52nd EEI Financial Conference

November 5-8, 2017
Lake Buena Vista, Florida
“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 growth or contraction within and changes in market demand and demographic patterns in our service territories, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt, the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, electric load and customer growth, weather conditions, including storms and drought conditions, and our ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, availability of necessary generation capacity, the performance of our generation plants and the availability of fuel, including processed nuclear fuel, parts and service from reliable vendors, our ability to recover fuel and other energy costs through regulated or competitive electric rates, our ability to build transmission lines and facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of our generation 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 gas, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, our 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 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 ERCOT, PJM and SPP, our ability to successfully and profitably manage our competitive generation assets, including the evaluation and execution of strategic alternatives for these assets as some of the alternatives could result in a loss, 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 of such volatility 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

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Note: Statistics as of September 30, 2017 except for market capitalization which is as of October 31, 2017
**OUR STRATEGIC TRANSFORMATION**

- **Last 5 Years**
  - Managed earnings through loss of Ohio revenues
  - O&M Discipline
    - Ohio Generation Separation
    - River Ops Sale
    - Merchant Plant Sale
  - Own Regulated Renewables
  - Contracted Renewables
  - Transforming the Culture

- **Vision 2022**
  - Relentless O&M Optimization
  - New Regulatory Paradigm
  - Continued Transmission Investment
  - Wind Catcher and other Renewables Projects
  - Growth of Contracted Renewables
  - Grid Modernization, Smart City & Technologies
  - Digitization & Innovation
  - Workforce of the Future
  - Transform our Customer Experience
  - Established Strategic Goals

Actions taken today and in the future will reward our employees, customers and shareholders.
AEP GOING FORWARD

Well positioned as a regulated business

Earnings growth rate 5-7%

Growing dividend consistent with earnings

Renewable energy future

No Longer a Focus:

Energy and Capacity Pricing

Ohio Restructuring

Resolution of Competitive Generation

Central Station Construction Projects
ORGANIC INVESTMENT OPPORTUNITY EQUALS INCREASED GROWTH

$3.55 - $3.75 narrowed to $3.55 - $3.68

$3.75 - $3.95

$4.00 - $4.20

5-7% CAGR

$3.65

$4.50

$4.25

$4.00

$3.75

$3.50

$3.25

2017

2018

2019

Future

Operating Earnings Guidance
STRONG, CONSISTENT DIVIDEND GROWTH

EPS Growth + Dividend Yield = 10% to 12% Annual Return Opportunity

* Subject to Board approval
The Premier Regulated Energy Company

- HIGHER growth
- HIGHER dividends
- MORE certainty
- MORE regulated
POSITIONING FOR THE FUTURE

CAPITAL INVESTMENT OPPORTUNITIES
FOCUSING ON WIRES
A Tale of Two Companies

2007 CAPITAL

- Distribution 23%
- Transmission 12%
- Generation 65%

Focus on environmental retrofits
Transmission expansion just beginning

2017 2018-2020 CAPITAL FORECAST*

- Distribution 28%
- Transmission 17%
- Generation 55%

Focus on wires
$9 billion on transmission over 3-year forecast period

* Includes corporate allocations to each category on a weighted average basis
TURNING THE SHIP
A Tale of Two Companies

2007 NET PLANT PROFILE

- Generation: 47%, $12.5B
- Distribution: 34%, $9.0B
- Transmission: 19%, $5.0B

Total $26.5B

2017 NET PLANT PROFILE

- Generation: 34%, $15.0B
- Distribution: 28%, $12.2B
- Transmission: 38%, $16.6B

Total $43.8B
CAPITAL FORECAST

$18.2B Cap-ex: 2018 - 2020

- Contracted Renewables: $1.3B | 7%
- Regulated Renewables: $0.5B | 3%
- Regulated Environmental Generation: $1.0B | 5%
- Regulated Fossil/Hydro Generation: $0.6B | 3%
- Nuclear Generation: $0.5B | 3%
- Corporate: $1.2B | 7%
- Distribution: $4.4B | 24%
- Transmission: $4.1B | 23%

AEP Transmission Holdco: $4.6B | 25%

100% of capital allocated to regulated businesses and contracted renewables

72% allocated to wires
# SOLID BALANCE SHEET

AEP Consolidated Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Operations</td>
<td>4,400</td>
<td>5,100</td>
<td>5,200</td>
<td>4,900</td>
</tr>
<tr>
<td>Capital &amp; JV Equity Contributions</td>
<td>(6,000)</td>
<td>(6,000)</td>
<td>(6,200)</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Other Investing Activities *</td>
<td>1,700</td>
<td>(200)</td>
<td>(100)</td>
<td>(200)</td>
</tr>
<tr>
<td>Common Dividends **</td>
<td>(1,200)</td>
<td>(1,200)</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
<tr>
<td>Excess (Required) Capital</td>
<td>(1,100)</td>
<td>(2,300)</td>
<td>(2,300)</td>
<td>(2,500)</td>
</tr>
</tbody>
</table>

**Financing**

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
<th>2020E</th>
</tr>
</thead>
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<tr>
<td>Excess (Required) Capital</td>
<td>(1,100)</td>
<td>(2,300)</td>
<td>(2,300)</td>
<td>(2,500)</td>
</tr>
<tr>
<td>Debt Maturities (Senior Notes, PCRBs)</td>
<td>(2,300)</td>
<td>(1,500)</td>
<td>(2,000)</td>
<td>(400)</td>
</tr>
<tr>
<td>Securitization Amortizations</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
<td>(200)</td>
</tr>
<tr>
<td>Equity Issuances - Includes DRP/401(k)</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>500</td>
</tr>
<tr>
<td>Debt Capital Market Needs (New)</td>
<td>(3,700)</td>
<td>(4,000)</td>
<td>(4,500)</td>
<td>(2,600)</td>
</tr>
</tbody>
</table>

