Power, Gas and Solar Leaders Conference
Bank of America Merrill Lynch

Boston, MA

March 6, 2019

“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, cyber security threats and other catastrophic events.

INVESTOR RELATIONS

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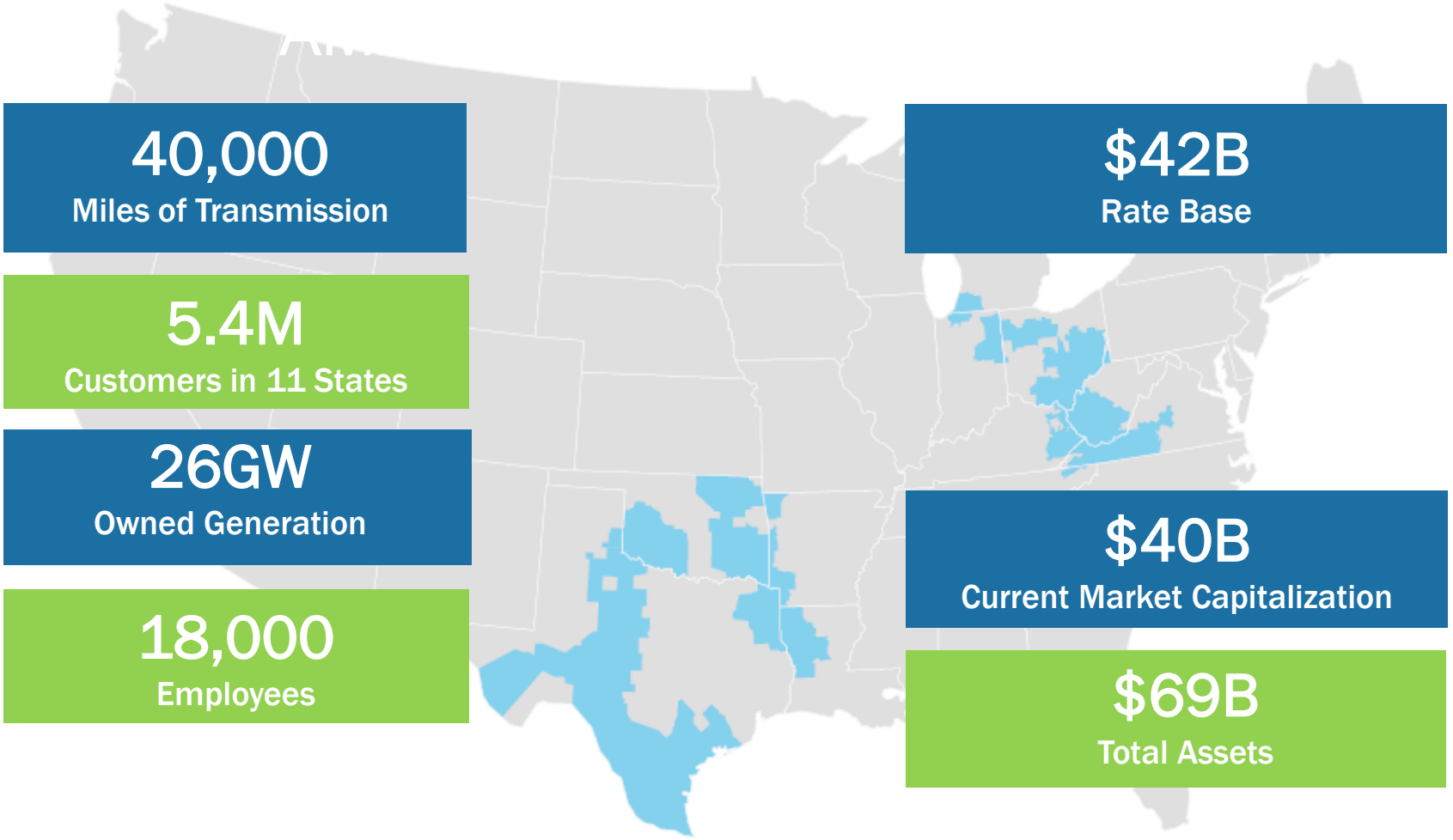
The Premier Regulated Energy Company



40,000
Miles of Transmission

5.4M
Customers in 11 States

26GW
Owned Generation

18,000
Employees

$42B
Rate Base

$40B
Current Market Capitalization

$69B
Total Assets

Statistics as of December 31, 2018 except for market capitalization as of February 28, 2019

Leading the Way

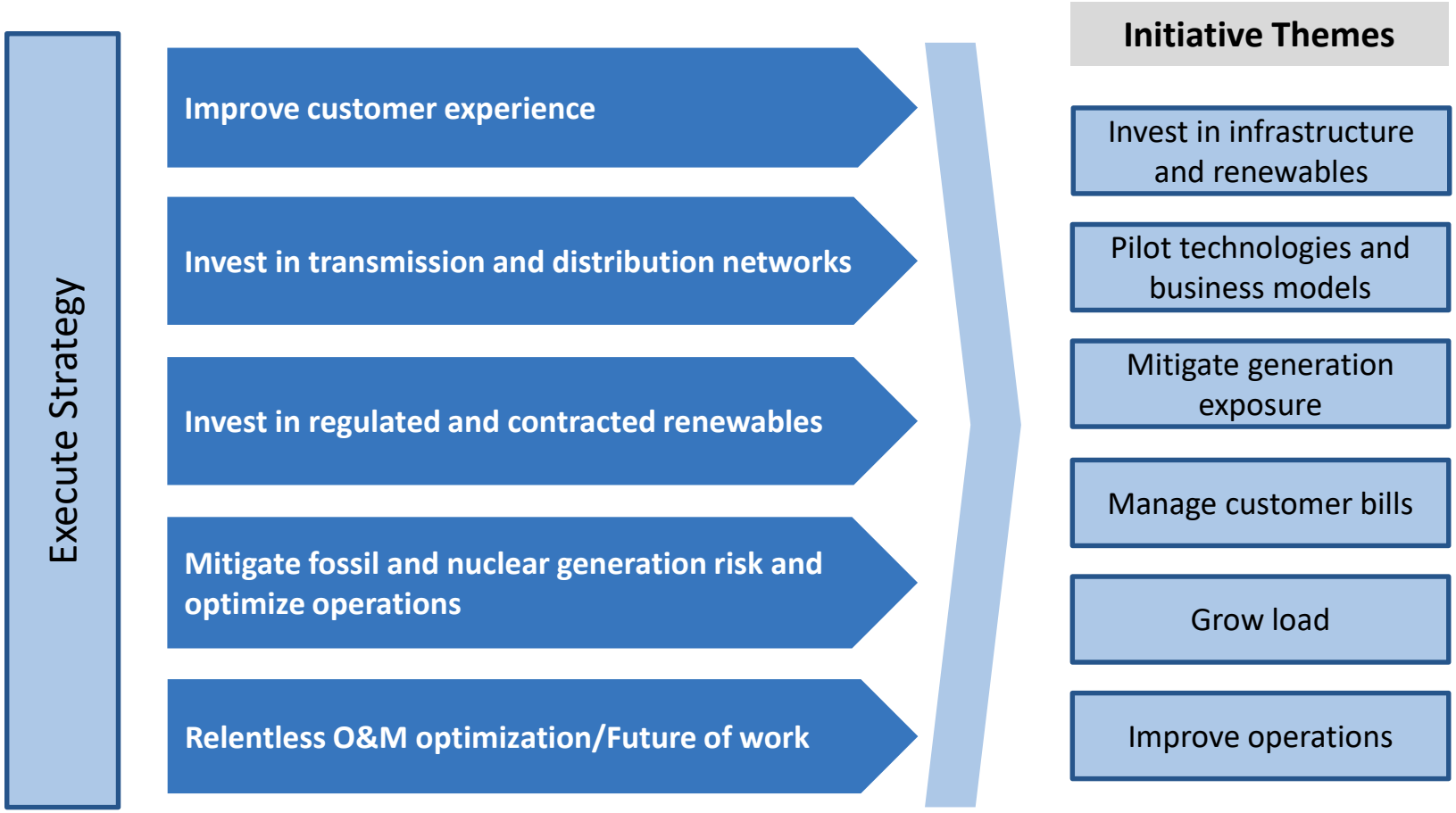
Strong Execution Track Record

Delivered Earnings & Dividend Growth	Successful Regulatory Outcomes	Superior Capital Allocation	Balance Sheet Strength	Sale of Non-Core Assets

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

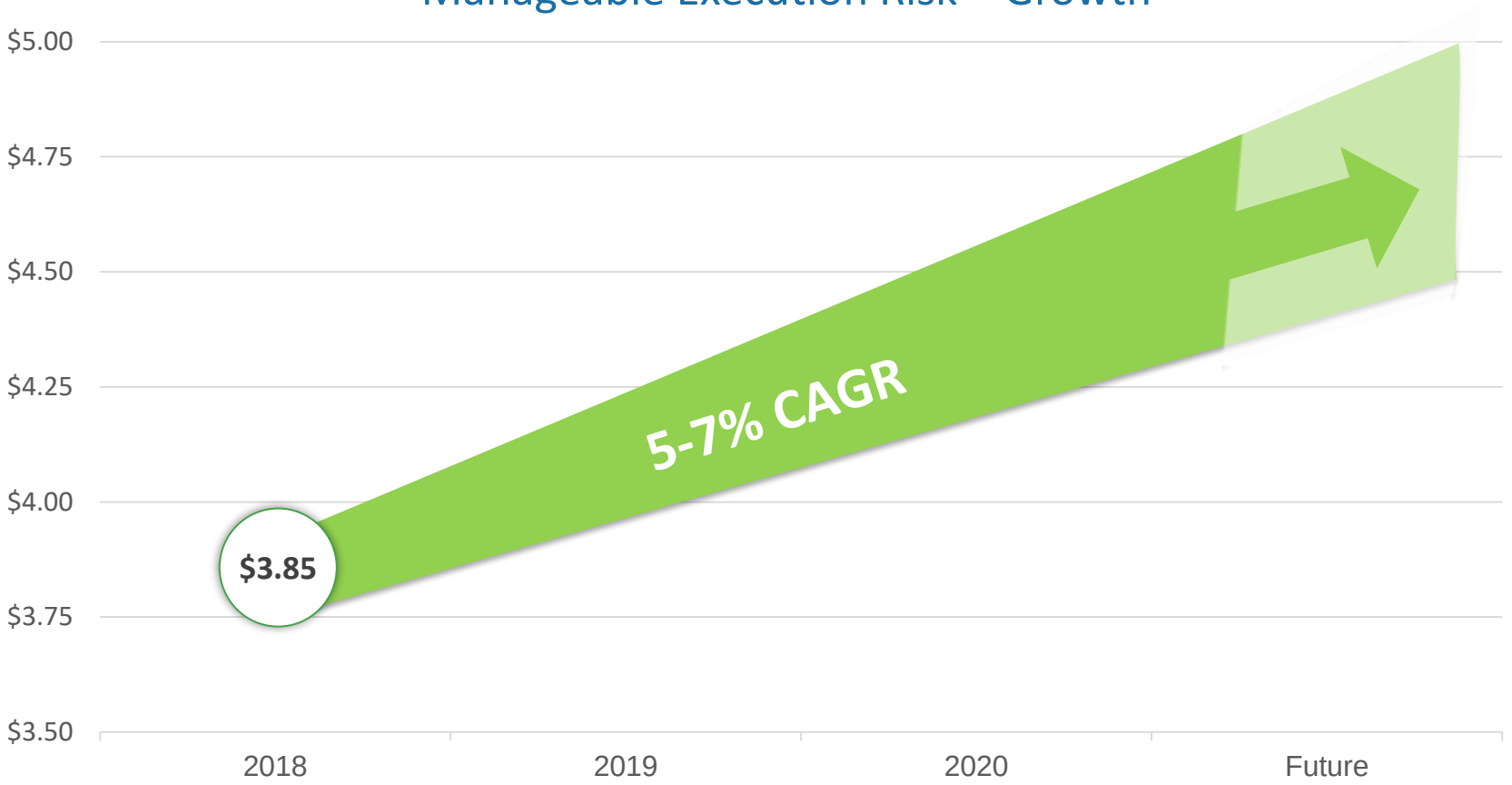
Strategic Vision 2023



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

Operating Earnings Guidance

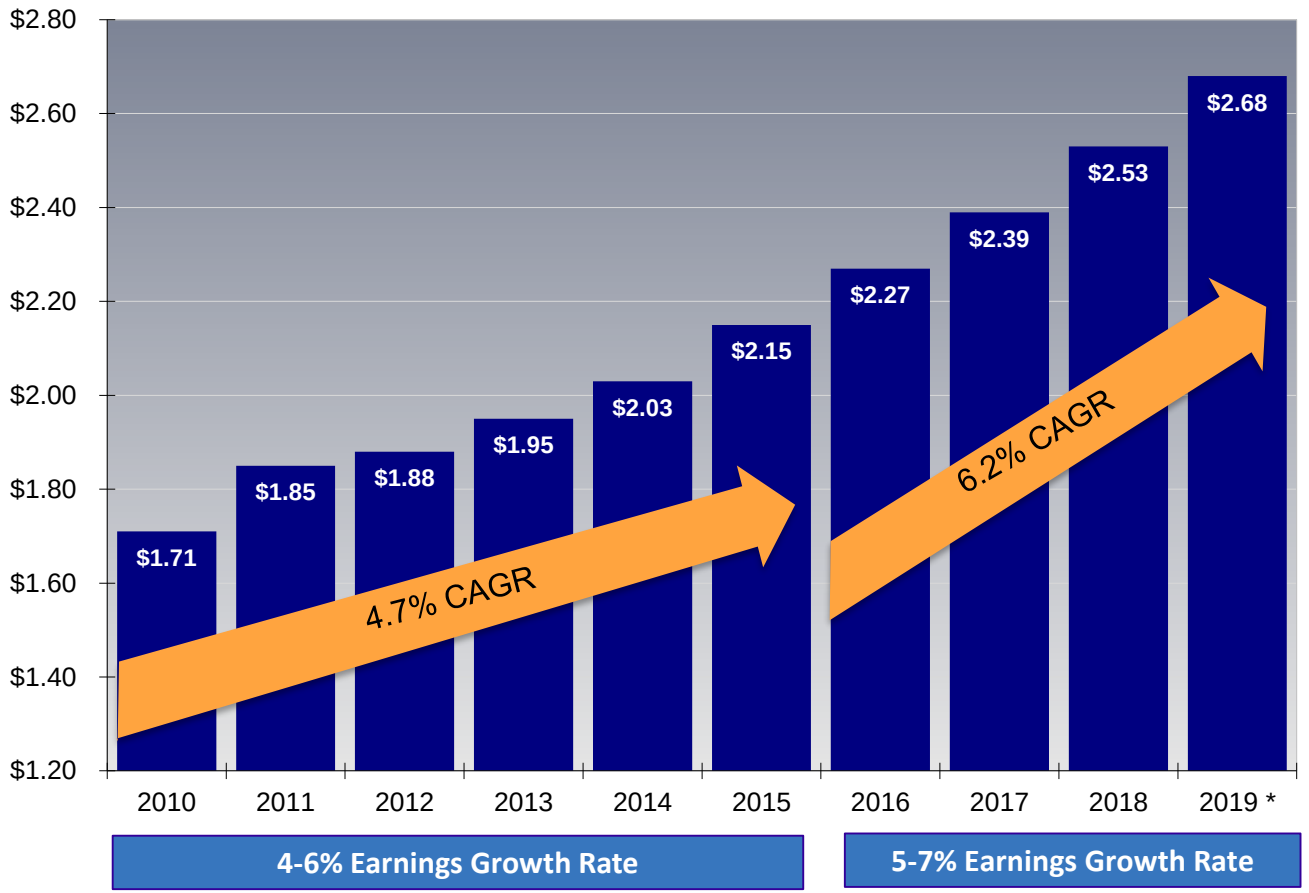
Organic Investment Opportunity + Manageable Execution Risk = Growth



