Leading the Way Forward

54th EEI Financial Conference
Orlando, Florida
November 10-12, 2019
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, 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, decreased demand for electricity, 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, 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 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 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 coal ash and 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, 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, 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, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.
The Premier Regulated Energy Company

- 40,000 Miles of Transmission
- 5.4M Customers in 11 States
- 26GW Owned Generation
- 18,000 Employees
- 114 Years Leading the Way Forward

- $42B Rate Base
- $46B Current Market Capitalization
- $74B Total Assets

Statistics as of September 30, 2019 except for market capitalization as of November 4, 2019 and rate base as of December 31, 2018
AEP Leading the Way Forward

Confidence in Steady and Predictable Earnings Growth Rate of 5%-7%

Commitment to Growing Dividend Consistent with Earnings

Well Positioned as a Sustainable Regulated Business

Compelling Portfolio of Premium Investment Opportunities
We are focused on executing our strategy while concurrently improving our operations and keeping rates affordable.
EEI KEY THEMES

- 5%-7% Earnings Growth Rate and 2020 Range
- Proven Track Record of TSR and EPS Performance
- Strong Dividend Growth
- O&M Optimization
- Transforming Our Generation Fleet
Strong Profile for Investors

Incentive Comp Tied to High End of EPS

Investment Pipeline

~3%
DIVIDEND YIELD
5%-7% CAGR

Consistent Dividends

Steady Growth

TOTAL SHAREHOLDER RETURN

5%-7%
EPS GROWTH
2020 Operating Earnings Guidance
$4.25-$4.45 per share

Low Risk, Regulated Assets

Strong Balance Sheet

Strong Profile for Investors
Proven Track Record of Performance

Favorable Total Shareholder Return

Decade of Meeting or Exceeding Original Guidance

1 Data as of September 30, 2019

2 Expected Operating EPS
Strong Dividend Growth

- Targeted payout ratio 60-70% of operating earnings
- Over 109 years of consecutive quarterly dividends
- Targeted dividend growth in line with earnings

**EPS Growth + Dividend Yield = 8% to 10% Annual Return Opportunity**

* Subject to Board approval
O&M Optimization – Achieving Excellence Program

Achieving Excellence: A new disciplined O&M optimization process to improve our business

**KEY FEATURES**

- Program will be an ongoing part of our enhanced target setting process
- Catalyst team includes employees with strong analytic, teamwork and project management skills
- Group leaders include heads of business units who will partner with and evaluate ideas from catalyst team
- Steering Committee reviews recommendations and makes implementation decisions

**PROCESS OVERVIEW**

Employee driven; Employee owned

- **All employees** provide and implement ideas
- **Business group leaders** challenge partner analysis
- **Catalyst team** from different group
- **Recommendations**
- **Steering committee** make decisions
Transforming Our Generation Fleet

As of 09/30/2019. Future includes IRP forecasted additions and retirements through 2030. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.
Retirement Progress and Plans

~24,800 MW

2010 – 2019 Retirements/Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Plant</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Sporn 5</td>
<td>450 MW</td>
</tr>
<tr>
<td>2012</td>
<td>Conesville 3</td>
<td>165 MW</td>
</tr>
<tr>
<td>2014</td>
<td>Beckjord</td>
<td>59 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Big Sandy 2</td>
<td>800 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Clinch River 3</td>
<td>235 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Glen Lyn 5 &amp; 6</td>
<td>335 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Kamm 1 &amp; 2</td>
<td>630 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Kanawha River 1 &amp; 2</td>
<td>400 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Muskingum River 1-5</td>
<td>1,440 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Picway 5</td>
<td>100 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Conesville 4</td>
<td>851 MW</td>
</tr>
<tr>
<td>2015</td>
<td>Conesville 4.5 &amp; 6</td>
<td>820 MW</td>
</tr>
</tbody>
</table>

~13,200 MW

MW Capacity as of 9/30/2019

2020 Planned Retirements

<table>
<thead>
<tr>
<th>Year</th>
<th>Plant</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Conesville 4</td>
<td>851 MW</td>
</tr>
<tr>
<td>2020</td>
<td>Oklaunion</td>
<td>460 MW</td>
</tr>
</tbody>
</table>

~12,100 MW

2021 – 2030 Planned Retirements

<table>
<thead>
<tr>
<th>Year</th>
<th>Plant</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2026</td>
<td>Northeastern 8</td>
<td>469 MW</td>
</tr>
<tr>
<td>2028</td>
<td>Rockport 1</td>
<td>1,510 MW</td>
</tr>
<tr>
<td>2030</td>
<td>Cardinal</td>
<td>595 MW</td>
</tr>
</tbody>
</table>

~9,700 MW

1 Includes 2012 Turk Plant addition and 40% of Conesville 4 that was acquired in conjunction with the sale of Zimmer Plant
2 MW Capacity as of 9/30/2019
## Projected Resource Additions

### Solar Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>400 ¹</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APCo</td>
<td>15</td>
<td>300</td>
<td>750</td>
</tr>
<tr>
<td>I&amp;M</td>
<td>150</td>
<td>600</td>
<td>550</td>
</tr>
<tr>
<td>KPCo</td>
<td>20 ¹</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>PSO</td>
<td>11</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>-</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Totals</td>
<td>596</td>
<td>1,530</td>
<td>2,240</td>
</tr>
</tbody>
</table>

¹ Subject to regulatory filings currently underway

### Wind Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>500 ¹</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APCo</td>
<td>-</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>I&amp;M</td>
<td>300</td>
<td>150</td>
<td>300</td>
</tr>
<tr>
<td>KPCo</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PSO</td>
<td>675 ¹</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>810 ¹</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>2,285</td>
<td>1,450</td>
<td>500</td>
</tr>
</tbody>
</table>

### Natural Gas Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>I&amp;M</td>
<td>18</td>
<td>18</td>
<td>788</td>
</tr>
<tr>
<td>PSO</td>
<td>373 ²</td>
<td>410 ²</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>391</td>
<td>428</td>
<td>788</td>
</tr>
</tbody>
</table>

² To replace expiring PPA

### Total Projected Resource Additions (MW)

<table>
<thead>
<tr>
<th>Resource</th>
<th>2020-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar</td>
<td>4,366</td>
</tr>
<tr>
<td>Wind</td>
<td>4,235</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>1,607</td>
</tr>
<tr>
<td>Totals</td>
<td>10,208</td>
</tr>
</tbody>
</table>

Updated 09/30/2019
North Central Wind Overview

### North Central Wind Overview

#### Jurisdiction (Docket #) | MW | % of Project
---|---|---
PSO (PUD 2019-00048) | 675 | 45.5%
SWEPCO – AR (19-035-U) | 155 | 10.4%
SWEPCO – LA (U-35324) | 268 | 18.1%
SWEPCO – TX (49737) | 309 | 20.8%
SWEPCO - FERC | 78 | 5.2%
**Total:** | **1,485** | **100%**

#### SWEPCO and PSO Regulated Wind Investment Opportunity

<table>
<thead>
<tr>
<th>Name</th>
<th>MW</th>
<th>Investment</th>
<th>In-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundance</td>
<td>199</td>
<td>$307M</td>
<td>EOY 2020 (100% PTC)</td>
</tr>
<tr>
<td>Traverse</td>
<td>999</td>
<td>$1,287M</td>
<td>EOY 2021 (80% PTC)</td>
</tr>
<tr>
<td>Maverick</td>
<td>287</td>
<td>$402M</td>
<td></td>
</tr>
</tbody>
</table>

| Net Capacity Factor | 44.0% |
| Customer Savings   | ~$3 billion (30-year nominal $) |

**Developer**

Invenergy

**Turbine Supplier**

GE

- Regulated rate base wind investment opportunity with ability to meaningfully reduce customer rates
  - Acquiring facilities on a fixed cost, turn-key basis at completion
  - Contingent upon satisfactory regulatory approvals
- Investment not included in the Company’s current capital expenditure plan
- Acquisition can be scaled, subject to commercial limitations, to align with individual state resource needs and approvals
# North Central Wind Transaction Value

