

Innovating For A Brighter, Cleaner Energy Future

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

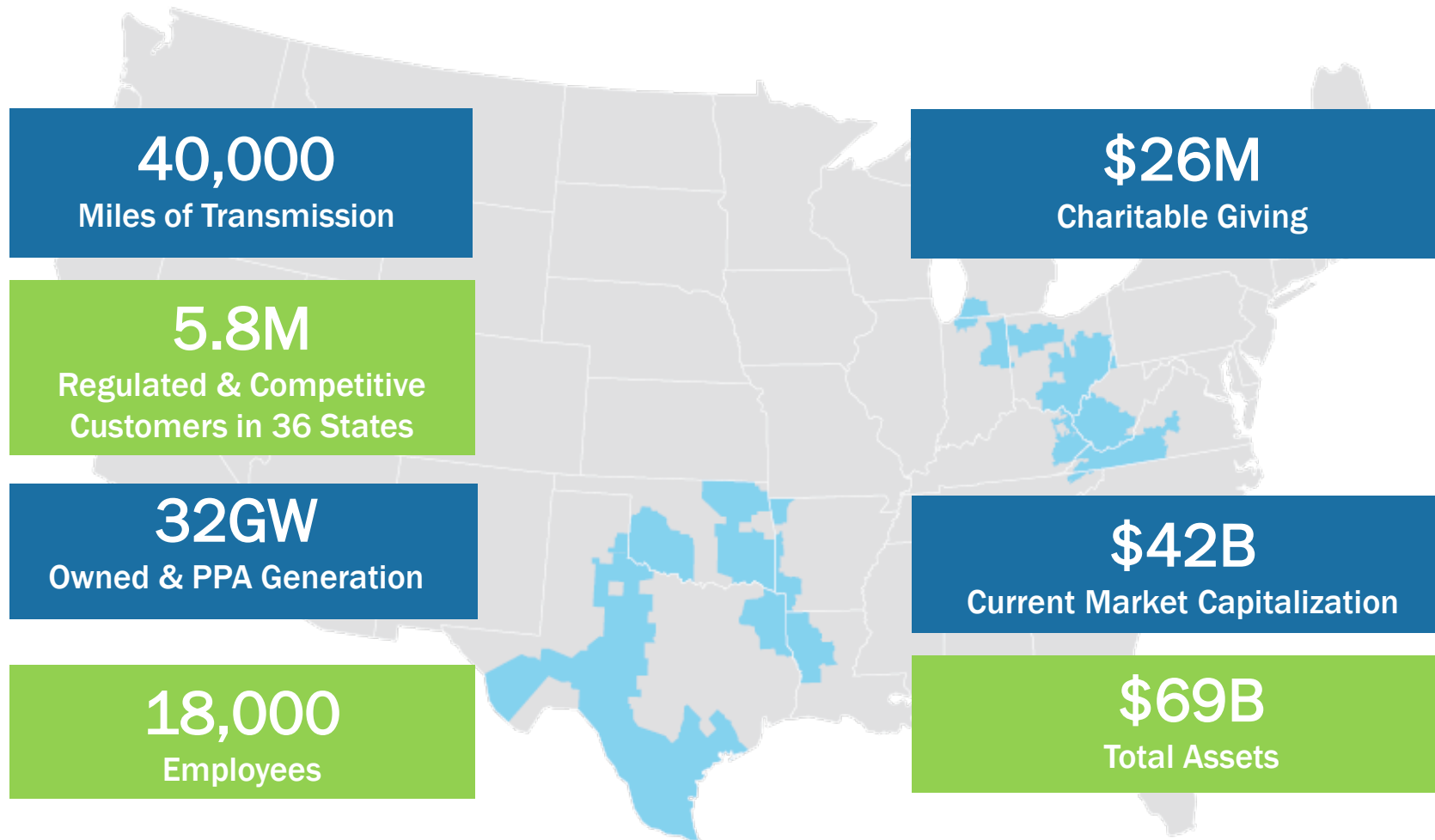
This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that 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: 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, 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, 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 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 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, 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.