	2018	2019	2020	Future
Operating Earnings Guidance	**$3.75 - $3.95 Narrowed and Raised to $3.88 - $3.98**	**$4.00 - $4.20**	**$4.25 - $4.45**	

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

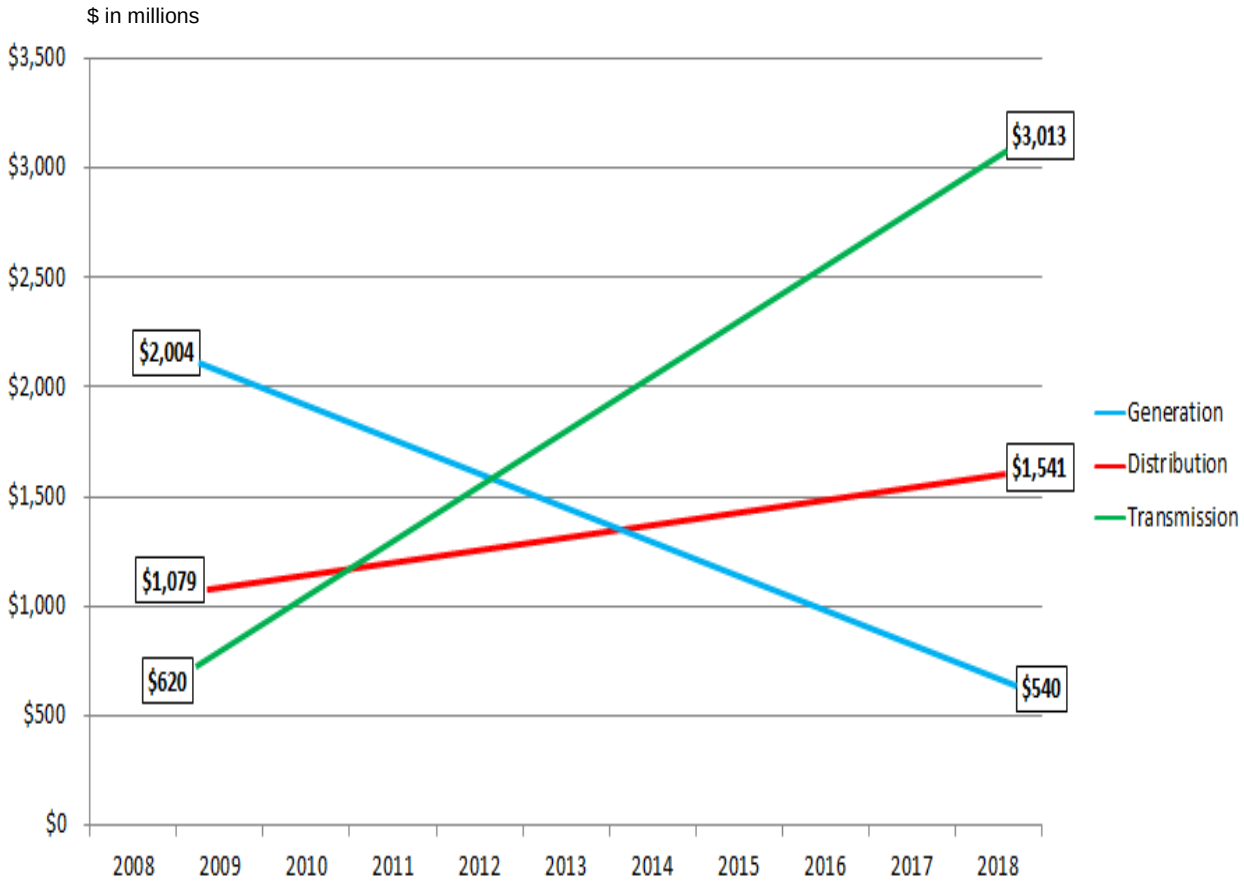

POSITIONING FOR THE FUTURE
CAPITAL INVESTMENT OPPORTUNITIES

Robust Organic Capital Opportunities

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**

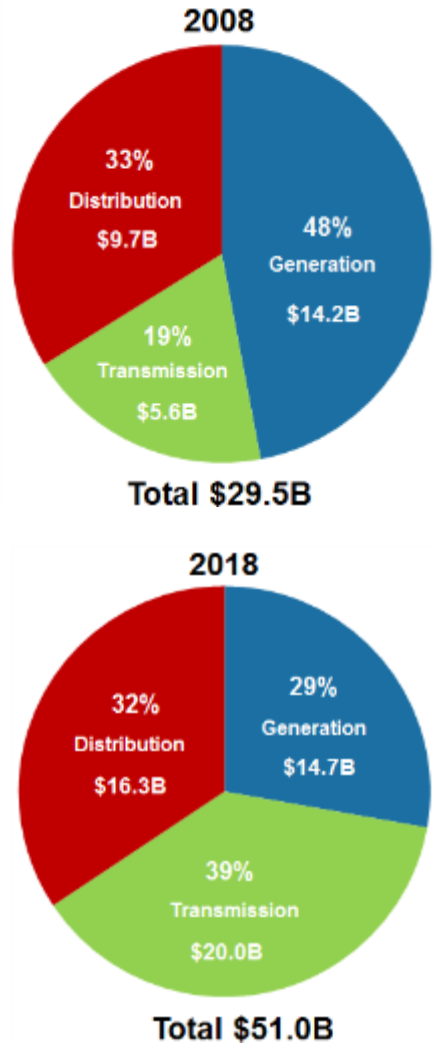
Investment History and Net Plant

Annual Capital Investment History

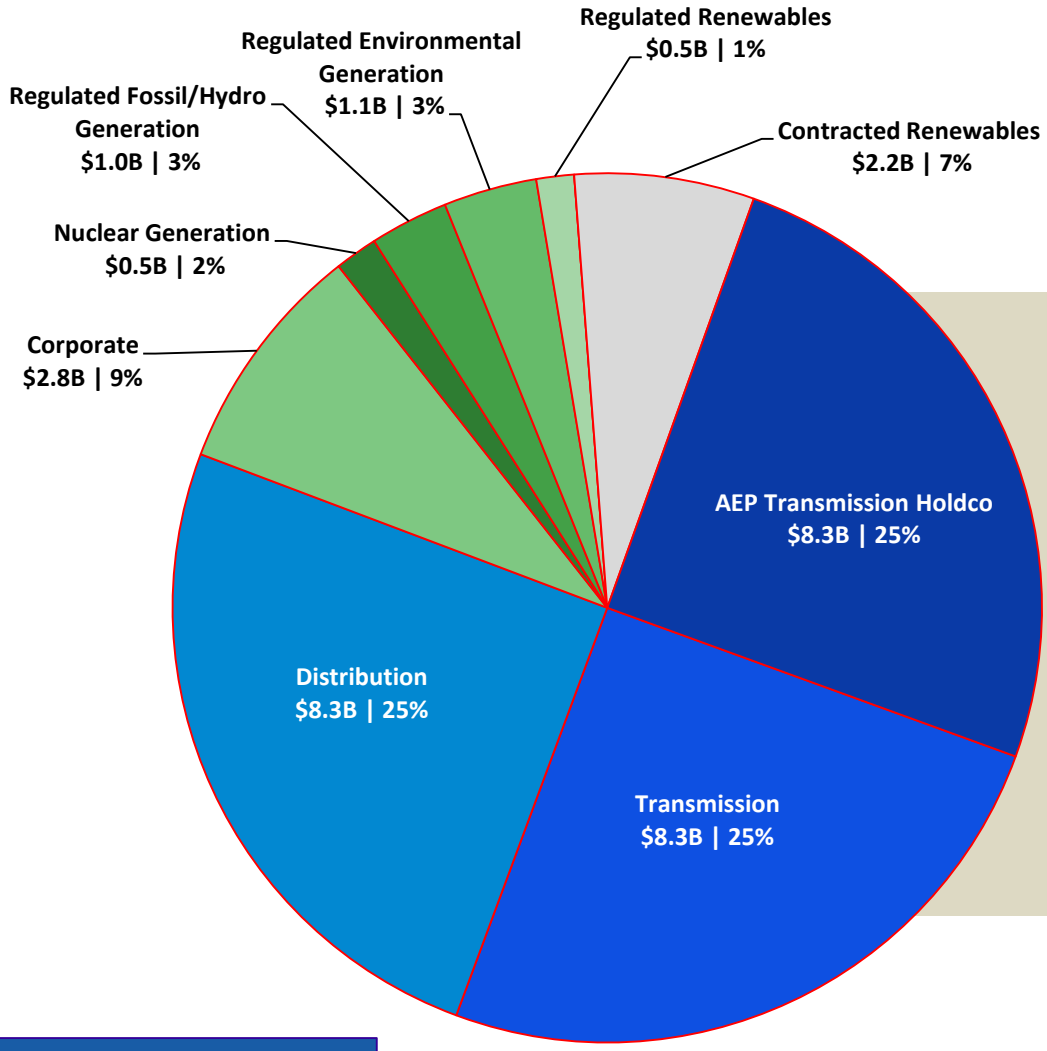


AEP has invested in reliability and grid strengthening over the last decade, dramatically changing the capital allocation in Generation, Transmission and Distribution

Net Plant Profiles



2019-2023 Capital Forecast: Total $33B



100%

of capital allocated to regulated businesses and contracted renewables

75%

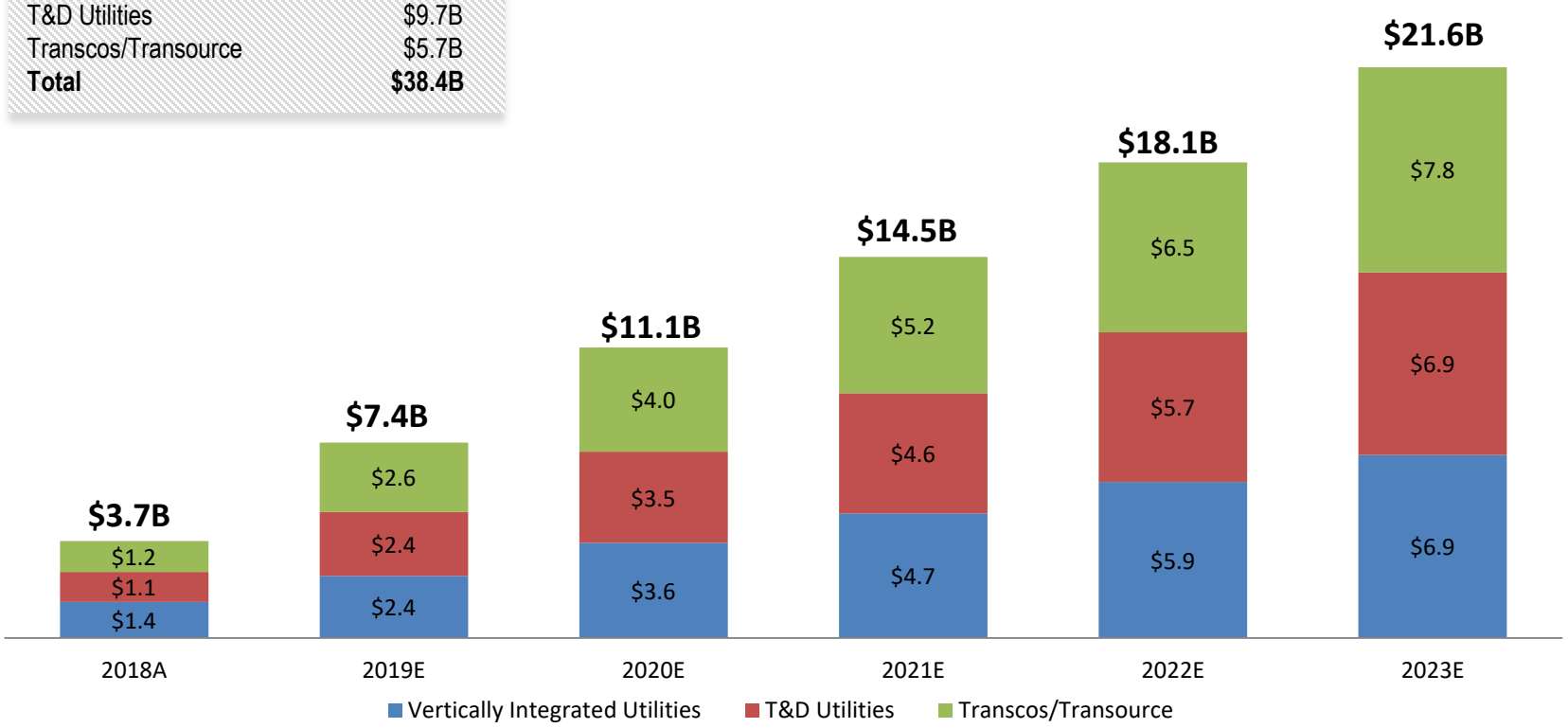
allocated to wires

Focus on wires and renewables

7.8% CAGR in Rate Base Growth

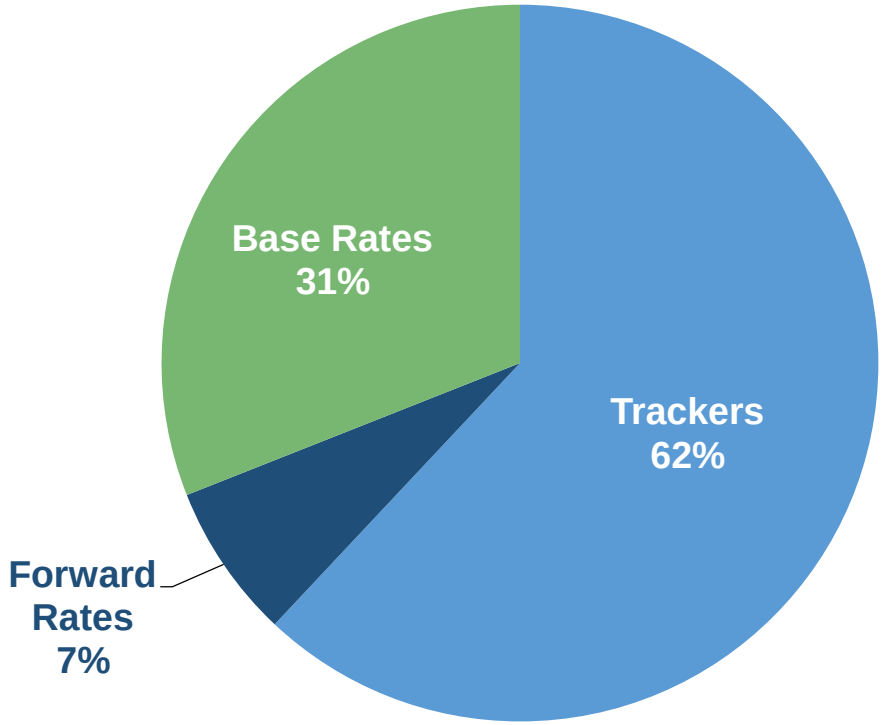
Cumulative Change from 2017 Base

2017 Rate Base Proxy	
Vertically Integrated Utilities	$23.0B
T&D Utilities	$9.7B
Transcos/Transource	$5.7B
Total	**$38.4B**



