

Significant long-term investment potential over the next decade

### Capital Flexibility

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

### Growth Drivers

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

<sup>1</sup> RFPs represent up-to MW capacity values; related regulatory filings will take into consideration commission preferences. KPCo RFP details not shown as RFP only seeks contracted resources.

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

# IRA Provides a Clean Energy Investment Tailwind



Tax credits extend the runway for clean energy investments and will significantly drive down costs to customers

- Long-term extension of clean energy tax credits and reinstatement of the full credit value
- Establishment of a new energy storage tax credit
- Establishment of a nuclear generation tax credit
- Bonus credits for qualifying projects



Tax credit package is advantageous for utility ownership of clean energy investments

- Normalization inefficiencies are addressed through the implementation of the solar PTC and technology-neutral PTC as well as the opt-out provision within the storage ITC
- The tax credits are transferrable which limits potential tax credit utilization inefficiencies
- Bonus credits for locating assets in existing energy communities



Provides flexibility to invest in other clean energy resource types and new technologies

- Credits transition to technology-neutral tax credits over time



Provides incentives for advanced manufacturing which can lead to economic growth in the communities in which we serve

**Forecasted 2024-2028 annual cash from operations benefit of \$150M - \$500M from the sale of tax credits**





# Environmental, Social and Governance (ESG)

**Commitment to ESG**

**Proven Track Record of Reducing Fleet Emissions**

**Continuing to Advance Coal Fleet Transition**

**Diversifying Our Generation Fleet**

**Committed to Being a Top ESG Employer**



# Commitment to ESG

## ENVIRONMENTAL

- Accelerated CO<sub>2</sub> emission goals: 80% reduction by 2030 off a new 2005 baseline and accelerated net-zero goal by 2045
- 47% reduction in coal capacity as a percent of total capacity by 2032
- 2022 coal capacity = 12.2% of rate base; 2022 coal revenue = 10.5% of total revenue
- Clean energy transition tied to long-term incentive compensation

## SOCIAL

- Promote diversity, equity and inclusion
- Service territory economic and business development
- Just Transition strategy
- Environmental and Social Justice Policy
- AEP Foundation Launched Delivering on the Dream: Social and Racial Justice grant program in 2021
- Zero Harm Safety Culture
- Human Rights Policy



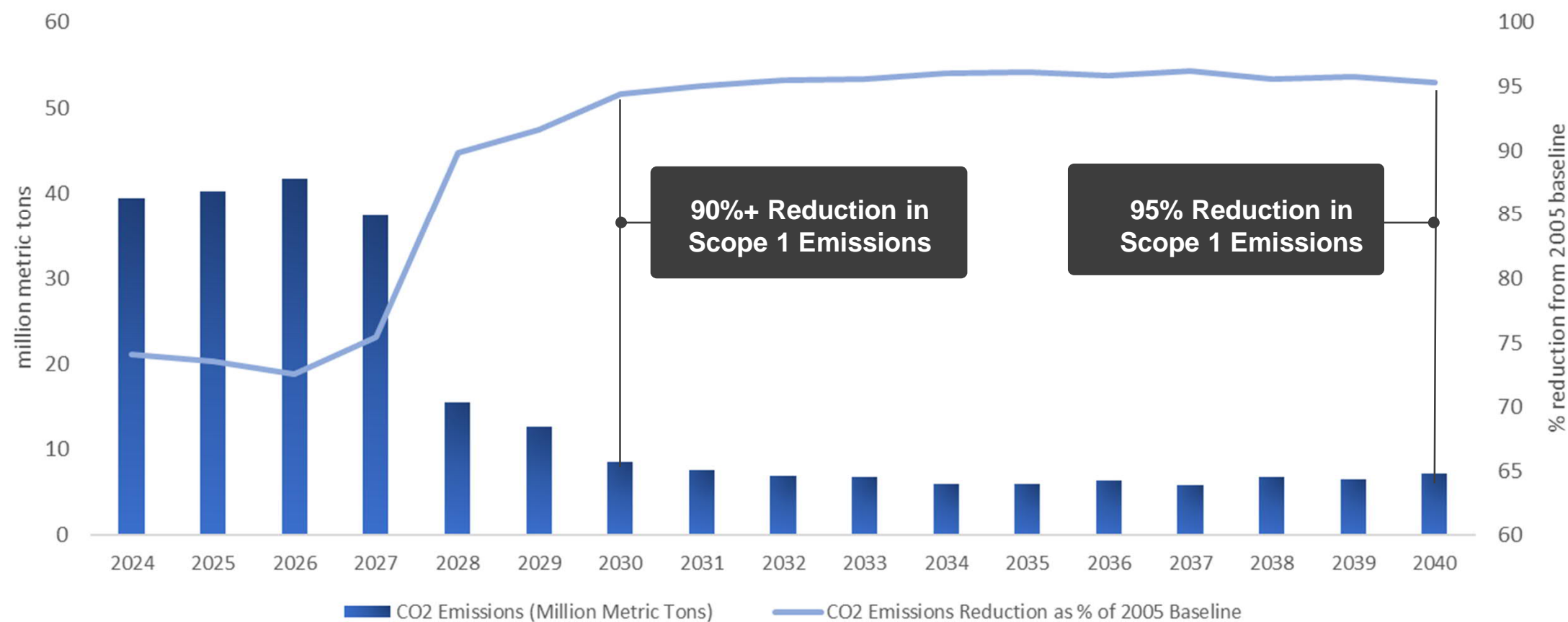
## GOVERNANCE

- 12 Board of Directors, 11 independent directors
- 67% Board diversity
- Average Board tenure of 6 years
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided at every Board meeting



# Proven Track Record of Reducing Fleet Emissions

Forecasted CO<sub>2</sub> Emissions (Scope 1)



Projections based upon Integrated Resource Plan filings and analysis updated as of 10/31/2023 for regulated companies and also assume an extension of the Cook nuclear power plant through the forecast period. Ability to meet the transition timeline is dependent upon market availability of resources, regulatory approvals, transmission system availability, etc.

<sup>1</sup> Percentage inclusive of emission reduction that results from assets sold and retired.

**66%**

Reduction in CO<sub>2</sub> emissions from 152M metric tons in 2005 to 51M metric tons in 2022<sup>1</sup>