**Financial Metrics**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capitalization (GAAP)</td>
<td></td>
<td></td>
<td></td>
<td>55% - 60%</td>
</tr>
<tr>
<td>FFO/Total Debt</td>
<td></td>
<td></td>
<td></td>
<td>Mid-to- Upper Teens</td>
</tr>
</tbody>
</table>

* Other Investing in 2017 reflects the cash proceeds from sale of assets
** Dividend increased to $0.62 per share Q4 2017 for total dividends of $2.39/share; $2.48/share 2018 - 2020. Dividend evaluated by Board of Directors each quarter; stated target payout ratio range is 60 - 70%

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# ROBUST ORGANIC CAPITAL OPPORTUNITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission</td>
<td>Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects</td>
</tr>
<tr>
<td>Distribution</td>
<td>Grid modernization, reliability improvement projects and distribution station refurbishment</td>
</tr>
<tr>
<td>Renewables</td>
<td>Wind Catcher, regulated renewables, contracted renewables</td>
</tr>
<tr>
<td>Technology</td>
<td>Digitization, automation, cyber security, enterprise-wide applications</td>
</tr>
</tbody>
</table>
INVESTING IN TRANSMISSION
AEP Transmission Company, LLC ("AEP Transco") is wholly-owned by AEP Transmission Holding Company, LLC ("AEP Trans Holdco")

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

Net Plant totals are as of September 30, 2017, except Pioneer and Prairie Wind, which are as of August 31, 2017.
TRANSMISSION PRIORITIES

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Execution</th>
<th>Results</th>
</tr>
</thead>
</table>
| Infrastructure Investment        | Prioritized capital investments  
Local & regional reliability, security, asset health projects | Enhance Reliability/Resilience  
Earnings Growth  
Efficient Cost Recovery |
| Customer Experience              | Local reliability projects, expand automation technology, customer interconnections | Reduce transmission outages, faster recovery following events, increase economic development |
| Innovative Technologies/Solutions| BOLD  
G&T Integrated Solutions  
GRID Assurance  
Pioneer  
TRANSOURCE  
ETT | Industry Leadership  
Customer Solutions |
| Non-Traditional Growth           | Investment & Customer Diversity                                           |                                                                        |

The nation’s largest transmission services provider is focused on delivering its $3 billion annual capital plan to improve grid resiliency and customer reliability while meeting earnings growth targets through diversified investments.
AEPTHC EPS contribution grows from $0.16 in 2013 to $0.96-$0.99 in 2020

**AEPTHC’s EPS growth is projected at a CAGR of 29%**

* Capital investment excludes Transource unapproved projects, JV equity contributions, BOLD and Grid Assurance.
** In addition to forward looking rates, 2017 includes a historical true up for East Transcos. Having both in one year is a one time occurrence.

**AEPTHC TARGET EARNINGS**

- **Significant Investment**
  - Over $13B projected by 2020 (AEP Transcos and our ownership percentage of JV Capital expenditures)

- **Healthy ROEs & Capital Structure**
  - Affiliate authorized ROEs ranging from 9.6% to 12.8%
  - Authorized capital structure 40-60% equity

- **Portfolio Diversification**
  - Five Transcos and ETT are projected to contribute 95% of total 2018 earnings (81% and 14% respectively)

- **Industry & Technology Leader**
  - Bringing innovation and collaboration to the industry through Grid Assurance, BOLD and Asset Health

**Over $13B projected by 2020** (AEP Transcos and our ownership percentage of JV Capital expenditures)

**Affiliate authorized ROEs ranging from 9.6% to 12.8%**

**Authorized capital structure 40-60% equity**

**Five Transcos and ETT are projected to contribute 95% of total 2018 earnings (81% and 14% respectively)**

**Bringing innovation and collaboration to the industry through Grid Assurance, BOLD and Asset Health**

**Cumulative Capital Investment**

**EPS Contribution $/Share**

**EPS Contribution w/o 205 $/Share**
2017 benefited from both the FERC 205 (change to forward-looking rates) and the prior year true-up. 

Going forward the true-up should be minimal due to forward-looking rates incorporating the new year’s increased investment.
$3 BILLION OF TRANSMISSION INVESTMENT ANNUALLY

As the foundation of the power system, transmission integrates generation and loads across large regional footprints.

**Key Grid Considerations**
- Increasing energy supply diversity and complexity
- Tighter operating tolerances
- Deteriorating performance and condition of aging assets with increased risk of failure
- Increasing exposure to severe threats and events

**Major Benefits Delivered**
- Decrease customer exposure to Transmission outages
- Improve response time following outage events
- Enhance system operability
- Provide a secure and resilient grid
## ROBUST TRANSMISSION CAPITAL EXPENDITURE OPPORTUNITIES

**Transmission**

<table>
<thead>
<tr>
<th></th>
<th>Line Miles</th>
<th>Transformers</th>
<th>Circuit Breakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy (years)</td>
<td>70</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td>Current Quantity over Life Expectancy</td>
<td>6,403</td>
<td>244</td>
<td>1,015</td>
</tr>
<tr>
<td>Quantity that will exceed Life Expectancy in next ten years</td>
<td>6,214</td>
<td>126</td>
<td>836</td>
</tr>
<tr>
<td>Total Renewal Opportunity over ten years</td>
<td>12,617</td>
<td>370</td>
<td>1,851</td>
</tr>
</tbody>
</table>

### Life Expectancy Range

- **Beyond Life Expectancy Range**
  - Avg Age – 52 yrs.
  - Life Expectancy – 70 yrs.

