



**AMERICAN
ELECTRIC
POWER™**

BOUNDLESS ENERGY™



Climate Action 100+

Columbus, OH
January 13, 2020

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt, the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including coal ash and nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.

INVESTOR RELATIONS

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The Premier Regulated Energy Company



220,000

Miles of Distribution

40,000

Miles of Transmission

5.4M

Customers in 11 States

26GW

Owned Generation

18,000

Employees

114 Years

Leading the Way Forward

\$42B

Rate Base

\$47B

Current Market Capitalization

\$74B

Total Assets

Statistics as of September 30, 2019 except for market capitalization as of December 31, 2019 and rate base as of December 31, 2018

Strategic Vision and Priorities

Invest in transmission and distribution networks

Invest in regulated and contracted renewables

Mitigate generation risk and optimize operations

Superior capital allocation

Relentless O&M optimization/Future of work

Improve customer experience

We are focused on executing our strategy while concurrently improving our operations and keeping rates affordable



POSITIONING FOR THE FUTURE

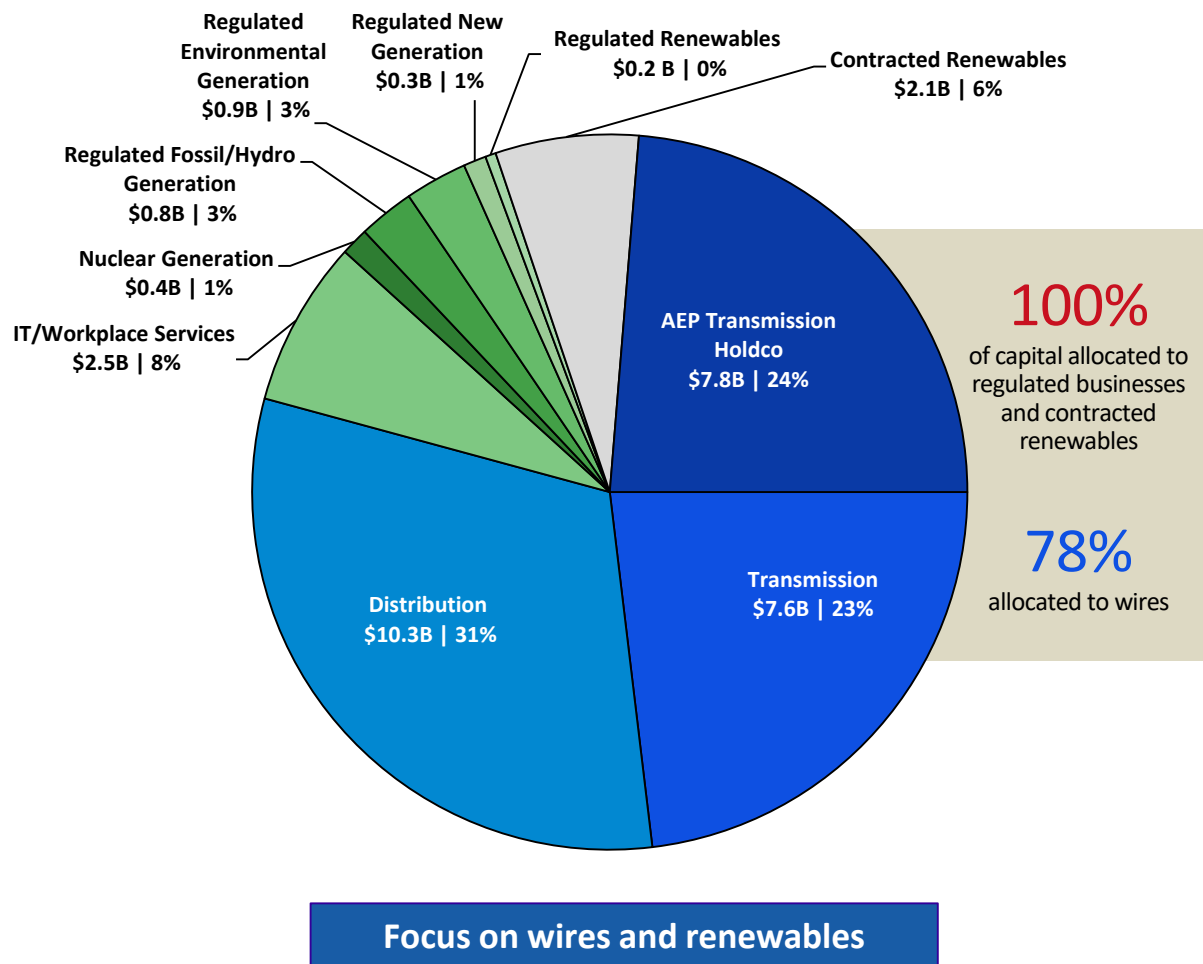
CAPITAL INVESTMENT OPPORTUNITIES

Robust Organic Capital Opportunities

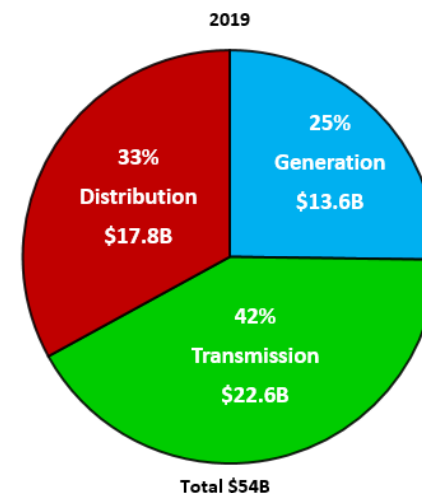
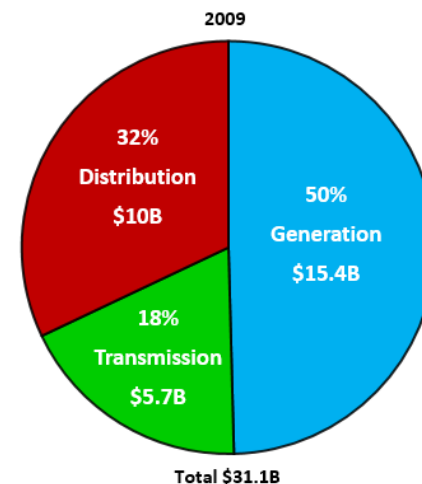
Transmission	Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects
Distribution	Grid modernization, reliability improvement projects and distribution station refurbishment
Renewables	Regulated renewables supported by integrated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

