

The logo for American Electric Power, featuring the words "AMERICAN ELECTRIC POWER" in white, stacked vertically, inside a red-outlined square.

AMERICAN  
ELECTRIC  
POWER

# BOUNDLESS ENERGY<sup>SM</sup>

A scenic landscape featuring a golf course with a large green fairway and a calm pond in the foreground. In the background, there are several high-voltage power line towers and power lines stretching across the sky. The sky is blue with scattered white clouds. The overall scene is bright and clear.

## 53<sup>rd</sup> EEI FINANCIAL CONFERENCE

San Francisco, California  
November 11-14, 2018

# “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: economic growth or contraction within and changes in market demand and demographic patterns in AEP 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 the 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 generation plants and the availability of fuel, including processed nuclear fuel, parts and service from reliable vendors, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build renewable generation, transmission lines and facilities (including the 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 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, 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, environmental compliance and excess accumulated deferred income taxes, resolution of litigation, 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 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, 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 pronouncements periodically issued by accounting standard-setting bodies, impact of federal tax reform on customer rates, income tax expense and cash flows, 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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# THE PREMIER REGULATED ENERGY COMPANY

**40,000**

Miles of Transmission

**\$38B**

Rate Base

**5.4M**

Customers in 11 States

**26GW**

Owned Generation

**\$37B**

Current Market Capitalization

**18,000+**

Employees

**\$68B**

Total Assets

Note: Statistics as of September 30, 2018 except for market capitalization as of November 7, 2018 and rate base as of December 31, 2017