- **Life Expectancy Range**
  - Avg Age – 41 yrs.
  - Life Expectancy – 60 yrs.

### $2.5 billion of annual on-system, organic capital investment is required to maintain current asset age profile

*American Electric Power*
CUSTOMER LOAD GROWTH PROJECT

- New 138 kV substation to serve $750 million data center in New Albany, Ohio
- $25 million project cost
- Provide service to large customer’s 180 MW data center within 12 months of customer’s request
- AEP also provided service to a similar 140 MW data center during 2016
AGING INFRASTRUCTURE PROJECTS

- Retirement of 1910s vintage 88 kV system serving McDowell County, West Virginia and Tazewell County, Virginia
- Rebuilt as 138 kV with 35 miles of new lines and station upgrades
- $143 million project cost
- Corrects thermal overloads and low voltage issues
REGIONAL RELIABILITY PROJECT

- Pig Creek 138 kV Station ERCOT-endorsed project
- Provide a new 138 kV interconnection point/station between AEP Texas and Texas New Mexico Power 138 kV system to support the oil and gas load growth
- $8 million project cost
- In Service October 2017
LOCAL RELIABILITY PROJECT

Marietta Area Improvements

- Construct a new 345/138 kV station and 23 miles of 138 kV line to improve area reliability and capacity for future shale gas expansion in Southern Noble and Northern Washington counties in Ohio
- $111 million investment for the Marietta area electric transmission network
FERC 205 & 206 Filings

East
- 206 complaint against AEP East companies filed in October 2016
- AEP filed a 205 application in November 2016 for a modified formula rate that seeks to mitigate regulatory lag
- FERC accepted the proposed modifications effective January 1, 2017, subject to refund

West
- 206 complaint against AEP West companies in SPP filed in June 2017
- AEP filed a 205 application in October 2017 for a modified formula rate that seeks to mitigate regulatory lag

Transmission investment strategy unchanged
INVESTING IN DISTRIBUTION
ROBUST DISTRIBUTION CAPITAL EXPENDITURE OPPORTUNITIES

- **Grid Modernization**
  - Distribution SCADA
  - Smart Circuits

- **Reliability Improvement Projects**
  - Pole replacement and reconductoring program
  - Increase capacity to facilitate ties for smart circuits

- **Distribution Station Refurbishment**
  - Station breaker replacements
  - Distribution station transformers

- ** Represents ~$500M/year of incremental investment opportunity **

---

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
<th>Station Transformers</th>
<th>Circuit Breakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy (years)</td>
<td>60</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Current Quantity over Life Expectancy</td>
<td>945</td>
<td>888</td>
<td></td>
</tr>
<tr>
<td>Quantity that will exceed Life Expectancy in next ten years</td>
<td>469</td>
<td>1,172</td>
<td></td>
</tr>
<tr>
<td>Total Renewal Opportunity over ten years</td>
<td>1,414</td>
<td>2,060</td>
<td></td>
</tr>
</tbody>
</table>
INVESTING IN RENEWABLES
WIND CATCHER ENERGY CONNECTION

Project is expected to reduce rates for PSO & SWEPCO customers over the life of the project – with savings starting first year of operation – while providing meaningful capital investment and earnings growth opportunity for shareholders

- **Project Scope:** 2,000 MW (nameplate) wind farm and a dedicated ~350-mile 765kV gen-tie line
- **Regulated Investment Value:** ~$4.5 billion (includes taxes, overheads, AFUDC, and contingency)
- **Total Customer Savings (over 25-years):** $7.6 billion including value of Federal Production Tax Credit: $2.5 billion over first 10 years
- **Requested State Regulatory Approvals:** April 30, 2018; planning to file at FERC in Q4 2017
- **Target Completion:** Q4 2020
- **Proposed Ownership:** SWEPCO (70%) & PSO (30%)

<table>
<thead>
<tr>
<th>Cost Detail</th>
<th>Wind Plant</th>
<th>Gen-Tie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Suppliers</td>
<td>Invenergy</td>
<td>GE</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$2.9 billion</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>Total Project Cost</td>
<td>$4.5 billion</td>
<td></td>
</tr>
</tbody>
</table>
PIPELINE OF RENEWABLE OPPORTUNITIES
Regulated Owned Investment Pipeline

East Companies – 460 MW
West Companies – 910 MW

East Companies – 2,200 MW
Wind Catcher – 2,000 MW

5,570 MW through 2025

Note: Excludes PPAs
### CONTRACTED RENEWABLES

$1.3B CAPITAL ALLOCATED 2018-2020

<table>
<thead>
<tr>
<th>Category</th>
<th>AEP Onsite Partners</th>
<th>AEP Renewables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Generation Asset Owner</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>“Behind-the-Meter” Energy Assets</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Universal Scale Energy Assets</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Key Customers</td>
<td>Schools, Cities, Hospitals and Commercial / Industrial Accounts</td>
<td>Utilities, Municipalities, Corporations and Cooperative Accounts</td>
</tr>
<tr>
<td>Key Technologies</td>
<td>Distributed Generation, Renewables, Storage, Substations and Combined Heat and Power</td>
<td>Wind and Solar</td>
</tr>
</tbody>
</table>
CONTRACTED RENEWABLE PROJECTS

- Madison County, NY | 2 MW
- Boulder Solar II, Nevada | 62 MW

- $194 million of capital committed to AEP Onsite Partners
- Multiple projects in 9 different states
- 31 MW of solar projects in operation
- 42 MW of solar projects under construction