**98%**

Reduction in SO<sub>2</sub> emissions between 1990-2022

**95%**

Reduction in NO<sub>x</sub> emissions between 1990-2022

**98%**

Reduction in mercury air emissions from 2001-2022

# Continuing to Advance Our Coal Fleet Transition

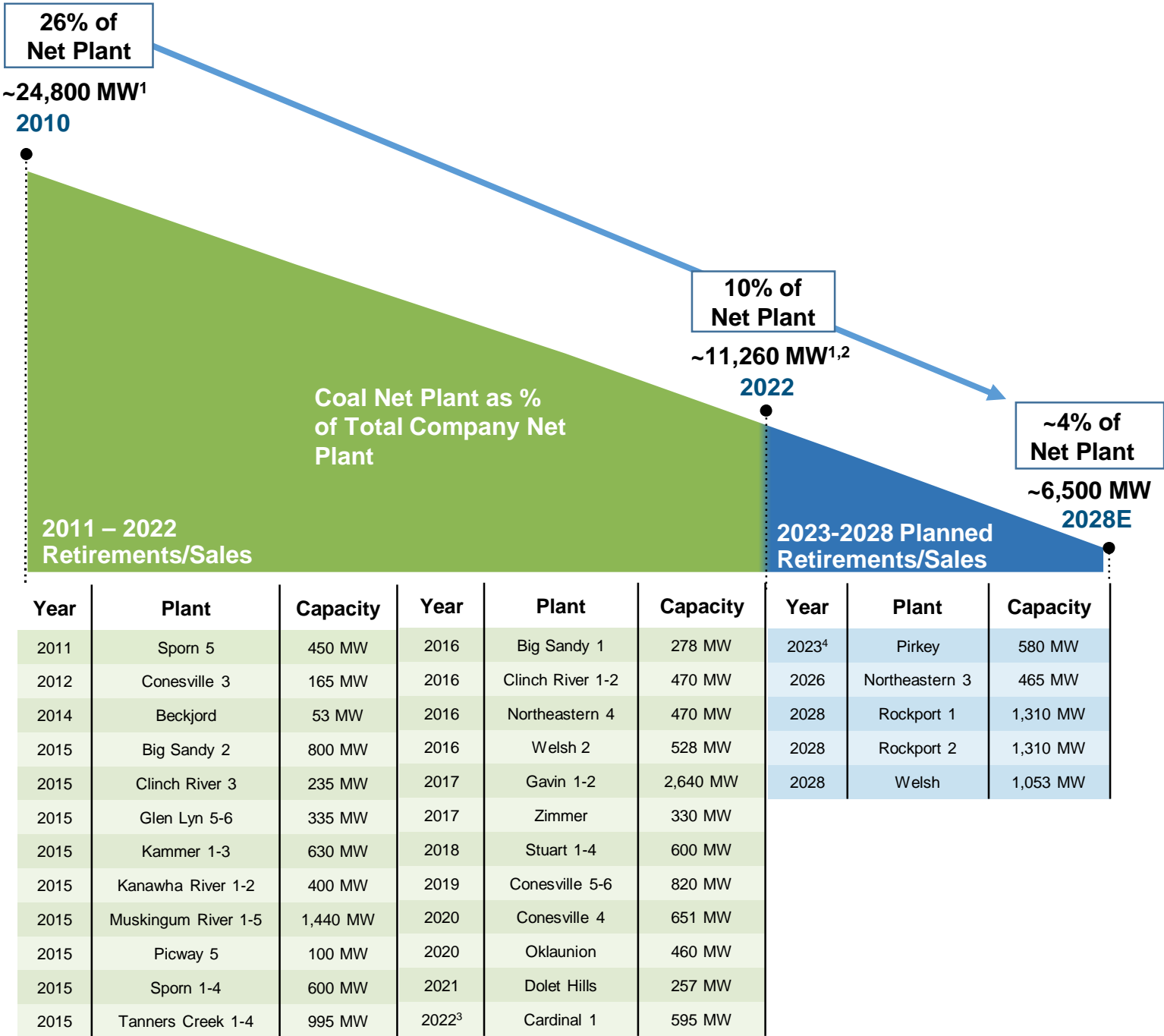
Coal-fired generation retirements pave the way for 21.5 GW of new generation opportunities over the next ten years

<sup>1</sup> Total includes owned coal units and Rockport 2; excludes AEP's investment in OVEC.

<sup>2</sup> Includes 2012 Turk Plant addition.

<sup>3</sup> In April 2022, AEP executed simultaneous agreements with Buckeye Power to sell Cardinal 1 and purchase 100% of the output through 2028 via a PPA. The sale was completed in August 2022.

<sup>4</sup> In March 2023, AEP retired SWEPCO's 580 MW Pirkey coal plant.





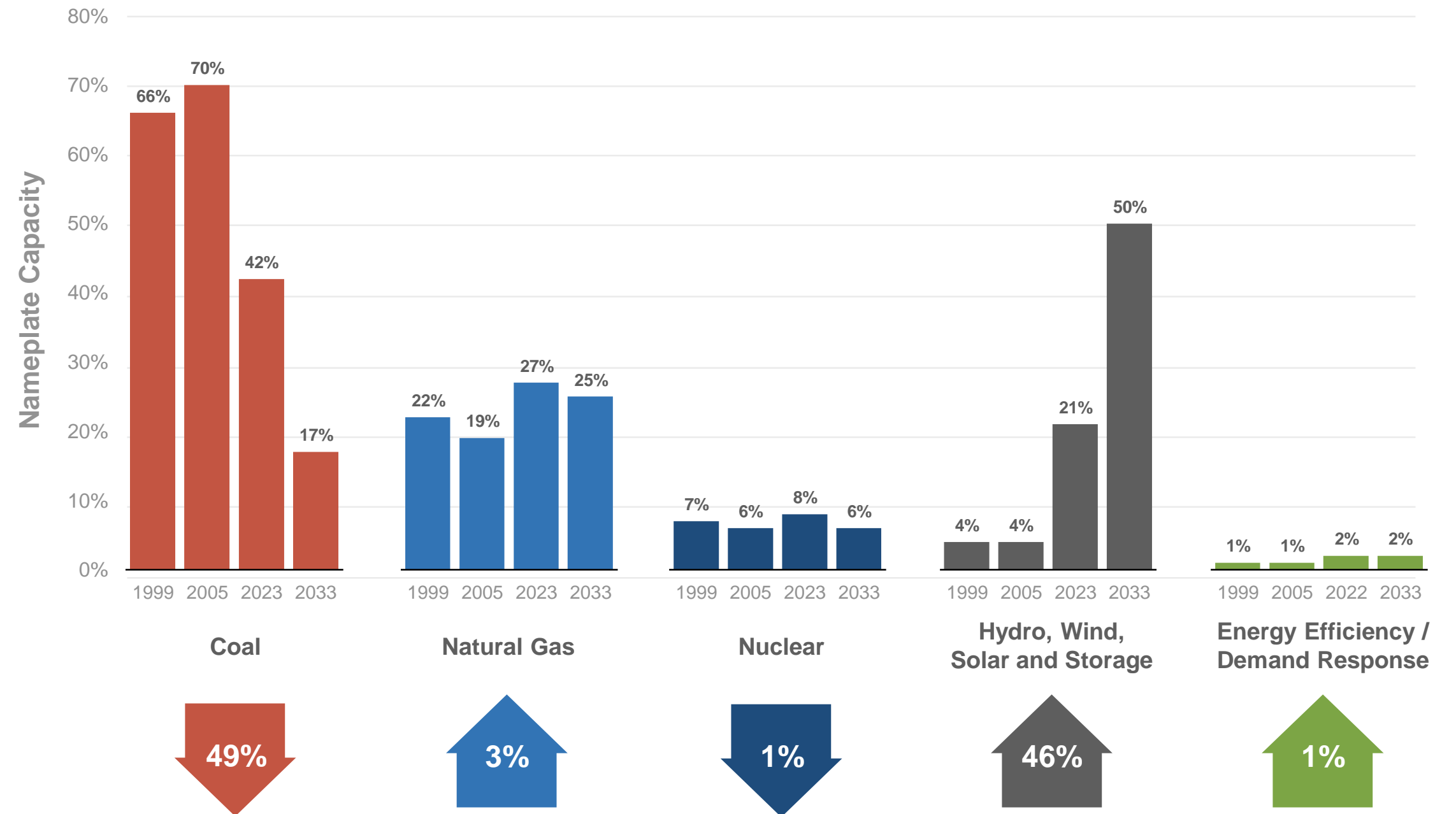
# Diversifying Our Generation Fleet

2023 data as of 9/30/2023; 2023 and 2033 data adjusted to include the sale of unregulated contracted renewable assets completed in August 2023.

2033 coal capacity includes WV's Amos, Mountaineer and Mitchell plants as well as SWEPCO's Turk and Flint Creek plants.

2033 Hydro, Wind, Solar and Storage capacity includes pending sale of the distributed resources business. Excluding capacity from this business would not materially change the 2033 projected capacity mix.

Capacity includes both owned and PPA generation. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.



