This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: the economic climate, growth or contraction within and changes in market demand and demographic patterns in our service territory, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinance existing debt at attractive rates, 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, customer growth and the impact of competition including competition for retail customers, weather conditions, including storms and drought conditions, and our ability to recover significant storm restoration costs, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generation capacity and the performance of our generation plants, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build transmission lines and facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of our generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel, a reduction in the federal statutory tax rate could result in an accelerated return of deferred federal income taxes to customers, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation, our ability to constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity and other energy-related commodities, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, our ability to recover through rates or market prices 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 and capacity auction returns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, the market for generation in Ohio and PJM and the ability to recover investment in Ohio generation assets, our ability to successfully and profitably manage our competitive generation assets including the evaluation and execution of strategic alternatives for these assets as some of the alternatives could result in a loss, changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of our debt, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting pronouncements periodically issued by accounting standard-setting bodies and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

INVESTOR RELATIONS:

Bette Jo Rozsa
Managing Director
Investor Relations
614-716-2840
bjrozza@aep.com

Darcy Reese
Director
Investor Relations
614-716-2614
dlreese@aep.com
THE PREMIER REGULATED ENERGY COMPANY

40,000+ Miles of Transmission

5.4M Customers in 11 States

26GW Owned Generation

$36B Current Market Capitalization

$63B Total Assets

Note: Statistics as of June 30, 2017, except market capitalization which is as of September 5, 2017.
DOING WHAT WE SAID

Completed strategic review of competitive assets

Reinvesting proceeds wisely

Growing regulated businesses
AEP GOING FORWARD

Well positioned as a regulated business

Earnings growth rate 5-7%

Growing dividend consistent with earnings
ORGANIC INVESTMENT OPPORTUNITY
EQUALS INCREASED GROWTH

2017 RESET OF BASE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Original Guidance for Regulated</td>
<td>$3.30</td>
</tr>
<tr>
<td>4%-6% Growth Rate</td>
<td>0.17</td>
</tr>
<tr>
<td>2017 Regulated Earnings</td>
<td>$3.47</td>
</tr>
<tr>
<td>Earnings from remaining G&amp;M business</td>
<td>0.09</td>
</tr>
<tr>
<td>Earnings from assets sold through Q1 2017</td>
<td>0.09</td>
</tr>
<tr>
<td>Midpoint of 2017 guidance</td>
<td>$3.65</td>
</tr>
</tbody>
</table>

Operating Earnings Guidance (non-GAAP)

- **2017**: $3.55-$3.75
- **2018**: $3.75-$3.95
- **2019**: $4.00-$4.20
- **Future**: 5-7% CAGR
STRONG, CONSISTENT DIVIDEND GROWTH

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

* Subject to Board approval
CAPITAL FORECAST

$17.3B Cap-ex from 2017-2019

- **AEP Transmission Holdco**
  - $4.7B | 27%
- **Transmission**
  - $4.3B | 25%
- **Distribution**
  - $3.8B | 22%
- **Regulated Renewables**
  - $1.0B | 6%
- **Regulated Environmental Generation**
  - $1.0B | 6%
- **Regulated Fossil & Hydro Generation**
  - $0.9B | 5%
- **Nuclear Generation**
  - $0.3B | 2%
- **Corporate**
  - $0.8B | 4%

- **Contracted Renewables**
  - $1.0B | 6%
- **Regulated Renewables**
  - $0.5B | 3%

100% of capital allocated to regulated businesses and contracted renewables.