## Customer Benefits

- Low-cost, clean, renewable long-term energy resource
- Reduces overall customer rates starting in year one
- Takes advantage of expiring federal PTC, which alone offsets nearly 70% of the capital investment
- Insulates customers from fuel price volatility for 30-year period
- Adds fuel diversity to generation mix with efficient high capacity factor wind resource (44%)
- Future asset optionality provides value to customers through repowering, storage coupling opportunities, etc.
- Significant local, state and regional economic benefits due to investment

## Shareholder Benefits

- ~$2 billion of rate base investment diversified over 5 jurisdictions
- Receives regulated return on equity
- ~$100 million of earnings in 1st full year of operation (2022) (total company earnings will be impacted by equity needs and capital allocation)
- Provides customer headroom to allow for future investment
- Grows rate base and insulates PSO/SWEPCO from future rate case disallowance volatility
  - Grows PSO rate base by 32%
  - Grows SWEPCO rate base by 21%
- Meaningful contribution to clean energy and carbon reduction goals

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Transaction Represents A Unique Win-Win Opportunity For Both Customers And Shareholders
North Central Wind Key Highlights of Regulatory Filing

- Expiring federal Production Tax Credit (PTC) provides a limited time opportunity to take advantage for benefit of customers

**Customer Guarantees Offered**

1. **Capital Cost Cap Guarantee** – Cost cap for 100% of aggregated filed capital cost of the wind facilities

2. **Production Tax Credit Eligibility Guarantee** – Facilities will be eligible for the federal PTC

3. **Minimum Production Guarantee** – Guarantees a minimum production level for first 10-years of operation

**Project Scalability**

- The projects are designed to be scalable with regulatory approvals, subject to commercial limitations
  - Minimum of 810 MWs required to move forward
  - Included “step-up” options in regulatory applications to provide states the ability to take more MWs should another state or state(s) reject applications

**Power and Gas Price Sensitivities**

- Wind investment produces net customer benefits across a wide range of production, power, and gas price sensitivities, including the full range of current U.S. Energy Information Administration (EIA) gas price scenarios and other publically available gas price forecasts.
North Central Wind Procedural Schedules

<table>
<thead>
<tr>
<th>Jurisdiction (Docket #)</th>
<th>Intervenor Testimony</th>
<th>Staff Testimony</th>
<th>Rebuttal Testimony</th>
<th>Settlement Conference</th>
<th>Hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSO (PUD 2019-00048)¹</td>
<td>November 1, 2019</td>
<td>November 1, 2019</td>
<td>November 22, 2019</td>
<td>December 12, 2019</td>
<td>January 13, 2020</td>
</tr>
<tr>
<td>SWEPCO – LA (U-35324)</td>
<td>February 7, 2020</td>
<td>February 7, 2020</td>
<td>March 9, 2020</td>
<td>N/A</td>
<td>March 25, 2020</td>
</tr>
<tr>
<td>SWEPCO – TX (49737)²</td>
<td>January 14, 2020</td>
<td>January 22, 2020</td>
<td>February 12, 2020</td>
<td>N/A</td>
<td>February 24, 2020</td>
</tr>
</tbody>
</table>

¹ Oklahoma has a 240-day statutory timeline for issuing an order, making the requested approval date March 11, 2020

² Texas has a 365-day statutory timeline for issuing an order, making the requested approval date July 15, 2020 (366 days, 2020 is a leap year)
Robust Organic Capital Opportunities

<table>
<thead>
<tr>
<th>Transmission</th>
<th>Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution</td>
<td>Grid modernization, reliability improvement projects and distribution station refurbishment</td>
</tr>
<tr>
<td>Renewables</td>
<td>Regulated renewables supported by integrated resource plans and contracted renewables</td>
</tr>
<tr>
<td>Technology</td>
<td>Digitization, automation, cyber security, enterprise-wide applications</td>
</tr>
</tbody>
</table>
2020 - 2024 Capital Forecast of $33B and Net Plant

2020-2024 Capital Forecast¹

- AEP Transmission Holdco: $7.8B | 24%
- Distribution: $10.3B | 31%
- Transmission: $7.6B | 23%
- Regulated Environmental Generation: $0.9B | 3%
- Regulated Fossil/Hydro Generation: $0.8B | 3%
- Nuclear Generation: $0.4B | 1%
- IT/Workplace Services: $2.5B | 8%
- Regulated New Generation: $0.3B | 1%
- Regulated Renewables: $0.2B | 0%
- Contracted Renewables: $2.1B | 6%

¹ Does not include North Central Wind

Focus on wires and renewables

78% allocated to wires

100% of capital allocated to regulated businesses and contracted renewables

Historical Net Plant Profiles

2009
- 32% Distribution
- 18% Transmission
- 50% Generation
- Total $31.1B

2019
- 33% Distribution
- 42% Transmission
- 25% Generation
- Total $54B
Capital Allocation Shifted to Wires from Generation

2009 Capital

- Distribution: 50%
- Generation: 34%
- Transmission: 16%

2020-2024 Capital Forecast

- Distribution: 37%
- Generation: 8%
- Transmission: 55%
## 2020 - 2024 Capital Forecast by Subsidiary

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
<th>2024E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power Company</td>
<td>$762</td>
<td>$738</td>
<td>$1,024</td>
<td>$1,027</td>
<td>$950</td>
<td>$4,501</td>
</tr>
<tr>
<td>Wheeling Power Company</td>
<td>$21</td>
<td>$37</td>
<td>$57</td>
<td>$45</td>
<td>$39</td>
<td>$199</td>
</tr>
<tr>
<td>Kingsport Power Company</td>
<td>$15</td>
<td>$21</td>
<td>$19</td>
<td>$25</td>
<td>$19</td>
<td>$99</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>$625</td>
<td>$568</td>
<td>$525</td>
<td>$525</td>
<td>$680</td>
<td>$2,924</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>$200</td>
<td>$184</td>
<td>$170</td>
<td>$170</td>
<td>$161</td>
<td>$886</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>$688</td>
<td>$716</td>
<td>$714</td>
<td>$774</td>
<td>$1,017</td>
<td>$3,909</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>$311</td>
<td>$326</td>
<td>$506</td>
<td>$432</td>
<td>$391</td>
<td>$1,965</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>$375</td>
<td>$437</td>
<td>$442</td>
<td>$517</td>
<td>$592</td>
<td>$2,363</td>
</tr>
<tr>
<td>AEP Texas Company</td>
<td>$1,169</td>
<td>$1,121</td>
<td>$1,092</td>
<td>$1,092</td>
<td>$1,529</td>
<td>$6,003</td>
</tr>
<tr>
<td>AEP Generating Company</td>
<td>$42</td>
<td>$23</td>
<td>$21</td>
<td>$22</td>
<td>$16</td>
<td>$124</td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$1,505</td>
<td>$1,547</td>
<td>$1,441</td>
<td>$1,378</td>
<td>$1,938</td>
<td>$7,809</td>
</tr>
<tr>
<td>Generation and Marketing</td>
<td>$612</td>
<td>$497</td>
<td>$339</td>
<td>$339</td>
<td>$346</td>
<td>$2,133</td>
</tr>
<tr>
<td>Other</td>
<td>$12</td>
<td>$8</td>
<td>$8</td>
<td>$6</td>
<td>$3</td>
<td>$36</td>
</tr>
<tr>
<td><strong>Total Capital and Equity Contributions</strong></td>
<td><strong>$6,339</strong></td>
<td><strong>$6,223</strong></td>
<td><strong>$6,357</strong></td>
<td><strong>$6,353</strong></td>
<td><strong>$7,681</strong></td>
<td><strong>$32,952</strong></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. Data does not include North Central Wind.
# Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019E</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Operations</td>
<td>$4,500</td>
<td>$4,900</td>
<td>$4,900</td>
<td>$5,400</td>
</tr>
<tr>
<td>Capital &amp; JV Equity Contributions</td>
<td>$7,800</td>
<td>$6,300</td>
<td>$6,200</td>
<td>$6,400</td>
</tr>
<tr>
<td>Other Investing Activities</td>
<td>$100</td>
<td>$500</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Common Dividends</td>
<td>$1,300</td>
<td>$1,400</td>
<td>$1,400</td>
<td>$1,400</td>
</tr>
<tr>
<td>Excess (Required) Capital</td>
<td>$(4,700)</td>
<td>$(3,300)</td>
<td>$(2,900)</td>
<td>$(2,600)</td>
</tr>
</tbody>
</table>