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The Premier Regulated Energy Company



Market capitalization as of April 30, 2019

Financial Strength For A Sustainable Future



Strong Execution Track Record



AEP Leading the Way Forward



Global Mega-Trends

- Declining technology costs
- Integration of SMART elements/omni-directional flow of energy, information
- Digitization and data analytics
- Changing consumer preferences
- Changing demographics
- Environmental sustainability
- Security and cyber

Industry Specific Trends

Customers/Demand

- Decreasing electricity usage
- Electrification opportunities
- Customers value resiliency differently
- Continuing concerns regarding CO₂ and other emissions
- Customer headroom challenges

Technology

- Decreasing storage and distributed generation costs
- Increasing storage and distributed generation options
- EV growth

Competitors

- Non-traditional players without regulatory restrictions

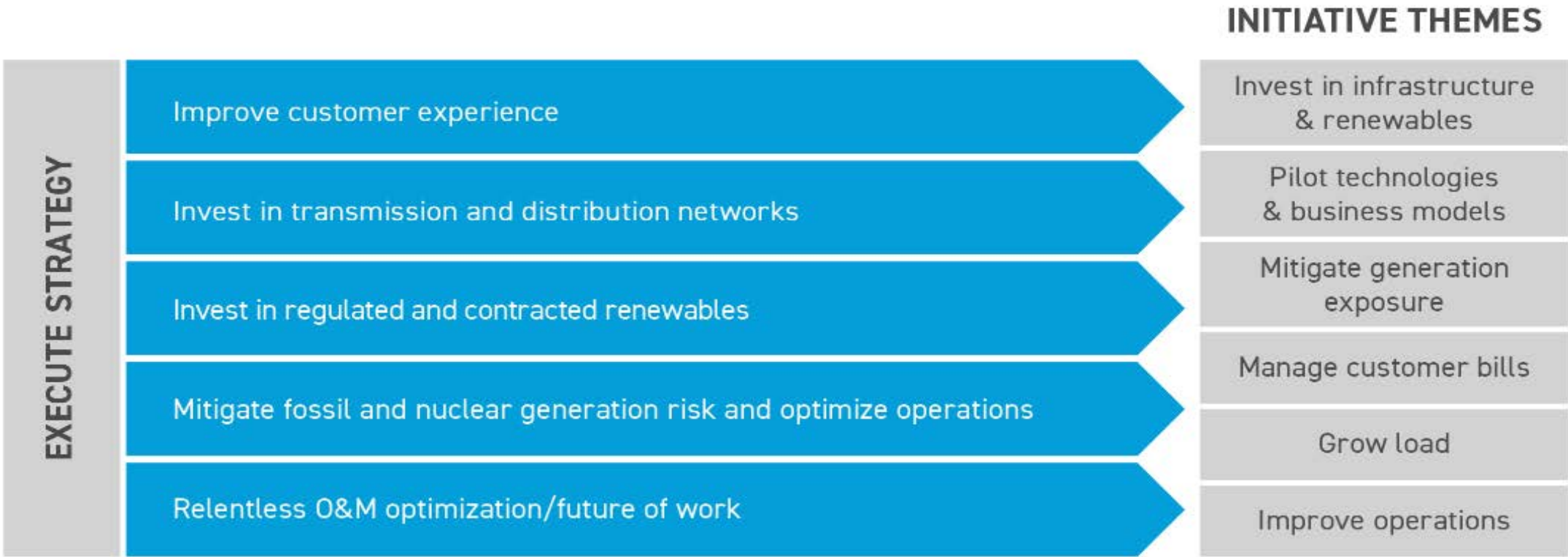
Policy

- Conflicting state regulations
- Lowest cost doesn't necessarily drive policy

Markets

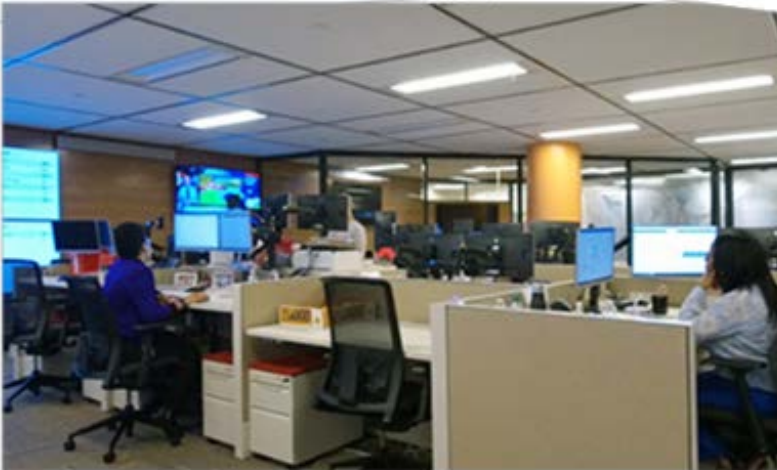
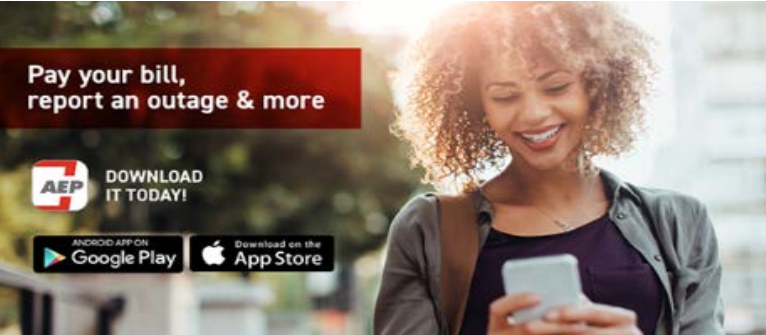
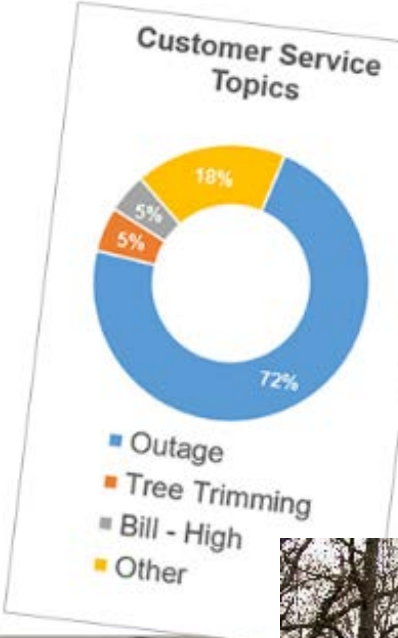
- Low cost natural gas
- Marginal cost of electricity approaching cost of renewables
- Challenges recovery capacity value

AEP'S 2023 STRATEGY & EXECUTION

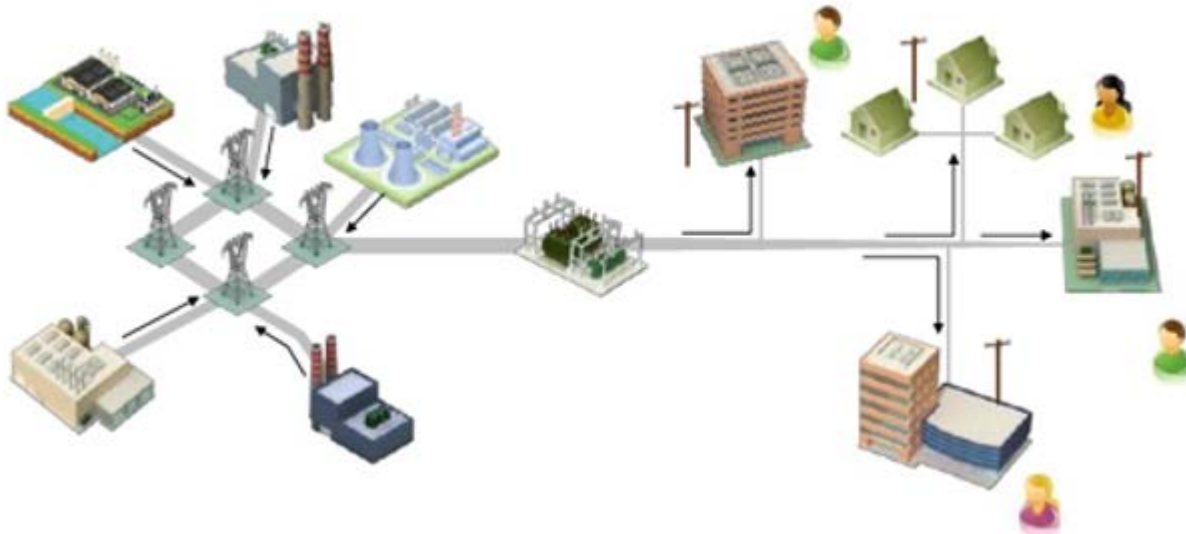


WE ARE FOCUSED ON EXECUTING OUR STRATEGY WHILE IMPROVING THE CUSTOMER EXPERIENCE.