# Committed to Being a Top ESG Employer

Building an inclusive and  
high performing culture



Recognizes companies that set  
the standard in commitment to  
their stakeholders



Recognizes employers  
for creating an inclusive  
work environment that  
supports women



Recognizes companies that are  
trailblazers in their commitment  
to gender reporting and  
advancing women's equality

## Other Awards / Recognitions

- American Opportunity Index
- Investor Business Daily's Best ESG Companies
- JUST Capital's Top 100 U.S. Companies Supporting Healthy Communities and Families
- JUST Capital's Top 100 U.S. Companies for Workforce Equity and Mobility
- Forbes America's Best Employers
- Forbes America's Best Employers for Women
- Forbes America's Best Employers for New Grads
- Fortune's World's Most Admired Companies
- Newsweek's Most Responsible Companies
- Site Selection Magazine's Top Utilities for Economic Development
- U.S. News & World Report Best Companies to Work For



Recognizes companies that  
demonstrated diversity-related  
best practices



# Well-positioned Regulated Companies

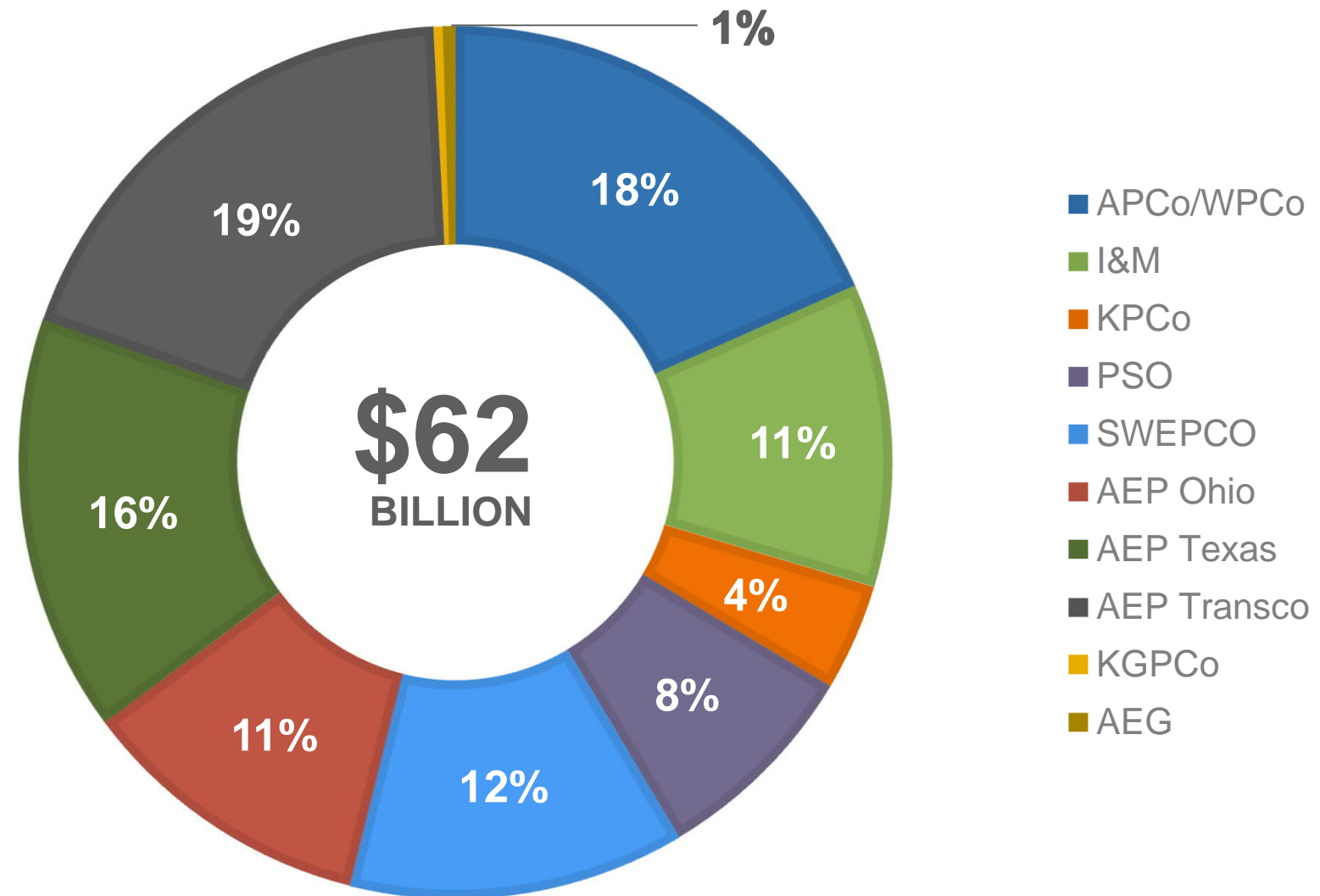
Composition of Rate Base by Operating Company  
Rate Base, Load and Capital by Operating Company