5% - 7% EPS growth is predicated on regulated rate base growth

Efficient Cost Recover Mechanisms



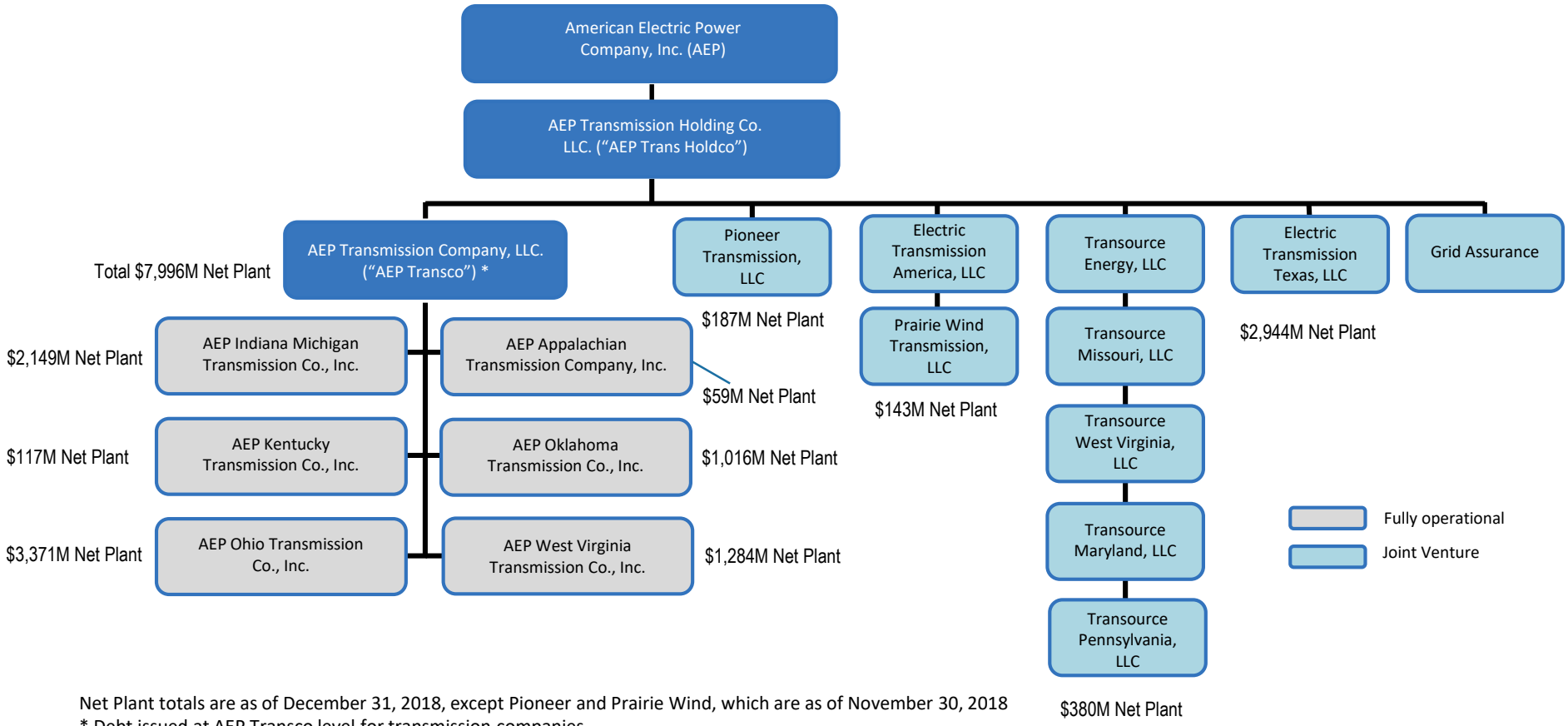
Nearly 70% of 2019-2023 capital plan recovered through reduced lag mechanisms


INVESTING IN TRANSMISSION

AEP Transmission Holdco Legal Entity Structure

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

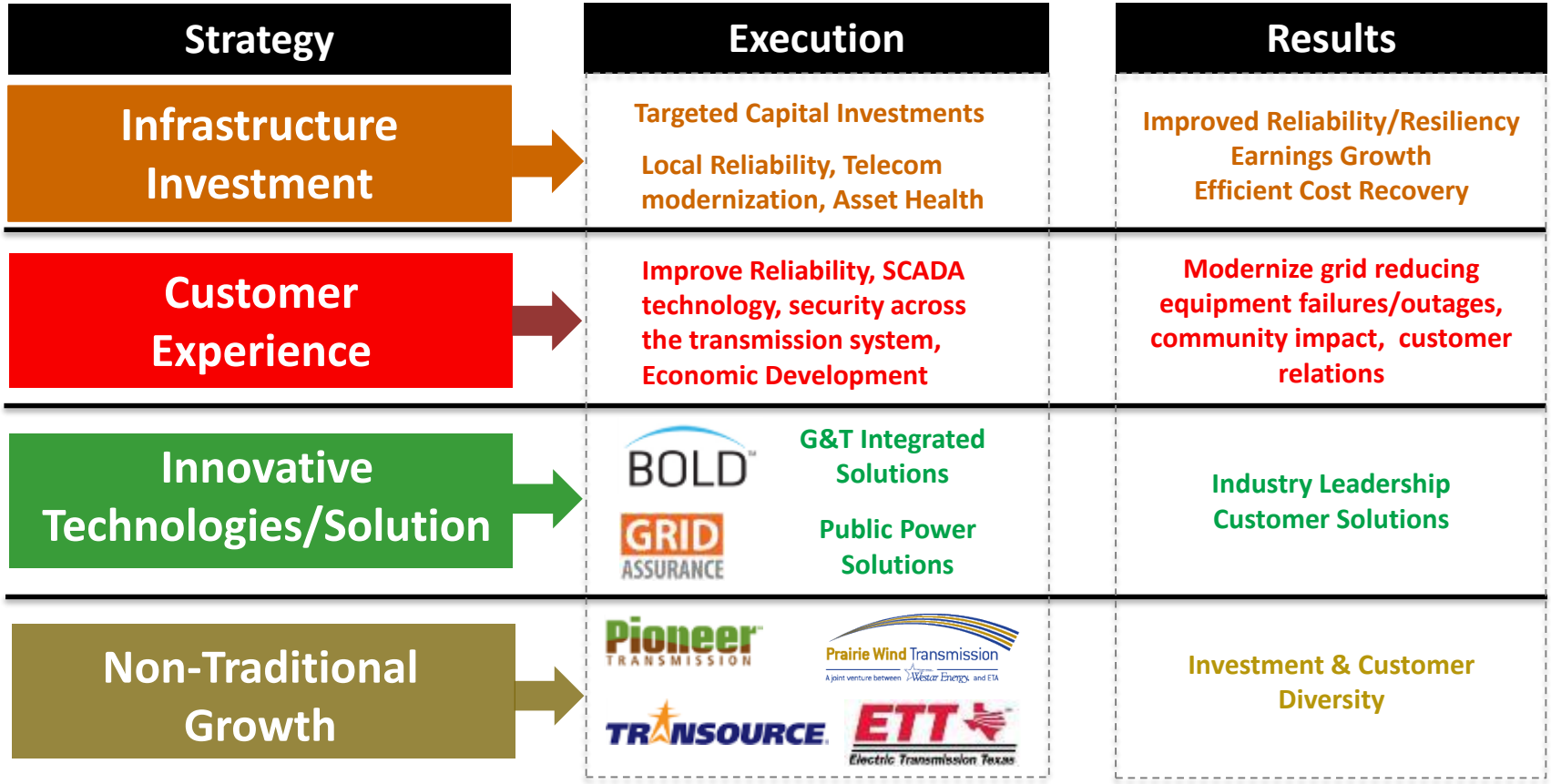
AEP Trans Holdco is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP"), one of the largest utility holding companies in the U.S.



Net Plant totals are as of December 31, 2018, except Pioneer and Prairie Wind, which are as of November 30, 2018

* Debt issued at AEP Transco level for transmission companies

Transmission Priorities



The nation's largest transmission services provider is focused on delivering its $3 billion annual capital plan to improve customer reliability and grid resiliency while meeting earnings growth targets through diversified investments.

AEPTHC Target Earnings 2018 - 2021

Significant Investment

Over $13B projected by 2021 (AEP Transcos and the ownership percentage of Transource)

Healthy ROEs & Capital Structure

Affiliate authorized ROEs ranging from 9.6% to 12.8%

Authorized capital structure 40-60% equity

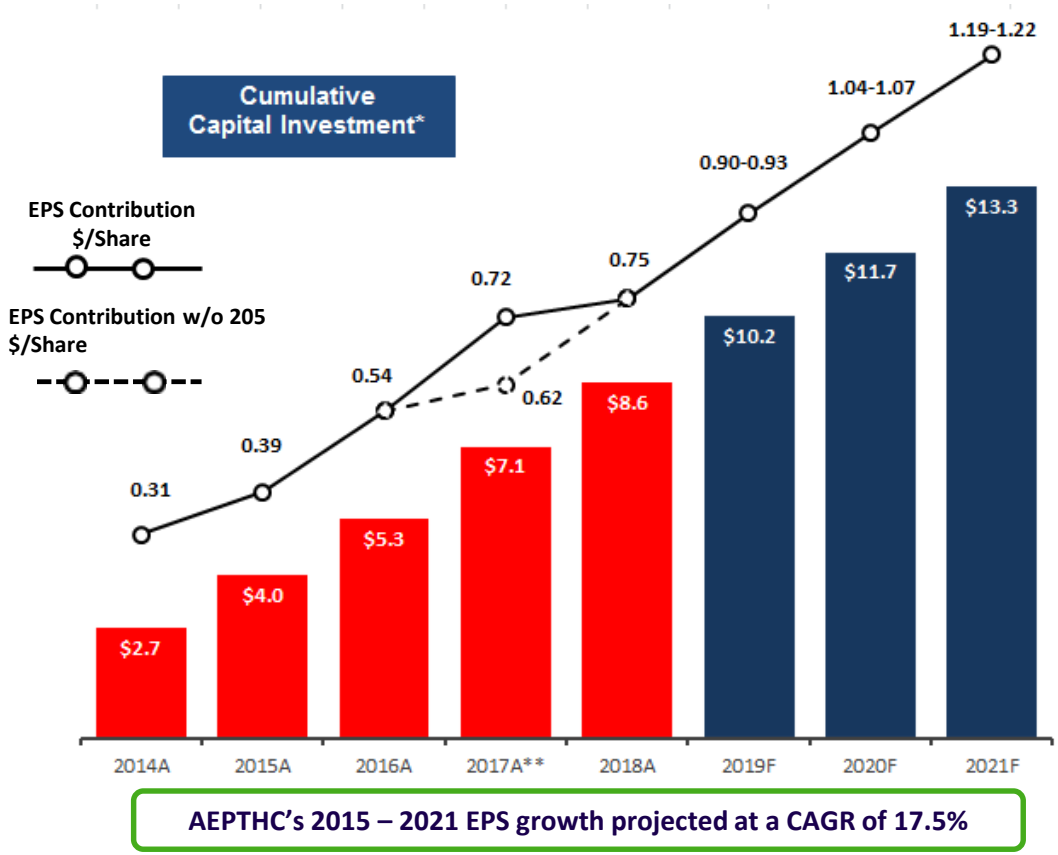
Portfolio Diversification

Five Transcos and ETT contributed 95% of total 2018 earnings (81% and 13% respectively)

Industry & Technology Leader

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

AEPTHC EPS contribution grows from $0.31 in 2014 to $1.19-$1.22 in 2021



AEPTHC's 2015 – 2021 EPS growth projected at a CAGR of 17.5%

* 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.