74% allocated to wires.
7.7% CAGR IN RATE BASE
CUMULATIVE CHANGE FROM 2015 BASE

2015 Rate Base Proxy
Vertically Integrated Utilities $21.9B
T&D Utilities $7.8B
Transcos/Transource $3.1B
Total $32.8B

<table>
<thead>
<tr>
<th>Year</th>
<th>Vertically Integrated Utilities</th>
<th>T&amp;D Utilities</th>
<th>Transcos/Transource</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>$1.0B</td>
<td>$0.8B</td>
<td>$0.8B</td>
<td>$2.6B</td>
</tr>
<tr>
<td>2017E</td>
<td>$1.5B</td>
<td>$1.4B</td>
<td>$2.2B</td>
<td>$5.1B</td>
</tr>
<tr>
<td>2018E</td>
<td>$2.4B</td>
<td>$2.5B</td>
<td>$3.4B</td>
<td>$8.3B</td>
</tr>
<tr>
<td>2019E</td>
<td>$3.2B</td>
<td>$3.4B</td>
<td>$4.8B</td>
<td>$11.4B</td>
</tr>
</tbody>
</table>
**REGULATED RETURNS**
12 MONTHS ENDED 6/30/2017 EARNED ROE (NON-GAAP OPERATING EARNINGS)

- **AEP OH**: 13.6%
- **AEP OH**: 12.2%
- **APCo**: 8.9%
- **I&M**: 9.3%
- **PSO**: 6.7%
- **SWEPCO**: 6.3%
- **Trans**: 13.2%
- **AEP TX**: 10.2%

**Regulated Totals**
- 2014-2016 Avg: 9.8%
- 2017 Forecast: 9.9%
- 2017-2019 Avg: 10.0%

Sphere size based on each company’s relative equity balance.

Regulated Operations ROE of 9.8%
as of June 30, 2017

*AEP Ohio adjusted for SEET items. Base rate cases pending at other operating companies.*
CONTINUOUS IMPROVEMENT ENABLES O&M DISCIPLINE

Proven Track Record of O&M Discipline
(Amounts exclude items recovered in riders(trackers)
$ in billions

- 2011A: $3.0
- 2012A: $2.8
- 2013A: $2.8
- 2014A: $3.1
- 2015A: $3.0
- 2016A: $3.1
- 2017E: $3.0
WEATHER NORMALIZED LOAD TRENDS

Note: Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale and Buckeye Power backup load.
Base rate case filed July 26, 2017

- Cause #: 44967
- Requested rate base: $4.185B
- Requested ROE: 10.6%
- Cap Structure: 53.5%D / 46.5%E
- Base Rate Increase: $263M, ($89M increased D&A)
- Test Year: December 31 2018 forecasted test year
- Effective Date: Requested by July 1, 2018

- Timeline:
  - OUCC/Intervenors file 11/07/2017
  - I&M Rebuttal 12/06/2017
  - Evidentiary hearing 01/16-29/2018
PENDING RATE CASE
I&M - MICHIGAN

Base rate case filed May 15, 2017

- Docket #: U-18370
- Requested rate base: $1.015B
- Requested ROE: 10.6%
- Cap Structure: 53.6%D / 46.4%E
- Base Rate Increase: $51.7M, ($23M increased depreciation)
- Test Year: 2018 Fully Projected, 13-mo. average
- Effective Date: 10 months after filing - March 15, 2018
- Procedural Schedule:
  - Staff/Intervenor Filing: 9/14/2017
  - Rebuttal Testimony: 10/02/17
  - Hearing: 10/18-26/17
  - Initial Briefs: 11/20/17
  - Reply Briefs: 12/07/17
  - Proposal for Decision (PFD): 01/12/18
Base rate case filed June 28, 2017

- Docket #: 2017-00179
- Requested rate base: $1.195B
- Requested ROE: 10.0%
- Cap Structure: 54.45%D/3.87%A/41.68%E
- Base Rate Increase: $63.3M
- Test Year: 2/28/17 plus adjustments
- Effective Date: January 18, 2018
- Procedural Schedule:
  - Staff/Intervenor Filing: 10/03/17
  - KY Rebuttal Testimony: 11/03/17
  - Hearing: 12/06/17
PENDING RATE CASE
PSO - OKLAHOMA