## Composition of Rate Base by Operating Company

Rate base as of 12/31/2022

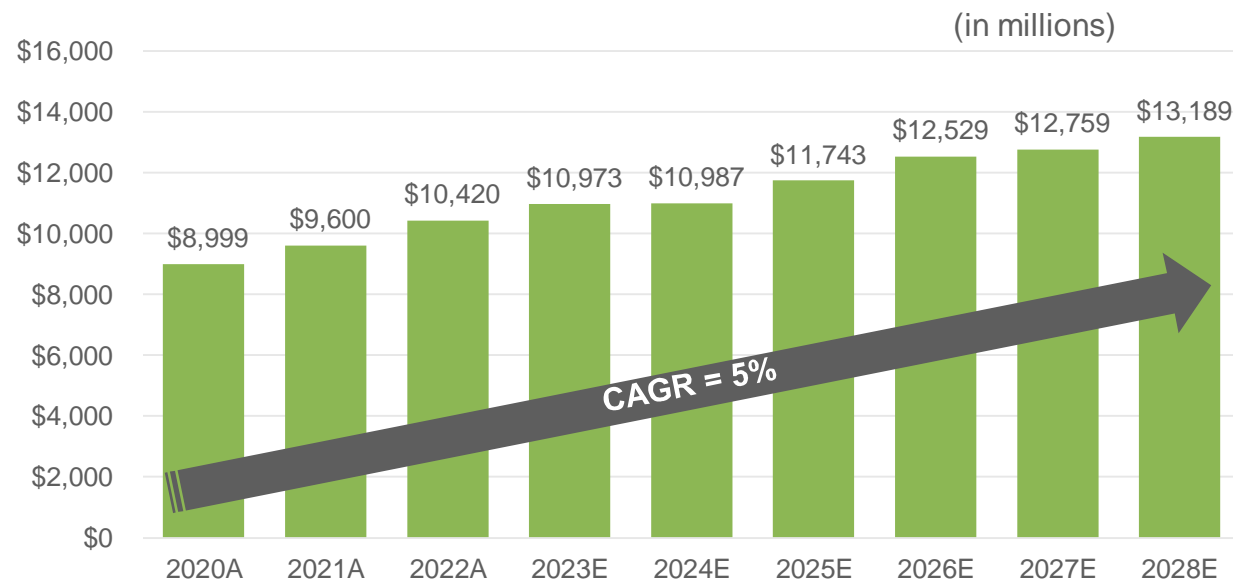




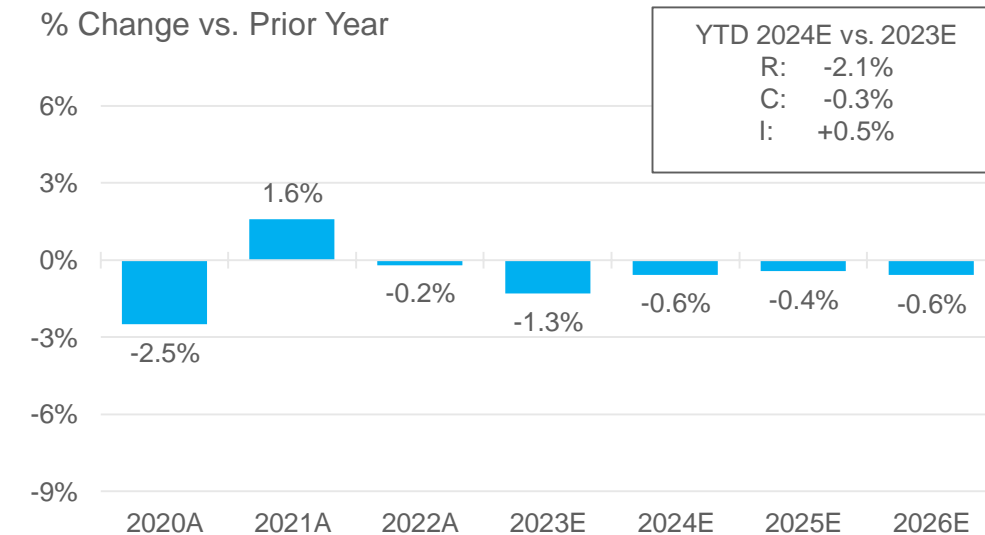


# Appalachian Power and Wheeling Power Companies

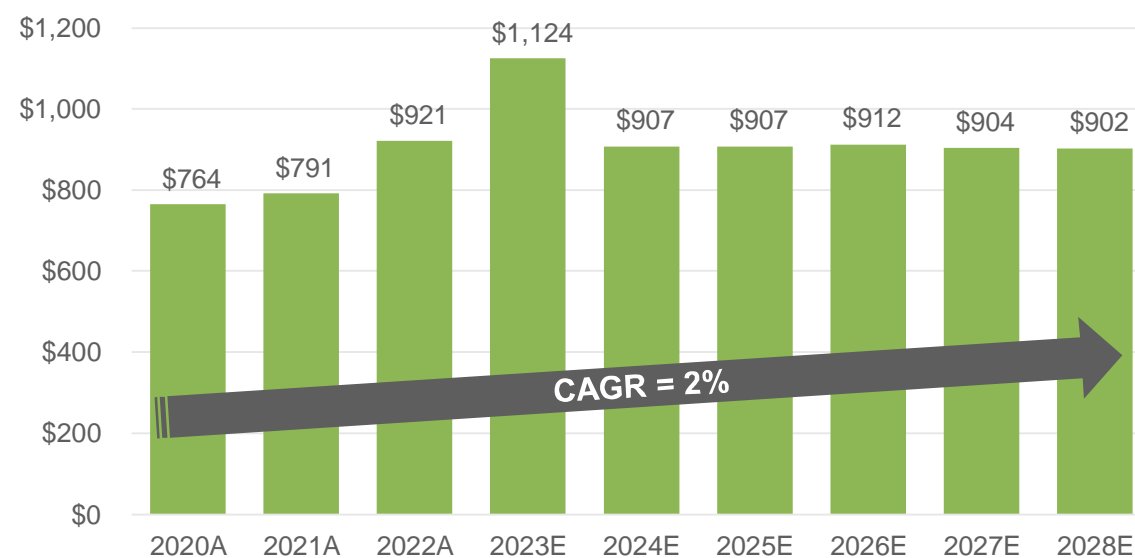
## APCo Projected Rate Base Proxy



## APCo/WPCo Normalized GWh Sales

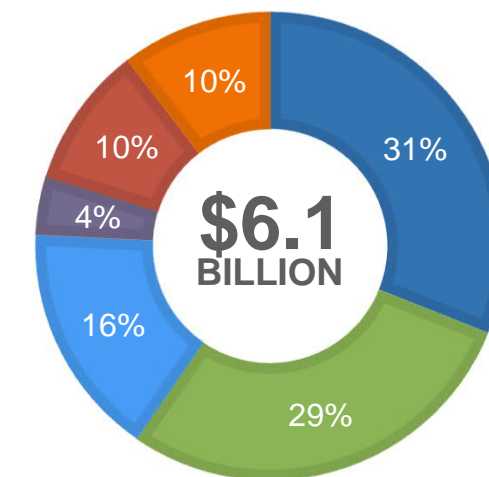


## WPCo Projected Rate Base Proxy



## APCo/WPCo 2024-2028 Capital by Function

- (excludes AFUDC)
- Distribution - \$1.9B
  - Transmission - \$1.7B
  - Renewables - \$978M
  - Environmental Generation - \$245M
  - Fossil/Hydro Generation - \$594M
  - Corporate/Other - \$630M

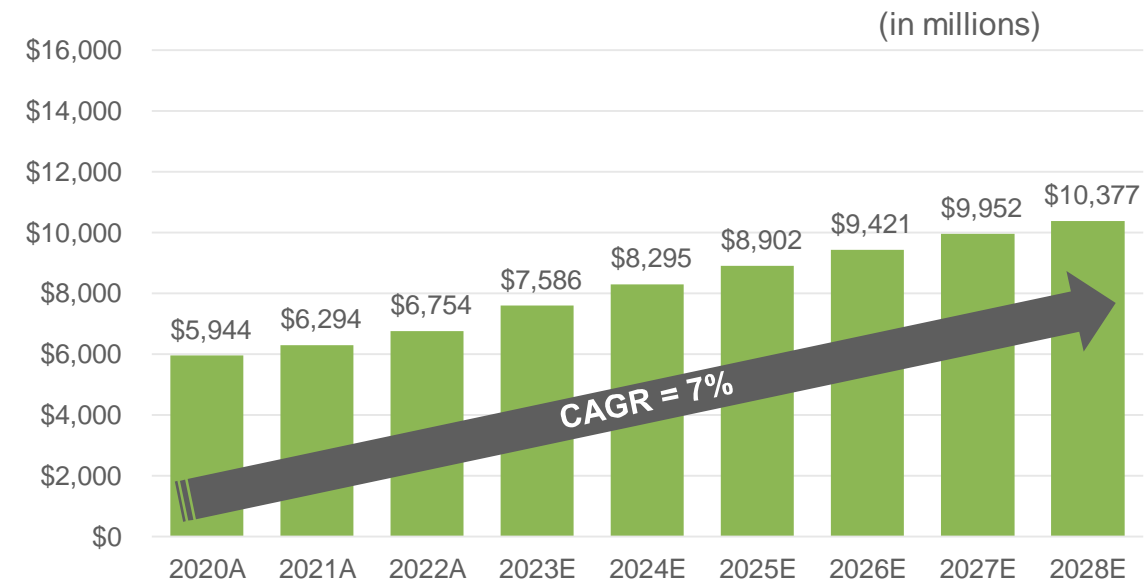


**\$6.1B Total with 76% allocated to wires and renewables**

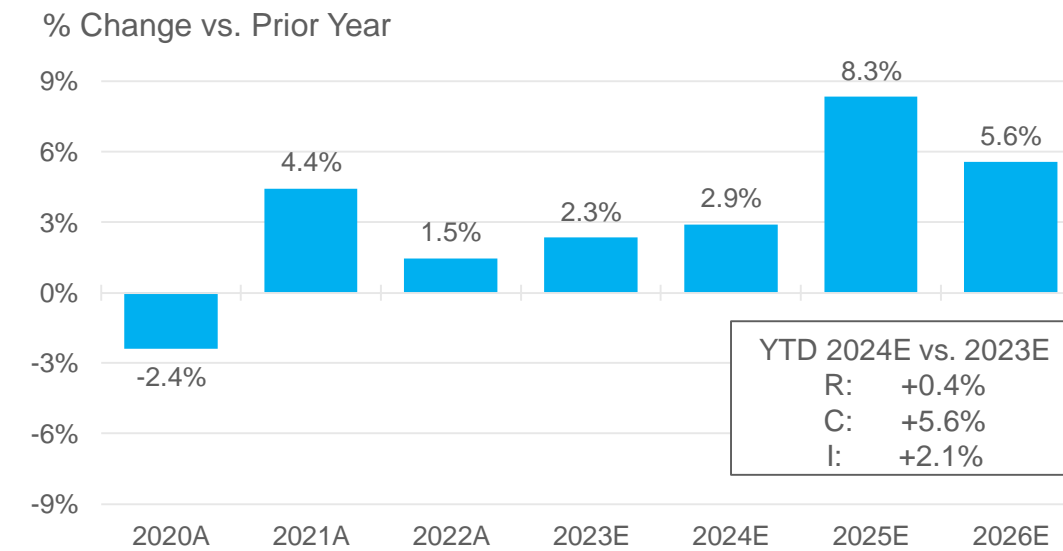


# AEP Ohio

## AEP Ohio Projected Rate Base Proxy



## AEP Ohio Normalized GWh Sales

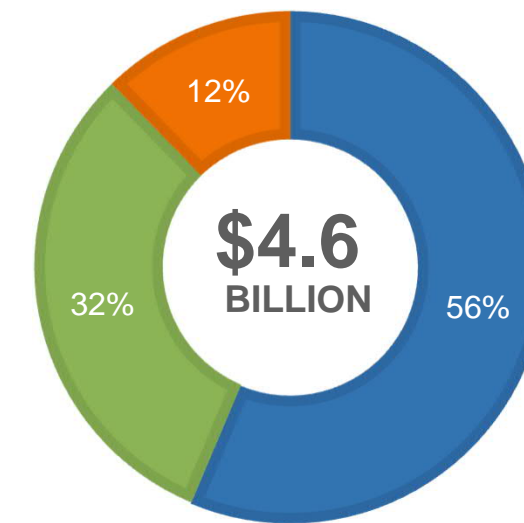


## AEP Ohio 2024-2028 Capital by Function

(excludes AFUDC)