Focusing On The Customer Experience



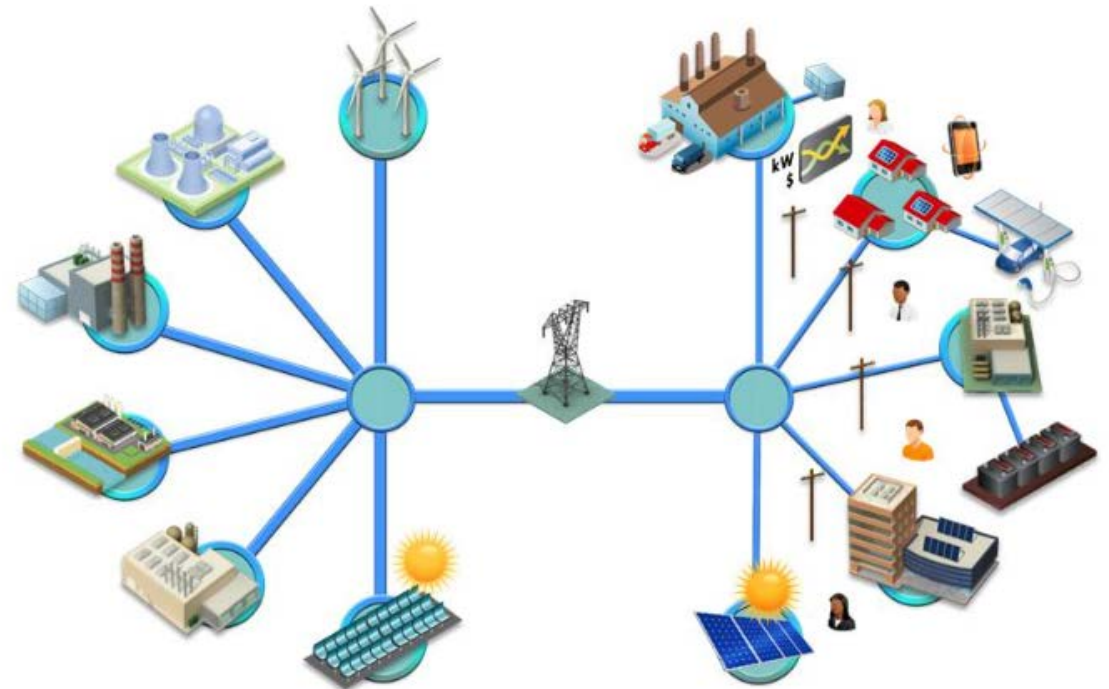
Legacy – Resources, Assets



Central generation, one-way power flow, passive customers

Images courtesy of EPRI

Future – Technology, Data, People



Decentralized, two-way power/data flow, role of Distribution

Preparing Our Workforce

- The Future of Work
 - Digital transformation in 5 years
- “Reskilling” the workforce
 - Workforce planning and development
 - Credits CountSM – building the pipeline
 - Merging analytics with traditional job functions
 - Lifelong learning
- Culture transformation
 - Strong safety culture
 - Highly engaged
- Diversity and Inclusion
 - 2025 D&I Road Map



- **Energy & Environment**
 - Carbon Reduction Goals
 - Grid Modernization
 - Technology & Innovation
- **Social Responsibility**
 - Supplier Diversity
 - Safety & Health
 - Customer Focus
 - Diversity & Inclusion
- **Economic Impact**
 - Economic Development