Base rate case filed June 30, 2017

- Docket #: PUD 201700151
- Requested rate base: $2.527B
- Requested ROE: 10.0%
- Cap Structure: 51.5%D / 48.5%E
- Base Rate Increase: $156M
- Test Year: December 31, 2016
- Effective Date: interim rates January 13, 2018
- Procedural Schedule:

  - Intervenor Testimony 9/21/17
  - Rebuttal Testimony 10/11/17
  - Hearings 10/30/17
  - ALJ report 12/04/17
Base rate case filed December 16, 2016

- Docket #: 46449
- Requested rate base: $1.238B
- Requested ROE: 10.0%
- Cap Structure: 51.5%D/48.5%E
- Base Rate Increase: $69M net ($106M less $37M TCRF/DCRF decrease)
- Test Year: June 30, 2016
- Status: Waiting on order
## AEP Consolidated Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash from Operations</strong></td>
<td>4,500</td>
<td>4,400</td>
<td>4,800</td>
<td>5,000</td>
</tr>
<tr>
<td>Capital &amp; JV Equity Contributions</td>
<td>(4,900)</td>
<td>(5,700)</td>
<td>(6,000)</td>
<td>(5,600)</td>
</tr>
<tr>
<td>Other Investing Activities *</td>
<td>(100)</td>
<td>1,800</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td>Common Dividends **</td>
<td>(1,100)</td>
<td>(1,200)</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
<tr>
<td><strong>Excess (Required) Capital</strong></td>
<td>(1,600)</td>
<td>(700)</td>
<td>(2,600)</td>
<td>(2,000)</td>
</tr>
</tbody>
</table>

### Financing ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess (Required) Capital</strong></td>
<td>(1,600)</td>
<td>(700)</td>
<td>(2,600)</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Debt Maturities (Senior Notes, PCRBs)</td>
<td>(1,500)</td>
<td>(2,600)</td>
<td>(1,400)</td>
<td>(1,900)</td>
</tr>
<tr>
<td>Securitization Amortizations</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
</tr>
<tr>
<td>Equity Issuances (DRP/401K)</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Capital Market Needs (New)</td>
<td>(3,370)</td>
<td>(3,600)</td>
<td>(4,300)</td>
<td>(4,200)</td>
</tr>
</tbody>
</table>

### Financial Metrics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capitalization Target</td>
<td>55-60%</td>
</tr>
<tr>
<td>FFO/Total Debt ***</td>
<td>Mid to Upper Teens</td>
</tr>
</tbody>
</table>

* Other Investing in 2017 reflects the cash proceeds from sale of assets

** Dividend increased to $0.59 per share Q4 2016 for total dividends of $2.27/share; $2.36/share 2017 - 2019. Dividend evaluated by Board of Directors each quarter; stated target payout ratio range is 60 - 70%

*** Excludes securitization debt
Credit ratings updated June 6, 2017.

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

*AEP Transmission Company, LLC has also received a Senior Unsecured rating of A- from Fitch Ratings, with an outlook of Stable.
### CAPITAL FORECAST
#### 2017-2019 BY SUBSIDIARY

<table>
<thead>
<tr>
<th>$ in millions (excluding AFUDC)</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power Company</td>
<td>$780</td>
<td>$1,130</td>
<td>$693</td>
<td>$2,603</td>
</tr>
<tr>
<td>Wheeling Power Company</td>
<td>$44</td>
<td>$63</td>
<td>$68</td>
<td>$175</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>$604</td>
<td>$508</td>
<td>$502</td>
<td>$1,614</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>$96</td>
<td>$130</td>
<td>$162</td>
<td>$388</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>$515</td>
<td>$503</td>
<td>$481</td>
<td>$1,499</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>$250</td>
<td>$294</td>
<td>$289</td>
<td>$833</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>$374</td>
<td>$400</td>
<td>$349</td>
<td>$1,123</td>
</tr>
<tr>
<td>AEP Texas</td>
<td>$1,099</td>
<td>$976</td>
<td>$1,030</td>
<td>$3,105</td>
</tr>
<tr>
<td>AEP Generating Company</td>
<td>$79</td>
<td>$72</td>
<td>$97</td>
<td>$248</td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$1,501</td>
<td>$1,573</td>
<td>$1,618</td>
<td>$4,692</td>
</tr>
<tr>
<td>AEP Onsite &amp; AEP Renewables</td>
<td>$303</td>
<td>$317</td>
<td>$342</td>
<td>$962</td>
</tr>
<tr>
<td>Other</td>
<td>$21</td>
<td>$37</td>
<td>$28</td>
<td>$86</td>
</tr>
<tr>
<td><strong>Total Capital and Equity Contributions</strong></td>
<td><strong>$5,666</strong></td>
<td><strong>$6,003</strong></td>
<td><strong>$5,659</strong></td>
<td><strong>$17,328</strong></td>
</tr>
</tbody>
</table>