**\$4.6B Total with 88% allocated to wires**

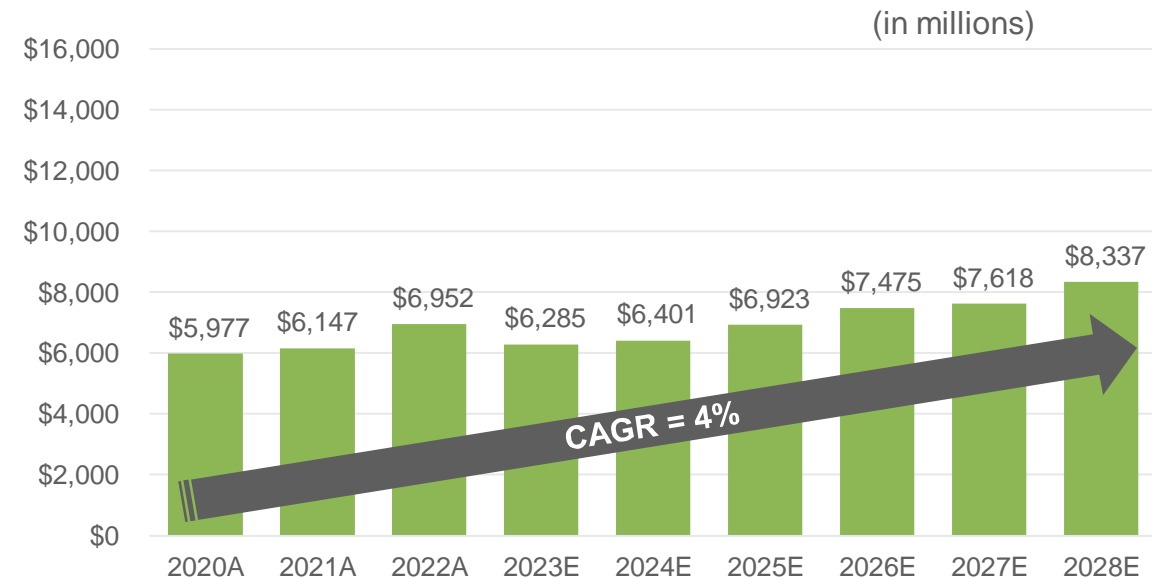
- Distribution - \$2.6B
- Transmission - \$1.4B
- Corporate/Other - \$560M



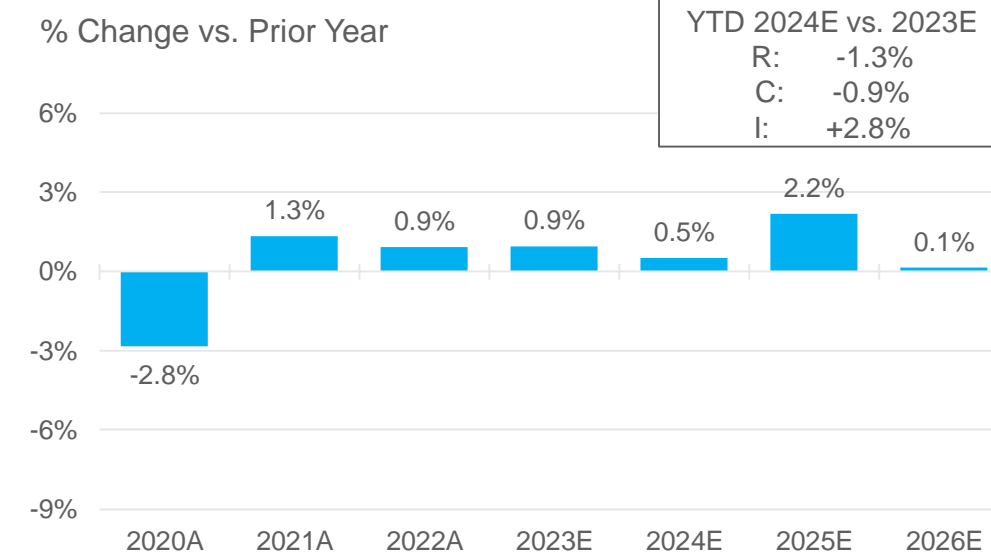


# Indiana Michigan Power Company

## I&M Projected Rate Base Proxy



## I&M Normalized GWh Sales

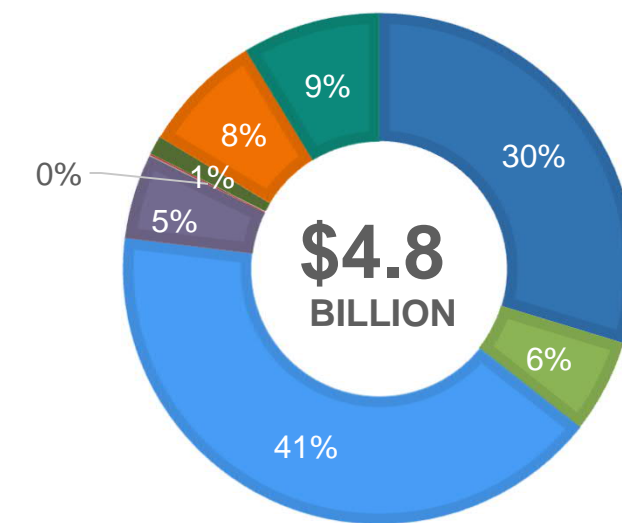


## I&M 2024-2028 Capital by Function

(excludes AFUDC)

**\$4.8B Total with 77% allocated to wires and renewables**

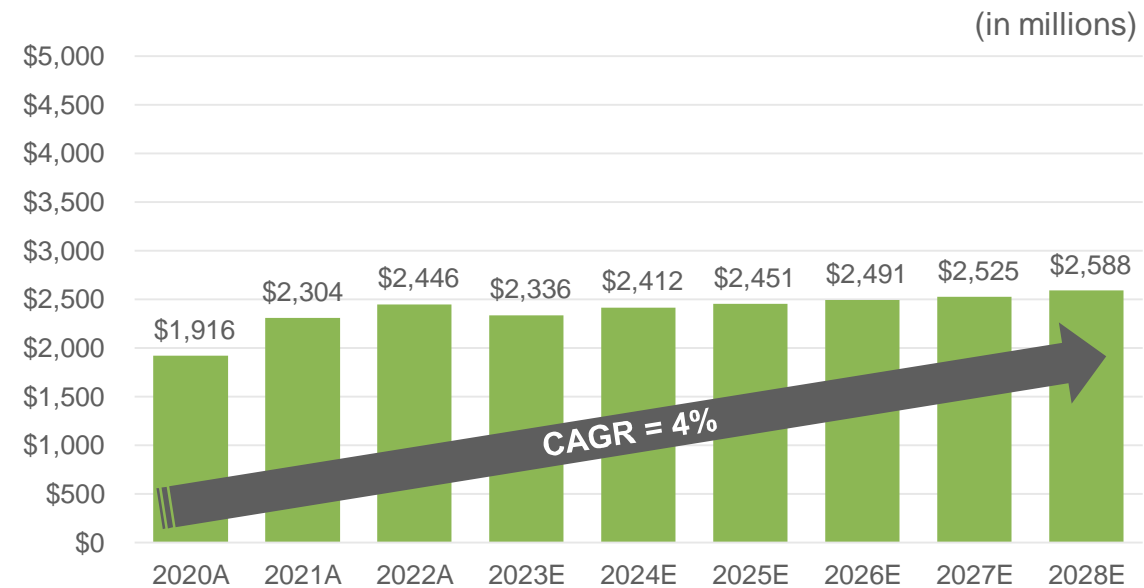
- Distribution - \$1.4B
- Transmission - \$287M
- Renewables - \$2.0B
- New Generation - \$258M
- Environmental Generation - \$7M
- Fossil/Hydro Generation - \$57M
- Nuclear Generation - \$370M
- Corporate/Other - \$419M