2020 - 2024 Capital Forecast of \$33B and Net Plant

2020-2024 Capital Forecast¹



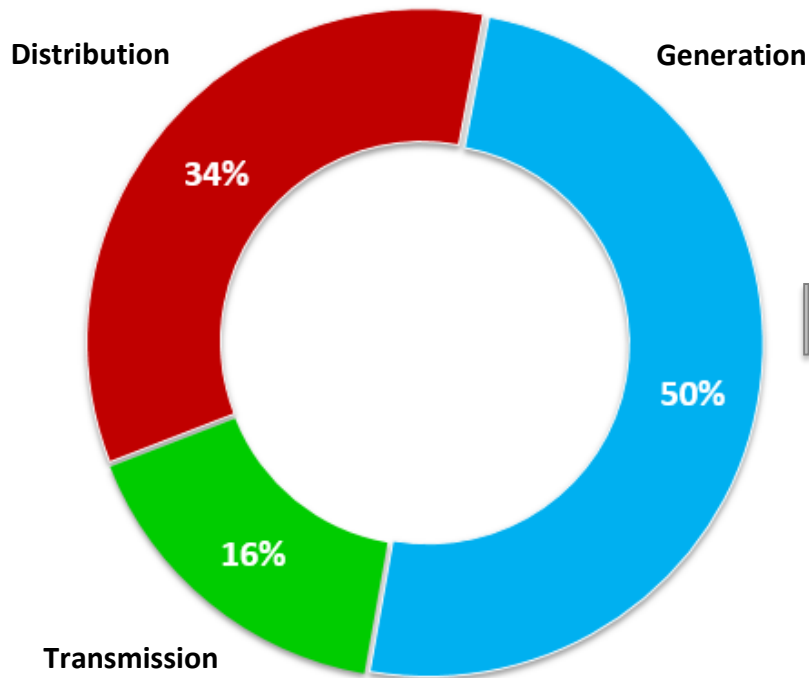
Historical Net Plant Profiles



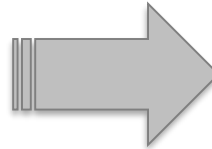
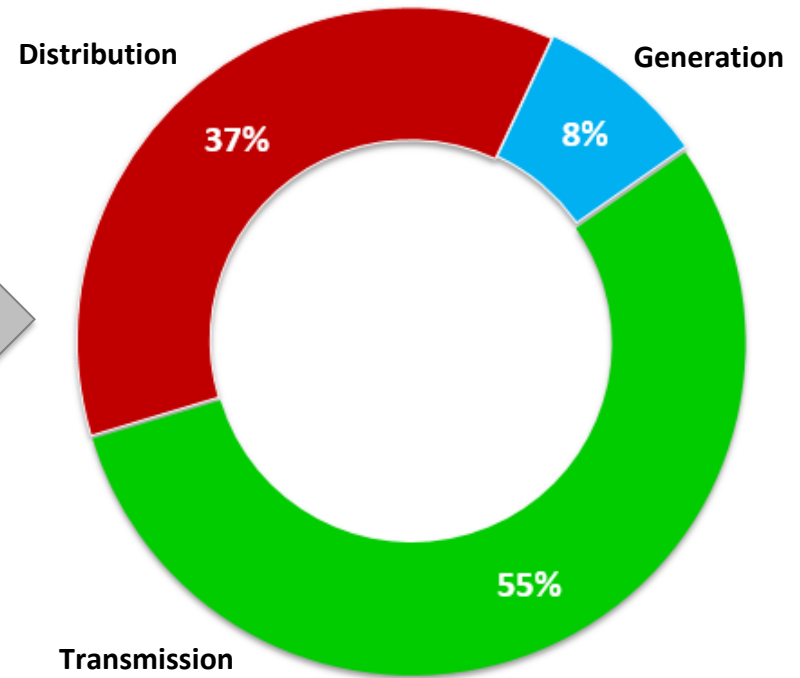
¹ Does not include North Central Wind

Capital Allocation Shifted to Wires from Generation

2009 Capital



2020-2024 Capital Forecast





TRANSMISSION TRANSFORMATION

AEP STRATEGIC VISION: INVEST IN TRANSMISSION NETWORK

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

Delivering significant customer benefits:

- Higher reliability
- Lower energy costs
- Economic development
- Public policy goals

Disciplined execution:

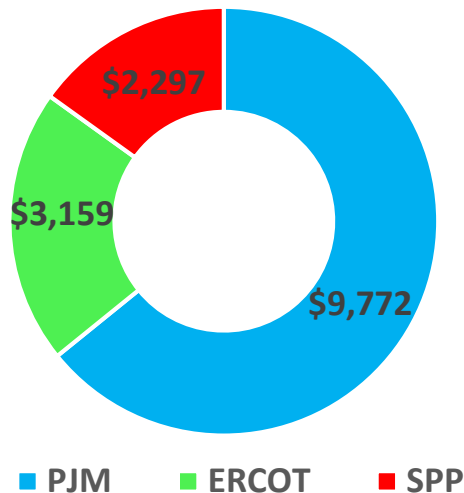
- Low cost, high value solutions
- High speed delivery
- Technological innovation