### Financing

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2019E</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Required) Capital</td>
<td>$(4,700)</td>
<td>$(3,300)</td>
<td>$(2,900)</td>
<td>$(2,600)</td>
</tr>
<tr>
<td>Debt Maturities (Senior Notes, PCRBs)</td>
<td>$1,200</td>
<td>$1,000</td>
<td>$1,900</td>
<td>$2,700</td>
</tr>
<tr>
<td>Securitization Amortizations</td>
<td>$300</td>
<td>$200</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>Equity Units</td>
<td>805</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity Units Conversion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>805</td>
</tr>
<tr>
<td>Equity Issuances - Includes DRP</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>600</td>
</tr>
<tr>
<td>Debt Capital Market Needs (New)</td>
<td>$5,295</td>
<td>$4,400</td>
<td>$4,800</td>
<td>$3,995</td>
</tr>
</tbody>
</table>

### Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capitalization (GAAP)</td>
<td>55 - 60%</td>
</tr>
<tr>
<td>FFO/Total Debt (Moody’s)</td>
<td>Low to Mid Teens Reflecting Accelerated Flowback of ADFIT</td>
</tr>
</tbody>
</table>

---

1. Includes Sempra/Santa Rita acquisitions in 2019. Excludes AFUDC and removal costs included in Total Spending Limit. (2019 Total Spending Limit = $8.1B)

2. Common dividends increase to $0.70 per share Q4 2019 for total dividends of $2.71/share; $2.80/share 2019-2022. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.
7.9% CAGR in Rate Base Growth

Cumulative Change from 2018 Base

2018 Rate Base Proxy
- Vertically Integrated Utilities: $24.3B
- T&D Utilities: $10.9B
- Transcos/Transource: $6.8B
- Total: $42.0B

5%-7% EPS growth is predicated on regulated rate base growth
Nearly 70% of 2020-2024 capital plan recovered through reduced lag mechanisms
AEP Transmission Strategy Framework

AEP STRATEGIC VISION: INVEST IN TRANSMISSION NETWORK

Diverse five-year capital investment portfolio of over $15 billion across AEP’s broad footprint

Delivering significant customer benefits:
• Higher reliability
• Lower energy costs
• Economic development
• Public policy goals

Disciplined execution:
• Low cost, high value solutions
• High speed delivery
• Technological innovation

STABLE COST RECOVERY FRAMEWORK

DELIVER VALUE TO CUSTOMERS AND PREDICTABLE EARNINGS GROWTH
AEP’s Broad Transmission System

AEP TRANSMISSION

- Largest network in the U.S.
- Over 40K circuit miles, across 15 states
- Member of three RTOs and ERCOT
- Over 3,000 transmission employees

AEP’S SYSTEM SERVES AS THE BACKBONE IN PJM, SPP AND ERCOT AND IS VITAL TO MAINTAINING REGIONAL AND LOCAL RELIABILITY, EFFICIENT MARKETS AND ECONOMIC DEVELOPMENT
AEP INVESTS TRANSMISSION CAPITAL IN BOTH THE INTEGRATED OPERATING COMPANIES AND IN THE AFFILIATES HELD UNDER AEP TRANSMISSION HOLDING COMPANY

AEP PROVIDES A STAND-ALONE EARNINGS FORECAST FOR AEP TRANSMISSION HOLDING COMPANY

American Electric Power Company, Inc. (AEP)

AEP Transmission Holding Co. LLC ("AEP Trans Holdco")

AEP Transmission Company, LLC ("AEP Transco")

AEP Indiana Michigan Transmission Co., Inc. $2,415M Net Plant
AEP Appalachian Transmission Co., Inc. $87M Net Plant
AEP Kentucky Transmission Co., Inc. $130M Net Plant
AEP Oklahoma Transmission Co., Inc. $1,061M Net Plant
AEP Ohio Transmission Co., Inc. $3,766M Net Plant
AEP West Virginia Transmission Co., Inc. $1,440M Net Plant

Total $8,899M Net Plant

Pioneer Transmission, LLC $188M Net Plant

Electric Transmission America, LLC $141M Net Plant

Transource Energy, LLC

Transource Missouri, LLC

Transource West Virginia, LLC

Transource Maryland, LLC

Transource Pennsylvania, LLC

Electric Transmission Texas, LLC $3,003M Net Plant

Grid Assurance $418M Net Plant

Joint Venture

Joint Venture net plant balances are inclusive of non-affiliate share

Net plant totals are as of September 30, 2019, except Pioneer and Prairie Wind, which are as of August 31, 2019

1 Debt issued at AEP Transco level for transmission companies

2 Does not include Independence Energy Connection Project
Five Year Transmission Capital Plan

2020-2024 INVESTMENT BY RTO ($ MILLIONS)\(^1\)

- **PJM**: $9,772
- **ERCOT**: $3,159
- **SPP**: $2,297

2020-2024 TRANSMISSION INVESTMENT BY CATEGORY ($ MILLIONS)\(^1\)

- **Asset Replacement**: $6,480
- **Local Reliability**: $2,158
- **RTO Driven**: $1,414
- **Telecommunication**: $282

INVESTMENT CATEGORIES

**ASSET REPLACEMENT**
- Asset condition, performance history and risk of failure

**LOCAL RELIABILITY**
- Transmission owner reliability planning criteria

**RTO DRIVEN**
- RTO reliability planning criteria
- Market efficiency
- Public policy needs and goals

**CUSTOMER SERVICE**
- Connecting new and enhanced service requests
- Facilitating local economic development

**TELECOM**
- Cyber-security requirements
- Asset health monitoring
- Efficient grid operations

\(^1\) Does not include $200 million of Transource capital investment
AEPTHC Target Earnings 2019-2022

AEPTHC’S 2015 – 2022 EPS GROWTH PROJECTED AT A CAGR OF 19.4%
### Stable Cost Recovery Framework

<table>
<thead>
<tr>
<th></th>
<th>PJM</th>
<th>SPP</th>
<th>ERCOT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROE</strong></td>
<td>10.35% (Includes RTO adder)</td>
<td>10.5% (Includes RTO adder)</td>
<td>9.6% - 9.96%</td>
</tr>
<tr>
<td><strong>Forward Looking Rates</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Allowed two updates per year</td>
</tr>
<tr>
<td><strong>Equity Structure</strong></td>
<td>Capped at 55%</td>
<td>No Cap</td>
<td>Capped at 40%</td>
</tr>
<tr>
<td><strong>Rate Effective</strong></td>
<td>January 1, 2018</td>
<td>June 5, 2017</td>
<td>May 29, 2007 and April 4, 2008</td>
</tr>
<tr>
<td><strong>Final Regulatory Approval</strong></td>
<td>May, 2019</td>
<td>June, 2019</td>
<td>N/A&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>1</sup> Pending current rate case

### Stable and Clear Wholesale Cost Recovery for Transmission

AEP recovers ~93% of its capital investment through state tracker/rider (T/R) mechanisms.