Transmission Investment Drivers

Key Transmission Investment Drivers	Typical 2018-2023 Project Examples
Local Reliability	• Flushing-Smyrna (OH) – construct 13 miles to alleviate thermal overload • Sheridan Project (WV) – 10M T outage minutes in last 3 years • Greenland-VBI North (OK) – replace 41 mile, 1938-vintage line • Roanoke Project (VA) – replace aging circuit breakers at 4 stations
Cyber and Physical Security	• Install physical security at critical Ohio EHV stations – $220M • Install physical security at critical ERCOT stations – $40M • Telecom Modernization – fiber expansion for increased security
Changing Supply Mix	• Alamo (TX) – connect 114MW solar farm • Cactus Flats (TX) – connect 150MW wind farm
Economic Projects	• Transource IEC Project (PA/MD) – reduce congestion costs by $620M over 15 years
Customer Interconnections	• Oklahoma – serve ~80MW increased load at gas plant • Columbus, OH – serve new data centers • Lotebush (TX) – new station for Permian Basin load growth
Regional Reliability	• La Palma Station (TX) – regional reliability to support peak demand • Thorofare Project (WV-Transource) – regional reliability • Jackson's Ferry 765kV SVC (VA) – high voltage during light load • Brackettville-Escondido (TX) – improve reliability in Eagle Pass
Grid Improvements	• SCADA Expansion (APCo) – $10M – SCADA in remote stations • Kenzie Creek – (MI) replace switches with breakers • Telecom Modernization Program – extend to additional stations

- **AEP's 15 state asset base serves as the foundation of the nation's electric system. FERC's support of transmission investments recognizes the critical function transmission plays in the power delivery system.**

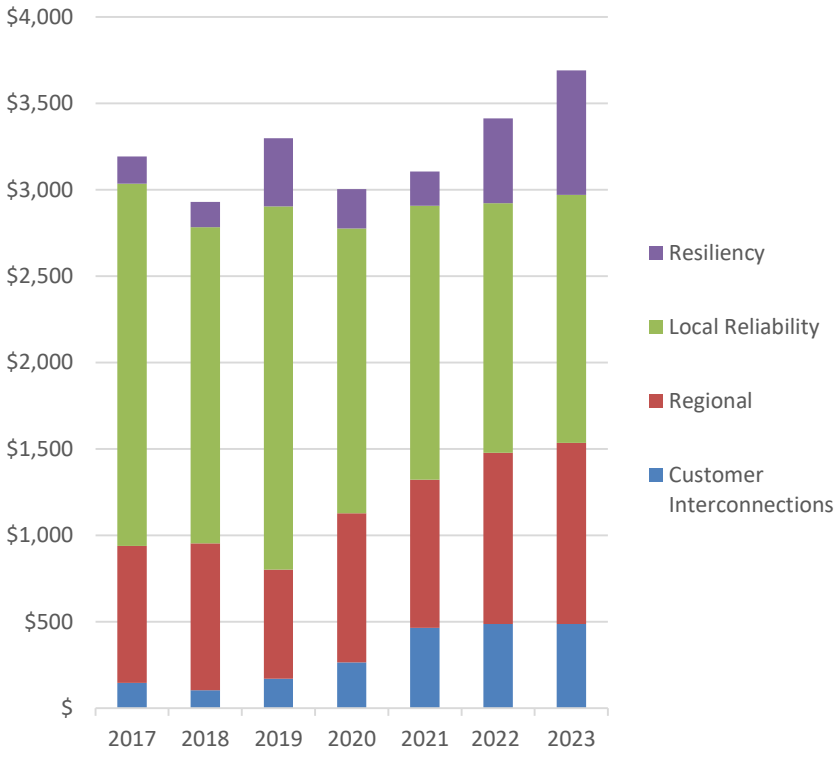
Transmission Investment Categories

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

- Growing complexity of the integrated power grid: distributed generation, diversity in generation fleet, location and variability of generation
- System operations: Systems operating close to feasibility limits are more vulnerable (failures/intelligent adversaries)
- Survivability: Systems ability to survive contingencies without customer interruption

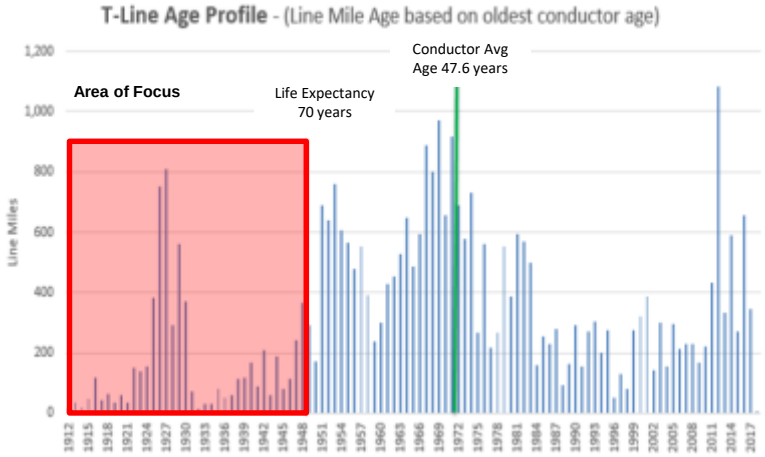
Major Issues Being Addressed

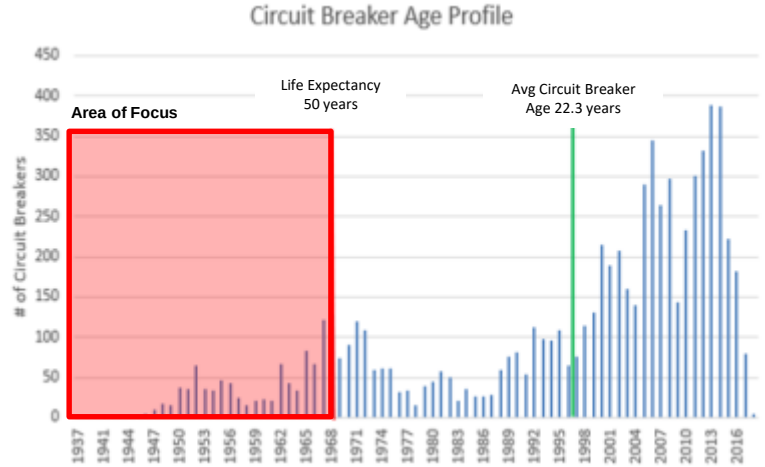
- Aging transmission facilities in poor condition
- Reduction of radial transmission sources
- NERC/RTO requirements
- Decrease customer exposure to Transmission outages
- Improve response time
- Enhance operability of the system



2017-2023 Investment = $22.6 Billion

Robust Transmission Capital Expenditure Opportunities





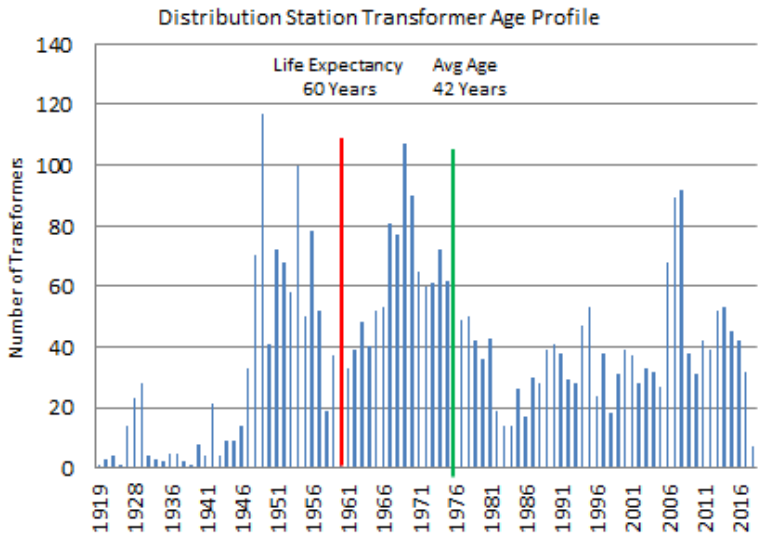
Transmission	Line Miles	Transformers	Circuit Breakers
Life Expectancy (years)	70	60	50
Current Quantity over Life Expectancy	6,085	234	998
Quantity that will exceed Life Expectancy in next ten years	5,057	133	653
Total Renewal Opportunity over ten years	11,142	367	1,651

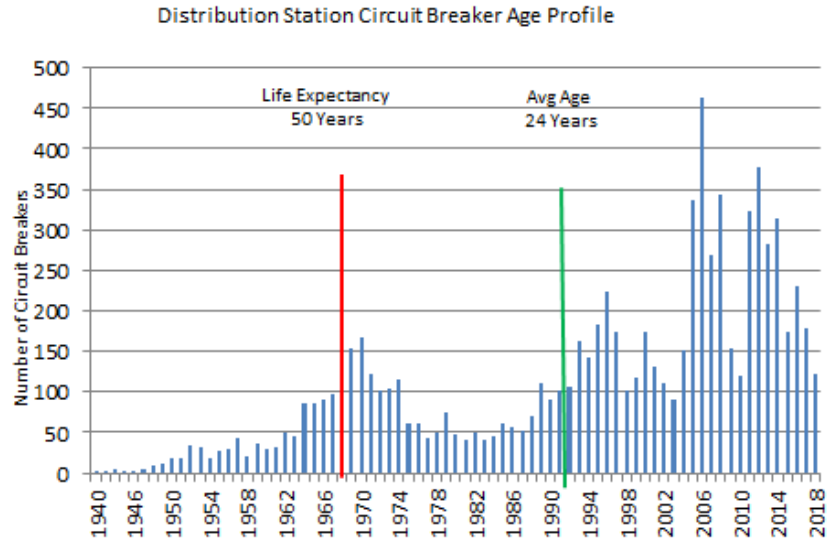
$2.3 billion of annual investment, addresses the facilities past their estimated life expectancy; the asset age profile changes with actual investment

Scope and scale of AEP's Transmission network results in sustainable investment opportunity without risk of over-investment

INVESTING IN DISTRIBUTION

Robust Distribution Capital Expenditure Opportunities





Distribution	Station Transformers	Circuit Breakers
Life Expectancy (years)	60	50
Current Quantity over Life Expectancy	923	993
Quantity that will exceed Life Expectancy in next ten years	514	977
Total Renewal Opportunity over ten years	1,437	1,970

Examples of Incremental Distribution Investment Opportunities

- Grid Modernization
  - Distribution Supervisory Control and Data Acquisition
  - Smart Circuits
- Distribution Line Re-Conductoring
  - Replace deteriorated small wire
  - Increase capacity to facilitate ties for smart circuits
  - Over 86,000 miles of small wire is in service across the operating companies (age profile at least 40 years)
- Pole Replacement Programs
- Obsolete Station Breaker Replacements
- Capacity/Reliability Projects
- Distribution Station Transformers

Represents ~ $500M/year of incremental investment opportunity to improve system reliability and modernize the system


INVESTING IN REGULATED RENEWABLES

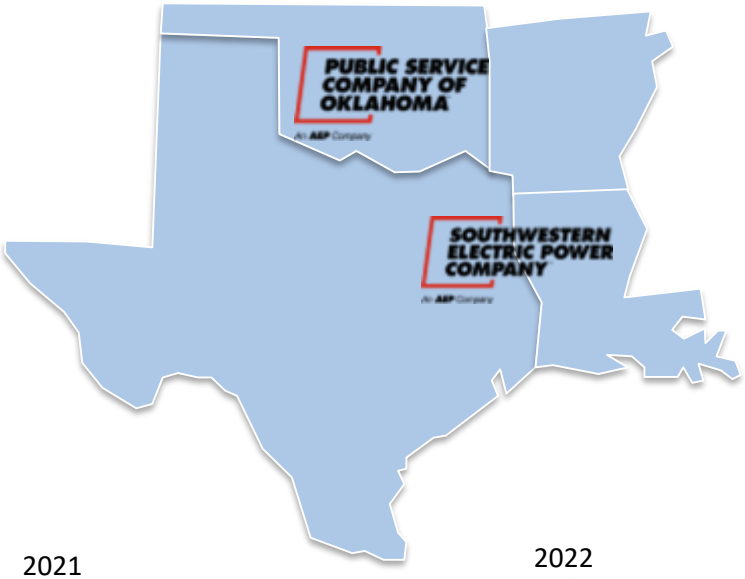
SWEPCO and PSO Customer Savings Plan

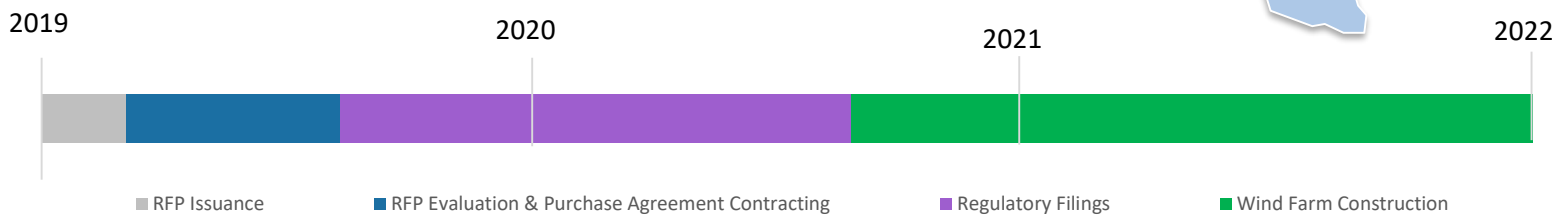
- SWEPCO and PSO Integrated Resource Plans (IRP) continue to indicate that customers will benefit from additional low-cost wind energy
  - Takes advantage of the federal Production Tax Credit
- Opportunity will be scalable to align with regulatory approvals by state
- SWEPCO and PSO issued requests for proposals in AR, LA, OK and TX in Q1 2019
  - RFPs seek to acquire wind assets
  - Potential to acquire up to the full IRP amounts, depending upon final outcome of IRP processes and RFP results
- Key considerations in the RFP evaluation process will include cost, performance and long-term deliverability
  - Projects must minimize congestion
  - Approval of any potential future transmission delivery infrastructure would only be sought at the time its needed
  - Projects must qualify for at least 80% of the federal Production Tax Credit

Current IRP Wind Nameplate Forecast

Wind Procurement *	2021-2023
SWEPCO	Up to 1,200 MW
PSO	Up to 1,000 MW
Total	**Up to 2,200 MW**

* Outcomes pending applicable state IRP processes





AEP Ohio – Solar Project Filing

- Two solar REPAs with both facilities on line by end of 2021:
  - Highland Solar, 300 MW
  - Willowbrook Solar, 100 MW
- Debt Equivalency Cost Mechanism to provide recovery for use of Balance Sheet (approximately $6M annually)
- Green Tariff that allows all customer classes the opportunity to purchase RECs to cover some or all of their generation supply
- Analysis resulted in nominal savings of over $200M over the life of the projects when considering base band pricing

Projected Resource Additions

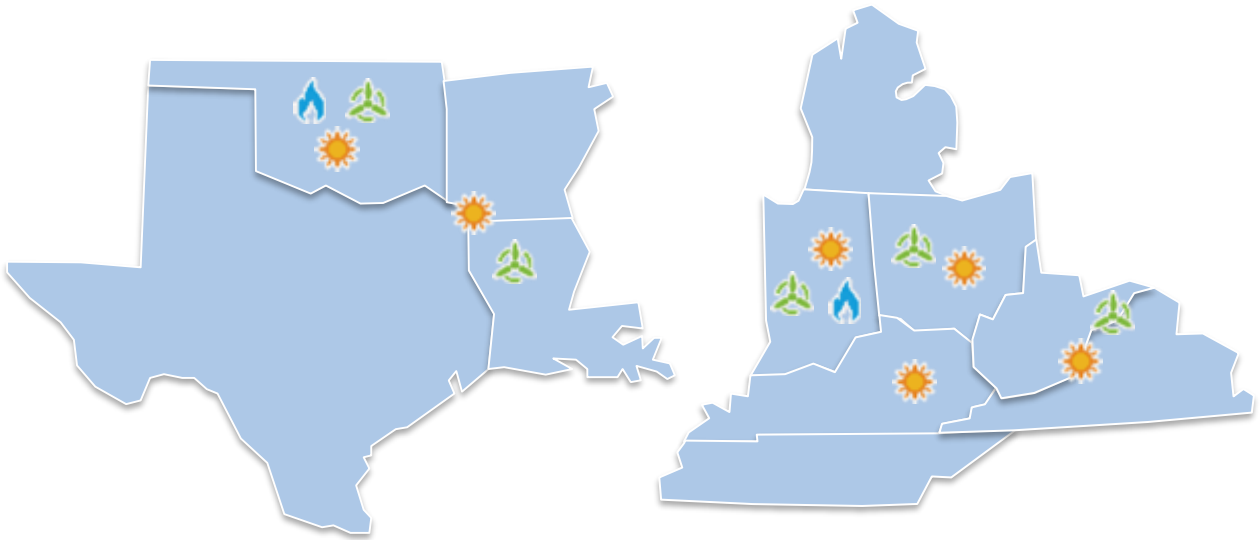
Solar Additions (MW)			
Operating Co:	**2020-2023**	**2024-2027**	**2028-2030**
AEP Ohio	Up to 400 *	-	-
APCo	15	300	450
I&M	-	150	150
KPCo	30 *	20	40
PSO	11	600	600
SWEPCO	-	450	550
Totals	**Up to 456**	**1,520**	**1,790**