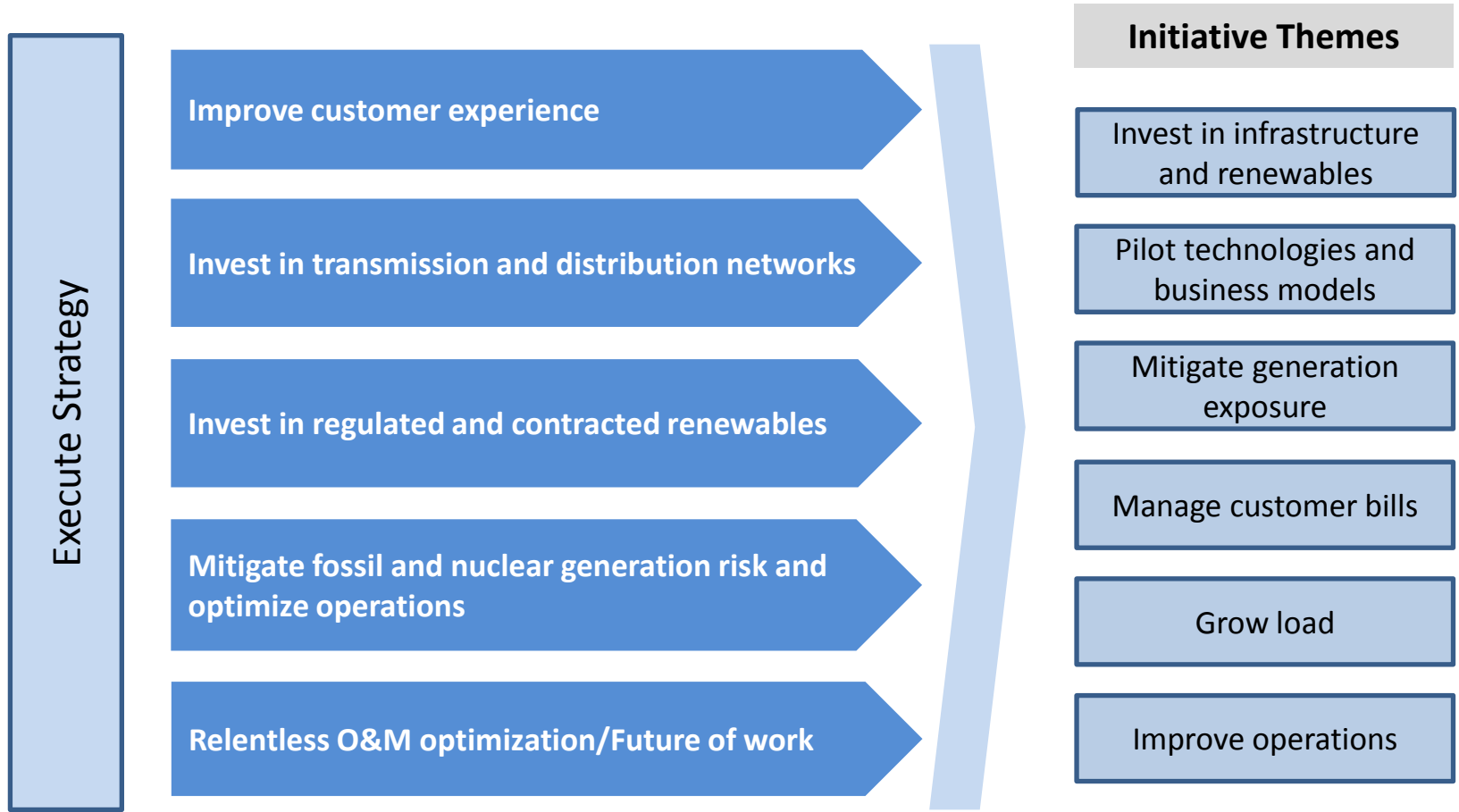
## STRONG EXECUTION TRACK RECORD



## AEP LEADING THE WAY