<sup>2</sup> Settlement filed for Commission approval

### FERC Base ROE and Transmission Incentives Notices of Inquiry

- **Base ROE** – AEP generally supports FERC’s proposed new base ROE methodology which provides more certainty and stability for future base ROE proceedings
- **Transmission Incentives** – AEP supports continuation of the current incentives, particularly the RTO-participation incentive, reflective of the tremendous customer benefits RTO participation provides and additional incentives that provide grid modernization, security and resilience
Transmission Investments Deliver Value to Customers

**Public Policy Goals**
- A modernized grid facilitates a broad spectrum of state and federal public policy initiatives (i.e. electrification, increase of renewables, shift in generation profile)

**Lower Energy Cost**
- Reduces congestion to lower delivered energy costs
- Recently completed projects are shown to decrease energy losses by 55% on average, representing a NPV savings, due to lower power consumption, of $108M over the lifetime of investment

**Strong Economic Development**
- Robust grid brings new load to AEP territories (data centers, manufacturing, oil and gas facilities)
- From the $9 billion in investment from 2017-2019, significant economic benefits for our states:
  - $12.7 billion in economic activity
  - 34,000 jobs annually
  - Over $600 million in total taxes paid to state and local governments

**Higher Reliability**
- Recently completed projects are shown to be 85% effective in reducing customer interruptions and 97% effective in cutting duration of customer outages
- Proactively address historical and predicted reliability issues
Significant Need For Asset Replacement

<table>
<thead>
<tr>
<th>Type</th>
<th>Life Expectancy</th>
<th>Current Quantity over Life Expectancy</th>
<th>Quantity that will Exceed Life Expectancy in Next 10 Years</th>
<th>Total Replacement Need</th>
<th>Percent of AEP System Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Rebuilds</td>
<td>70</td>
<td>5,915</td>
<td>4,931</td>
<td>10,846</td>
<td>27%</td>
</tr>
<tr>
<td>Transformers</td>
<td>60</td>
<td>223</td>
<td>124</td>
<td>347</td>
<td>28%</td>
</tr>
<tr>
<td>Circuit Breakers</td>
<td>50</td>
<td>882</td>
<td>583</td>
<td>1,465</td>
<td>16%</td>
</tr>
</tbody>
</table>

$2.3 billion of annual on-system capital investment is required to maintain current age profile

Asset replacement projects are prioritized based on performance, condition and risk
Competitive Transmission -

### Transource Missouri

<table>
<thead>
<tr>
<th>June 2019 Net PPE Balance</th>
<th>$298 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Capital Structure</td>
<td>45% debt 55% equity</td>
</tr>
<tr>
<td>Authorized ROE(^1)</td>
<td>11.15%</td>
</tr>
</tbody>
</table>

### Transource West Virginia

<table>
<thead>
<tr>
<th>Total Estimated Project Size</th>
<th>~$84 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Capital Structure</td>
<td>40% debt 60% equity</td>
</tr>
<tr>
<td>Authorized ROE(^2)</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

### Transource Pennsylvania and Maryland

<table>
<thead>
<tr>
<th>Total Estimated Project Size</th>
<th>~$262 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothetical Capital Structure</td>
<td>40% debt 60% equity</td>
</tr>
<tr>
<td>Authorized ROE(^3)</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

- Transource is actively involved in pursuing projects in MISO, PJM and SPP competitive processes under FERC Order No. 1000
- Transource is positioned to further participate in new markets such as NYISO and ISO-NE as opportunities unfold

---

\(^1\) Transource Missouri is authorized a 10.3% ROE for Iatan-Nashua and a 11.3% ROE for Sibley-Nebraska City, resulting in a combined authorized ROE of 11.15%

\(^2\) Transource West Virginia is authorized a base ROE of 10.0% with an approved 0.5% adder for RTO participation

\(^3\) Transource Pennsylvania and Maryland are authorized a base ROE of 9.9% with an approved 0.5% adder for RTO participation
Technology and Innovation

Low Cost, High Value Solutions

- Drop in Control Module
- Grid Assurance
- Pre-Fabricated Bus/Station(PFBs)

High Speed Delivery

- Fiber Optic Substations
- Integrated Design and Construction
- Pre-fabricated Foundations (PFFs)

Technological Innovation

- BOLD Transmission Line
- SMART 3D Design
- Augmented/Virtual Reality
- Energy Storage

• Off-Site Assembly
• Flexible Designs
• Built-in Resiliency

• Optimized Construction
• Reduced Labor
• Rapid Engineering

• Future-Ready Solutions
• Digitized Platforms
• Performance Enhancing Tools
Expanded Core and Future Investments

- Increase core investments in system reliability
- Fully advance metering infrastructure (AMI) and distribution automation circuit reconfiguration (DACR) penetration
- LED Street Light Modernization

- Promote an interactive, modern and efficient grid
- Adapt grid to integrate more diverse energy sources
- Broadband and behind the meter technologies to align with changing customer expectations
- Advance electrification

Positioning to align future investments with customer preferences

Advancing policies and regulatory mechanisms that support timely recovery and diversification of investments
Identified Core Business Investments

Current State of Distribution Grid
- $1.8B of annual investment
- $2.7B investment needed to maintain current assets

10-Year Incremental Distribution Capital Investment Potential: ~$18B

AEP invests in our customers’ future by focusing on reliability and the customer experience. AEP has a strong track record in securing regulatory support and executing distribution investments.

<table>
<thead>
<tr>
<th>Investment Opportunity</th>
<th>Capital Investment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid Modernization</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Line Re-conductoring – Asset Renewal</td>
<td>$13.0 billion</td>
</tr>
<tr>
<td>Pole Replacements – Asset Renewal</td>
<td>$0.5 billion</td>
</tr>
<tr>
<td>Distribution Station Transformer and Breaker Replacements – Asset Renewal</td>
<td>$1.4 billion</td>
</tr>
</tbody>
</table>

Known and identified investments that will improve reliability and operability of the grid

Partner with states to help spur economic development

---

1 10-year capital investment potential is above current $1.8B annual spend, 7-10% O&M required to support the capital investment
Robust Distribution Capital Expenditure Opportunities

<table>
<thead>
<tr>
<th>Type</th>
<th>Life Expectancy</th>
<th>Current Quantity over Life Expectancy</th>
<th>Quantity that will Exceed Life Expectancy in Next 10 Years</th>
<th>Total Replacement Need</th>
<th>Percent of AEP System Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformers</td>
<td>60</td>
<td>903</td>
<td>565</td>
<td>1,468</td>
<td>41%</td>
</tr>
<tr>
<td>Circuit Breakers</td>
<td>50</td>
<td>1,030</td>
<td>842</td>
<td>1,872</td>
<td>21%</td>
</tr>
</tbody>
</table>

$2.7 billion of annual on-system capital investment is required to maintain current age profile.
New Legislative Initiatives

- **Ohio Bilateral Contracts Bill (HB6)**
  - Recovery of existing renewable contracts entered into to comply with existing legislation
  - Recovery of OVEC collected on a state-wide basis until 2030
  - Provides opportunity for AEP Ohio to enter into bilateral contracts with certain customers
  - Provides $20 million of clean air funds for approved solar projects, including 400MW at AEP

- **Ohio Smart Grid Bill (HB247)** – Would allow for inclusion of smart grid technologies in electric security plans and allows AEP Ohio to pursue behind the meter technologies

- **Ohio Broadband Deployment (HB13)** – Promotes broadband investment through establishment of residential broadband expansion program

- **Indiana TDSIC Bill** - Broadens definition of grid improvements included in energy delivery tracker

- **West Virginia Broadband (SB3)** – Promotes broadband investment

- **Virginia Broadband (HB2691)** – Establishes pilot program for broadband capacity to unserved areas

- **Oklahoma EV Bill** – Extends tax credits for EV infrastructure

- **Texas Generation Rider** – Recovery of new power generation facilities outside ERCOT

- **Texas AMI Bill** – Adds recovery of advanced meter deployment outside ERCOT
Technology and Innovation

Innovative Reliability and Operation

- Remote Line Sensors
- Distribution Automation

ADMS

- Reliability-focused Innovation
- Customer Experience
- Operational Visibility
- Economic Operation
- Enhances Safety

Energy Storage

Fault Interruption Technology

Microgrids

Engineering Innovation

- Design Excellence
- Reduced Labor
- Rapid Engineering
- Digitized Platforms

LIDAR

Drones

Augmented Reality
INVESTING IN COMPETITIVE BUSINESS
Competitive Operations Organizational Structure
Competitive Businesses Strategy and Operations