STABLE COST RECOVERY FRAMEWORK

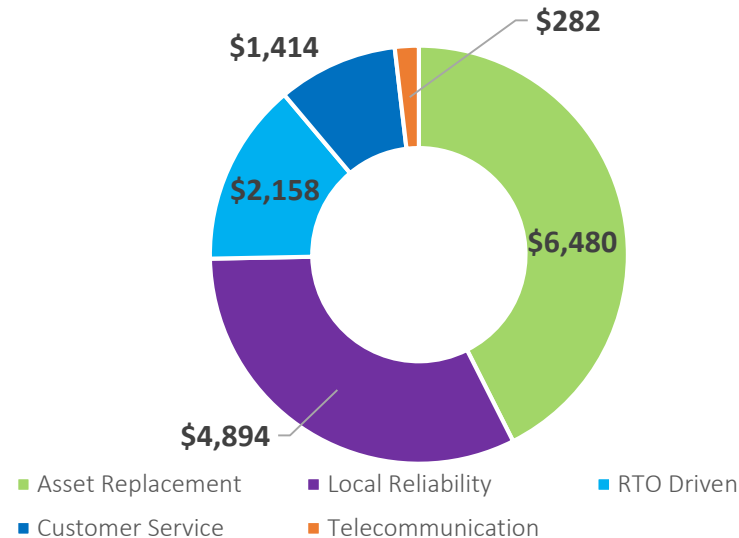
DELIVER VALUE TO CUSTOMERS AND PREDICTABLE EARNINGS GROWTH

Five Year Transmission Capital Plan

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



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



¹ Does not include \$200 million of Transource capital investment

INVESTMENT CATEGORIES

DRIVERS

ASSET REPLACEMENT

- Asset condition, performance history and risk of failure

LOCAL RELIABILITY

- Transmission owner reliability planning criteria

RTO DRIVEN

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

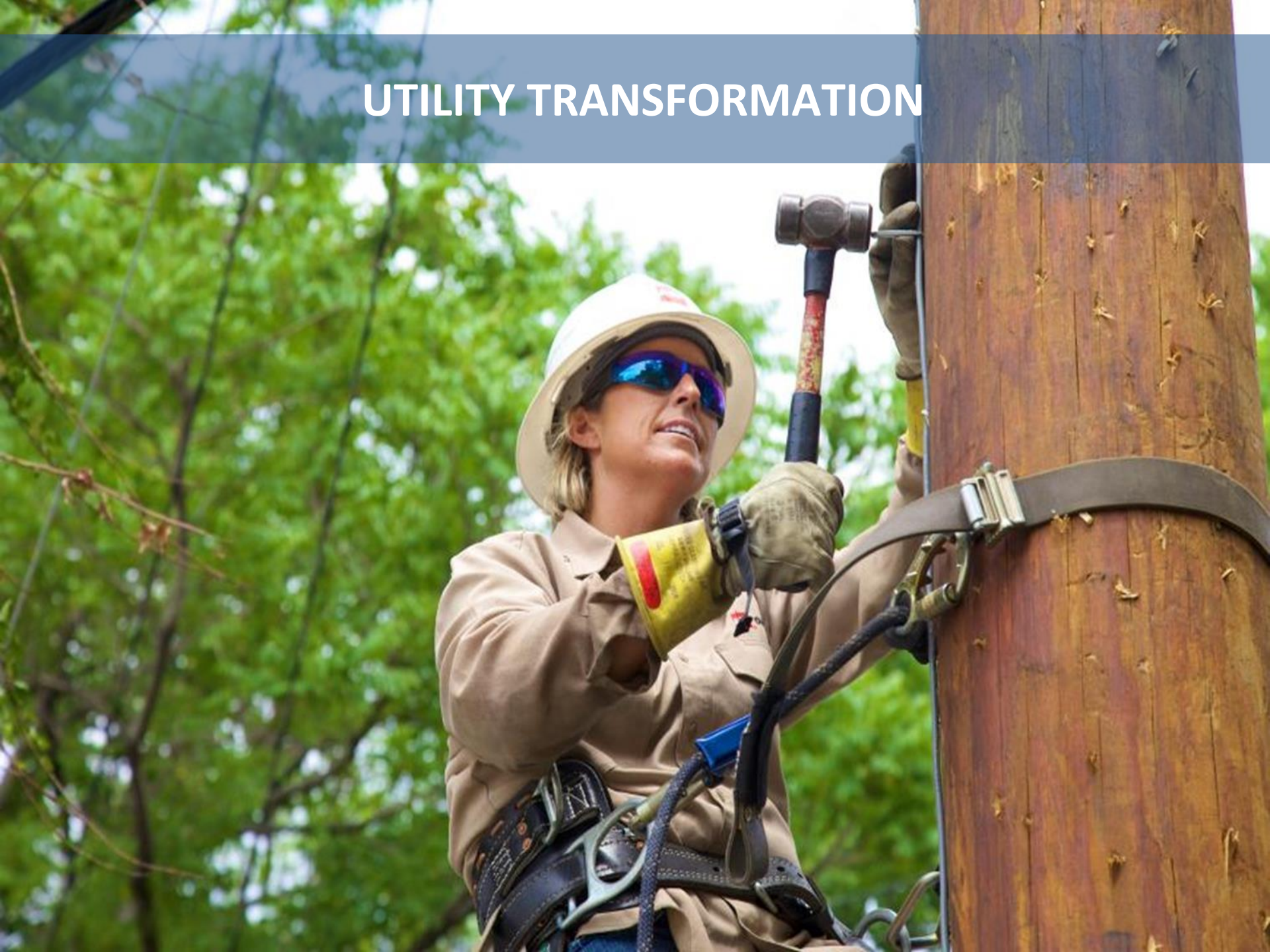
CUSTOMER SERVICE

- Connecting new and enhanced service requests
- Facilitating local economic development

TELECOM

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

UTILITY TRANSFORMATION



Identified Core Business Investments

Improve
Reliability

Grow and Diversify
the Business

Maintaining Strong
Balance Sheet

Current State of Distribution Grid

- \$1.8B of annual investment
- **\$2.7B** investment needed to maintain current assets

10-Year Incremental Distribution Capital Investment Potential: ~\$18B¹

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

Investment Opportunity	Capital Investment \$
Grid Modernization	\$2.4 billion
Line Re-conductoring – Asset Renewal	\$13.0 billion
Pole Replacements – Asset Renewal	\$0.5 billion
Distribution Station Transformer and Breaker Replacements – Asset Renewal	\$1.4 billion