FORWARD

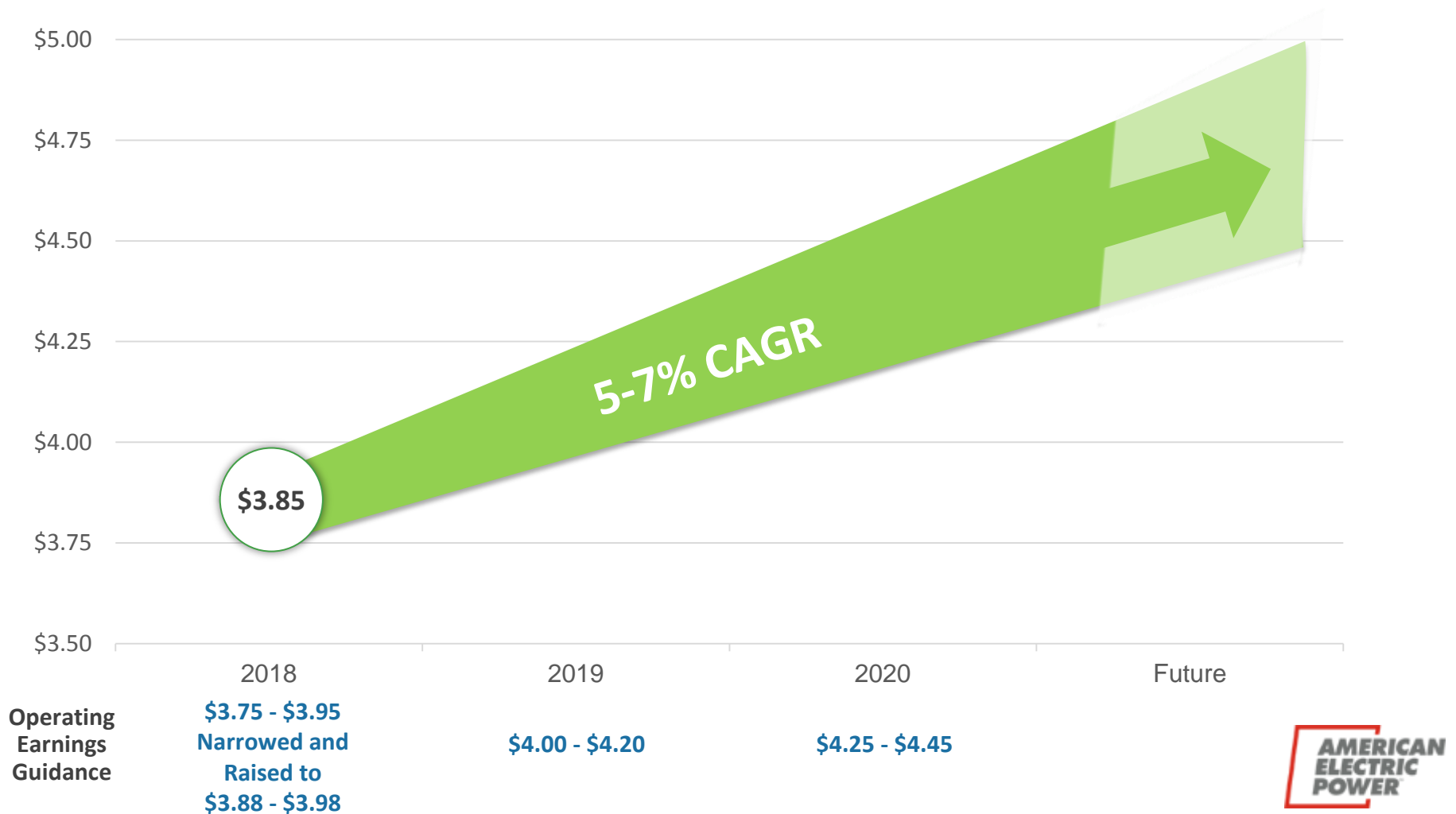


# STRATEGIC VISION 2023



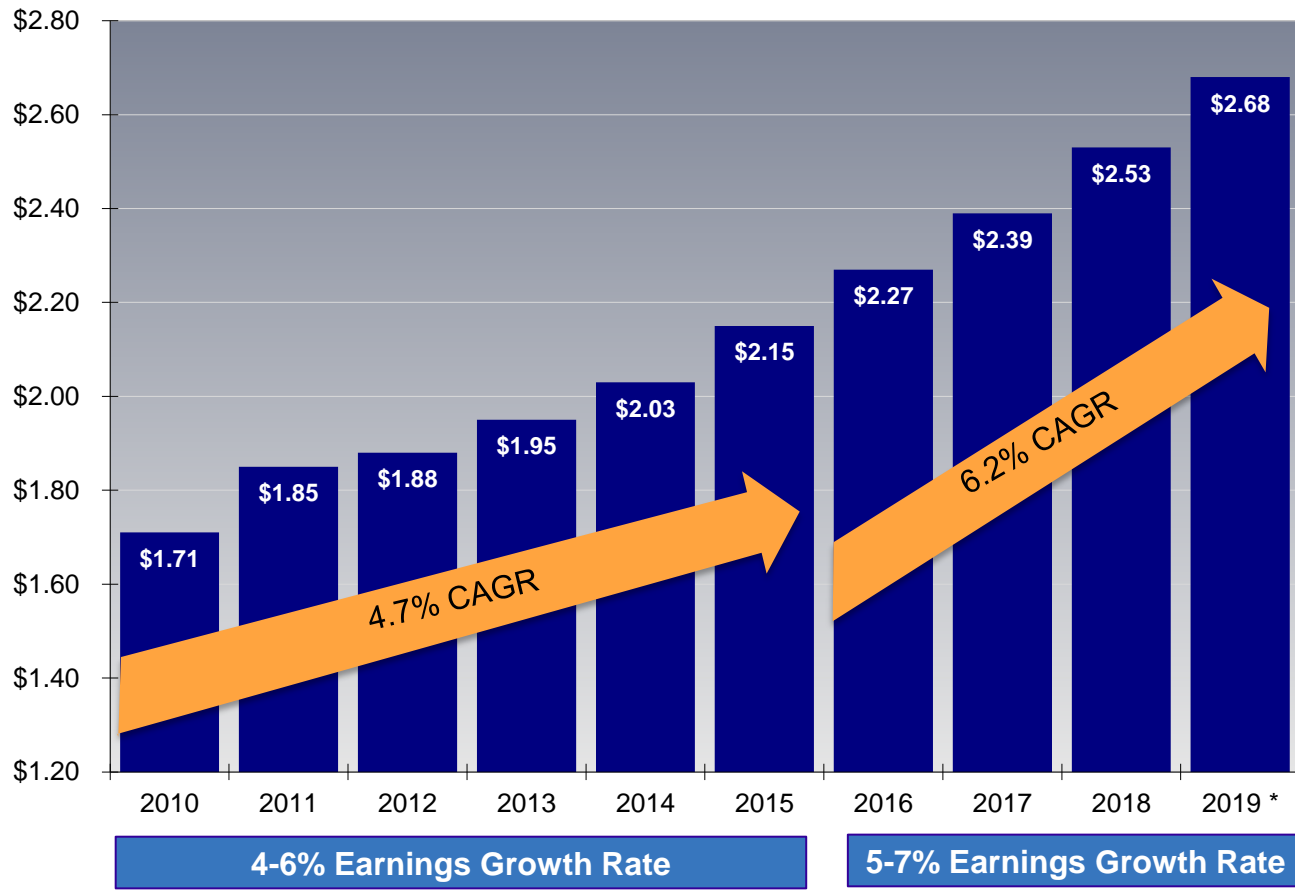
**We are focused on executing our strategy while improving the customer experience**