$2.1B Capital Allocated 2020-2024

Retail Businesses
- Provides electricity, natural gas, and demand response to residential, commercial and industrial customers in six states
- Customers: **463,000**
- Electricity: **21 TWh**
- Gas: **13 Bcf**

Commodity Businesses
- Transacts commodity hedges for the retail portfolio and engages in wholesale marketing and trading
- Majority of activity is in PJM with a smaller presence in ERCOT, MISO and SPP
- Active Customers: **81**
- Utility Load Auctions: **8**

Asset Businesses
- Build, own, operate and maintain customer solutions utilizing existing and emerging distributed technologies
- Asset Base: Over **$280 million**
- **54 projects** in **16 states**

Wholesale Businesses
- Develop and/or acquire large scale renewable projects that are backed with long-term contracts with credit-worthy counterparties
- Asset Base: Over **$1.8 billion**
- **13 projects** in **11 states**
Competitive Businesses Presence

AEP Competitive Businesses
Active in 31 States (7 State overlap with AEP Utilities)

As of September 30, 2019
Customer Energy Solutions

- Committed to nearly $370 million in energy assets
- Portfolio of 63 operating and under construction projects in 18 different states
- Projects include customer sited solar projects, behind the meter energy storage assets, customer sited substations, peaking generation, energy efficiency projects and fuel cell projects

Trinity College Fuel Cell (CT) – 1.4 MW

Trout Creek (CO) – 2.0 MW-AC

Dennison University (OH) – 1.9 MW-AC

MarkWest (OH) – 25 MVA
Universal Scale Renewable Projects

- Asset base over $1.8 billion
- Portfolio of 13 operating projects in 11 different states
- Projects include large scale wind, solar, and storage

1 AEP’s 50% share
## Development Pipeline

- Progress continues in our development portfolio across four geographically dispersed areas.

- In late October 2019, the 128 MW Flat Ridge 3 wind project in Kansas was announced to be placed in service in 2020 using all of our PTC Safe Harbor equipment (qualifying the plant for 100% PTCs) and has an offtake agreement with an investment grade utility.

- The other mid- to late-stage opportunities in our development portfolio possess solid project and market fundamentals, and continue to attract strong interest from utilities, municipalities, cooperatives and corporates.

## Repower Initiative

- Fowler Ridge 2, Cedar Creek 2, Flat Ridge 2 and Mehoopany are all ending their PTC lives by year end 2021.

- All 4 wind farms are being evaluated as potential repower candidates.

- If the repowers were to take place, it would most likely be at 80% or 60% PTC level.
FINANCIAL INFORMATION
Return on Equity
Twelve Months Ended 9/30/2019 Earned ROE’s (non-GAAP operating earnings, not weather normalized)

2020 Forecasted Regulated ROE is 9.1%

1 Adjusted to reflect ROE after roll-off of legacy items | 2 Current base rate cases

Sphere size based on each company’s relative equity balance
## 2020 Operating Earnings Guidance

### Range of $4.25 - $4.45/share

<table>
<thead>
<tr>
<th>Component</th>
<th>2019E</th>
<th>Vertically Integrated Utilities</th>
<th>Transmission &amp; Distribution Utilities</th>
<th>AEP Transmission Holdco</th>
<th>Generation and Marketing</th>
<th>Corporate and Other</th>
<th>2020E Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Load</td>
<td>$0.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate Changes</td>
<td>$0.25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weather</td>
<td>$0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trans Revenue</td>
<td>$0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O&amp;M</td>
<td>$0.19</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Depreciation</td>
<td>$0.14</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Other Taxes</td>
<td>$0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest Exp/Inc</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O&amp;M</td>
<td>$0.01</td>
<td></td>
<td></td>
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<td>Other</td>
<td>$0.03</td>
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<td>Renewables</td>
<td>$0.05</td>
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</tr>
<tr>
<td>Retail</td>
<td>$(0.02)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
<td>$0.02</td>
<td></td>
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<tr>
<td>Invest Growth</td>
<td>$0.14</td>
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<td></td>
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<tr>
<td>True-Up</td>
<td>$(0.09)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$0.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Will maintain midpoint of 2020 range. Waterfall components may change based on actual 2019 results.
### Sensitivities

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>EPS</th>
<th>VIU</th>
<th>T&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.030</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.013</td>
</tr>
<tr>
<td>Industrial</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.014</td>
</tr>
<tr>
<td>O&amp;M Expense</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.04</td>
</tr>
<tr>
<td>(excludes O&amp;M with offsets)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>25 basis points</td>
<td>+/-</td>
<td>0.02</td>
</tr>
<tr>
<td>(floating debt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>25 basis points</td>
<td>+/-</td>
<td>0.01</td>
</tr>
<tr>
<td>(new issuances)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated ROE</td>
<td>10 basis points</td>
<td>+/-</td>
<td>0.05</td>
</tr>
</tbody>
</table>

A $6.3M change in pretax earnings equals $0.01 per share

### Assumptions

- **Rate Changes:** $216M; $107M secured

- **2020 Regulated Connected Load (Billed and Accrued):**
  - Residential: 57,112 GWh
  - Commercial: 48,258 GWh
  - Industrial: 60,505 GWh

- Average Shares Outstanding: 494.8M

Note: AFUDC earnings move inversely to interest expense from rate changes
Current Rate Case Activity

AEP Texas

- Docket #: 49494
- Filing Date: 05/01/2019
- Requested Rate Base: $5.0B
- Requested ROE: 10.5%
- Cap Structure: 55%D / 45%E
- Revenue Increase: $35M
- Test Year: 12/31/2018

Procedural Schedule:
- Expected Effective Date: First quarter 2020
- (Awaiting Order)

I&M – Indiana

- Docket #: 45235
- Filing Date: 05/14/2019
- Requested Rate Base: $4.9B
- Requested ROE: 10.5%
- Cap Structure: 53.2%D / 46.8%E
- Gross Revenue Increase: $172M
  (Less $78M D&A)
- Net Revenue Increase: $94M
- Test Year: 2020 Forecasted

Procedural Schedule:
- Hearing: 10/07/2019
- Expected Effective Date: March 2020
## Current Rate Case Activity

### I&M – Michigan

<table>
<thead>
<tr>
<th><strong>Docket #</strong></th>
<th>U-20359</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Filing Date</strong></td>
<td>06/24/2019</td>
</tr>
<tr>
<td><strong>Requested Rate Base</strong></td>
<td>$1.2B</td>
</tr>
<tr>
<td><strong>Requested ROE</strong></td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>Cap Structure</strong></td>
<td>53.6%D / 46.4%E</td>
</tr>
<tr>
<td><strong>Gross Revenue Increase</strong></td>
<td>$58M (Less $6M D&amp;A)</td>
</tr>
<tr>
<td><strong>Net Revenue Increase</strong></td>
<td>$52M</td>
</tr>
<tr>
<td><strong>Test Year</strong></td>
<td>2020 Forecasted</td>
</tr>
</tbody>
</table>

**Procedural Schedule:**
- Staff and Intervenor Testimony: 10/17/2019
- Rebuttal Testimony: 11/12/2019
- Hearing: 11/21/2019
- Expected Commission Order: 04/24/2020

### SWEPCO – Arkansas

<table>
<thead>
<tr>
<th><strong>Docket #</strong></th>
<th>19-008-U</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Filing Date</strong></td>
<td>02/28/2019</td>
</tr>
<tr>
<td><strong>Requested Rate Base</strong></td>
<td>$1.2B</td>
</tr>
<tr>
<td><strong>Requested ROE</strong></td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>Cap Structure</strong></td>
<td>49.5%D / 50.5%E</td>
</tr>
<tr>
<td><strong>Gross Revenue Increase</strong></td>
<td>$46M1 (Less $12M D&amp;A)</td>
</tr>
<tr>
<td><strong>Net Revenue Increase</strong></td>
<td>$34M</td>
</tr>
<tr>
<td><strong>Test Year</strong></td>
<td>12/31/2018</td>
</tr>
</tbody>
</table>