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


Partner with states to help spur economic development


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


INVESTING IN REGULATED RENEWABLES



Projected Resource Additions

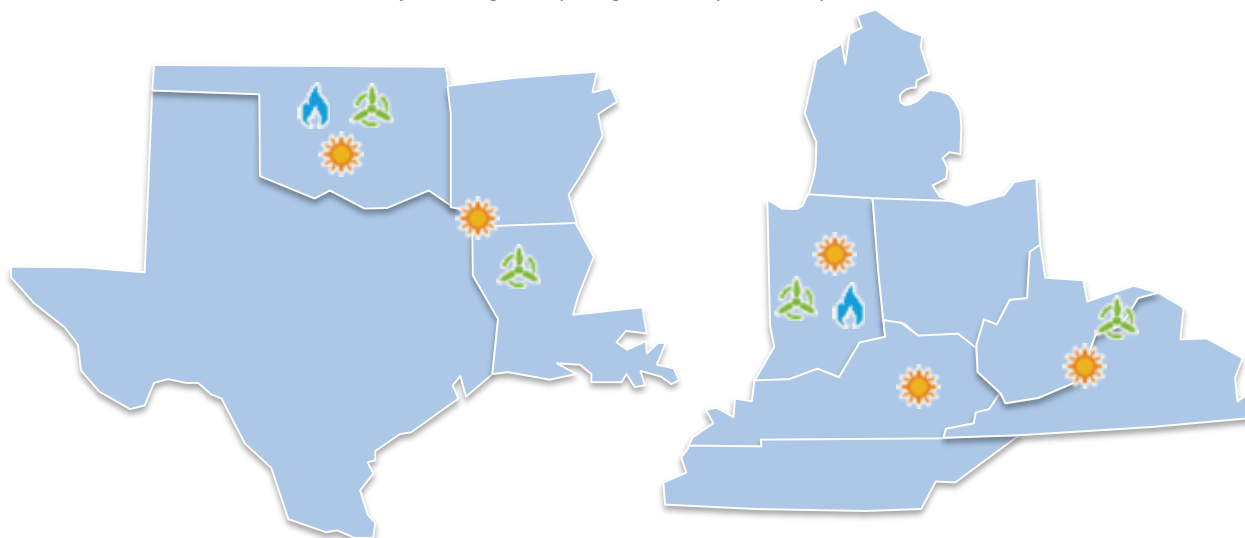
Solar Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
APCo	15	300	750
I&M	150	600	550
KPCo	20 ¹	30	40
PSO	11	600	600
SWEPCO	-	-	300
Totals	196	1,530	2,240

Wind Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
APCo	-	300	-
I&M	300	150	300
KPCo	-	-	-
PSO	675 ¹	400	200
SWEPCO	810 ¹	600	-
Totals	1,785	1,450	500

Natural Gas Additions (MW) 			
Operating Co:	2020-2022	2023-2027	2028-2030
I&M	18	18	788
PSO	373 ²	410 ²	-
Totals	391	428	788

² To replace expiring PPA

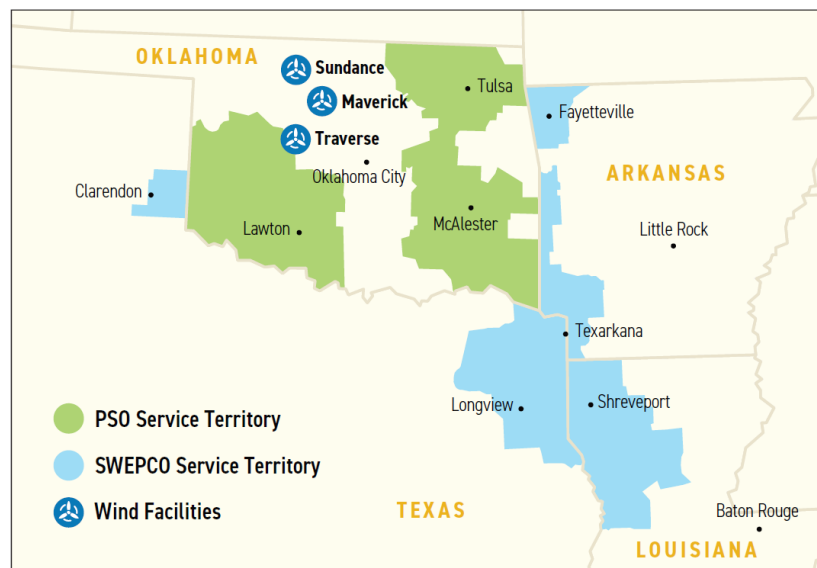
¹ Subject to regulatory filings currently underway



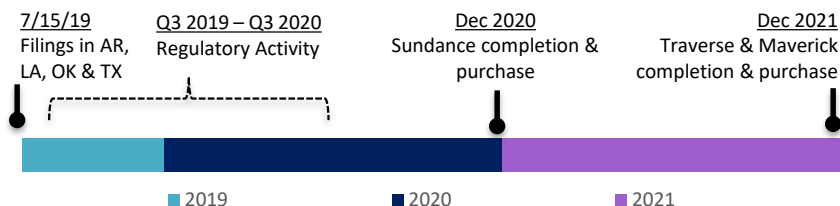
Total Projected Resource Additions (MW)	
Resource	2020-2030
Solar	3,966
Wind	3,735
Natural Gas	1,607
Totals	9,308

Updated 12/31/2019

North Central Wind Overview



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

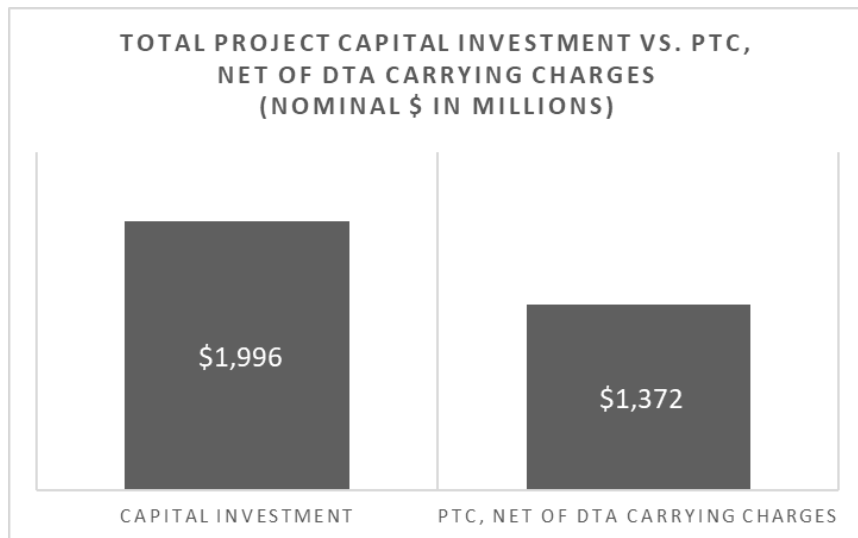


SWEPCO and PSO Regulated Wind Investment Opportunity

Total Rate Base Investment	~\$2 billion (1,485 MW)			
North Central Wind	<u>Name</u>	<u>MW</u>	<u>Investment</u>	<u>In-Service</u>
	Sundance	199	\$307M	EOY 2020 (100% PTC)
	Traverse	999	\$1,287M	EOY 2021 (80% PTC)
	Maverick	287	\$402M	
Net Capacity Factor	44.0%			
Customer Savings	~\$3 billion (30-year nominal \$)			
Developer	Invenergy			
Turbine Supplier	GE			