Wind Additions (MW)			
Operating Co:	**2020-2023**	**2024-2027**	**2028-2030**
AEP Ohio	Up to 500*	-	-
APCo	-	300	-
I&M	-	600	450
KPCo	-	-	-
PSO	Up to 1,000 *	-	200
SWEPCO	Up to 1,200 *	200	600
Totals	**Up to 2,700**	**1,100**	**1,250**

Natural Gas Additions (MW)			
Operating Co:	**2020-2023**	**2024-2027**	**2028-2030**
I&M	-	-	1,500
PSO	410 [1]	373 [1]	-
Totals	**410**	**373**	**1,500**

[1] To replace expiring PPA

* Subject to regulatory filings currently underway



Total Projected Resource Additions (MW)	
Resource	**2020-2030**
Solar	Up to 3,766
Wind	Up to 5,050
Natural Gas	2,283
Totals	**Up to 11,099**

Updated 02/12/2019

Integrated Resource Plan Status

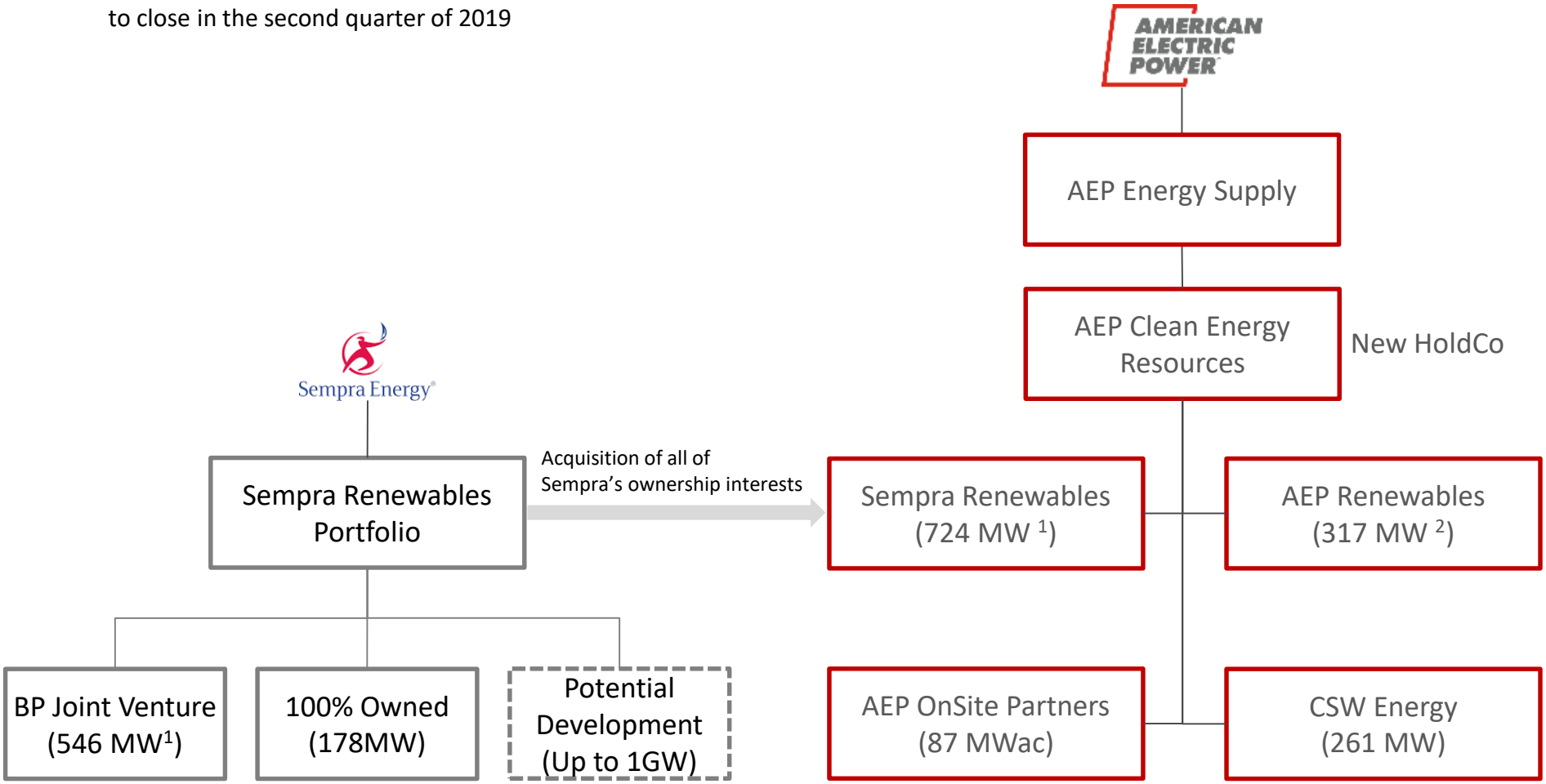
IRPs Underway/Planned					
Previously Approved IRPs	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
AEP OHIO An AEP Company BOUNDLESS ENERGY KENTUCKY POWER An AEP Company BOUNDLESS ENERGY	SOUTHWESTERN ELECTRIC POWER COMPANY An AEP Company BOUNDLESS ENERGY 12/14/18 (AR) PUBLIC SERVICE COMPANY OF OKLAHOMA An AEP Company BOUNDLESS ENERGY 12/21/18		APPALACHIAN POWER An AEP Company BOUNDLESS ENERGY 5/1/19 (VA) INDIANA MICHIGAN POWER An AEP Company BOUNDLESS ENERGY May / June 2019	SOUTHWESTERN ELECTRIC POWER COMPANY An AEP Company BOUNDLESS ENERGY 9/30/19 (LA)	KENTUCKY POWER An AEP Company BOUNDLESS ENERGY 12/20/19

Next IRP filing date for APCo (WV) is January 2021

INVESTING IN COMPETITIVE BUSINESS

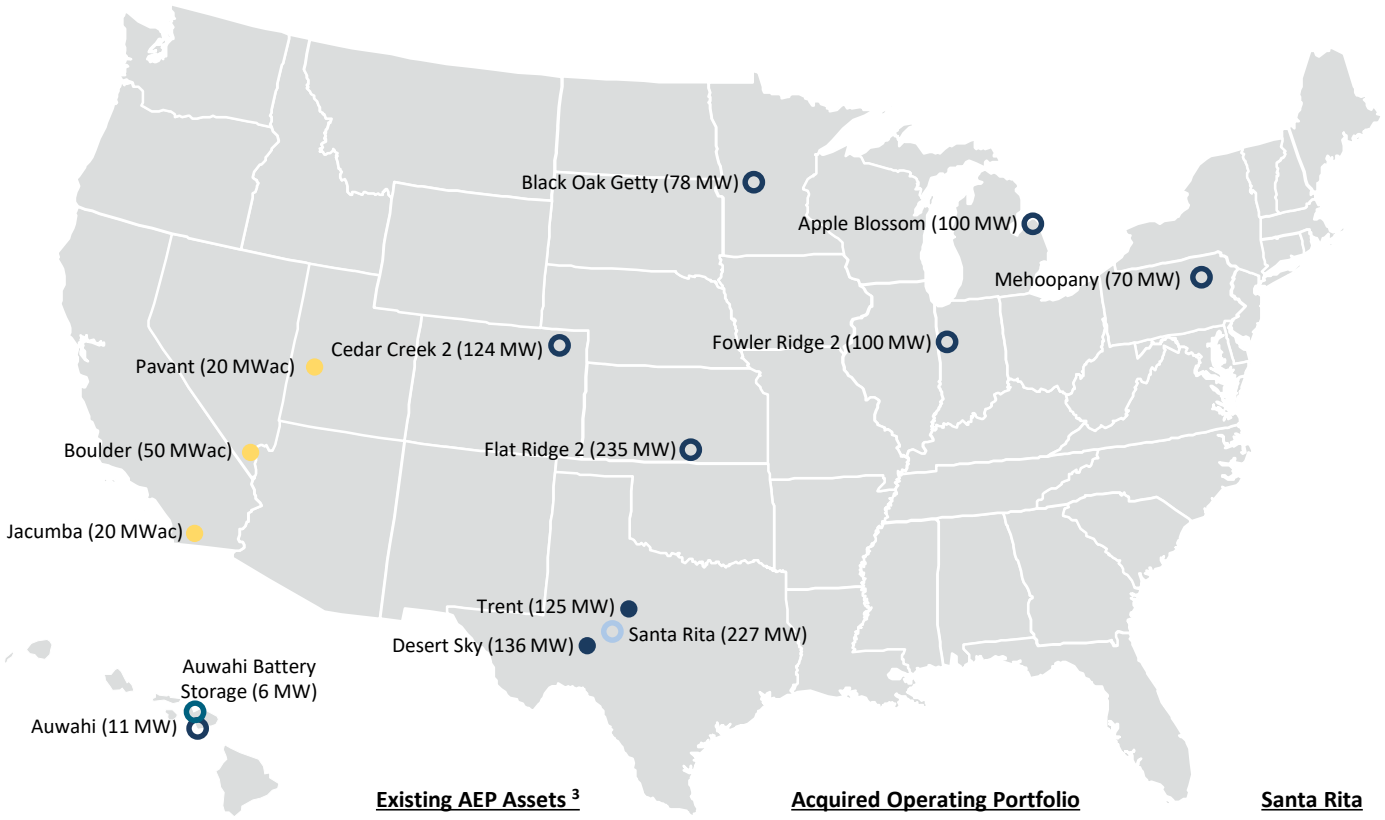
Simplified Sempra Renewables Transaction Structure

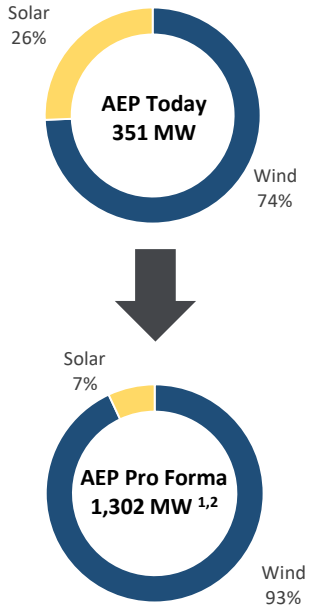
- AEP will create a new Holding Company, AEP Clean Energy Resources, to house its competitive renewable generation businesses
- The acquisition is subject to customary closing conditions and approvals (Federal Energy Regulatory Commission as well as Hart-Scott-Rodino clearance)
- The acquisition was announced on February 12, 2019 and transaction expected to close in the second quarter of 2019



[1] Includes 6 MW of battery storage at the Auwahi project | [2] Includes recently signed agreement to purchase 75% interest in 302 MW Santa Rita East Wind Project currently under construction

Large Scale Project Map with Sempra Renewables





Projects complement AEP's existing footprint of large scale renewable projects in the contracted renewable space: Texas (488 MW, wind) [1], California (20 MW, solar), Nevada (50 MW, solar) and Utah (20 MW, solar)

[1] Includes recently signed agreement to purchase 75% interest in 302 MW Santa Rita East Wind Project currently under construction in west of San Angelo, Texas | [2] Includes 6 MW of Auwahi battery storage | [3] Excludes AEP OnSite Partners

Note: MWs in map reflect net capacity

Overview of Sempra Renewables Acquisition

Operating Portfolio

- 724 net MW operating wind portfolio across seven states (CO, HI, IN, KS, MI, MN, PA) [1]
- Five of seven wind assets owned 50 / 50 with BP Wind Energy
- 16 years of weighted average power purchase agreements ("PPA") remaining contract life [2]
- PPA counterparties comprised of IOUs, munis and co-ops with A/A2 [2,3] average credit rating
- 21% of PPAs with AEP utilities AEP Ohio, SWEPCO, and Indiana Michigan Power
- Strong operating performance with 37% average 2017 asset capacity factor [2,4]
- 2020E EBITDA of $70-$75MM, PTCs to AEP of $30-$35MM, and PTCs to tax equity of $12-$15MM

Transaction Value

- $1,056MM enterprise value including assumption of $343MM proportionate project debt [5] & $162MM tax equity [6]
- Accelerates and de-risks $2.2B planned renewable investment commitment through 2023
  - Not incremental to overall 2019-2023 capex plan
- Expect to finance with a combination of debt, equity and/or equity-linked securities
  - Financing in-line with AEP's 5-year financing plan and will maintain AEP's credit metric commitments
- Transaction expected to be immediately accretive to EPS in first full year by a few cents
- Further solidifies our long-term EPS growth guidance of 5% - 7%
- Financial returns in-line with regulated opportunities

AEP Opportunities

- Enhances renewable platform scale and diversity, increasing industry participation
- Become 7th largest utility owner of competitive wind projects in U.S.
- Potential repowering, expansion, and optimization in connection with certain assets
- Incremental future growth from up to 1 GW of development projects, including some safe harbor equipment, pending attractive returns

[1] 724 net MW includes 6 MW battery storage at the Auwahi project | [2] Remaining contract life and asset age as of 12/31/2018

[3] Credit ratings as of 10/8/2018. Maui Electric Company is not rated by Moody's and is rated BBB- by S&P. As such, Maui is shown in the Baa3 category (corresponding Moody's category) for illustrative purposes

[4] Excludes Apple Blossom due to 2017 COD | [5] Debt balance as of 6/30/2019 | [6] Tax equity book value as 12/31/2018

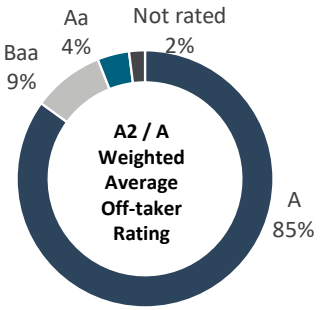
Investment Highlights of Sempra Renewables Acquisition

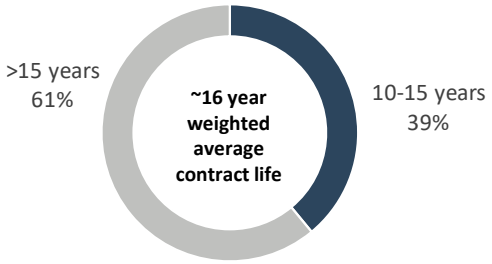
- **Delivering on our Commitment:** We committed to profitably invest $2.2 billion in renewable generation by 2023. This $1,056 million acquisition is a major step in meeting that commitment.
- **Immediately Accretive:** We expect the acquisition to be immediately accretive to earnings, supportive of our long term growth guidance, and consistent with our credit metric trends.
- **Tax Efficiency:** AEP's tax appetite allows for monetization of transaction tax attributes, including production tax credits.
- **High Quality Assets:** The acquisition includes a 724MW high quality wind generation portfolio with a proven operating history and 16 years remaining on PPAs with A/A2 rated counterparties.
- **Known Markets:** The assets are in markets that AEP knows well. They are in areas where we have generation assets or utility operations. Two of the projects have PPAs with AEP utilities.
- **Renewable Platform Initiative:** The acquisition, in addition to Santa Rita East Wind, will increase our contracted large scale renewable generation portfolio by 951 MW [1] to 1,302MW giving us a greater presence in a market we expect will continue to grow.
- **Future Growth:** The business has a development pipeline that could provide incremental investment opportunities.