**Settlement Summary**
- Unanimous Settlement Filed: 10/15/2019 (Awaiting Order)
- ROE: 9.45%
- Cap Structure: 52.1%D / 47.9%E
- Gross Revenue Increase: $24M1 (Less $6M D&A)
- Net Revenue Increase: $18M
- Expected Effective Date: January 2020

1 Does not include $29M of current riders moving to base rates
Bending the O&M Curve

- O&M targets focus on bending the O&M curve down to create rate headroom
- O&M actual spend represents adjusting spend throughout the year as needed (e.g., 2017 and 2018 reflect the cost and benefit of weather that created opportunities to pull-back or shift/spend incremental where appropriate)
### Bending the O&M Curve (Initiatives)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Achieving Excellence Program</strong></td>
<td>• Employee based O&amp;M prioritization and optimization effort  &lt;br&gt; • Drive down costs in 2020 and beyond  &lt;br&gt; • Program will leverage the experience of EHS Partners</td>
</tr>
<tr>
<td><strong>Lean Management System Implementation/Continuous Process Improvement</strong></td>
<td>• <strong>Distribution</strong> – Drive enhanced reliability which will lead to reduced O&amp;M cost associated with storm restoration in the long term  &lt;br&gt; • <strong>Supply chain</strong> – Optimize the material requisition process to improve material lead times, reducing stock outs and increasing crew productivity resulting in reduced O&amp;M cost  &lt;br&gt; • <strong>Fleet operations</strong> – Focus on reducing the number of vehicle platforms/options acquired and optimizing the acquisition process to reduce acquisition and maintenance costs  &lt;br&gt; • <strong>Generation (system productivity)</strong> – Fleet wide team-based focus on the reduction of waste associated with targeted plant systems, e.g. coal handling, scrubbers</td>
</tr>
<tr>
<td><strong>Data Analytics</strong></td>
<td>• <strong>Workforce optimization</strong> – Employee/contractor mix  &lt;br&gt; • <strong>Hot socket model</strong> – Using AMI data to preemptively identify meters at risk  &lt;br&gt; • <strong>Revenue protection</strong> – Detecting meter tampering  &lt;br&gt; • <strong>Frequency regulation</strong> – Analysis of PJM bidding strategies</td>
</tr>
<tr>
<td><strong>Automation</strong></td>
<td>• <strong>Scrap metal billing and management</strong>  &lt;br&gt; • <strong>Service Corp billing allocation factors</strong>  &lt;br&gt; • <strong>No-bill workflow assignment process</strong>  &lt;br&gt; • <strong>Customer workflow scheduling</strong></td>
</tr>
<tr>
<td><strong>Digital Tools</strong></td>
<td>• <strong>“The Zone”</strong> – Machine learning tool to operate fossil units at optimal level to minimize O&amp;M and capital, while maintaining and improving performance  &lt;br&gt; • <strong>Generation Monitoring and Diagnostic Center</strong> – Predictive capabilities that save O&amp;M and capital</td>
</tr>
<tr>
<td><strong>Use of Drones</strong></td>
<td>• <strong>Storm damage assessment</strong>  &lt;br&gt; • <strong>Real estate and land surveys</strong>  &lt;br&gt; • <strong>Transmission facility inspections, construction monitoring and documentation</strong>  &lt;br&gt; • <strong>Telecommunication tower inspections</strong>  &lt;br&gt; • <strong>Cooling tower and boiler inspections</strong></td>
</tr>
<tr>
<td><strong>Outsourcing</strong></td>
<td>• <strong>Accounting and tax initiative</strong>  &lt;br&gt; • <strong>Rapid application and information support</strong>  &lt;br&gt; • <strong>Lockbox for customer payments by check</strong></td>
</tr>
<tr>
<td><strong>Workforce Planning</strong></td>
<td>• Approximately 4,000 employees will retire or leave in the next 5 years</td>
</tr>
<tr>
<td><strong>Strategic Sourcing</strong></td>
<td>• <strong>Reducing cost through procurement category management</strong> – 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</td>
</tr>
</tbody>
</table>
Normalized Load Trends

Note: 2019 includes 9 months weather normalized actual results plus 3 months forecasted values. The 2019 and 2020 comparison may change based on actual 2019 results. Historical data adjusted to reflect the reclass of industrial and commercial industry codes for certain customers; no revenue or earnings impact.
Qualified Pension Funding

- YTD pension and OPEB returns were up at 12.4% and 16.5% respectively, as modest risk seeking asset returns were coupled with strong fixed income gains, attributed to falling yields. Despite these returns, the funded status of both plans decreased as both plan liabilities increased more than plan assets due to a falling discount rate.

- We expect combined pension and OPEB costs (pre-tax and including capitalized portion) to increase from 2019 to 2020, due to a lower expected return on assets and a falling discount rate, subject to potential changes in investment results, interest rates and actuarial assumptions.

- Pension expense for regulated subsidiaries is recovered through base rates.
Operational and Financing Structure

- Appalachain Power Company
- Kentucky Power Company
- Southwestern Electric Power Company
- Wheeling Power Company
- AEP Texas
- Indiana Michigan Power Company
- Public Service Company of Oklahoma
- AEP Ohio
- Kingsport Power Company
- AEP Generating Company
- AEP Transmission Holding Company
- Joint Ventures
  - AEP Appalachian Transco
  - AEP Kentucky Transco
  - AEP Ohio Transco
  - AEP Oklahoma Transco
  - AEP Indiana Michigan Transco
  - AEP West Virginia Transco
- Competitive Operations
  - AEP Energy
  - AEP Energy Partners
  - AEP Generation Resources
  - AEP OnSite Partners
  - AEP Renewables

- 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

1 Does not represent legal structure
### 2019 Long-Term Debt Financings

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Type</th>
<th>Amount ($ in millions)</th>
<th>Rate</th>
<th>Term</th>
<th>Credit Ratings (Moody's/S&amp;P)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>APCo</td>
<td>Senior Notes</td>
<td>$400</td>
<td>4.50%</td>
<td>30-Year</td>
<td>Baa1/A-</td>
</tr>
<tr>
<td>March</td>
<td>PSO</td>
<td>Senior Notes - Private Placement</td>
<td>$350</td>
<td>4.16%</td>
<td>10-Year, 15-Year, 30-Year</td>
<td>A3/NR</td>
</tr>
<tr>
<td>March</td>
<td>AEP, Inc.²</td>
<td>Mandatory Convertible Equity Units</td>
<td>$805</td>
<td>6.13%</td>
<td>3-Year</td>
<td>Baa2/BBB</td>
</tr>
<tr>
<td>May</td>
<td>AEP Texas</td>
<td>Senior Notes</td>
<td>$300</td>
<td>4.15%</td>
<td>30-Year</td>
<td>Baa1/A-</td>
</tr>
<tr>
<td>May</td>
<td>OPCo</td>
<td>Senior Notes</td>
<td>$450</td>
<td>4.00%</td>
<td>30-Year</td>
<td>A2/A-</td>
</tr>
<tr>
<td>May</td>
<td>AEP Texas</td>
<td>Term Loan</td>
<td>$200</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>June</td>
<td>APCo</td>
<td>Term Loan</td>
<td>$125</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>June</td>
<td>AEP Transco</td>
<td>Senior Notes</td>
<td>$350</td>
<td>3.80%</td>
<td>30-Year</td>
<td>A2/A-/-A³</td>
</tr>
<tr>
<td>September</td>
<td>AEP Transco</td>
<td>Senior Notes</td>
<td>$350</td>
<td>3.15%</td>
<td>30-Year</td>
<td>A2/A-/-A³</td>
</tr>
<tr>
<td>September</td>
<td>AEP Texas</td>
<td>Securitization Bonds</td>
<td>$235</td>
<td>2.22%</td>
<td>8-Year, 11-Year</td>
<td>Aaa/AAA</td>
</tr>
<tr>
<td>October</td>
<td>PSO</td>
<td>Term Loan</td>
<td>$125</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>Q4</td>
<td>AEP, Inc.</td>
<td>Pollution Control Bond Remarketing</td>
<td>$539</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Q4</td>
<td>AEP Texas</td>
<td>Senior Notes</td>
<td>$425</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

¹ Credit ratings assigned to the bonds at time of issuance

² Each corporate unit represents a 1/20 undivided beneficial ownership interest in $1,000 principal amount of AEP’s 3.40% Junior Subordinated Notes (notes) due in 2024 and a forward equity purchase contract which settles after three years in 2022. The Junior Subordinated Notes are expected to be remarketed in 2022, at which time the interest rate will reset at the then current market rate. The interest rate for the forward equity purchase contract is 2.725% (not tax deductible) which settles in 2022.