Capital plans are continuously optimized, which may result in redeployment between functions and companies.
CAPITALIZATION & LIQUIDITY

Liquidity Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Credit Facility</td>
<td>$3,000</td>
<td>Jun-21</td>
</tr>
<tr>
<td>Plus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$172</td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Paper Outstanding</td>
<td>(1,324)</td>
<td></td>
</tr>
<tr>
<td>Letters of Credit Issued</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Available Liquidity</td>
<td>$1,848</td>
<td></td>
</tr>
</tbody>
</table>

Qualified Pension Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q1-17</th>
<th>Q2-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92%</td>
<td>99%</td>
<td>97%</td>
<td>97%</td>
<td>96%</td>
<td>98%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Total Debt / Total Capitalization

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q1-17</th>
<th>Q2-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short/Long Term Debt</td>
<td>55.2%</td>
<td>54.3%</td>
<td>54.3%</td>
<td>53.2%</td>
<td>55.9%</td>
<td>54.0%</td>
<td>54.5%</td>
</tr>
<tr>
<td>Securitization Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Credit Statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO to Total Debt</td>
<td>18.1%</td>
<td>15%-20%</td>
</tr>
</tbody>
</table>

Strong balance sheet, credit metrics, and liquidity
# Debt Maturity Profile

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP, Inc.</td>
<td>$550.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$300.0</td>
</tr>
<tr>
<td>AEP Generating Company</td>
<td>$0.0</td>
<td>$125.0</td>
<td>$45.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$104.0</td>
</tr>
<tr>
<td>AEP Texas*</td>
<td>$40.9</td>
<td>$30.0</td>
<td>$250.0</td>
<td>$50.6</td>
<td>$0.0</td>
<td>$25.0</td>
</tr>
<tr>
<td>AEP Transmission Company</td>
<td>$0.0</td>
<td>$50.0</td>
<td>$85.0</td>
<td>$0.0</td>
<td>$50.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Appalachian Power*</td>
<td>$0.0</td>
<td>$100.0</td>
<td>$281.0</td>
<td>$65.4</td>
<td>$367.5</td>
<td>$0.0</td>
</tr>
<tr>
<td>Indiana Michigan Power</td>
<td>$2.6</td>
<td>$300.0</td>
<td>$554.4</td>
<td>$57.8</td>
<td>$163.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Kentucky Power</td>
<td>$325.0</td>
<td>$75.0</td>
<td>$0.0</td>
<td>$65.0</td>
<td>$40.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Ohio Power*</td>
<td>$0.0</td>
<td>$350.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$500.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Public Service of Oklahoma</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$375.0</td>
<td>$12.7</td>
<td>$250.0</td>
<td>$275.0</td>
</tr>
<tr>
<td>Southwestern Electric Power</td>
<td>$0.0</td>
<td>$381.7</td>
<td>$453.5</td>
<td>$115.0</td>
<td>$0.0</td>
<td>$113.0</td>
</tr>
<tr>
<td>Wheeling Power Company</td>
<td>$0.0</td>
<td>$65.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$918</strong></td>
<td><strong>$1,477</strong></td>
<td><strong>$2,044</strong></td>
<td><strong>$366</strong></td>
<td><strong>$1,371</strong></td>
<td><strong>$817</strong></td>
</tr>
</tbody>
</table>