- $190 million of capital invested in AEP Renewables
- Three projects in different states
- 116 MW of projects in operation

Note: MWs are reported in DC measure
CONTRACTED RENEWABLES OUTLOOK

DEVELOPMENT PROJECTS
• Fully contracted assets
• Strong credit counterparties
• Long-term predictable cash flows and earnings
• Evaluating repowering of 310 MW of Trent and Desert Sky wind farms

DISCIPLINED INVESTMENT
• Specific return requirements
• Detailed technical reviews
• Measured approach to project risks
• Optimized through skilled asset management

AEP IS A WELCOMED STRATEGIC PARTNER AND HAS A STRONG PIPELINE OF ADDITIONAL OPPORTUNITIES
8.2% CAGR IN RATE BASE
CUMULATIVE CHANGE FROM 2016 BASE

2016 Rate Base Proxy
Vertically Integrated Utilities $22.7B
T&D Utilities $8.6B
Transcos/Transource $4.2B
Total $35.5B

<table>
<thead>
<tr>
<th>Year</th>
<th>Vertically Integrated Utilities</th>
<th>T&amp;D Utilities</th>
<th>Transcos/Transource</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017E</td>
<td>$1.3</td>
<td>$1.9</td>
<td>$1.8</td>
<td>$3.1B</td>
</tr>
<tr>
<td>2018E</td>
<td>$2.5</td>
<td>$2.8</td>
<td>$2.9</td>
<td>$6.2B</td>
</tr>
<tr>
<td>2019E</td>
<td>$3.8</td>
<td>$3.8</td>
<td>$3.8</td>
<td>$9.5B</td>
</tr>
<tr>
<td>2020E</td>
<td>$5.1</td>
<td>$5.1</td>
<td>$5.1</td>
<td>$13.1B</td>
</tr>
</tbody>
</table>

Vertically Integrated Utilities

T&D Utilities

Transcos/Transource


$0.8 $1.0 $1.3 $1.3

$1.8 $1.9 $2.5 $2.5

$2.9 $2.8 $3.8 $3.8

$4.2 $4.2 $4.2 $4.2

$5.1 $5.1 $5.1 $5.1

$13.1B
REGULATED ROE RESULTS

Twelve Months Ended 9/30/2017 Earned ROEs (non-GAAP Operating Earnings)

- AEP OH: 12.6%
- AEP OH*: 11.1%
- APCo: 8.4%
- KPCo*: 4.5%
- I&M*: 8.4%
- PSO*: 6.1%
- SWEPCo*: 5.9%
- Trans: 12.7%
- AEP TX: 10.3%

Forecasted Average ROE
2018-2020 ~ 10%

* AEP Ohio adjusted for SEET items. Base rate cases pending at other operating companies.

Sphere size based on each company’s relative equity balance except AEP Regulated.
## 2018 Operating Earnings Guidance

Range of $3.75 - $3.95/share

<table>
<thead>
<tr>
<th>2018E</th>
<th>Vertically Integrated Utilities</th>
<th>Transmission &amp; Distribution Utilities</th>
<th>AEP Transmission Holdco</th>
<th>Generation &amp; Marketing</th>
<th>Corporate &amp; Other</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1.86</td>
<td>$1.21</td>
<td>$0.72</td>
<td>$0.17</td>
<td>($0.11)</td>
<td>$3.85</td>
</tr>
</tbody>
</table>

### Component Breakdown

- **2018E ($3.85/sh)**
  - Weather: $0.16
  - Rate Changes: $0.34
  - Normal Load: ($0.01)
  - Whsale Load: ($0.08)
  - O&M: ($0.17)
  - Depreciation: ($0.07)
  - Eff Tax Rate: $0.04

- **2017E ($3.62/sh)**
  - Weather: $0.16
  - Rate Changes: $0.34
  - Normal Load: ($0.01)
  - Whsale Load: ($0.08)
  - O&M: ($0.17)
  - Depreciation: ($0.07)
  - Eff Tax Rate: $0.04

### 2016 True-Up

- ($0.09)

### Invst Growth

- $0.10

### Other Components

- Rate Changes: $0.07
- Normal Load: $0.03
- ERCOT Trans Rev: $0.06
- O&M: $0.04
- AFUDC: $0.03
- Depreciation: ($0.09)
- Eff Tax Rate: $0.03
- Other: $0.01

- Gen Resources: ($0.08)
- Renewables: $0.01
- Invst Gains: ($0.03)
- Other: ($0.03)

- Weather: $0.16
- Rate Changes: $0.34
- Normal Load: ($0.01)
- Whsale Load: ($0.08)
- O&M: ($0.17)
- Depreciation: ($0.07)
- Eff Tax Rate: $0.04

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- Rate Changes: $0.34
- Normal Load: ($0.01)
- Whsale Load: ($0.08)
- O&M: ($0.17)
- Depreciation: ($0.07)
- Eff Tax Rate: $0.04
2018 KEY GUIDANCE
Sensitivities & Assumptions

<table>
<thead>
<tr>
<th>Sensitivities</th>
<th>Sensitivity</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales at Average Mix</td>
<td>0.5% +/-</td>
<td>0.04</td>
</tr>
<tr>
<td>Wholesale Market Prices (Regulated)</td>
<td>$1/MWh +/-</td>
<td>0.01</td>
</tr>
<tr>
<td>O&amp;M Expense (excludes O&amp;M with offsets)</td>
<td>1.0% +/-</td>
<td>0.04</td>
</tr>
<tr>
<td>2018 Effective Income Tax rate @ 34.8%</td>
<td>1.0% +/-</td>
<td>0.06</td>
</tr>
</tbody>
</table>