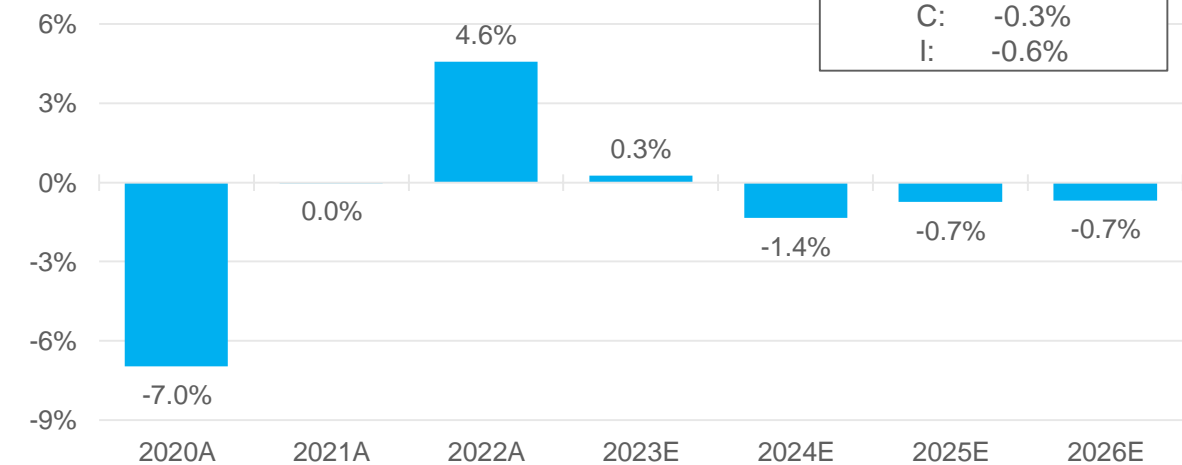
# Kentucky Power Company

## KPCo Projected Rate Base Proxy



## KPCo Normalized GWh Sales

% Change vs. Prior Year

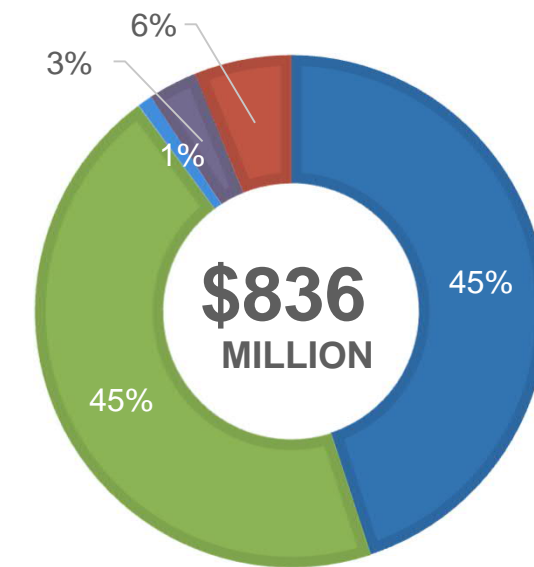


## KPCo 2024-2028 Capital by Function

(excludes AFUDC)

**\$836M Total with 90% allocated to wires**

- Distribution - \$376M
- Transmission - \$375M
- Environmental Generation - \$8M
- Fossil/Hydro Generation - \$26M
- Corporate/Other - \$51M

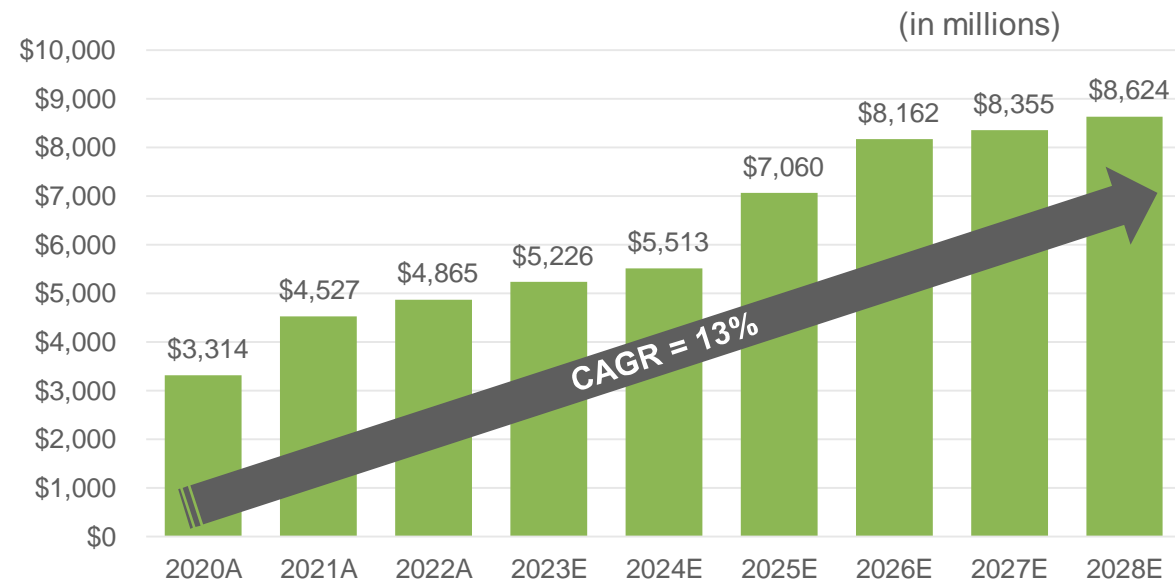






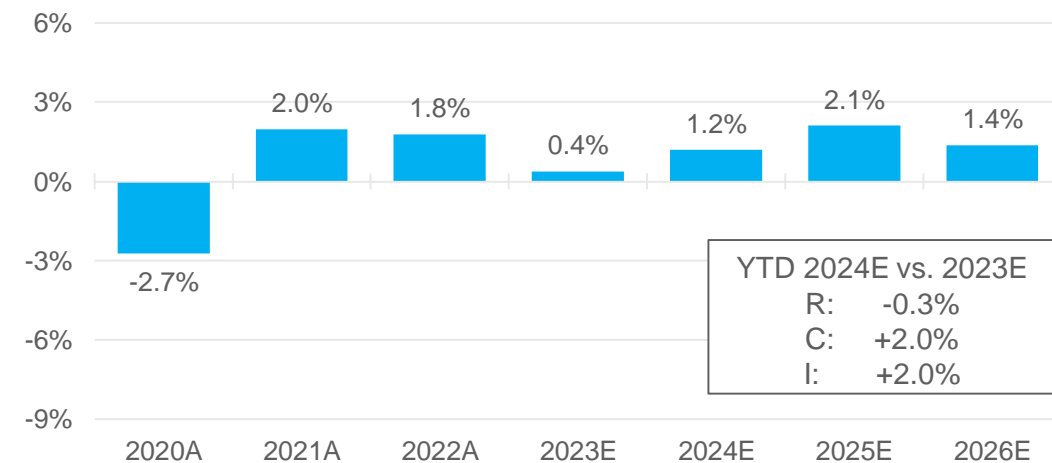
# Public Service Company of Oklahoma

## PSO Projected Rate Base Proxy



## PSO Normalized GWh Sales

% Change vs. Prior Year

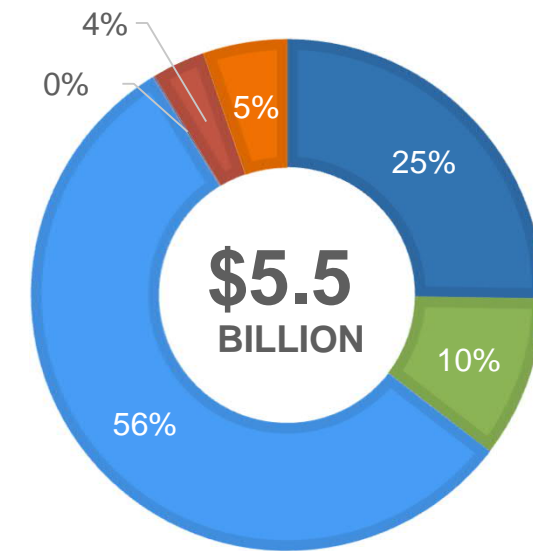


## PSO 2024-2028 Capital by Function

(excludes AFUDC)

