BARCLAYS POWER & UTILITY CREDIT CONFERENCE

Lonni Dieck - SVP & Treasurer
Bette Jo Rozsa - Managing Director Investor Relations

February 28, 2017
New York, NY
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
bjrozsa@aep.com

Bradley Funk
Director
Investor Relations
614-716-3162
bmfunk@aep.com

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THE PREMIER REGULATED ENERGY COMPANY
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:

- 2016 Original Guidance for Regulated 4%-6% Growth Rate $3.30
- 2017 Regulated Earnings $3.47
- Earnings from remaining G&M business $0.09
- Earnings from assets sold through Q1 2017 $0.09
- Midpoint of 2017 guidance $3.65

5-7% CAGR

2017 Operating Earnings Guidance (non-GAAP):
- $3.55-$3.75

2018:
- $3.75-$3.95

2019:
- $4.00-$4.20

Future:
- $4.25-$4.50

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$17.3B Cap-ex from 2017-2019

CAPITAL FORECAST

- AEP Transmission Holdco: $4.7B | 27%
- Distribution: $3.8B | 22%
- Transmission: $4.3B | 25%
- 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%

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

Vertically Integrated Utilities
T&D Utilities
Transcos/Transource

2016A
Vertically Integrated Utilities $1.0B
T&D Utilities $1.5B
Transcos/Transource $0.8B
Total $2.6B

2017E
Vertically Integrated Utilities $1.5B
T&D Utilities $2.2B
Transcos/Transource $0.8B
Total $5.1B

2018E
Vertically Integrated Utilities $1.4B
T&D Utilities $2.5B
Transcos/Transource $3.0B
Total $8.3B

2019E
Vertically Integrated Utilities $3.2B
T&D Utilities $3.4B
Transcos/Transource $3.4B
Total $11.4B
REGULATED RETURNS
12 MONTHS ENDED 12/31/2016 EARNED ROE (NON-GAAP OPERATING EARNINGS)

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

* Transco ROE 11.2%
CAPITALIZATION AND LIQUIDITY

Total Debt / Total Capitalization

Credit Statistics

- FFO Interest Coverage: Actual 5.8x, Target >3.6x
- FFO to Total Debt: Actual 20.2%, Target 15%-20%

Note: Credit statistics represent the trailing 12 months as of 12/31/2016

Liquidity Summary

- (unaudited)

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>12/31/2016</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Credit Facility</td>
<td>$3,000</td>
<td></td>
</tr>
<tr>
<td>Revolving Credit Facility</td>
<td>$500</td>
<td>June 2018</td>
</tr>
<tr>
<td>Total Credit Facilities</td>
<td>$3,500</td>
<td></td>
</tr>
<tr>
<td>Plus</td>
<td></td>
<td>$210</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td></td>
<td>$210</td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td>$210</td>
</tr>
<tr>
<td>Commercial Paper Outstanding</td>
<td>(1,040) *</td>
<td></td>
</tr>
<tr>
<td>Letters of Credit Issued</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Available Liquidity</td>
<td>$2,670</td>
<td></td>
</tr>
</tbody>
</table>

* Commercial paper was paid down subsequent to 1/30/2017 closing on sale of non-PPA plants.
## AEP Consolidated Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>2016A</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Operations</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>Excess (Required) Capital</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>$ in millions</th>
<th>2016A</th>
<th>2017E</th>
<th>2018E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Required) Capital</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
## 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>Texas Central Company</td>
<td>$783</td>
<td>$725</td>
<td>$623</td>
<td>$2,131</td>
</tr>
<tr>
<td>Texas North Company</td>
<td>$316</td>
<td>$251</td>
<td>$407</td>
<td>$974</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>$5,666</td>
<td>$6,003</td>
<td>$5,659</td>
<td>$17,328</td>
</tr>
</tbody>
</table>

Capital plans are continuously optimized, which may result in redeployment between functions and companies.
<table>
<thead>
<tr>
<th>Company</th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior Unsecured</td>
<td>Senior Unsecured</td>
</tr>
<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>Baa1</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.