Assumptions

Rate Changes: $312M; $107M secured

2018 Regulated Connected Load (Billed and Accrued):

<table>
<thead>
<tr>
<th>Load Type</th>
<th>GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>57,932</td>
</tr>
<tr>
<td>Commercial</td>
<td>50,478</td>
</tr>
<tr>
<td>Industrial</td>
<td>57,151</td>
</tr>
</tbody>
</table>

Average Shares Outstanding: 492.7M

Note: A $7.6M change in pre-tax earnings equals $0.01 per share
NORMALIZED LOAD TRENDS

AEP Residential Normalized GWh Sales
% Change vs. Prior Year

AEP Commercial Normalized GWh Sales
% Change vs. Prior Year

AEP Industrial GWh Sales
% Change vs. Prior Year

AEP Total Normalized GWh Sales
% Change vs. Prior Year

Note: 2017 includes 9 months weather normalized actual results plus 3 months forecasted values
CONTINUOUS IMPROVEMENT ENABLES O&M DISCIPLINE

Demonstrated track record of ability to offset inflationary increases

Note: Excluding items recovered in riders/trackers
## BENDING THE O&M CURVE

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Examples</th>
</tr>
</thead>
</table>
| **Lean Management System Implementation/Continuous Process Improvement** | • **Distribution** – Drive enhanced reliability which will lead to reduced O&M cost associated with storm restoration in the long term  
• **Supply Chain** – Optimizing the material requisition process to improve material lead times, reducing stock outs and increasing crew productivity resulting in reduced O&M cost  
• **Fleet Operations** – Focused on reducing the number of vehicle platforms/options acquired and optimizing the acquisition process to reduce acquisition and maintenance costs  
• **Generation (system productivity)** – Fleet wide team-based focus on the reduction of waste associated with targeted plant systems, e.g. coal handling, scrubbers |
| **Data Analytics**                                        | • **Workforce optimization** – Employee/contractor mix  
• **Hot socket model** – Using AMI data to preemptively identify meters at risk  
• **Revenue Protection** – Detecting meter tampering  
• **Frequency Regulation** – Analysis of PJM bidding strategies |
| **Automation**                                            | • **Scrap metal billing and management**  
• **Service Corp billing allocation factors**  
• **No‐bill workflow assignment process**  
• **Customer workflow scheduling** |
| **Digital Tools**                                         | • **“The Zone”** – Machine learning tool to operate fossil units at optimal level to minimize O&M and capital, while maintaining and improving performance  
• **Generation Monitoring & Diagnostic Center** – Predictive capabilities that save O&M and capital |
| **Use of Drones**                                         | • **Storm damage assessment**  
• **Real estate and landfill surveys**  
• **Transmission geomorphic change data (sag)**  
• **Stacks, cooling towers, ductwork and dams inspection** |
| **Outsourcing**                                           | • **Rapid application & information support**  
• **Lockbox for customer payments by check** |
| **Workforce Planning**                                   | • Approximately 4,000 employees will retire or leave in the next 5 years |
| **Strategic Sourcing**                                   | • **Reducing cost through Procurement Category Management** – Continuing to mature our Category Management program and aggressively using strategic sourcing opportunities to optimize the value AEP receives from the $6B spent annually on goods and services |
## PENSION & OPEB ESTIMATES

### Assumptions

<table>
<thead>
<tr>
<th></th>
<th>2017E</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pension Discount Rate</strong></td>
<td>4.05%</td>
<td>4.44%</td>
</tr>
<tr>
<td><strong>OPEB Discount Rate</strong></td>
<td>4.10%</td>
<td>4.49%</td>
</tr>
<tr>
<td><strong>Assumed Long Term Rate of</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Return on Pension Assets</strong></td>
<td>6.00%</td>
<td>6.25%</td>
</tr>
<tr>
<td><strong>Assumed Long Term Rate of</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Return on OPEB Assets</strong></td>
<td>6.75%</td>
<td>6.00%</td>
</tr>
<tr>
<td><strong>Pension/OPEB Funding</strong></td>
<td>$98M</td>
<td>$97M</td>
</tr>
<tr>
<td><strong>Pension/OPEB O&amp;M (Pre-tax)</strong></td>
<td>$20M</td>
<td>$9M</td>
</tr>
</tbody>
</table>

* Excludes non-qualified retirement plan

- YTD pension returns up 9.9% due to strong investment performance, including 20% returns in the global equity portfolio. OPEB returns are up 14.5%, also due to strong global equity gains. OPEB obligations remain fully funded at 112%.

- 2018 is subject to potential changes in investment results, interest rates and actuarial assumptions.

- Pension expense for regulated subsidiaries is recovered through base rates.
2018 DEBT ISSUANCE AND MATURITIES OVERVIEW

$ Millions

Q4 2017 Maturities
2018 Maturities
2018 Expected Issuances

$0 $100 $200 $300 $400 $500 $600 $700 $800

AEG AEP Inc AEP Texas APCo I&M KPCo OPCo SWEPCo Transco WPCo
# AEP CREDIT RATINGS

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody’s Senior Unsecured</th>
<th>Moody’s Outlook</th>
<th>S&amp;P Senior Unsecured</th>
<th>S&amp;P Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power Company, Inc.</td>
<td>Baa1</td>
<td>P</td>
<td>BBB+</td>
<td>S</td>
</tr>
<tr>
<td>AEP, Inc. Short Term Rating</td>
<td>P2</td>
<td>S</td>
<td>A2</td>
<td>S</td>
</tr>
<tr>
<td>AEP Texas, Inc.</td>
<td>Baa1</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>AEP Transmission Company, LLC</td>
<td>A2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>Baa1</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>Baa1</td>
<td>P</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>Baa2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Ohio Power Company</td>
<td>A2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>A3</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>Baa2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Transource Energy</td>
<td>A2</td>
<td>S</td>
<td>Not Rated</td>
<td>Not Rated</td>
</tr>
</tbody>
</table>