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

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



Project Scalability

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

Power and Gas Price Sensitivities

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

Customer Guarantees Offered

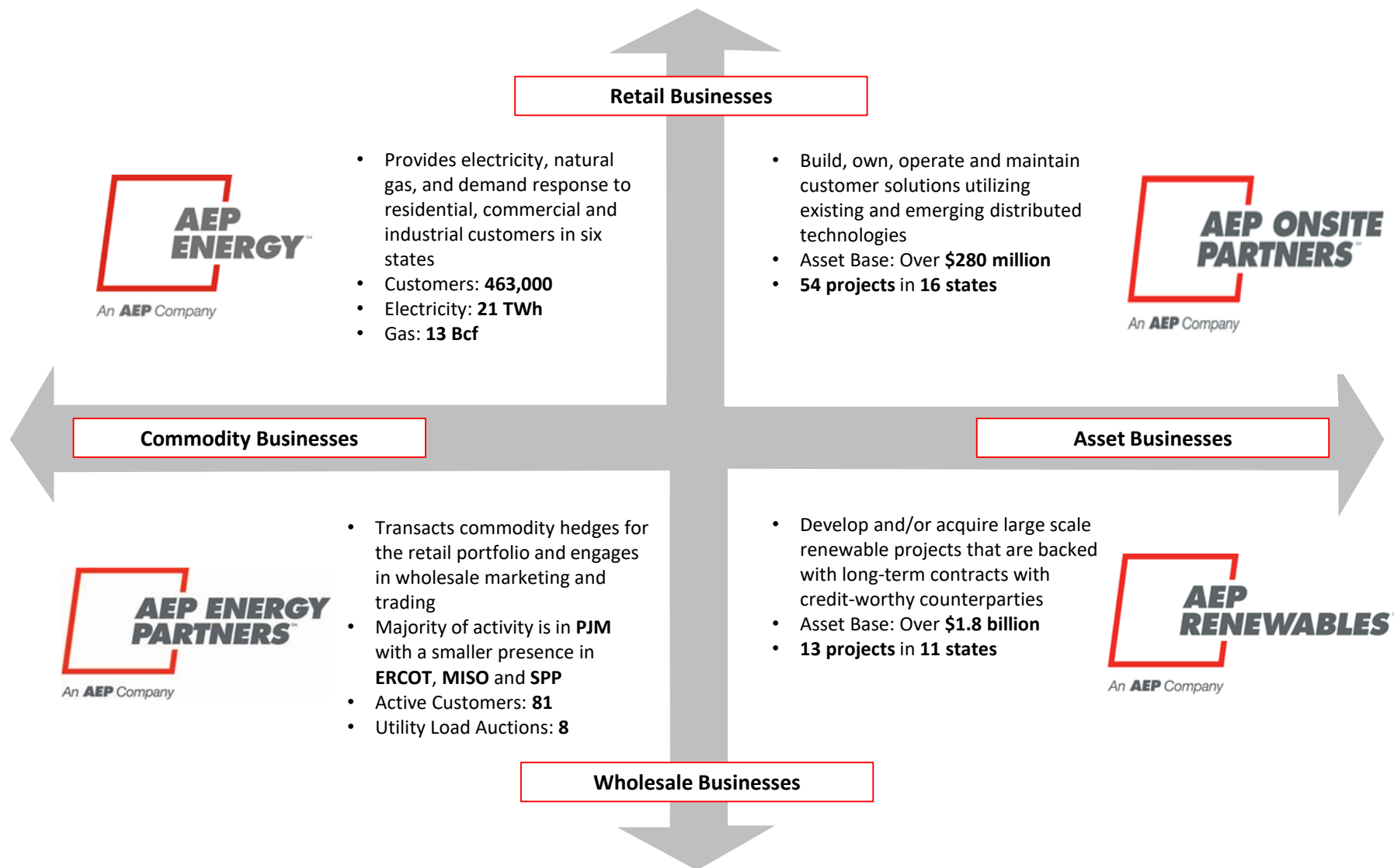
- Capital Cost Cap Guarantee** – Cost cap for 100% of aggregated filed capital cost of the wind facilities
- Production Tax Credit Eligibility Guarantee**– Facilities will be eligible for the federal PTC
- Minimum Production Guarantee** – Guarantees a minimum production level for first 10-years of operation