* Excludes securitization bonds

Includes mandatory tenders (put bonds)
Data as of June 30, 2017
$3 BILLION ANNUAL TRANSMISSION INVESTMENT

- Improving reliability by replacing aging infrastructure
- Enhancing resiliency to combat extreme weather and increasing physical security
- Integrating renewables and supporting environmental mandates
- Relieving congestion to support an efficient generation market and provide customers with lower power prices
- Supporting economic development
AEP TRANSMISSION MANAGES

THE LARGEST TRANSMISSION NETWORK IN NORTH AMERICA

AEP Transmission Business

**Transcos**
- OH Transco
  - $2,407M
- WV Transco
  - $793M
- IM Transco
  - $1,426M
- OK Transco
  - $840M
- KY Transco
  - $84M

**Joint Ventures**
- ETT
  - $2,878M
- Transource
  - $318M
- Pioneer
  - $128M
- Prairie Wind
  - $148M

**Operating Companies**
- APCo/WPCo/Kgp
  - $2,665M
- I&M
  - $1,123M
- OPCo
  - $1,599M
- KPCo
  - $393M
- PSO
  - $720M
- SWEPCO
  - $1,319M
- AEP Texas
  - $2,772M

**TRANSMISSION HOLDCO**

$5.6B Net Plant

$3.5B Net Plant

$10.6B Net Plant

Note: Figures represent net plant invested (including CWIP) as of 6/30/2017; joint ventures include total net plant invested.
Cumulative capital investment of nearly $10 billion to grow EPS at a CAGR of 39% through 2019

Actual Cumulative Capital Investment
Projected Cumulative Capital Investment
EPS Contribution $/Share

Note: AEPTHC only. Capital excludes investment in the AEP operating companies, JV equity contributions, and Transource unapproved projects.
## CONTRACTED RENEWABLES

$1B CAPITAL ALLOCATED 2017-2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Generation Asset Owner</td>
<td>✔️</td>
</tr>
<tr>
<td>“Behind-the-Meter” Energy Assets</td>
<td>✔️</td>
</tr>
<tr>
<td>Universal Scale Energy Assets</td>
<td>✔️</td>
</tr>
<tr>
<td>Key Customers</td>
<td>Schools, Cities, Hospitals and Commercial / Industrial Accounts</td>
</tr>
<tr>
<td></td>
<td>Utilities, Municipalities, Corporations and Cooperative Accounts</td>
</tr>
<tr>
<td>Key Technologies</td>
<td>Solar, energy storage and combined heat and power</td>
</tr>
<tr>
<td></td>
<td>Wind and Solar</td>
</tr>
</tbody>
</table>
PREFERRED PROJECT PARTNER

- Strong balance sheet
- Ability to invest
- Tax appetite
- Customer relationship
- Incremental sales channel

AEP IS A WELCOMED STRATEGIC PARTNER
STRONG PIPELINE OF ADDITIONAL OPPORTUNITIES

DEVELOPMENT PROJECTS

- Fully contracted assets
- Strong credit counterparties
- Long-term predictable cash flows and earnings

DISCIPLINED INVESTMENT

- Specific return requirements
- Detailed technical reviews
- Measured approach to project risks
- Optimized through skilled asset management
POSITIONING FOR A SUSTAINABLE FUTURE

- Transforming our generation fleet
- Dramatically reducing emissions
- Adding more renewable sources
- Integrating renewables through the nation’s largest transmission network
AEP'S GENERATING RESOURCE PORTFOLIO
PAST AND FUTURE CAPACITY

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

Excludes impact of Wind Catcher.
INVESTING BILLIONS TO REDUCE EMISSIONS

Investing Billions to Reduce Emissions

$ in millions


Estimated

Total $8.7 Billion Estimated
DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System - Annual CO₂ Emissions
in million metric tons