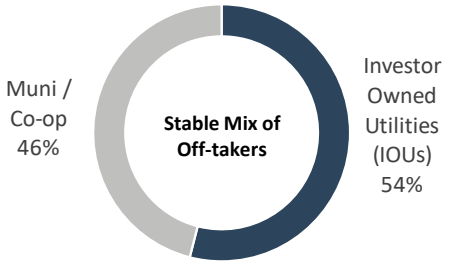
[1] Includes recently signed agreement to purchase 75% interest in 302 MW Santa Rita East Wind Project currently under construction in west of San Angelo, Texas

Portfolio Details of Sempra Renewables Acquisition

	Asset	MW Net [1]	Off-taker	COD	PPA Expire	Turbine	O&M
BP JV Projects	Fowler Ridge 2 (IN)	100	AEP Ohio, Vectren, Indiana Michigan Power	2009	2029	GE	Vestas
	Cedar Creek 2 (CO)	124	Xcel Energy	2011	2035	GE, Nordex	Vestas
	Flat Ridge 2 (KS)	235	aeci, Southwestern Electric Power Company, Rural Cooperative of Arkansas	2012	2036	GE	GE
	Mehoopany (PA)	70	ODEC, SMECO	2012	2032	GE	GE
	Auwahi (HI)	11	Maui Electric	2012	2032	SIEMENS	SIEMENS
	Total	***540***					
100% Owned	Black Oak Getty (MN)	78	MMPA	2016	2036	Vestas	Vestas
	Apple Blossom (MI)	100	Consumers Energy	2017	2033	Vestas	Vestas
	Total	***178***					
	Overall Total	**718 [2]**			**16 yrs [3]**		



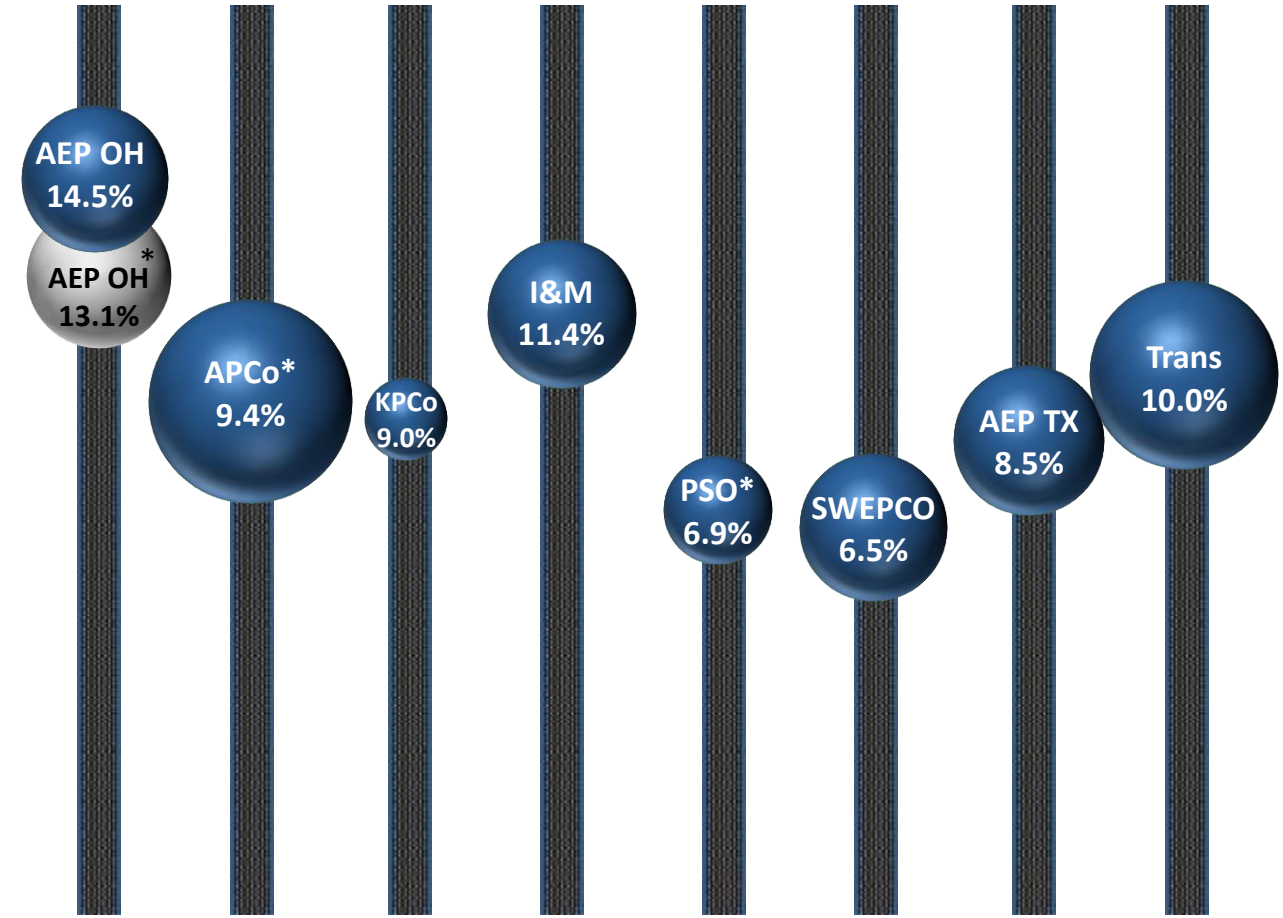




[1] Reflects AEP's share | [2] Excludes 6 MW of Auwahi battery storage | [3] Based on weighted average contract life


POSITIONING FOR THE FUTURE
FINANCIAL INFORMATION

Regulated Returns



Regulated Operations ROE of 9.7%
as of December 31, 2018

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

Sphere size based on each company's relative equity balance

Current Rate Case Activity

APCo – West Virginia

Docket #:	18-0646-E-42T
Filing Date:	05/09/2018
Requested Rate Base:	$4.1B
Requested ROE:	10.22%
Cap Structure:	49.84%D / 50.16%E
Gross Revenue Increase:	$95M (Less $32M Depr)
Net Revenue Increase:	$63M
Test Year:	12/31/2017

Settlement Summary

Settlement Filed:	11/13/2018
Commission Order:	02/27/2019
Effective Date:	03/06/2019
ROE:	9.75%
Net Revenue Increase:	$44M

PSO – Oklahoma

Docket #:	201800097
Filing Date:	09/26/2018
Requested Rate Base:	$2.5B
Requested ROE:	10.3%
Cap Structure:	51.86%D / 48.14%E
Gross Revenue Increase:	$88M (Less $20M D&A)
Net Revenue Increase:	$68M
Test Year:	03/31/2018

Settlement Summary

Unanimous Settlement Filed:	02/27/2019
(Awaiting Order)	
ROE:	9.4%
Net Revenue Increase:	$46M (No change in Depr)

Full Transmission Tracker
Partial Distribution Tracker

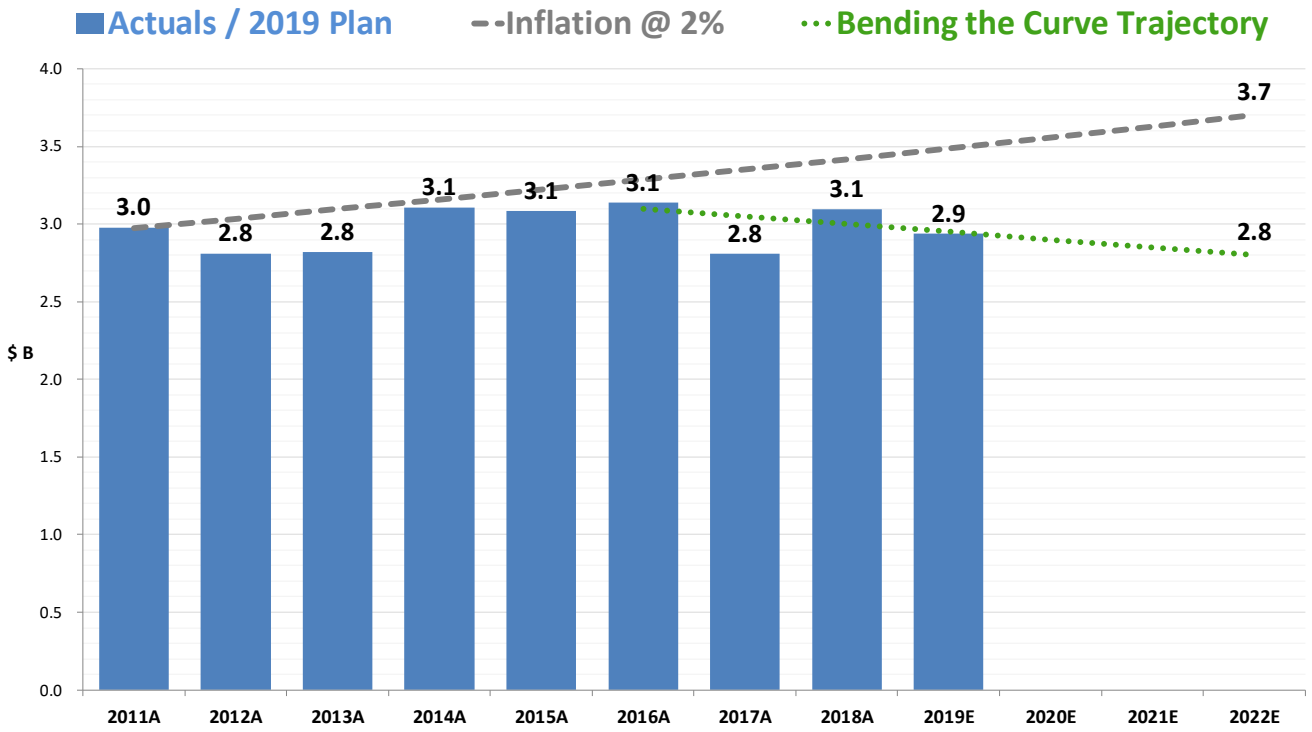
SWEPCO – Arkansas[1]

Docket #:	19-008-U
Filing Date:	02/28/2019
Requested Rate Base:	$1.2B
Requested ROE:	10.5%
Cap Structure:	49.5%D / 50.5%E
Gross Revenue Increase:	$46M[2] (Less $8M Depr)
Net Revenue Increase:	$38M
Test Year:	12/31/2018

[1] This filing provides SWEPCO's notice of election to move to an annual formula rate review mechanism

[2] Does not include $29M of current riders moving to base or $12M for the requested Distribution Reliability Rider

Bending the O&M Curve While Achieving Our Strategic Goals



- 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 unfavorable weather resulted in need to pull-back on spend; 2018 favorable weather has created incremental/shifting opportunities)

Inflation
Customer Experience
Cyber Security
Technology & Innovation

Sale of Competitive Generation
Process Improvement & Standardization of Work
Outsourcing
Automation, Digitization, Data Analytics
Strategic Sourcing

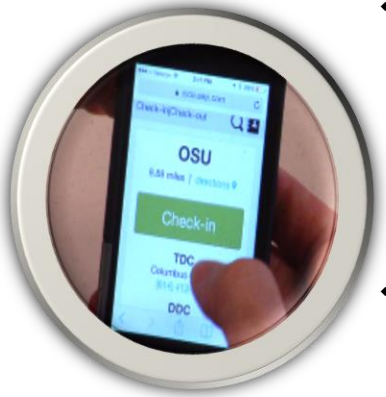
Our initiatives will help reduce the cost of the current ~4,000+ employees retiring or leaving over the next 5 years, thereby reducing O&M and allowing us to focus on more value added activities for our customers

Bending the O&M Curve (Initiatives)

AEP Transmission Spacer Replacement Capital Program

- The replacement program avoids approximately $80M in O&M expenditures over time
- ~150k spacers that are near or at end of life will be replaced as part of a capital program on nearly 1800 miles of 765kV lines over the next 10 years

AEP Station Check In/Check Out Application



- The first true mobile application of its kind saves valuable time for field technicians and dispatchers by eliminating nearly 90% of calls into the TDC from field staff entering or exiting secure facilities
- On average since implementation ~$500K in labor savings on this activity have been realized

AEP Asset Health Centers

- Analytical software platform and fleet-wide asset monitoring device that provides instantaneous data through a robust communications infrastructure
- Real-time data helps in making data-driven operating decisions. Improves safety, reduces unplanned equipment outages, helps in planning and optimizing maintenance, and prioritizes renewal decisions about the condition of assets
- In use since 2014, AHC has provided performance data on equipment that has allowed Transmission to avoid $36M and Generation over $25M in costs related to equipment failure

Bending the O&M Curve (Initiatives)

Charge Initiative

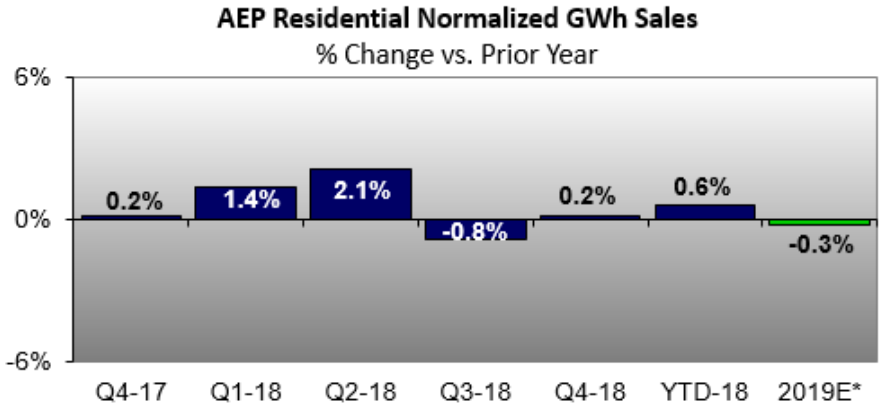
~$200M in digital and process-enabled savings over five years through O&M reductions/cost avoidance (50%), Capital Reduction/Efficiency (25%), Revenues (10%) & Operational Efficiency (15%)

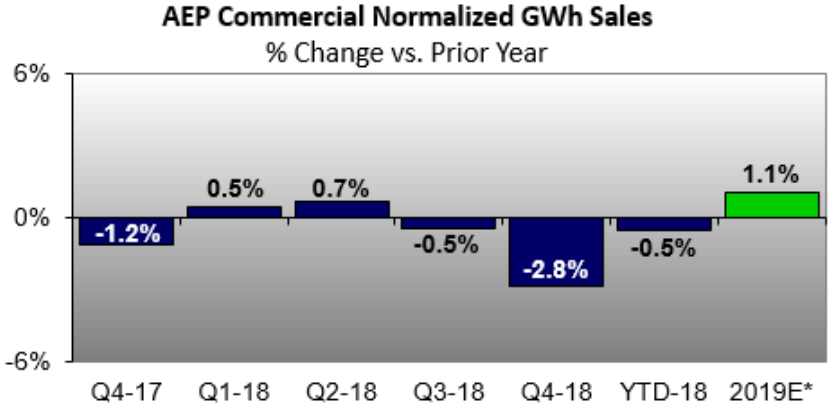
- Distribution/Transmission Field Time Reporting App – Mobile app/web that enables contractors to enter time digitally rather than through paper timesheets. Improves efficiency and reduces rework (e.g., audits and audit outcomes).
- Contract Digitization – Digital tools & associated analytics that reduce administrative, repetitive work performed by the contract support function.
- Digitized Inspections – Combined use of drones, sensors, and digital user tools to minimize the physical labor associated with distribution, transmission, and generation inspections.
- Transmission Capital Commissioning Checklist – Mobile app/web that enables employees and contractors to perform and complete commissioning tasks using handheld technology rather than through a paper process. Improves accuracy, increases operational efficiency, reduces rework, and accelerates time to place projects in service.