Credit ratings current as of October 27, 2017
POSITIONING FOR THE FUTURE

REGULATORY ACTIVITY
PENDING RATE CASE
I&M - Indiana

Base rate case filed July 26, 2017

• Cause #: 44967
• Requested rate base: $4.185B (IN jurisdiction)
• Requested ROE: 10.6%
• Cap Structure: 53.5%D / 46.5%E
• Base Rate Increase: $263M ($89M increased D&A)
• Test Year: 2018 Forecasted

• Procedural Schedule:
  - OUCC/Intervenors File 11/07/2017
  - I&M Rebuttal 12/06/2017
  - Evidentiary Hearing 01/16-29/2018
  - Anticipated Order 07/01/2018
Pending Rate Case
I&M - Michigan

Base rate case filed May 15, 2017

- Docket #: U-18370
- Requested rate base: $1.015B (MI jurisdiction)
- Requested ROE: 10.6%
- Cap Structure: 53.6%D / 46.4%E
- Base Rate Increase: $52M ($28M increased D&A)
- Test Year: 2018 Forecasted (13 mo. average rate base) average

- Procedural Schedule:
  - Rebuttal Testimony 10/30/2017
  - Hearing 11/15-22/2017
  - Initial Briefs 12/18/2017
  - Reply Briefs 01/04/2018
  - Proposal for Decision 02/09/2018
  - Anticipated Order 04/12/2018
**Pending Rate Case**  
**KYP - Kentucky**

Base rate case filed June 28, 2017

- **Docket #:** 2017-00179
- **Requested rate base:** $1.195B (KY retail jurisdiction)
- **Requested ROE:** 10.31%
- **Cap Structure:** 54.45%D / 3.87%AR / 41.68%E
- **Base Rate Increase:** $60M (excluding HEAP, KEDS & ES, $5M increased D)
- **Test Year:** Year end 2/28/17 with adjustments
- **Procedural Schedule:**  
  - KY Rebuttal Testimony  
  - Hearing  
  - Anticipated Order
PENDING RATE CASE
PSO - Oklahoma

Base rate case filed June 30, 2017

- Docket #: PUD 201700151
- Requested rate base: $2.527B (total company)
- Requested ROE: 10.0%
- Cap Structure: 51.5%D / 48.5%E
- Base Rate Increase: $157M ($42M increased D)
- Test Year: December 31, 2016

- Procedural Schedule:
  - Hearing: 10/30/2017
  - ALJ Report: 12/11/2017
  - Interim rates: 01/13/2018
Base rate case filed December 16, 2016

- Docket #: 46449
- Requested rate base: $1.238B (TX jurisdiction reflecting SPP pass through)
- Requested ROE: 10.0%
- Cap Structure: 51.5%D/48.5%E
- Base Rate Increase: $69M net ($106M less $37M TCRF/DCRF decrease and $11M increased D)
- Test Year: Year end June 30, 2016
- Procedural Schedule: Anticipated order 12/2017 (rates retroactive to May 2017)
# WIND CATCHER ENERGY CONNECTION

## Procedural Schedules

<table>
<thead>
<tr>
<th>SWEPCO – Texas</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervenor Testimony</td>
<td>12/04/2017</td>
</tr>
<tr>
<td>Staff Testimony</td>
<td>12/11/2017</td>
</tr>
<tr>
<td>Rebuttal/Cross Rebuttal</td>
<td>01/04/2018</td>
</tr>
<tr>
<td>Hearing Begins</td>
<td>01/16/2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SWEPCO – Arkansas</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff /Intervenor Direct Testimony</td>
<td>12/05/2017</td>
</tr>
<tr>
<td>SWEPCO Rebuttal</td>
<td>01/09/2018</td>
</tr>
<tr>
<td>Staff and Intervenor Surrebuttal</td>
<td>01/30/2018</td>
</tr>
<tr>
<td>SWEPCO Sur-Surrebuttal</td>
<td>02/06/2018</td>
</tr>
<tr>
<td>Settlement Deadline</td>
<td>02/20/2018</td>
</tr>
<tr>
<td>Hearing Begins</td>
<td>03/01/2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PSO – Oklahoma</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervenor/ Staff Testimony</td>
<td>12/04/2017</td>
</tr>
<tr>
<td>Rebuttal Testimony</td>
<td>12/22/2017</td>
</tr>
<tr>
<td>Hearing Begins</td>
<td>01/08/2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SWEPCO – Louisiana</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervenor Testimony</td>
<td>01/22/2018</td>
</tr>
<tr>
<td>SWEPCO Rebuttal Testimony</td>
<td>02/06/2018</td>
</tr>
<tr>
<td>Pre-hearing Briefs</td>
<td>02/16/2018</td>
</tr>
<tr>
<td>Hearing Begins</td>
<td>02/22/2018</td>
</tr>
</tbody>
</table>

Note: FERC filing with respect to wholesale customers: Q4 2017

*Oklahoma has a 240-day statutory timeline for issuing an order, making the requested approval date March 31, 2018
SUSTAINABLE FUTURE
Excludes impact of Wind Catcher.
Future includes IRP forecasted additions and retirements through 2030.
Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.
INVESTING BILLIONS TO REDUCE EMISSIONS