AEP'S GOALS
MAPPED TO THE U.N. SDGs

THE GLOBAL GOALS

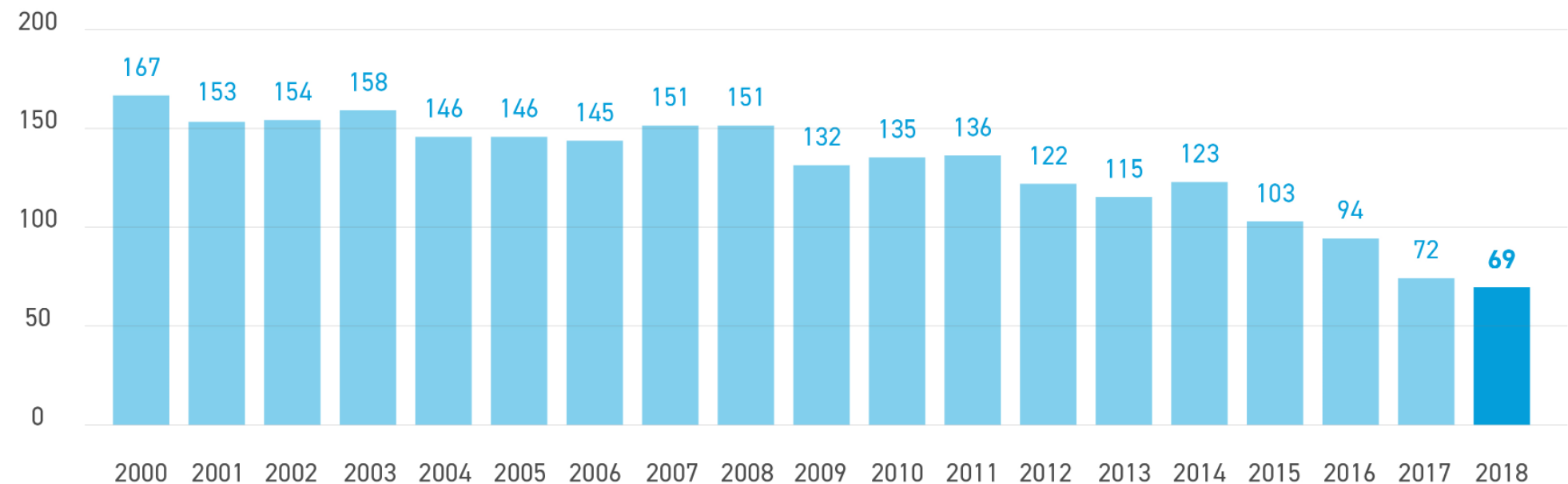
For Sustainable Development



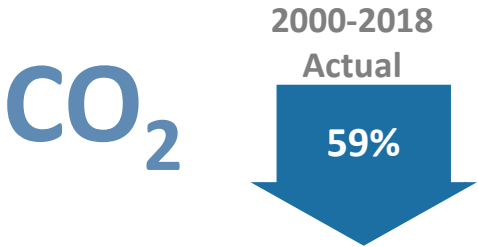
AEP's Clean Energy Transformation



TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons



Direct CO₂ emissions from AEP's ownership share of generation as reported under Title IV of the 1990 Clean Air Act.