Credit ratings updated February 3, 2017.
# Debt Maturity Profile

($ in millions)

<table>
<thead>
<tr>
<th>Year</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>$45.0</td>
<td>$125.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$104.0</td>
</tr>
<tr>
<td>AEP Generation Resources</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>AEP Texas Central Company*</td>
<td>$40.9</td>
<td>$0.0</td>
<td>$175.0</td>
<td>$6.3</td>
<td>$0.0</td>
<td>$25.0</td>
</tr>
<tr>
<td>AEP Texas North Company</td>
<td>$0.0</td>
<td>$30.0</td>
<td>$75.0</td>
<td>$44.3</td>
<td>$0.0</td>
<td>$0.0</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>$250.0</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>$81.2</td>
<td>$300.0</td>
<td>$547.3</td>
<td>$65.7</td>
<td>$86.7</td>
<td>$0.0</td>
</tr>
<tr>
<td>Kentucky Power</td>
<td>$390.0</td>
<td>$75.0</td>
<td>$0.0</td>
<td>$0.0</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>$100.0</td>
<td>$381.7</td>
<td>$453.5</td>
<td>$0.0</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>$1,457</strong></td>
<td><strong>$1,477</strong></td>
<td><strong>$1,992</strong></td>
<td><strong>$194</strong></td>
<td><strong>$1,294</strong></td>
<td><strong>$817</strong></td>
</tr>
</tbody>
</table>

* Excludes securitization bonds

Includes mandatory tenders (put bonds)

Data as of February 28, 2017
CONTINUOUS IMPROVEMENT ENABLES O&M DISCIPLINE

Proven Track Record of O&M Discipline
(Amounts exclude River Operations and items recovered in riders/trackers)

$ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011A</td>
<td>$3.0</td>
</tr>
<tr>
<td>2012A</td>
<td>$2.8</td>
</tr>
<tr>
<td>2013A</td>
<td>$2.8</td>
</tr>
<tr>
<td>2014A</td>
<td>$3.1</td>
</tr>
<tr>
<td>2015A</td>
<td>$3.0</td>
</tr>
<tr>
<td>2016A</td>
<td>$3.1</td>
</tr>
<tr>
<td>2017E</td>
<td>$3.0</td>
</tr>
</tbody>
</table>
NORMALIZED LOAD TRENDS

AEP Residential Normalized GWh Sales
% Change vs. Prior Year

Q4-15: -4.0%
Q1-16: -1.6%
Q2-16: 2.4%
Q3-16: 1.2%
Q4-16: -2.0%
YTD-16: 0.0%
2017 E: 0.2%

AEP Commercial Normalized GWh Sales
% Change vs. Prior Year

Q4-15: -3.9%
Q1-16: 0.7%
Q2-16: 1.0%
Q3-16: 2.6%
Q4-16: 0.9%
YTD-16: 0.3%
2017 E: 0.3%

AEP Industrial GWh Sales
% Change vs. Prior Year

Q4-15: -3.3%
Q1-16: 0.9%
Q2-16: -4.0%
Q3-16: -2.6%
Q4-16: -1.4%
YTD-16: 1.5%
2017 E: 0.7%

AEP Total Normalized GWh Sales
% Change vs. Prior Year

Q4-15: -3.7%
Q1-16: -0.1%
Q2-16: -0.4%
Q3-16: -0.5%
Q4-16: 0.3%
YTD-16: -0.2%
2017 E: 0.7%
STRONG, CONSISTENT DIVIDEND GROWTH

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

* Subject to Board approval
PENDING RATE CASE
SWEPCO - TEXAS

Base rate case filed December 16, 2016

- Docket #: 46449
- Requested rate base: $1.238B
- Requested ROE: 10.0%
- Cap Structure: 51.54%D / 48.46%E
- Base Rate Increase: $69M net ($106M less $37M TCRF/DCRF decrease)
- Percentage Rate Incr: 12.7% total bill increase

Timeline:
- Intervenor Testimony: April 25, 2017
- Staff Testimony: May 2, 2017
- Rebuttal Testimony: May 19, 2017
- Hearing Begins: June 5, 2017
AEP TRANSMISSION MANAGES
THE LARGEST TRANSMISSION NETWORK IN NORTH AMERICA

AEP Transmission Business

Transcos
- OH Transco $2,070M
- WV Transco $621M
- IM Transco $1,087M
- OK Transco $661M
- KY Transco $70M

$4.5B Net Plant
639 Circuit Miles
43 Substations

Joint Ventures
- ETT $2,828M
- Transource $299M
- Pioneer $66M
- Prairie Wind $151M

$3.3B Net Plant
2,037 Circuit Miles
100 Substations

Operating Companies
- APCo $2,328M
- I&M $1,057M
- OPCo $1,533M
- KPCo $389M
- PSO $697M
- SWEPCO $1,250M
- AEP Texas $2,439M