$ in millions

$102  $275  $364  $217  $340  $811  $1,366  $994  $887  $457  $304  $187  $241  $424  $540  $599  $384  $227


Total $8.7 Billion Estimated

Estimated
DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System NOx & SO2 Emissions

[Graph showing reduction in SO2 and NOx emissions from 1990 to 2016]

SO2 94%
NOx 90%
Hg 93%

Total AEP System Mercury Emissions

[Graph showing reduction in mercury emissions from 2001 to 2016]
DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System - Annual CO₂ Emissions
in million metric tons

2000-2016 actual

CO₂ 44%
INVESTING IN A GREENER FUTURE

AEP System Planned Generation Resource Additions
Regulated and AEP Ohio Purchase Power Agreement

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>85MW</td>
<td>110MW</td>
<td>170MW</td>
<td>590MW</td>
<td>200MW</td>
<td>190MW</td>
<td>250MW</td>
<td>240MW</td>
<td>290MW</td>
<td>280MW</td>
<td>300MW</td>
<td>360MW</td>
<td>3,065 MW</td>
<td></td>
</tr>
<tr>
<td>195MW</td>
<td>550MW</td>
<td>775MW</td>
<td>1,175MW</td>
<td>300MW</td>
<td>250 MW</td>
<td>250 MW</td>
<td>250 MW</td>
<td>250 MW</td>
<td>250 MW</td>
<td>400 MW</td>
<td>400 MW</td>
<td>5,295 MW</td>
<td></td>
</tr>
<tr>
<td>514MW</td>
<td>435MW</td>
<td>458MW</td>
<td>1,407 MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Wind and solar represents nameplate MW capacity.


Actual additions depend on market conditions, regulatory approval, customer demand and other external factors.
## DELIVERING CLEAN ENERGY RESOURCES

**AEP’s 2017 Renewable Portfolio**, in MW

<table>
<thead>
<tr>
<th>Hydro, Wind, Solar &amp; Pumped Storage</th>
<th>Owned MW</th>
<th>PPA MW</th>
<th>Total MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>209</td>
<td></td>
<td>209</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>788</td>
<td>455</td>
<td>1,243</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>38</td>
<td>450</td>
<td>488</td>
</tr>
<tr>
<td>Public Service of Oklahoma</td>
<td>1,137</td>
<td></td>
<td>1,137</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>469</td>
<td></td>
<td>469</td>
</tr>
<tr>
<td>Competitive Wind, Solar &amp; Hydro</td>
<td>475</td>
<td>177</td>
<td>652</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,301</strong></td>
<td><strong>2,897</strong></td>
<td><strong>4,198</strong></td>
</tr>
</tbody>
</table>

Approximately **10,000 MW** of renewable generation interconnected across the U.S. via AEP’s transmission system today.
WELL-POSITIONED REGULATED BUSINESS
## CAPITAL FORECAST 2018-2020 BY SUBSIDIARY

<table>
<thead>
<tr>
<th>$ in millions (excluding AFUDC)</th>
<th>2018E</th>
<th>2019E</th>
<th>2020E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power Company</td>
<td>$729</td>
<td>$1,093</td>
<td>$799</td>
<td>$2,621</td>
</tr>
<tr>
<td>Wheeling Power Company</td>
<td>$46</td>
<td>$55</td>
<td>$62</td>
<td>$163</td>
</tr>
<tr>
<td>Kingsport Power Company</td>
<td>$20</td>
<td>$17</td>
<td>$17</td>
<td>$54</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>$599</td>
<td>$594</td>
<td>$579</td>
<td>$1,772</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>$169</td>
<td>$176</td>
<td>$214</td>
<td>$559</td>
</tr>
<tr>
<td>Ohio Power Company</td>
<td>$574</td>
<td>$576</td>
<td>$542</td>
<td>$1,691</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>$314</td>
<td>$315</td>
<td>$299</td>
<td>$928</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>$423</td>
<td>$386</td>
<td>$480</td>
<td>$1,289</td>
</tr>
<tr>
<td>AEP Texas Company</td>
<td>$1,015</td>
<td>$993</td>
<td>$979</td>
<td>$2,986</td>
</tr>
<tr>
<td>AEP Generating Company</td>
<td>$49</td>
<td>$43</td>
<td>$102</td>
<td>$194</td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$1,512</td>
<td>$1,543</td>
<td>$1,496</td>
<td>$4,551</td>
</tr>
<tr>
<td>Generation and Marketing</td>
<td>$496</td>
<td>$353</td>
<td>$467</td>
<td>$1,316</td>
</tr>
<tr>
<td>Other</td>
<td>$13</td>
<td>$12</td>
<td>$12</td>
<td>$36</td>
</tr>
<tr>
<td><strong>Total Capital and Equity Contributions</strong></td>
<td>$5,959</td>
<td>$6,153</td>
<td>$6,047</td>
<td>$18,160</td>
</tr>
</tbody>
</table>

Capital plans are continuously optimized which may result in redeployment between functions and companies. Table may not foot due to rounding.
APPALACHIAN POWER & WHEELING POWER
RATE BASE, SALES & CAP-EX

**Appalachian Power**
Projected Rate Base Proxy, in millions

- 2016A: $7,492
- 2017E: $7,749
- 2018E: $7,973
- 2019E: $8,530
- 2020E: $8,891

**Wheeling Power**
Projected Rate Base Proxy, in millions

- 2016A: $726
- 2017E: $730
- 2018E: $730
- 2019E: $732
- 2020E: $752

**APCo/Wheeling Normalized GWh Sales**
% Change vs. Prior Year

- 2014A: 1.7%
- 2015A: -0.9%
- 2016A: -2.4%
- 2017E: -0.7%
- 2018E: 0.0%

* 2017 includes 9 months weather normalized actual results plus 3 months forecast