# ORGANIC INVESTMENT OPPORTUNITY + MANAGEABLE EXECUTION RISK = GROWTH



# STRONG DIVIDEND GROWTH

- Targeted payout ratio 60-70% of operating earnings
- Over 108 years of consecutive quarterly dividends
- Dividend growth in line with earnings

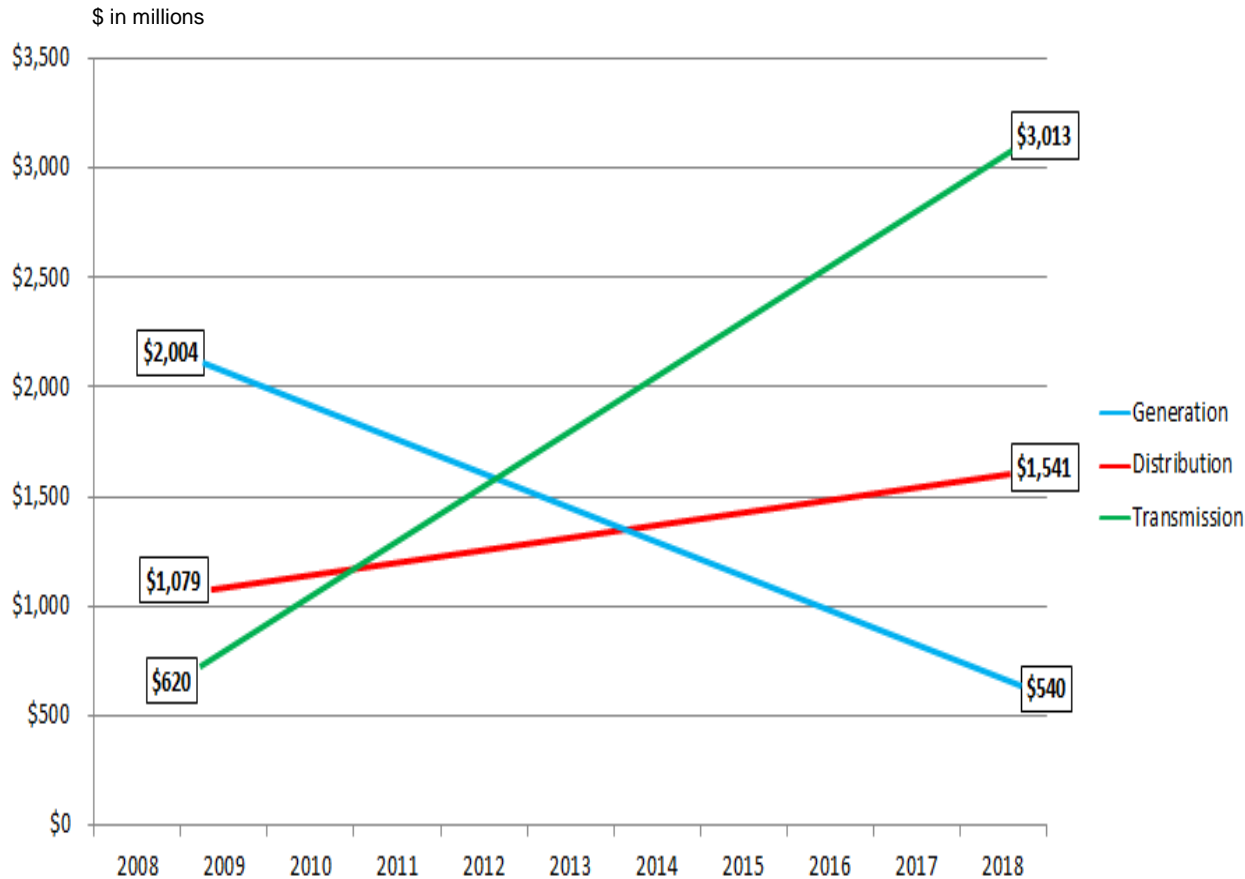


**EPS Growth + Dividend Yield = 9 to 11% Annual Return Opportunity**

\* Subject to Board approval

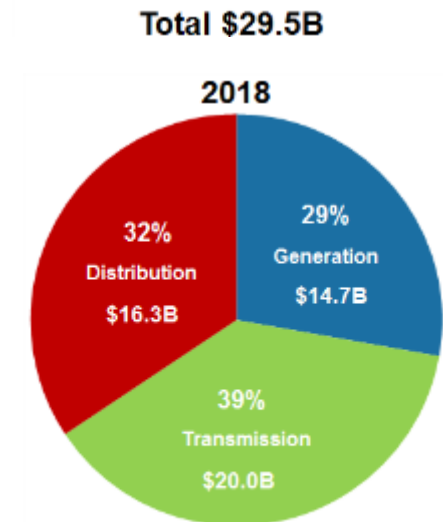
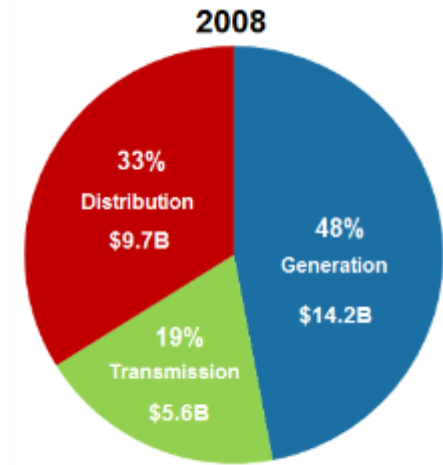