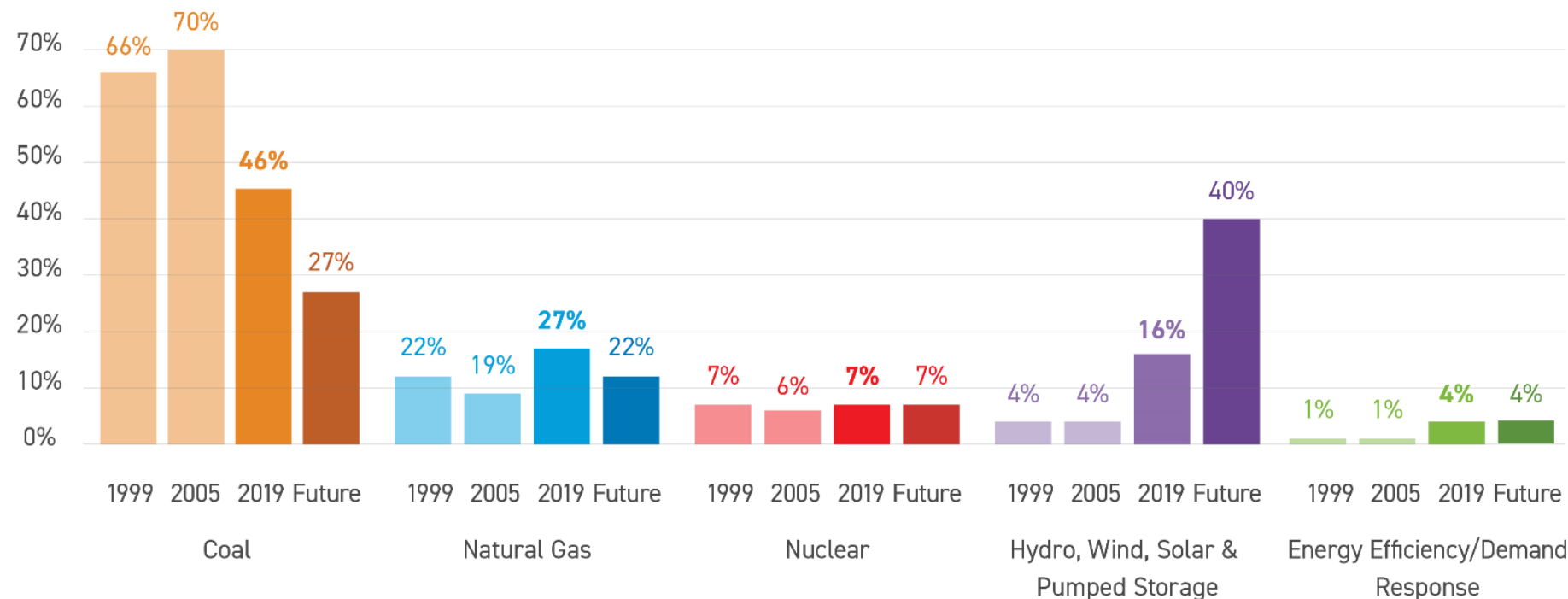
AEP'S CO₂ EMISSION REDUCTION GOALS

60%
by 2030

80%
by 2050

(both from a 2000 baseline)

TRANSFORMING OUR GENERATION FLEET – AEP’S GENERATING RESOURCE PORTFOLIO



2019 includes expected capacity as of year-end 2019. Future includes IRP forecasted additions and retirements through 2030. Energy Efficiency/Demand Response represents avoided capacity rather than physical assets.

Projected Regulated Resource Additions 2020-2030

up to **3,766**

up to **5,050**

up to **2,283**

2019 Contracted Renewable Additions

1,302 MW

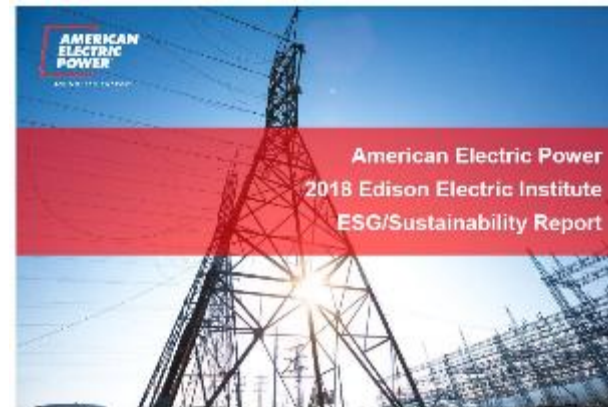
Transparent About Our Progress



Corporate Accountability Report



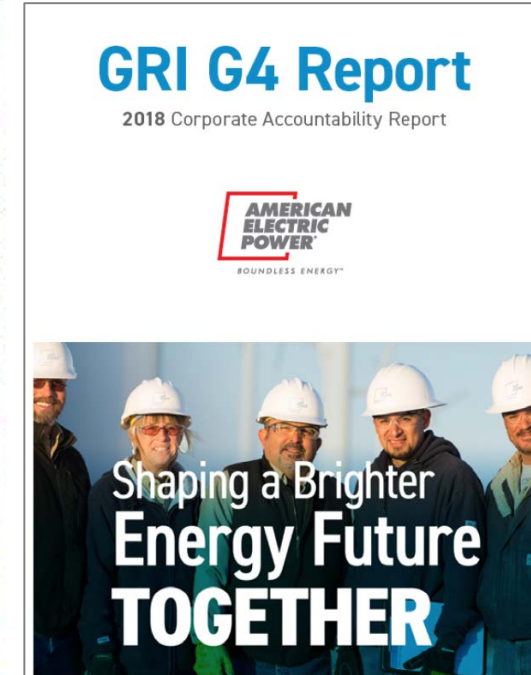
Sustainability Goals



EI ESG/Sustainability Report



Clean Energy Future Report



GRI Report

Invest in the Future – Invest in AEP



Transmission	Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects
Distribution	Grid modernization, reliability improvement projects and distribution station refurbishment
Renewables	Regulated renewables supported by integrated resource plans and contracted renewables
Technology	Digitization, automation, cyber security, enterprise-wide applications

- We are investing for our customers, in our future
- We are transitioning to a clean energy future that is secure, reliable, affordable and universally accessible
- We are committed to operational excellence, continuous improvement
- Our culture of Zero Harm, innovation, inclusion and engagement will carry us forward
- We are planning our workforce needs for the future and preparing our employees
- We are helping to build stronger communities through our investments in infrastructure, economic development, education



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