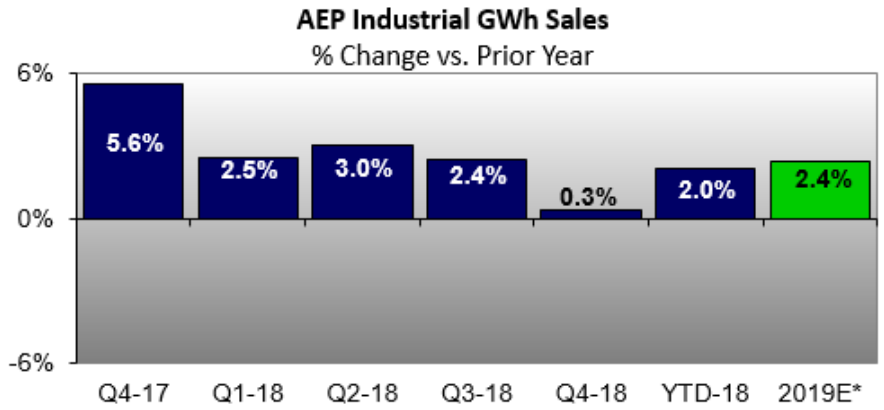
Other Initiatives

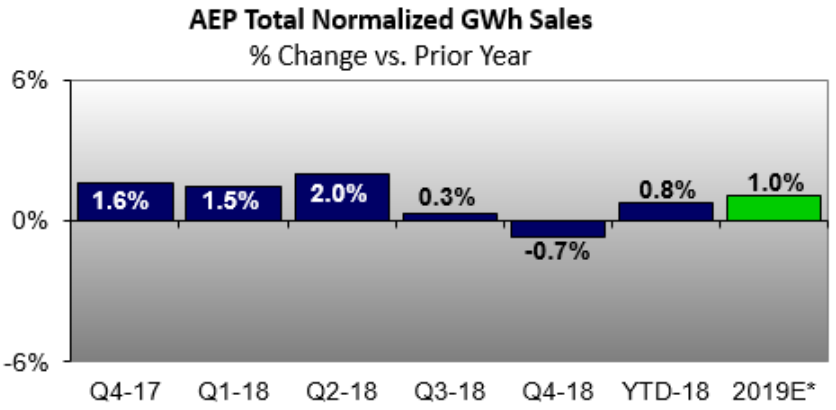
- Strategic Work and Workforce Planning
- Outsourcing Activities
- Tactical Sourcing through Procurement Management

Normalized Load Trends







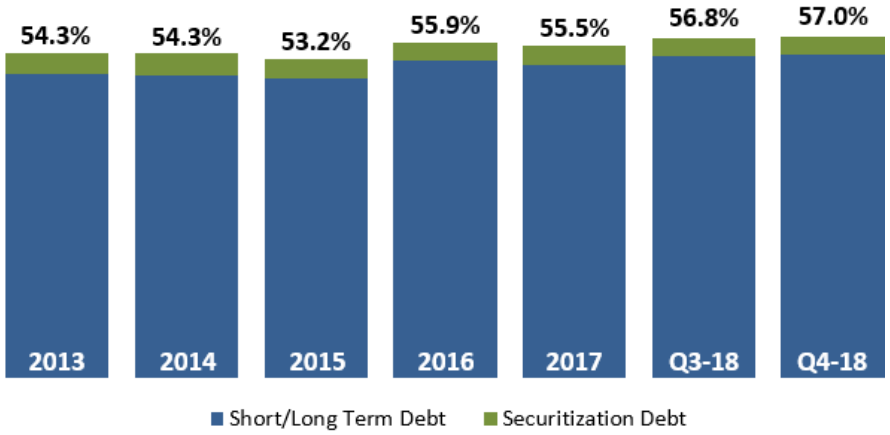


Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale load.

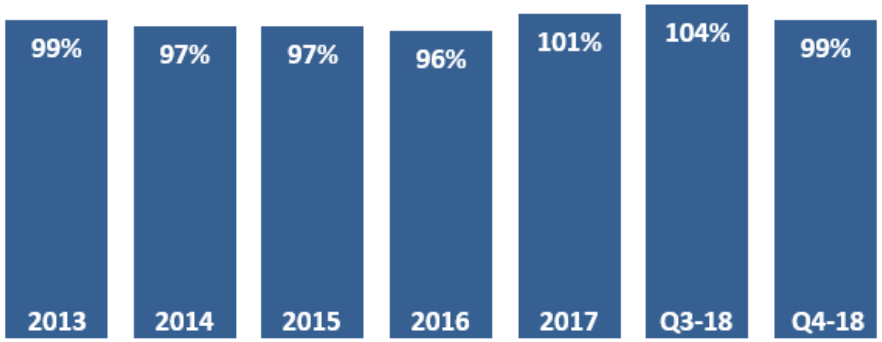
* Estimate based on forecast provided at 2018 EEI Financial Conference and amended to reflect 2018 results.

Capitalization and Liquidity

Total Debt / Total Capitalization



Qualified Pension Funding



Credit Statistics

	Actual	Target
FFO to Total Debt	17.8%	Mid Teens

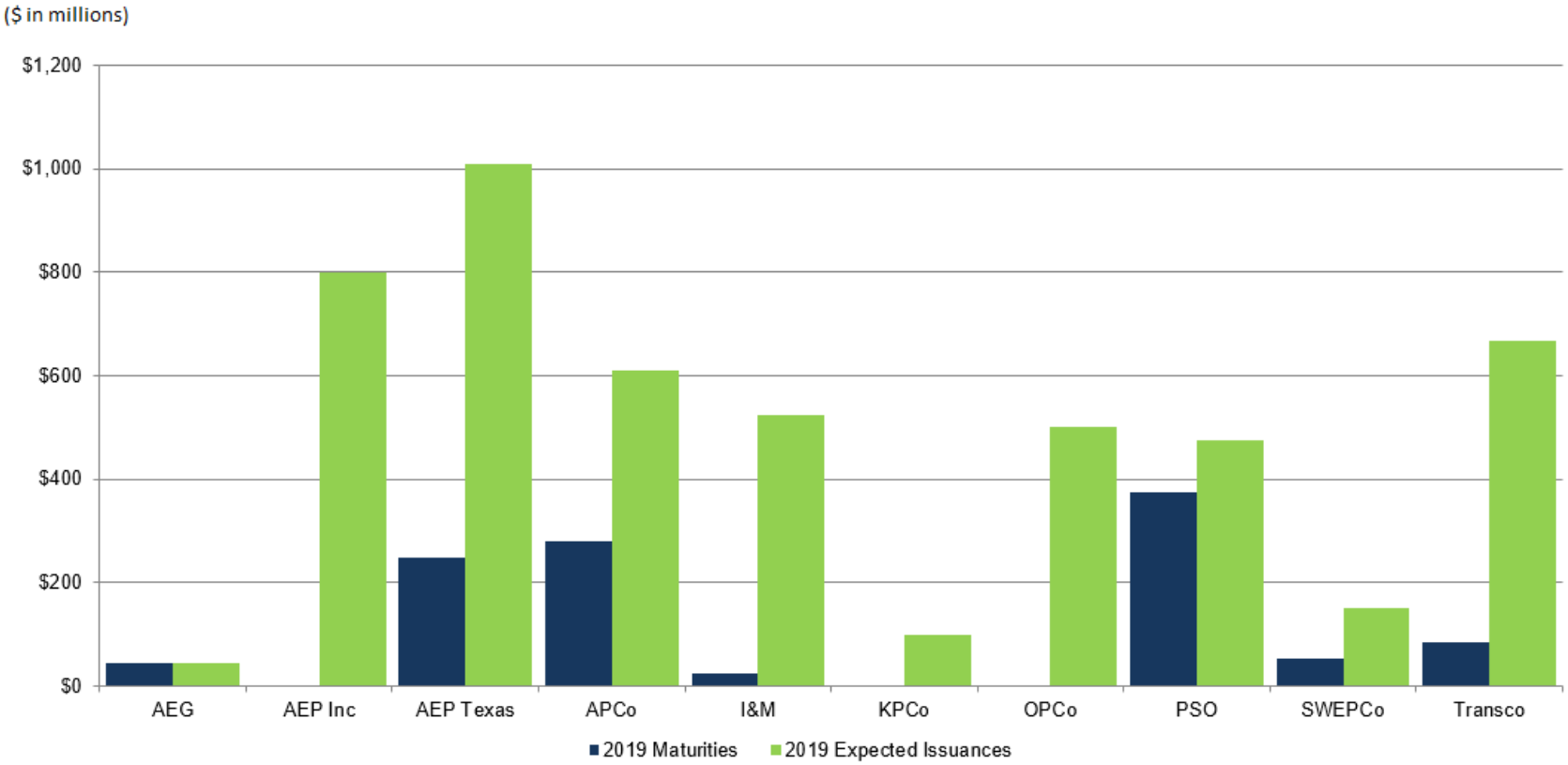
Represents the trailing 12 months as of 12/31/2018
See Appendix for reconciliation to GAAP

Liquidity Summary

(unaudited)	12/31/2018 Actual	
($ in millions)	Amount	Maturity
Revolving Credit Facility	$4,000	Jun-22
Plus		
Cash and Cash Equivalents	234	
Less		
Commercial Paper Outstanding	(1,160)	
Letters of Credit Issued	-	
Net Available Liquidity	**$3,074**	

Strong balance sheet, credit metrics and liquidity

2019 Debt Issuance and Maturities Overview



Financing plans are subject to change depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors

Long-Term Debt Maturity Profile

($ in millions)

Year	2019	2020	2021	2022	2023	2024
AEP, Inc.	$0.0	$500.0	$400.0	$300.0	$0.0	$0.0
AEP Generating Company	$45.0	$150.0	$0.0	$0.0	$0.0	$0.0
AEP Texas*	$250.0	$110.6	$0.0	$425.0	$125.0	$0.0
AEP Transmission Company	$85.0	$0.0	$50.0	$104.0	$60.0	$95.0
Appalachian Power*	$281.0	$65.4	$367.5	$204.4	$0.0	$0.0
Indiana Michigan Power	$32.4	$16.9	$320.4	$83.1	$250.0	$0.0
Kentucky Power	$0.0	$65.0	$40.0	$75.0	$0.0	$65.0
Ohio Power*	$0.0	$0.0	$500.0	$0.0	$0.0	$0.0
Public Service of Oklahoma	$375.0	$12.7	$250.0	$0.0	$0.0	$0.0
Southwestern Electric Power	$53.5	$115.0	$0.0	$275.0	$0.0	$25.0
Wheeling Power Company	$0.0	$0.0	$0.0	$178.0	$0.0	$0.0
Total	$1,122	$1,036	$1,928	$1,644	$435	$185

* Excludes securitization bonds

Includes mandatory tenders (put bonds)
Data as of December 31, 2018

AEP Credit Ratings

Company	Moody's Senior Unsecured	Moody's Outlook	S&P Senior Unsecured	S&P Outlook
American Electric Power Company Inc.	Baa1	S	BBB+	S
AEP, Inc. Short Term Rating	P2	S	A2	S
AEP Texas Inc.	Baa1	S	A-	S
AEP Transmission Company, LLC [1]	A2	S	A-	S
Appalachian Power Company [2]	Baa1	S	A-	S
Indiana Michigan Power Company [2]	A3	S	A-	S
Kentucky Power Company	Baa2	N	A-	S
Ohio Power Company	A2	S	A-	S
Public Service Company of Oklahoma	A3	N	A-	S
Southwestern Electric Power Company	Baa2	S	A-	S
Transource Energy [3]	A2	S	NR	NR

[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 December 31, 2018


SUSTAINABLE FUTURE

Emission Reduction Goals

AEP's CO_2 Emission Reduction Goals

INTERMEDIATE GOAL:	LONG-TERM GOAL:
60% reduction from 2000 CO_2 emission levels by 2030	80% reduction from 2000 CO_2 emission levels by 2050