# ANNUAL CAPITAL INVESTMENT HISTORY



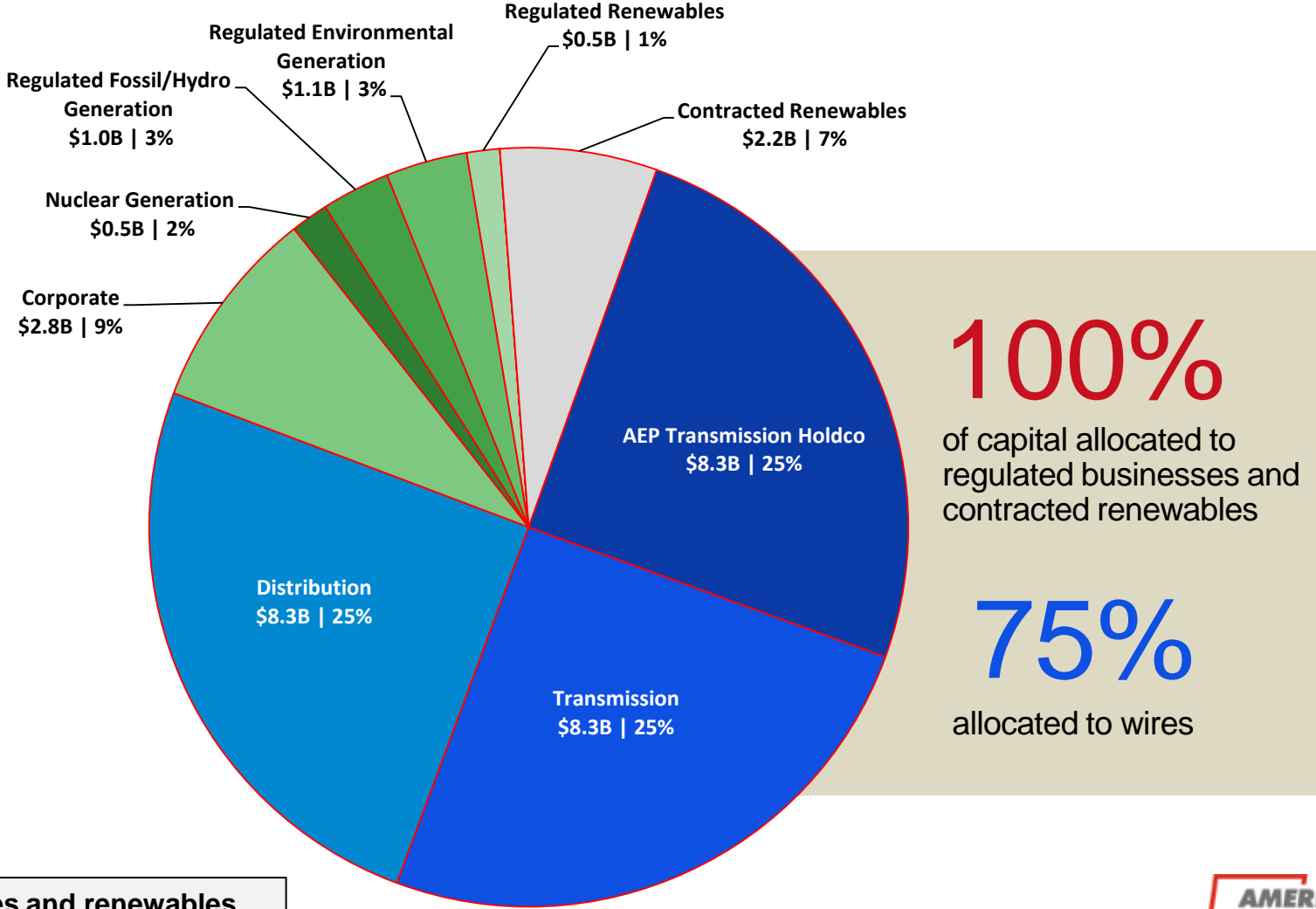
**AEP has invested in reliability and grid strengthening over the last decade, dramatically changing the capital allocation in Generation, Transmission and Distribution**

# NET PLANT PROFILES





# 2019 – 2023 CAPITAL FORECAST: TOTAL \$33B





**HIGHER  
growth**

**HIGHER  
dividends**

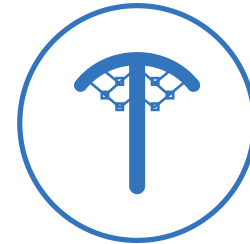


## The Premier Regulated Energy Company



**MORE  
certainty**

**MORE  
regulated**



# Positioned to Deliver Superior Risk Adjusted Returns