INVESTING IN COMPETITIVE BUSINESS

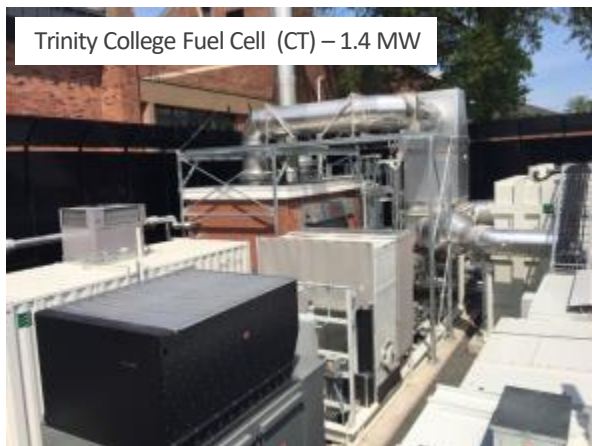


Competitive Businesses Strategy and Operations

\$2.1B Capital Allocated 2020-2024



Customer Energy Solutions



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

Universal Scale Renewable Projects

Black Oak Getty (MN) – 78 MW-AC



Cedar Creek (CO) – 124 MW-AC¹



Pavant Solar III (UT) – 20 MW-AC



Boulder Solar II (NV) – 50 MW-AC

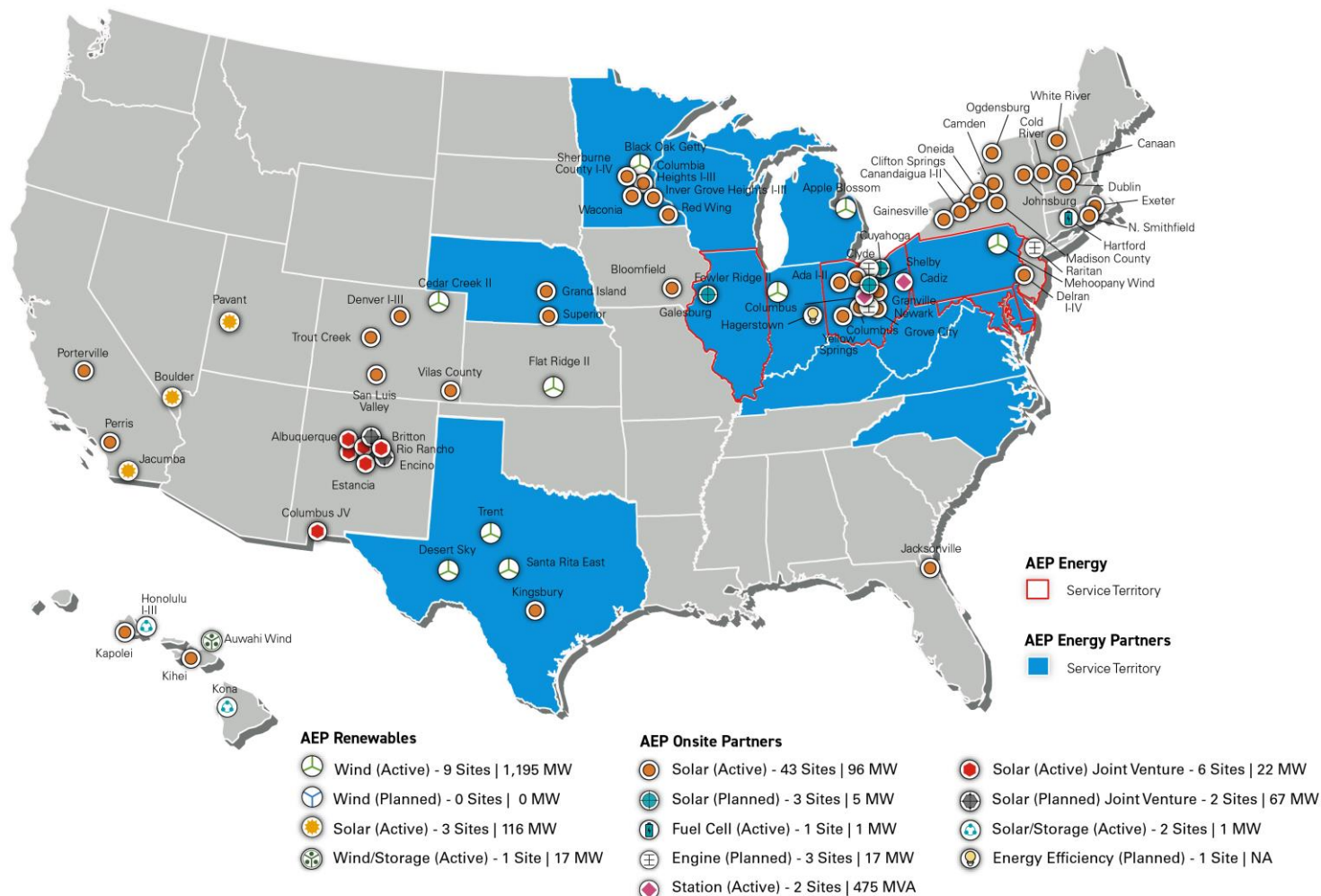


- Asset base over \$1.8 billion
- Portfolio of 13 operating projects in 11 different states
- Projects include large scale wind, solar, and storage