CO₂

2000-2016 actual: 44%
2000-2017 estimated: 56%
Post-Ohio Disposition estimated: 59%
DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System NOx & SO2 Emissions

- **SO2**
  - 1990-2016 ACTUAL: 94%
  - 1990-2017 ESTIMATED: 94%
  - Post-OhioDisposition ESTIMATED: 94%

- **NOx**
  - 2001-2015 ACTUAL: 90%
  - 2001-2017 ESTIMATED: 91%
  - Post-OhioDisposition ESTIMATED: 93%

Total AEP System Mercury Emissions

- **Hg**
  - 1990-2016 ACTUAL
  - 1990-2017 ESTIMATED
  - Post-OhioDisposition ESTIMATED: 93%
INVESTING IN A GREENER FUTURE

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW</td>
<td>185</td>
<td>390</td>
<td>160</td>
<td>120</td>
<td>130</td>
<td>120</td>
<td>180</td>
<td>170</td>
<td>220</td>
<td>210</td>
<td>230</td>
<td>290</td>
<td></td>
<td>2,405</td>
</tr>
<tr>
<td>MW</td>
<td>195</td>
<td>550</td>
<td>775</td>
<td>375</td>
<td>300</td>
<td>250</td>
<td>250</td>
<td>450</td>
<td>450</td>
<td>250</td>
<td>400</td>
<td>400</td>
<td></td>
<td>4,895</td>
</tr>
<tr>
<td>MW</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,130</td>
</tr>
</tbody>
</table>

Source: Current Internal Integrated Resource Plans.

Wind and solar represents nameplate MW capacity.

Excludes impact of Wind Catcher

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

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

<table>
<thead>
<tr>
<th>Hydro, Wind, Solar &amp; Pumped Storage</th>
<th>Owned MW</th>
<th>PPA MW</th>
<th>Total MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>209</td>
<td></td>
<td>209</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>788</td>
<td>455</td>
<td>1,243</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>38</td>
<td>450</td>
<td>488</td>
</tr>
<tr>
<td>Public Service of Oklahoma</td>
<td>1,137</td>
<td></td>
<td>1,137</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>469</td>
<td></td>
<td>469</td>
</tr>
<tr>
<td>Competitive Wind, Solar &amp; Hydro</td>
<td>443</td>
<td>177</td>
<td>620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,269</td>
<td>2,897</td>
<td><strong>4,166</strong></td>
</tr>
</tbody>
</table>

**Approximately 10,000 MW** of renewable generation interconnected across the U.S. via AEP's transmission system today.
WIND CATCHER ENERGY CONNECTION

Project is expected to reduce rates for PSO & SWEPCO customers over the life of the project with savings starting year-1 of operation, while providing meaningful capital investment and earnings growth opportunity for shareholders

- **Project Scope:** 2,000 MW (nameplate) wind farm and a dedicated ~350-mile 765kV gen-tie line
- **Regulated Investment Value:** ~$4.5 billion (includes taxes, overheads, AFUDC, and contingency)
- **Total Customer Savings (over 25-years):** $7.6 billion including value of Federal Production Tax Credit: $2.5 billion over first 10-years

- **Requested State Regulatory Approvals:** April 30, 2018; Planning to file at FERC in 4Q 2017
- **Target Completion:** Q4 2020
- **Proposed Ownership:** SWEPCO (70%) & PSO (30%)
- **Procedural Schedule:** Texas hearing is scheduled for January 16-26, 2018.

<table>
<thead>
<tr>
<th>Cost Detail</th>
<th>Wind Plant</th>
<th>Gen-Tie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Suppliers</td>
<td>Invenergy</td>
<td>Quanta Services</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$2.9 billion</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$4.5 billion</strong></td>
<td></td>
</tr>
</tbody>
</table>
THE PREMIER REGULATED ENERGY COMPANY

HIGHER growth

HIGHER dividends

MORE regulated

MORE certainty