**\$5.5B Total with 91% allocated to wires and renewables**

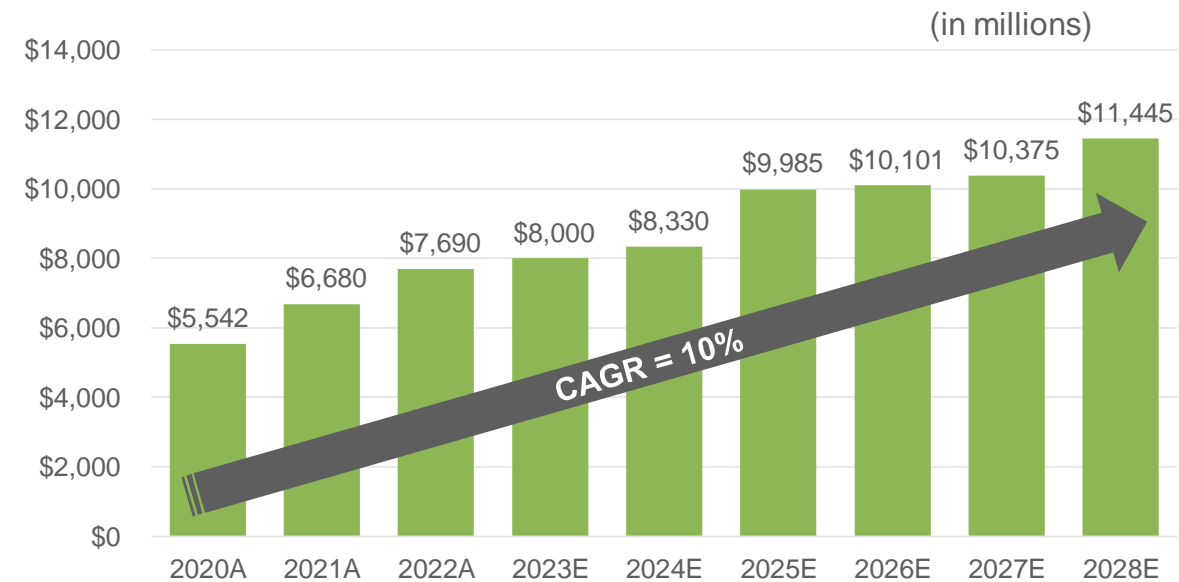
- Distribution - \$1.4B
- Transmission - \$558M
- Renewables - \$3.0B
- Environmental Generation - \$6M
- Fossil/Hydro Generation - \$183M
- Corporate/Other - \$289M



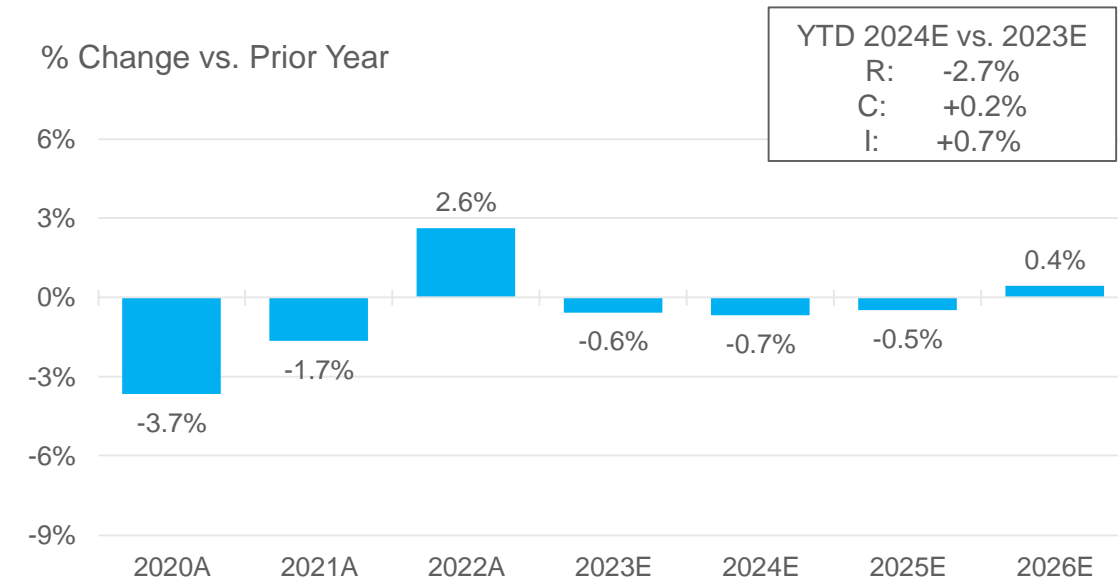


# Southwestern Electric Power Company

## SWEPCO Projected Rate Base Proxy



## SWEPCO Normalized GWh Sales

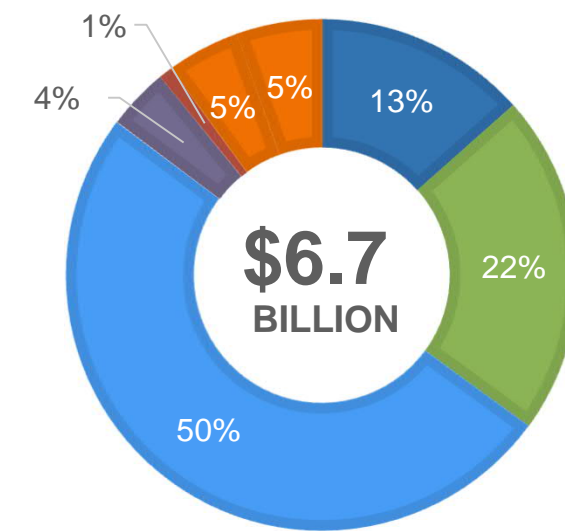


## SWEPCO 2024-2028 Capital by Function

(excludes AFUDC)

**\$6.7B Total with 85% allocated to wires and renewables**

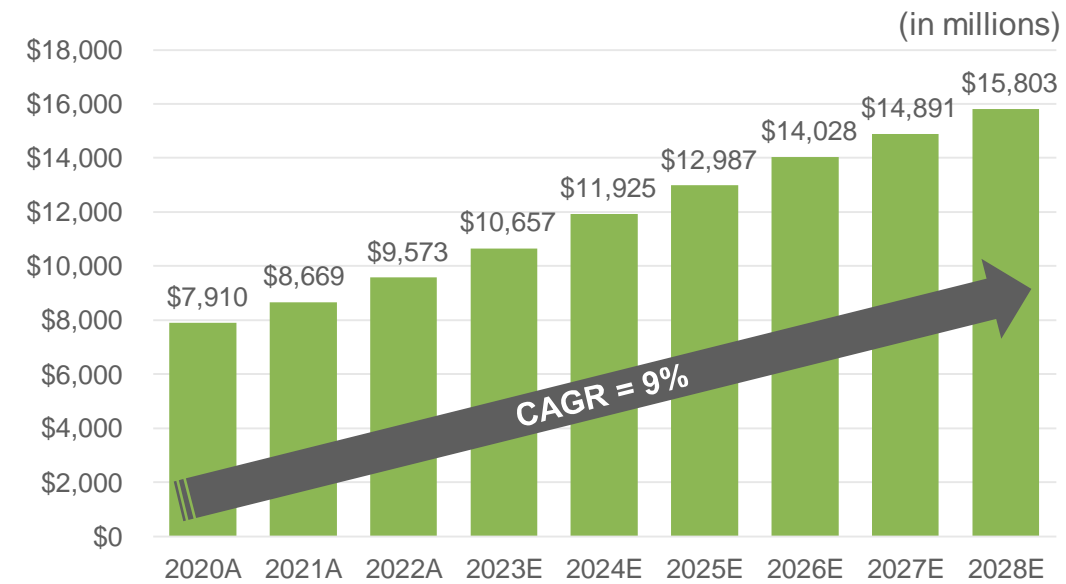
- Distribution - \$895M
- Transmission - \$1.4B
- Renewables - \$3.3B
- New Generation - \$259M
- Environmental Generation - \$57M
- Fossil/Hydro Generation - \$308M
- Corporate/Other - \$362M