³ AEP Transmission Company, LLC is also rated A- by Fitch
FFO/Debt$^1$ by Operating Company

<table>
<thead>
<tr>
<th>Operating Company</th>
<th>2017</th>
<th>2018</th>
<th>LTM 9/30/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power</td>
<td>21.3%</td>
<td>18.4%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Indiana Michigan Power</td>
<td>23.3%</td>
<td>24.9%</td>
<td>22.6%</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>37.0%</td>
<td>47.3%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Kentucky Power</td>
<td>16.8%</td>
<td>10.3%</td>
<td>8.7%</td>
</tr>
<tr>
<td>PSO</td>
<td>19.8%</td>
<td>20.3%</td>
<td>21.9%</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>16.7%</td>
<td>14.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>AEP Texas</td>
<td>16.2%</td>
<td>12.0%</td>
<td>15.8%</td>
</tr>
<tr>
<td>AEP Transco</td>
<td>23.6%</td>
<td>15.7%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

Consolidated FFO to Debt is declining due to elevated capital spend and flow back of ADFIT

$^1$ FFO/Debt includes capital and operating leases, but excludes securitization and spent nuclear fuel. Ratios reflect AEP view and do not reflect all of the adjustments made by the rating agencies.
2020 Debt Issuance and Maturities Overview

($ in millions)

2020 Maturities  2020 Expected Issuances

AEG  AEP, Inc.  AEP Texas  APCo  I&M  KPCo  OPCo  PSO  SWEPCo  Transco

$0  $200  $400  $600  $800  $1,000  $1,200  $1,400  $1,600  $1,800

54th EEI Financial Conference | aep.com
## AEP Credit Ratings

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody’s Senior Unsecured</th>
<th>S&amp;P Senior Unsecured</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power Company Inc.</td>
<td>Baa1 S</td>
<td>BBB+ S</td>
</tr>
<tr>
<td>AEP, Inc. Short Term Rating</td>
<td>P2 S</td>
<td>A2 S</td>
</tr>
<tr>
<td>AEP Texas Inc.</td>
<td>Baa1 S</td>
<td>A- S</td>
</tr>
<tr>
<td>AEP Transmission Company, LLC ¹</td>
<td>A2 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Appalachian Power Company ²</td>
<td>Baa1 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Indiana Michigan Power Company ²</td>
<td>A3 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>Baa3 S</td>
<td>A- S</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>A2 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>A3 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>Baa2 S</td>
<td>A- S</td>
</tr>
<tr>
<td>Transource Energy ³</td>
<td>A2 S</td>
<td>NR NR</td>
</tr>
</tbody>
</table>

¹ AEP Transmission Co. received a senior unsecured debt rating of A- from Fitch. The rating outlook is Stable.

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

³ NR stands for Not Rated.

Ratings current as of September 30, 2019
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
AEP’s September 30, 2019 Renewable Portfolio (in MW)

<table>
<thead>
<tr>
<th>Hydro, Wind, Solar and 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>785</td>
<td>575</td>
<td>1,360</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>36</td>
<td>450</td>
<td>486</td>
</tr>
<tr>
<td>Public Service Company 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 and Hydro</td>
<td>1,442</td>
<td>101</td>
<td>1,543</td>
</tr>
<tr>
<td>Total</td>
<td>2,263</td>
<td>2,941</td>
<td>5,204</td>
</tr>
</tbody>
</table>

APPROXIMATELY
11,900 MW of Renewable Generation Interconnected Across the U.S. via AEP’s Transmission System Today
Emission Reduction Goals – Environmental

AEP’s Carbon Emission Reduction Goals

70% by 2030
80% by 2050
(both from a 2000 baseline)

Strategy to Achieve

- Investments in renewable energy within and outside of our traditional service territory
- Technology deployment (e.g., energy storage)
- Modernization of the grid with significant investments in transmission and distribution
- Increased use of natural gas
- Optimization of our existing generating fleet

Environmental, Social and Governance (ESG) Reporting:

- AEP’s Corporate Accountability Report
- EEI ESG Sustainability Reporting: AEP’s 2019 EEI ESG Report
- AEP’s CDP Survey Responses
- AEP’s GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics

1 Aspiration is zero emissions
Largest Investment in Controls – Environmental

INVESTMENT IN ENVIRONMENTAL CONTROLS $ in millions

Total $9 Billion

Estimated

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$102</td>
</tr>
<tr>
<td>2001</td>
<td>$275</td>
</tr>
<tr>
<td>2002</td>
<td>$364</td>
</tr>
<tr>
<td>2003</td>
<td>$217</td>
</tr>
<tr>
<td>2004</td>
<td>$340</td>
</tr>
<tr>
<td>2005</td>
<td>$811</td>
</tr>
<tr>
<td>2006</td>
<td>$1,366</td>
</tr>
<tr>
<td>2007</td>
<td>$994</td>
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<tr>
<td>2008</td>
<td>$887</td>
</tr>
<tr>
<td>2009</td>
<td>$457</td>
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<tr>
<td>2010</td>
<td>$304</td>
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<tr>
<td>2011</td>
<td>$187</td>
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<td>2012</td>
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<td>2013</td>
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<td>2015</td>
<td>$599</td>
</tr>
<tr>
<td>2016</td>
<td>$384</td>
</tr>
<tr>
<td>2017</td>
<td>$136</td>
</tr>
<tr>
<td>2018</td>
<td>$116</td>
</tr>
<tr>
<td>2019</td>
<td>$238</td>
</tr>
</tbody>
</table>
Dramatic Reductions in Emissions – Environmental

TOTAL AEP SYSTEM NOx & SO2 EMISSIONS

TOTAL AEP SYSTEM MERCURY EMISSIONS
Dramatic Reductions in Emissions – Environmental

TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons

2000-2018 Actual

CO₂ 59%
Investing in Our Employees and Communities – Social

Our Employees

- Forbes – America’s Best Employers for Diversity in 2019
- Forbes – Inaugural Best Employers for Women in 2018
- Disability Equality Index – Best Places to Work for Disability Inclusion in 2019
- Human Rights Campaign – Best Places to Work for LGBT Equality in 2018
- VIQTORY Media – Top 100 Military-Friendly Employers in 2019

Our Communities (2018 Stats)

- Energy assistance provided to customers ~ $66 million
- New jobs provided through economic development ~ 15,000
- Philanthropic giving to more than 1,800 community organizations ~ $26 million
- Corporate spend to locally-based suppliers ~ 49%
### Board Composition

<table>
<thead>
<tr>
<th></th>
<th>8 Yrs</th>
<th>93%</th>
<th>43%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Tenure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diverse</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 13 of 14 directors are independent
- Annual election of directors by majority vote
- Lead independent director elected annually
- Proxy access adopted
- Annual advisory vote on compensation
- Tenure and overboarding policies
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided to Board at every meeting
WELL-POSITIONED REGULATED BUSINESS
Composition of Rate Base by Operating Company

- APCo/WPCo: 20.9%
- KGPCo: 0.3%
- KPCo: 4.1%
- SWEPCO: 14.9%
- AEP Ohio: 12.5%
- AEP Texas: 11.2%
- PSO: 12.9%
- I&M: 6.9%
- Transcos: 16.3%
2018 Retail Revenue