**APCo/Wheeling 2018-2020 Capital by Function**
$ in millions, excluding AFUDC

- Total: $2.784B
- Distribution: $858 (31%)
- Transmition: $754 (27%)
- Regulated Renewables: $336 (12%)
- Environmental Generation: $385 (14%)
- Corporate/Other: $206 (7%)
- Fossil/Hydro: $245 (9%)

* R: +0.2%  C: +1.2%  I: -1.0%
AEP OHIO
RATE BASE, SALES & CAP-EX

AEP Ohio
Projected Rate Base Proxy, in millions

AEP Ohio Normalized GWh Sales
% Change vs. Prior Year

* 2017 includes 9 months weather normalized actual results plus 3 months forecast

AEP OHIO 2018-2020
Capital by Function
$ in millions, excluding AFUDC

Corporate/Other
$193
12%

Transmission
$409
24%

Distribution
$1,089
64%

Total
$1.691B

R: +1.3%
C: +1.9%
I: -0.7%
INDIANA MICHIGAN POWER
RATE BASE, SALES & CAP-EX

**Indian Michigan Power Company**
Projected Rate Base Proxy, in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$4,709</td>
<td>$4,989</td>
<td>$5,304</td>
<td>$5,606</td>
<td>$5,980</td>
</tr>
<tr>
<td>CAGR</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**I&M Normalized GWh Sales**
% Change vs. Prior Year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-10%</td>
<td>-1.7%</td>
<td>1.3%</td>
<td>-0.7%</td>
<td></td>
</tr>
</tbody>
</table>

**I&M 2018-2020**
Capital by Function
$ in millions, excluding AFUDC

- **Distribution**: $594 (34%)
- **Transmission**: $273 (15%)
- **Corporate/Other**: $159 (9%)
- **Environmental Generation**: $220 (12%)
- **Regulated Renewables**: $14 (1%)
- **Fossil/Hydro Generation**: $37 (2%)
- **Nuclear Generation**: $475 (27%)

**Total Capital**: $1.772B

*2017 includes 9 months weather normalized actual results plus 3 months forecast*
KENTUCKY POWER
RATE BASE, SALES & CAP-EX

Kentucky Power Company
Projected Rate Base Proxy, in millions

KPCo Normalized GWh Sales
% Change vs. Prior Year

KPCo 2018-2020
Capital by Function
$ in millions, excluding AFUDC

Total
$559M

* 2017 includes 9 months weather normalized actual results plus 3 months forecast
PUBLIC SERVICE COMPANY OF OKLAHOMA
RATE BASE, SALES & CAP-EX

Public Service Co. of Oklahoma
Projected Rate Base Proxy, in millions

- CAGR = 4%

PSO Normalized GWh Sales
% Change vs. Prior Year

2014A: 2.2%
2015A: 0.5%
2016A: 0.9%
2017E: 0.8%
2018E: -1.0%

* 2017 includes 9 months weather normalized actual results plus 3 months forecast

PSO 2018-2020
Capital by Function
$ in millions, excluding AFUDC

- Distribution: $415, 45%
- Transmission: $138, 15%
- Corporate/Other: $138, 15%
- Environmental Generation: $29, 3%
- Regulated Renewables: $135, 14%
- Fossil/Hydro Generation: $73, 8%
- Total: $928M

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Southwestern Electric Power Company
Projected Rate Base Proxy, in millions

SOUTHWESTERN ELECTRIC POWER COMPANY
RATE BASE, SALES & CAP-EX

SWEPCO 2018-2020
Capital by Function
$ in millions, excluding AFUDC

SWEPCO Normalized GWh Sales
% Change vs. Prior Year

* 2017 includes 9 months weather normalized actual results plus 3 months forecast


$4,844 $5,001 $5,171 $5,276 $5,514

CAGR = 3%

2.0% 0.1% -0.7%

-3.0% -3.9% -


Total $1.289B

Environmental Generation $163 13%
Fossil/Hydro Generation $178 14%
Transmission $403 31%
Distribution $403 31%
Corporate/Other $142 11%

American Electric Power
AEP TEXAS
RATE BASE, SALES & CAP-EX

Texas Central Company
Projected Rate Base Proxy, in millions

2016A $2,873
2017E $3,378
2018E $3,871
2019E $4,340
2020E $4,866

CAGR = 14%

Texas North Company
Projected Rate Base Proxy, in millions

2016A $1,166
2017E $1,411
2018E $1,692
2019E $1,947
2020E $2,150

CAGR = 17%

AEP Texas Normalized GWh Sales
% Change vs. Prior Year

2014A 5.3%
2015A 1.4%
2016A 1.0%
2017E 2.4%
2018E -0.5%

R: +2.2%
C: +0.5%
I: +5.5%

2017 includes 9 months weather normalized actual results plus 3 months forecast

AEP Texas 2018-2020 Capital by Function
$ in millions, excluding AFUDC

Corporate/Other
$270 9%

Transmission
$1,899 64%

Distribution
$801 27%

Environmental Generation
$6 0%

Fossil/Hydro Generation
$10 0%

Total
$2.986B
OTHER UTILITY SUBSIDIARIES
RATE BASE & CAP-EX

AEP Generating Company
Projected Rate Base Proxy, in millions

Kingsport Power Company
Projected Rate Base Proxy, in millions

AEP Generating 2018-2020 Capital by Function
$ in millions, excluding AFUDC

Kingsport 2018-2020 Capital by Function
$ in millions, excluding AFUDC

Total
$194M