¹ AEP's 50% share

Competitive Businesses Presence

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

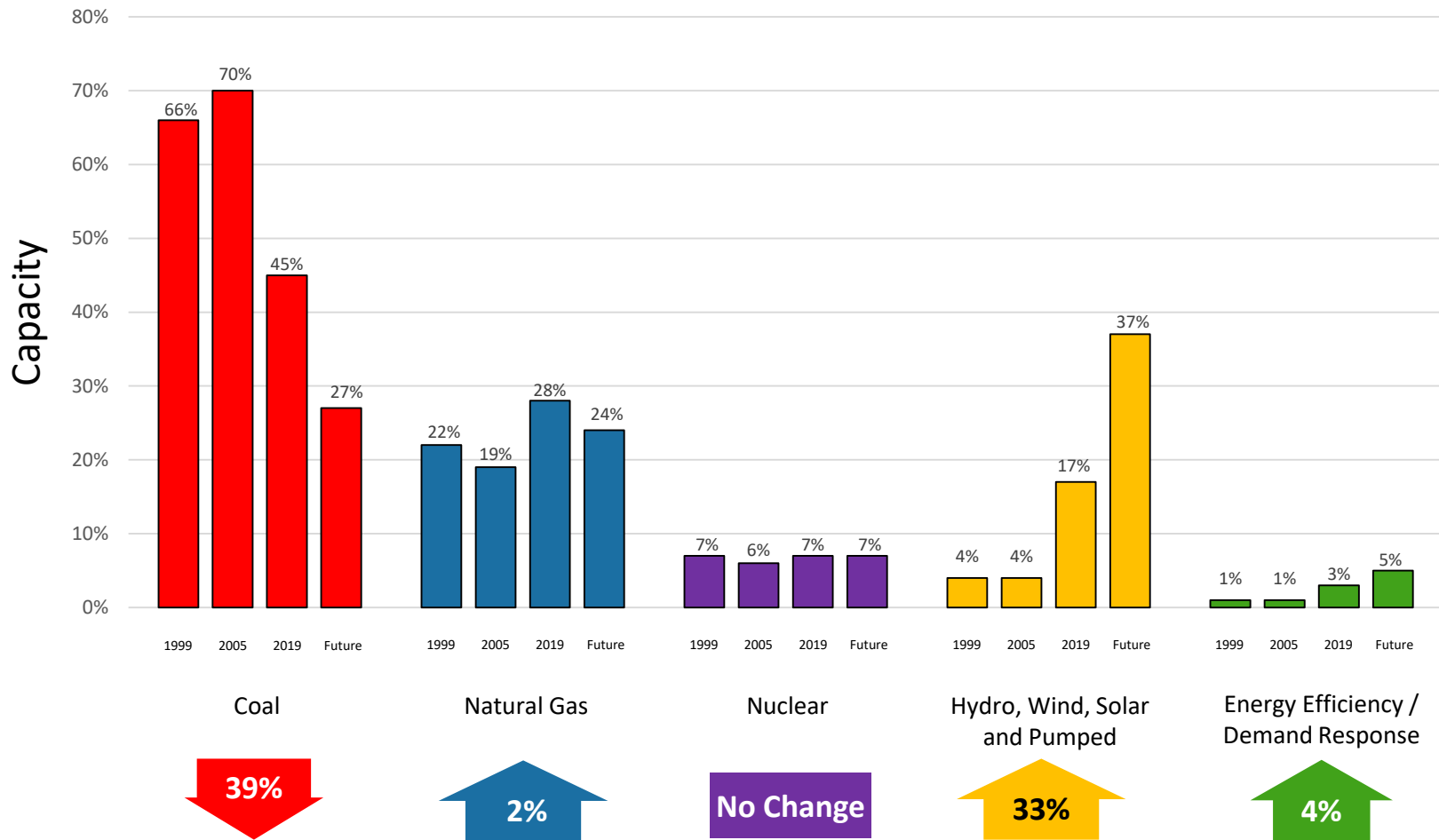


As of September 30, 2019

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

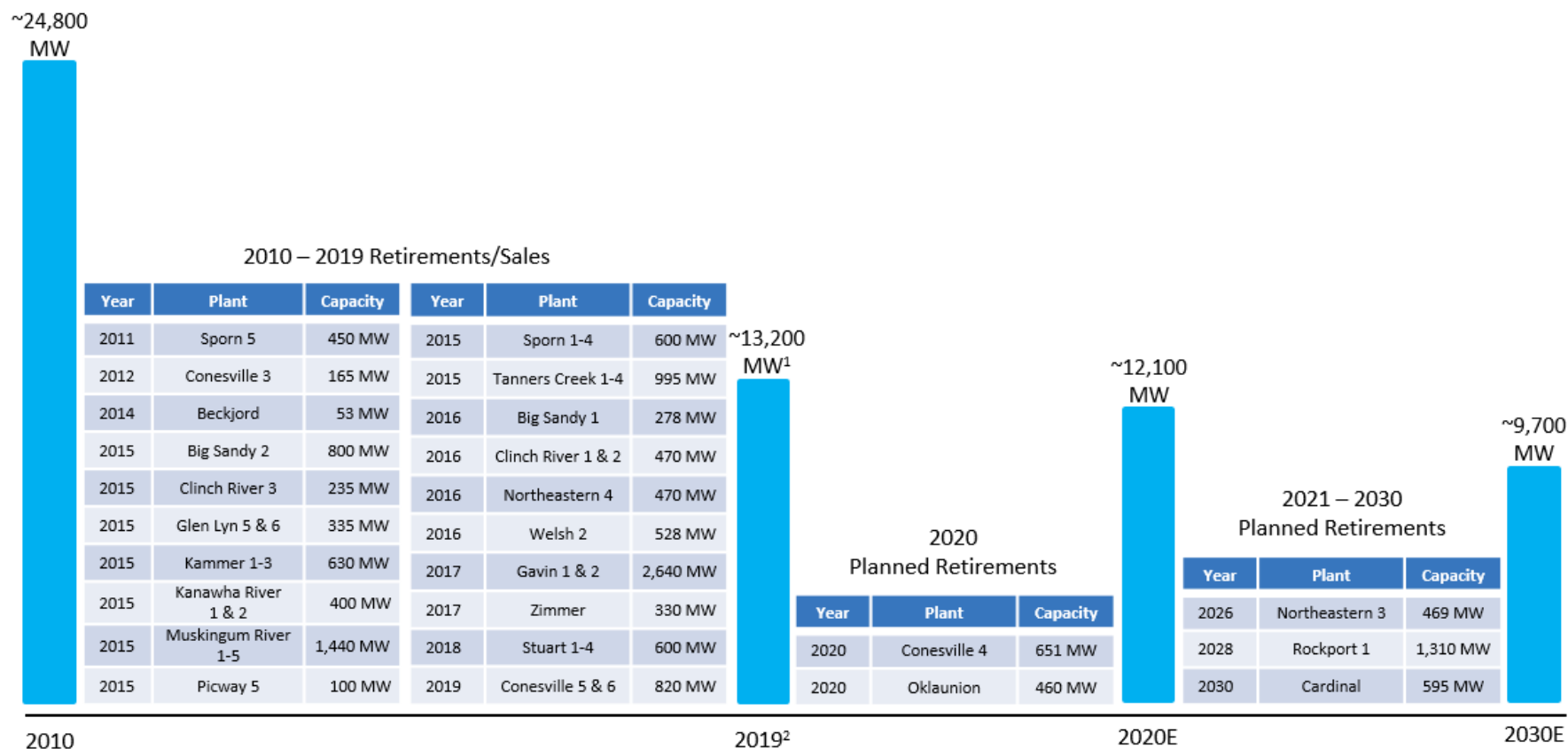


Transforming Our Generation Fleet - Environmental



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

Retirement Progress and Plans - Environmental



¹ Includes 2012 Turk Plant addition and 40% of Conesville 4 that was acquired in conjunction with the sale of Zimmer Plant

² MW Capacity as of 9/30/2019

Delivering Clean Energy Resources – Environmental



AEP's September 30, 2019 Renewable Portfolio (in MW)

Hydro, Wind, Solar and 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 and Hydro	1,442	101	1,543
Total	2,263	2,941	5,204



APPROXIMATELY
11,900 MW of
Renewable Generation Interconnected
Across the U.S. via AEP's
Transmission System Today



AEP's Carbon Emission Reduction Goals

70% by 2030
80% by 2050¹
(both from a 2000 baseline)