CUSTOMER PROFILE
AEP’S SERVICE TERRITORY ENCOMPASSES APPROXIMATELY
5.4 MILLION CUSTOMERS IN 11 STATES

Percentage of AEP System Retail Revenues

Percentage Composition by Customer Class

Top 10 Industrial Sectors Across the AEP System
By NAICS Code | % of Total Industrial Sales
---|---
331 Primary Metal Manufacturing | 15.7%
325 Chemical Manufacturing | 11.6%
324 Petroleum and Coal Products Manufacturing | 10.5%
486 Pipeline Transportation | 9.6%
211 Oil and Gas Extraction | 7.4%
322 Paper Manufacturing | 6.0%
212 Mining (except Oil and Gas) | 5.8%
326 Plastics and Rubber Products Manufacturing | 5.4%
311 Food Manufacturing | 4.4%
336 Transportation Equipment Manufacturing | 4.2%

Source: Billing System

1 Figures do not include Other Retail
Appalachian Power and Wheeling Power Companies

Rate Base, Sales and Cap-ex

APCo Projected Rate Base Proxy
in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$7,964</td>
<td>$8,548</td>
<td>$8,977</td>
<td>$9,358</td>
<td>$9,971</td>
<td>$10,535</td>
<td>$10,974</td>
</tr>
</tbody>
</table>

CAGR = 6%

WPCo Projected Rate Base Proxy
in millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$733</td>
<td>$765</td>
<td>$738</td>
<td>$720</td>
<td>$738</td>
<td>$743</td>
<td>$738</td>
</tr>
</tbody>
</table>

CAGR = 0%

APCo/WPCo 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>Change</td>
<td>-2.4%</td>
<td>-0.3%</td>
<td>1.3%</td>
<td>-0.9%</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

APCo/WPCo 2020-2024 Capital by Function
in millions, excluding AFUDC

- Environmental Generation: $392.7, 8%
- Fossil/Hydro Generation: $346.3, 7%
- Corporate/Other: $414.5, 9%
- Transmission: $1,538.5, 33%
- Distribution: $2,008.7, 43%
- Total: $4,700B

2019 includes 9 months weather normalized actual results plus 3 months forecast.
AEP Ohio

Rate Base, Sales and Cap-ex

AEP Ohio Projected Rate Base Proxy
in millions

AEP Ohio Normalized GWh Sales
% Change vs. Prior Year

AEP Ohio 2020-2024
Capital by Function
in millions, excluding AFUDC

Total
$3.909B

Corporate/Other $517.0 13%
Transmission $862.0 22%
Distribution $2,530.4 65%

2019 includes 9 months weather normalized actual results plus 3 months forecast
Indiana Michigan Power Company

Rate Base, Sales and Cap-ex

I&M Projected Rate Base Proxy
in millions
$5,383 $6,050 $6,382 $6,564 $6,713 $6,872 $7,091
CAGR = 5%

I&M Normalized GWh Sales
% Change vs. Prior Year
1.3% 0.1% -0.7% -1.8% -1.3%
R: -2.7% C: -1.3% I: -0.6%

2019 includes 9 months weather normalized actual results plus 3 months forecast

I&M 2020-2024
Capital by Function
in millions, excluding AFUDC

<table>
<thead>
<tr>
<th>Function</th>
<th>2019E</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$2.924B</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>$1,296.4</td>
<td>44%</td>
</tr>
<tr>
<td>Transmission</td>
<td>$455.9</td>
<td>16%</td>
</tr>
<tr>
<td>Environmental Generation</td>
<td>$70.0</td>
<td>3%</td>
</tr>
<tr>
<td>Corporate/Other</td>
<td>$468.8</td>
<td>16%</td>
</tr>
<tr>
<td>Renewables</td>
<td>$157.6</td>
<td>5%</td>
</tr>
<tr>
<td>Fossil/Hydro Generation</td>
<td>$61.4</td>
<td>2%</td>
</tr>
<tr>
<td>Nuclear Generation</td>
<td>$413.4</td>
<td>14%</td>
</tr>
</tbody>
</table>
Kentucky Power Company

Rate Base, Sales and Cap-ex

KPCo Projected Rate Base Proxy
in millions

KPCo Normalized GWh Sales
% Change vs. Prior Year

KPCo 2020-2024
Capital by Function
in millions, excluding AFUDC

2019 includes 9 months weather normalized actual results plus 3 months forecast
Public Service Company of Oklahoma

Rate Base, Sales and Cap-ex

PSO Projected Rate Base Proxy
in millions

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$2,885</td>
<td>$3,029</td>
<td>$3,205</td>
<td>$3,434</td>
<td>$3,823</td>
<td>$4,111</td>
<td>$4,361</td>
</tr>
</tbody>
</table>

PSO Normalized GWh Sales
% Change vs. Prior Year

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0%</td>
<td>0.7%</td>
<td>0.9%</td>
<td>0.2%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

2019 includes 9 months weather normalized actual results plus 3 months forecast

PSO 2020-2024
Capital by Function
in millions, excluding AFUDC

<table>
<thead>
<tr>
<th>Function</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate/Other</td>
<td>$232.3</td>
<td>12%</td>
</tr>
<tr>
<td>Environmental</td>
<td>$20.6</td>
<td>1%</td>
</tr>
<tr>
<td>Transmission</td>
<td>$329.7</td>
<td>17%</td>
</tr>
<tr>
<td>New Generation</td>
<td>$338.9</td>
<td>17%</td>
</tr>
<tr>
<td>Fossil/Hydro</td>
<td>$98.5</td>
<td>5%</td>
</tr>
<tr>
<td>Distribution</td>
<td>$945.5</td>
<td>48%</td>
</tr>
</tbody>
</table>

Total $1.965B

1 Does not include North Central Wind
Southwestern Electric Power Company

Rate Base, Sales and Cap-ex

SWEPCO Projected Rate Base Proxy
in millions

SWEPCO Normalized GWh Sales
% Change vs. Prior Year

R: -0.1%
C: +0.0%
I: +0.8%

2019 includes 9 months weather normalized actual results plus 3 months forecast

Corporate/Other
$259.2
11%

Environmental
Generation
$297.7
12%

Fossil/Hydro
Generation
$207.6
9%

Distribution
$724.3
31%

Transmission
$874.4
37%

Total
$2.363B

1 Does not include North Central Wind
AEP Texas

Rate Base, Sales and Cap-ex

AEP Texas Projected Rate Base Proxy
in millions

AEP Texas 2020-2024 Capital by Function
in millions, excluding AFUDC

AEP Texas Normalized GWh Sales
% Change vs. Prior Year

2019 includes 9 months weather normalized actual results plus 3 months forecast

R: +0.1%
C: -1.7%
I: +11.1%

Corporate/Other $425.4 7%
Fossil/Hydro Generation $3,800 0%
Transmission $3,158.9 53%
Distribution $2,415.2 40%
Total $6,003B
Other Utility Subsidiaries

Rate Base and Cap-ex

AEP Generating Projected Rate Base Proxy
in millions

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</thead>
<tbody>
<tr>
<td>Rate Base</td>
<td>$378</td>
<td>$607</td>
<td>$590</td>
<td>$541</td>
<td>$494</td>
<td>$486</td>
<td>$474</td>
</tr>
</tbody>
</table>

CAGR = 4%

Kingsport Projected Rate Base Proxy
in millions

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</tr>
</thead>
<tbody>
<tr>
<td>Rate Base</td>
<td>$133</td>
<td>$153</td>
<td>$160</td>
<td>$172</td>
<td>$181</td>
<td>$196</td>
<td>$204</td>
</tr>
</tbody>
</table>

CAGR = 7%

AEP Generating 2020-2024 Capital by Function
in millions, excluding AFUDC

- Total: $124M
- Corporate/Other: $4.8M (4%)
- Fossil/Hydro Generation: $54.0M (43%)
- Environmental Generation: $65.4M (53%)

Kingsport 2020-2024 Capital by Function
in millions, excluding AFUDC

- Total: $99M
- Corporate/Other: $13.2M (13%)
- Transmission: $15.5M (16%)
- Distribution: $70.2M (71%)