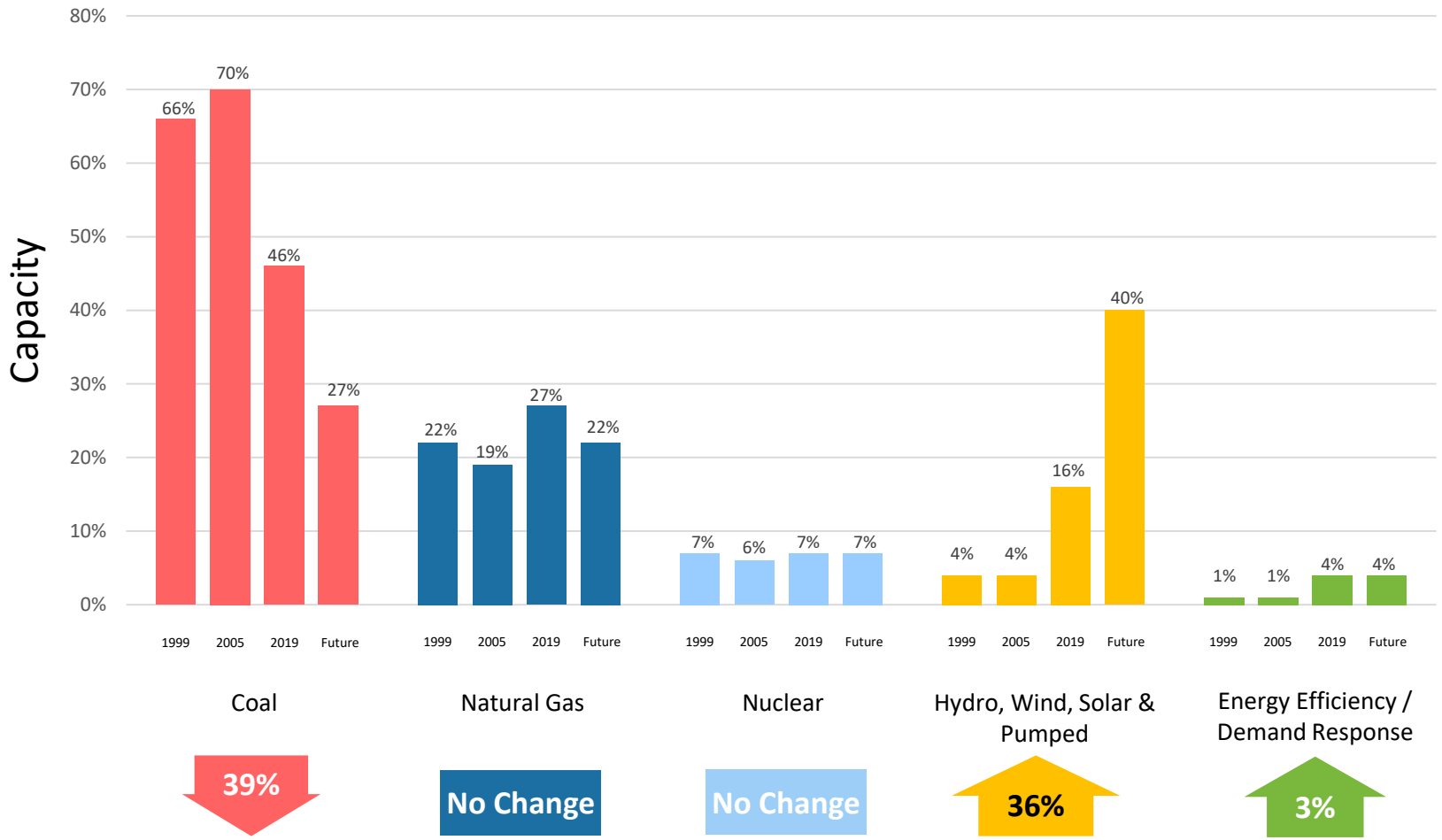
Strategy to Achieve:

- ❑ 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 & distribution
- ❑ Increased use of natural gas
- ❑ Optimization of our existing generating fleet

Environmental, Social & Governance (ESG) Reporting:

- ➢ AEP's Corporate Accountability Report
- ➢ Clean Energy Strategy: American Electric Power: Strategic Vision for a Clean Energy Future
- ➢ EEI ESG Sustainability Reporting: AEP's 2018 EEI ESG Report
- ➢ AEP's CDP Survey Responses
- ➢ AEP's GRI Report
- ➢ AEP also responds to investor-related surveys, including MSCI and Sustainalytics

Transforming Our Generation Fleet



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

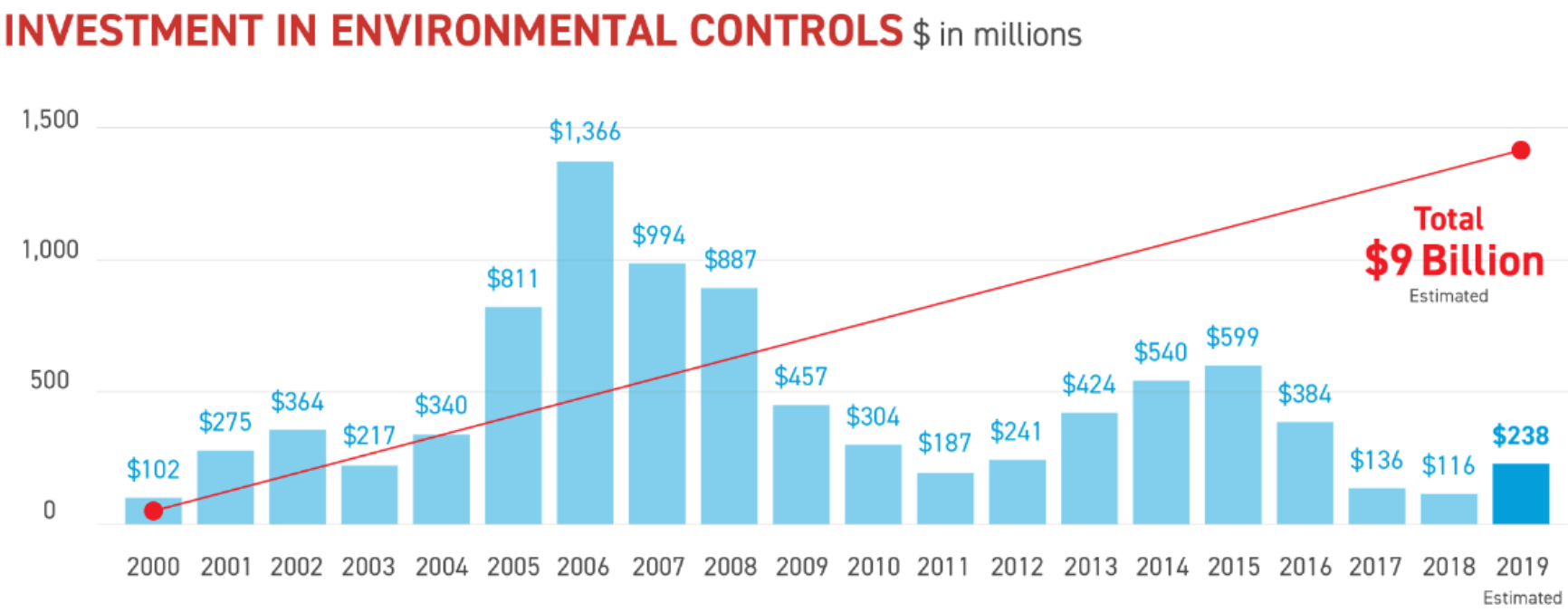
Delivering Clean Energy Resources

AEP's Expected Yearend 2019 Renewable Portfolio, in MW

Hydro, Wind, Solar & Pumped Storage	Owned MW	PPA MW	**Total MW**
AEP Ohio		209	**209**
Appalachian Power Company	785	575	**1,360**
Indiana Michigan Power Company	36	450	**486**
Public Service Company of Oklahoma		1,137	**1,137**
Southwestern Electric Power Company		469	**469**
Competitive Wind, Solar & Hydro	1,433	175	**1,608**
Total	2,254	3,015	**5,269**

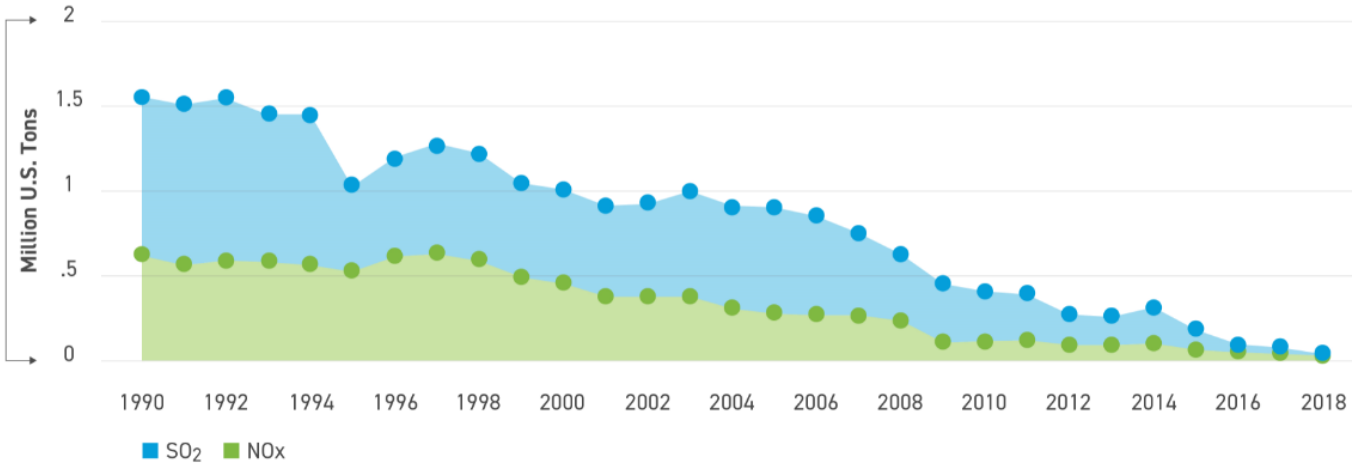
APPROXIMATELY
11,900 MW
OF RENEWABLE GENERATION
INTERCONNECTED ACROSS THE U.S. VIA
AEP'S TRANSMISSION SYSTEM TODAY

Largest Investment in Environmental Controls



Dramatic Reductions in Emissions

TOTAL AEP SYSTEM NOx & SO_2 EMISSIONS

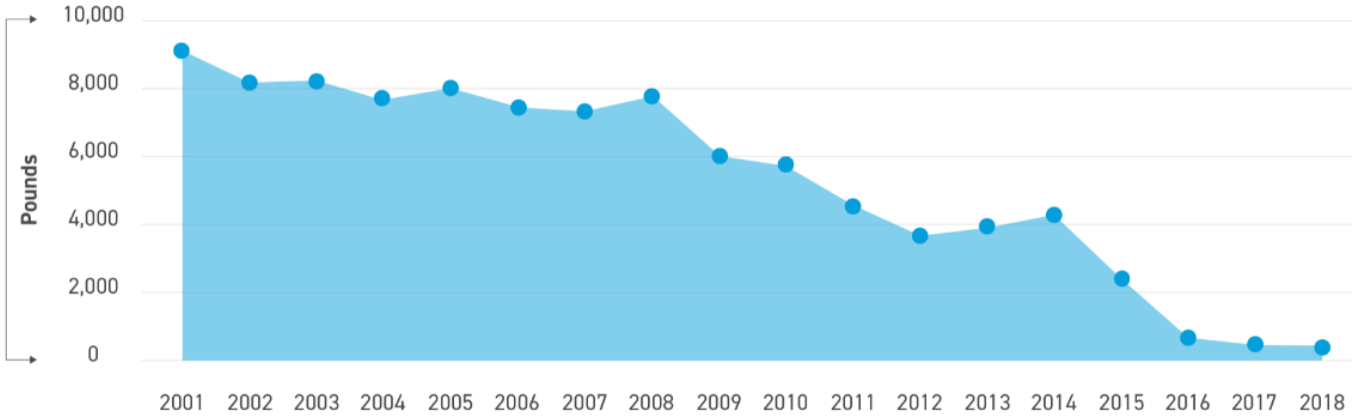


1990-2018
ACTUAL

SO_2 **96%**

NO_x **92%**

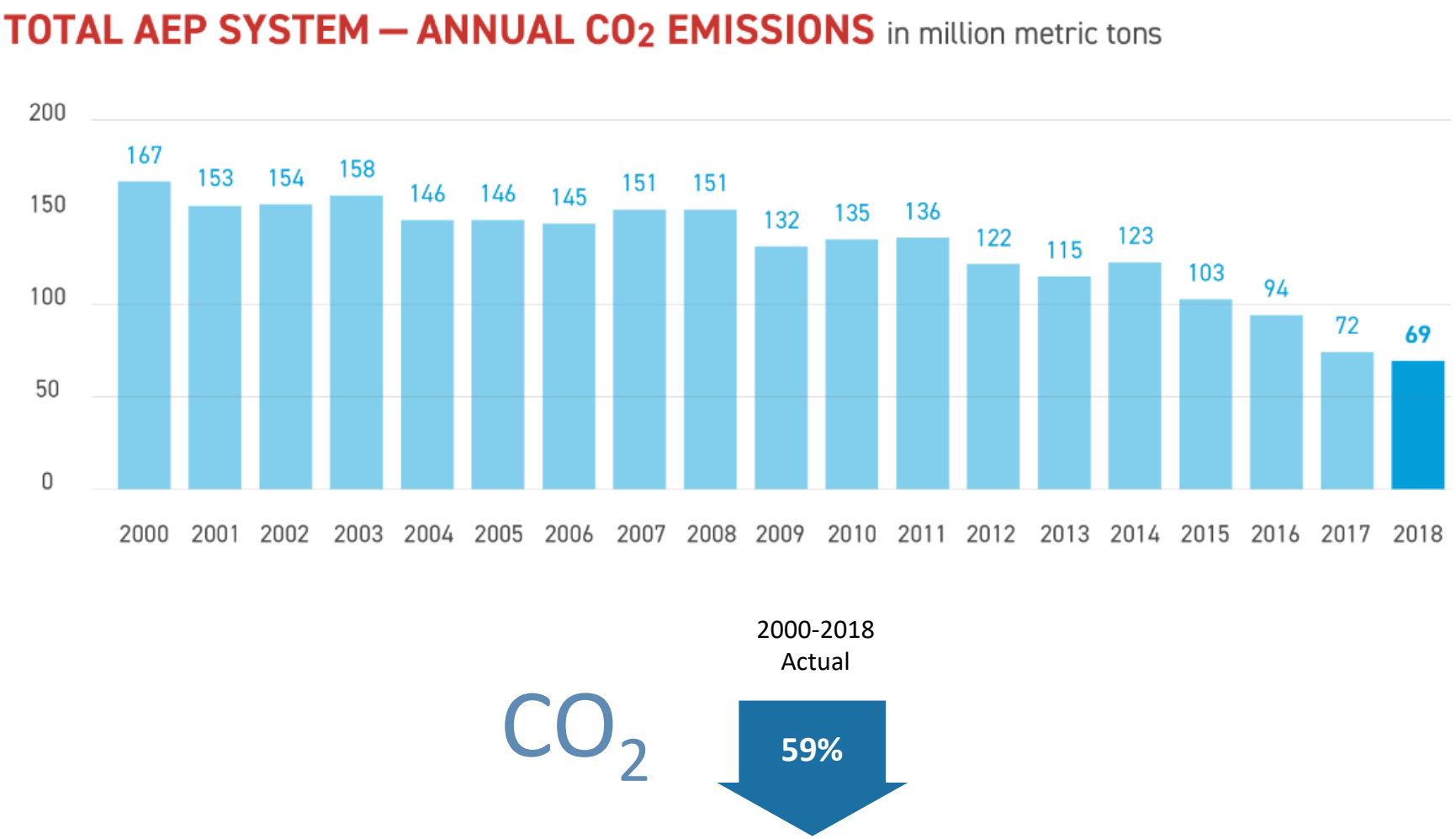
TOTAL AEP SYSTEM MERCURY EMISSIONS



2001-2018
ACTUAL

Hg **95%**

Dramatic Reductions in Emissions



HIGHER growth

HIGHER dividends

The Premier Regulated Energy Company

MORE certainty

MORE regulated

Positioned to Deliver Superior Risk Adjusted Returns