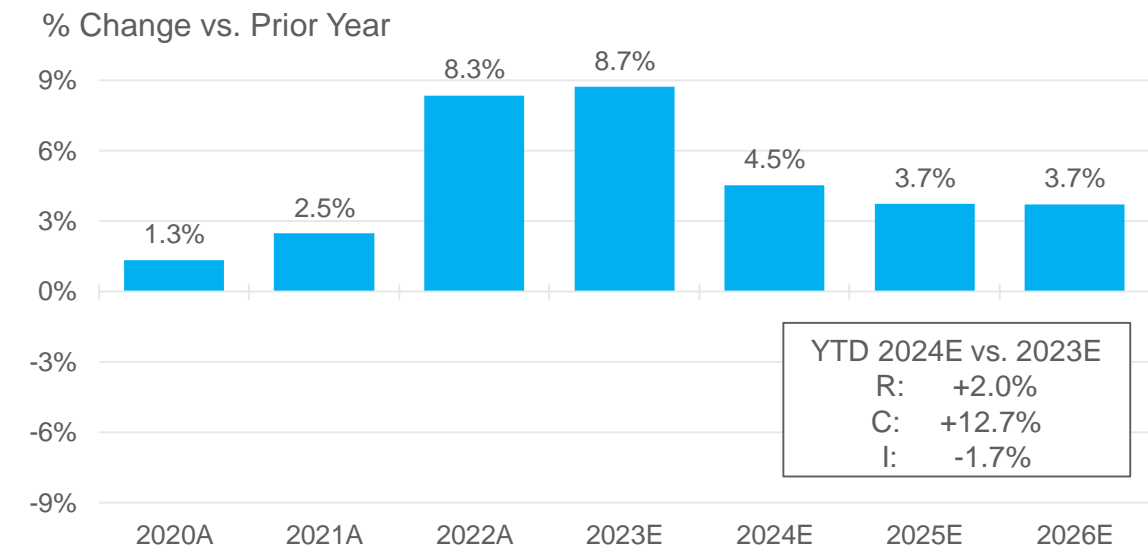


# AEP Texas

## AEP Texas Projected Rate Base Proxy



## AEP Texas Normalized GWh Sales

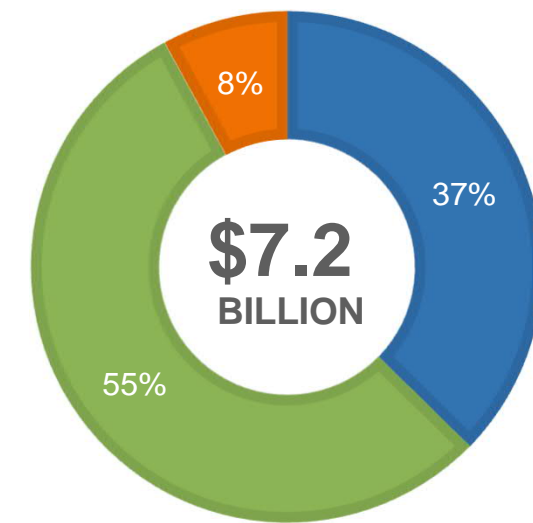


## AEP Texas 2024-2028 Capital by Function

(excludes AFUDC)

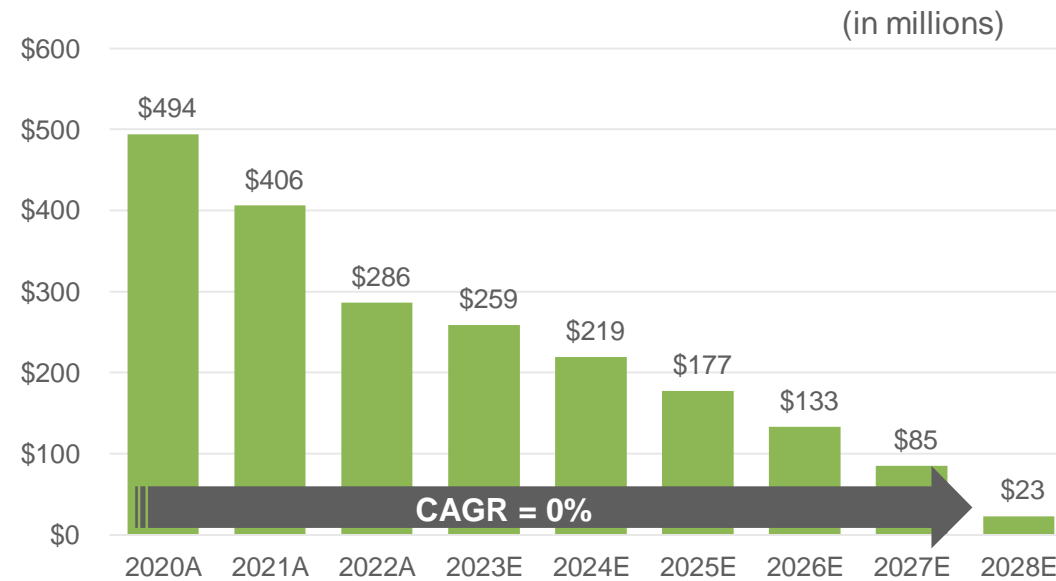
**\$7.2B Total with 92% allocated to wires**

- Distribution - \$2.7B
- Transmission - \$3.9B
- Corporate/Other - \$572M

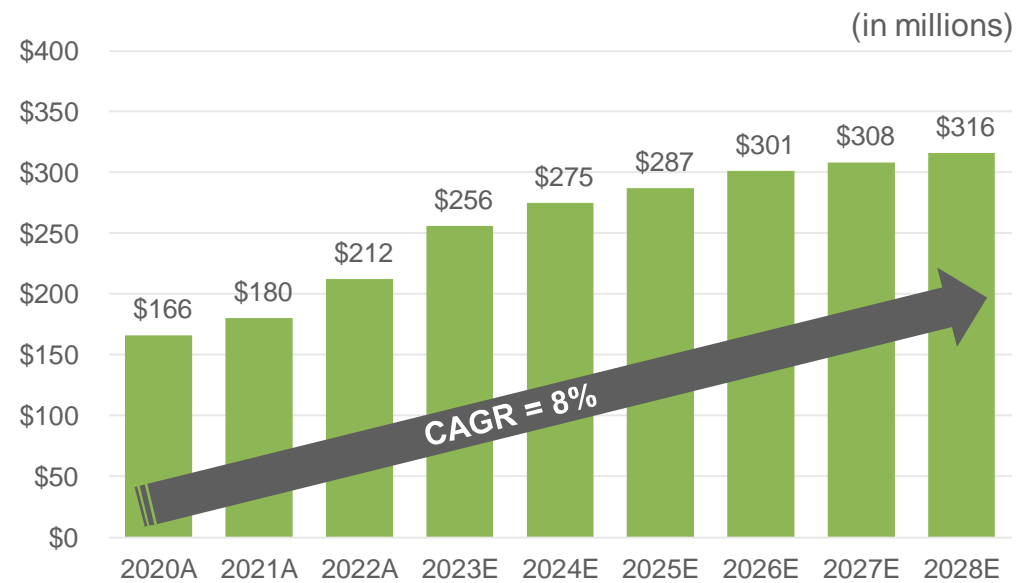


# Other Utility Subsidiaries

## AEP Generating Projected Rate Base Proxy



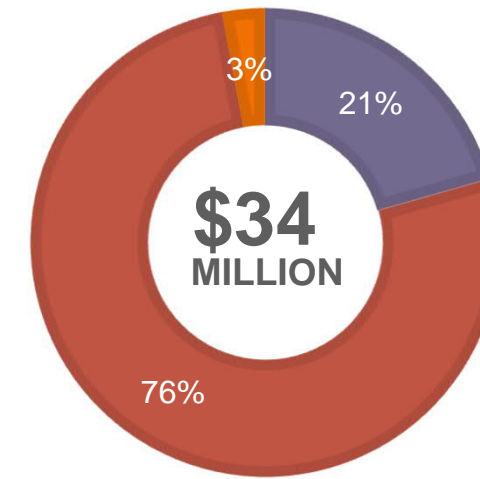
## Kingsport Projected Rate Base Proxy



## AEP Generating 2024-2028 Capital by Function

(excludes AFUDC)

- Environmental Generation - \$7M
- Fossil/Hydro Generation - \$26M
- Corporate/Other - \$1M



## Kingsport 2024-2028 Capital by Function

(excludes AFUDC)

- Distribution - \$90M
- Transmission - \$19M
- Corporate/Other - \$16M