$9.7B Net Plant
36,743 Circuit Miles
3,344 Substations

TRANSMISSION HOLDCO

Note: Figures represent net plant invested (including CWIP); joint ventures include total net plant invested

Located in PJM
Located in SPP
Located in ERCOT

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AEPTHC CAPITAL AND EPS FORECAST FOR 2016-2019

Cumulative capital investment of nearly $10 billion to grow EPS at a CAGR of 39% through 2019

Note: AEPTHC only. Capital excludes investment in the AEP operating companies, JV equity contributions, and Transource unapproved projects.
$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
# Significant Organic Investment Runway

<table>
<thead>
<tr>
<th>Life Expectancy</th>
<th>Current quantity over Life Expectancy</th>
<th>Quantity that will exceed Life Expectancy in next ten years</th>
<th>Total Renewal Opportunity over ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Miles</td>
<td>70</td>
<td>7,145</td>
<td>12,720</td>
</tr>
<tr>
<td>Transformers</td>
<td>60</td>
<td>1,396</td>
<td>2,135</td>
</tr>
<tr>
<td>Circuit Breakers</td>
<td>50</td>
<td>2,001</td>
<td>4,462</td>
</tr>
</tbody>
</table>
INVESTING IN A GREENER FUTURE

AEP SYSTEM PLANNED GENERATION RESOURCE ADDITIONS
regulated and AEP Ohio Purchase Power Agreement

Total MW
3,400
5,400
3,000

Source: Current internal Integrated Resource Plans, which largely do not reflect ITC/PTC extension or Bonus Depreciation. Wind and solar represent nameplate MW capacity.
### DELIVERING CLEAN ENERGY RESOURCES

**AEP’s 2016 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>210</td>
<td></td>
<td>210</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>788</td>
<td>454</td>
<td>1,242</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>1,139</td>
<td></td>
<td>1,139</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>470</td>
<td></td>
<td>470</td>
</tr>
<tr>
<td>Competitive Wind &amp; Hydro</td>
<td>359</td>
<td>177</td>
<td>536</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,185</td>
<td>2,900</td>
<td>4,085</td>
</tr>
</tbody>
</table>

Approximately **9,000 MW** of renewable generation interconnected across the U.S. via AEP’s transmission system today.
AEP'S GENERATING RESOURCE PORTFOLIO
PAST AND FUTURE CAPACITY

1999 includes AEP and Central and South West generation combined. All periods presented include Purchase Power Agreements. Future excludes Cardinal, Conesville, Stuart and Zimmer plants.

* Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.
Dramatic reductions in emissions

**TOTAL AEP SYSTEM NOx & SO2 EMISSIONS**


**TOTAL AEP SYSTEM MERCURY EMISSIONS**


* Reflects impact of sale of Lawrenceburg, Waterford, Darby and Gavin plants
Future excludes Cardinal, Conesville, Stuart and Zimmer plants
DRAMATIC REDUCTIONS IN EMISSIONS

TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS
in million metric tons

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>167.1</td>
<td>152.7</td>
<td>153.6</td>
<td>158.0</td>
<td>146.0</td>
<td>145.8</td>
<td>145.2</td>
<td>150.7</td>
<td>150.9</td>
<td>132.0</td>
<td>135.1</td>
<td>136.5</td>
<td>121.9</td>
<td>115.3</td>
<td>122.7</td>
<td>102.5</td>
<td>102.0</td>
<td>89.8</td>
</tr>
</tbody>
</table>

- Reflects impact of sale of Lawrenceburg, Waterford, Darby and Gavin plants
- Future excludes Cardinal, Conesville, Stuart and Zimmer plants

2000-2015 actual: 39%
2000-2017* estimated: 46%
2000-future estimated: 58%
# Contracted Renewables

$1B Capital Allocated 2017-2019

<table>
<thead>
<tr>
<th></th>
<th>AEP Onsite Partners™</th>
<th>AEP Renewables®</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable Generation Asset Owner</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>“Behind-the-Meter” Energy Assets</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Universal Scale Energy Assets</strong></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Key Customers</strong></td>
<td>Schools, Cities, Hospitals and Commercial / Industrial Accounts</td>
<td>Utilities, Municipalities, Corporations and Cooperative Accounts</td>
</tr>
<tr>
<td><strong>Key Technologies</strong></td>
<td>Solar, energy storage and combined heat and power</td>
<td>Wind and Solar</td>
</tr>
</tbody>
</table>
CONTRACTED RENEWABLES OUTLOOK

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
PREFERRED PROJECT PARTNER

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

AEP IS A WELCOMED STRATEGIC PARTNER