Strategy to Achieve

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

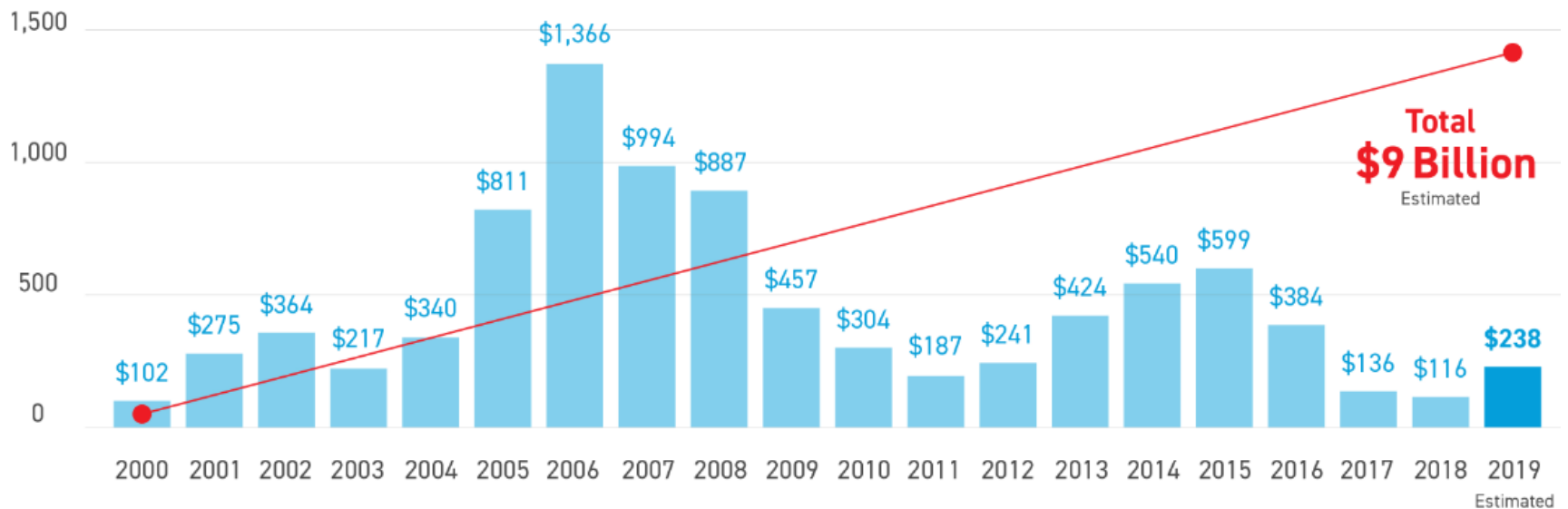
Environmental, Social and Governance (ESG) Reporting:

- AEP's Corporate Accountability Report
- Clean Energy Strategy: American Electric Power: Strategic Vision for a Clean Energy Future
- EEI ESG Sustainability Reporting: AEP's 2019 EEI ESG Report
- AEP's CDP Survey Responses
- AEP's GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics

¹ Aspiration is zero emissions

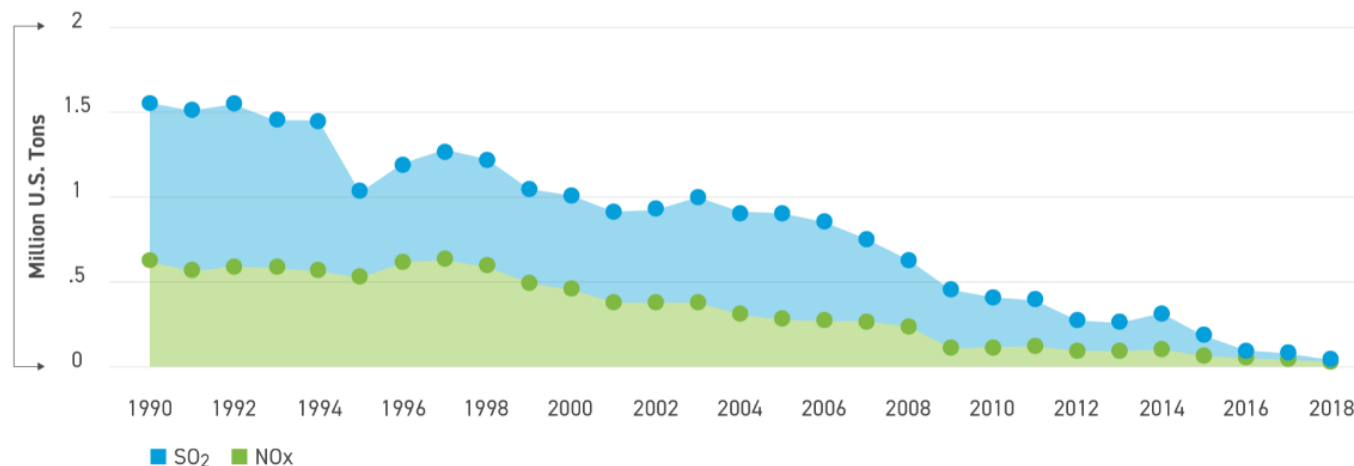
Largest Investment in Controls – Environmental

INVESTMENT IN ENVIRONMENTAL CONTROLS \$ in millions



Dramatic Reductions in Emissions – Environmental

TOTAL AEP SYSTEM NO_x & SO₂ EMISSIONS



SO₂

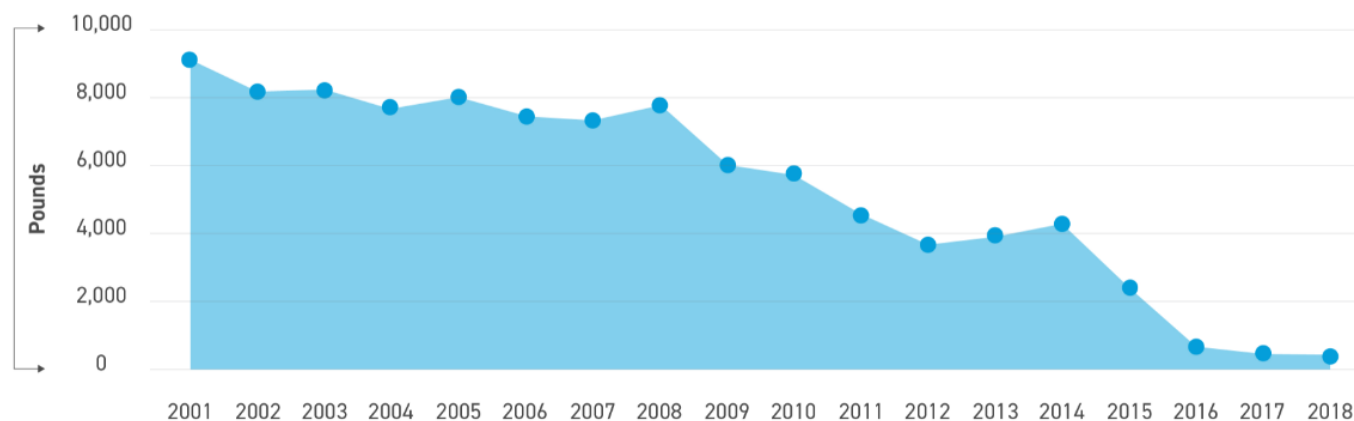
1990-2018
ACTUAL

96%

NO_x

92%

TOTAL AEP SYSTEM MERCURY EMISSIONS



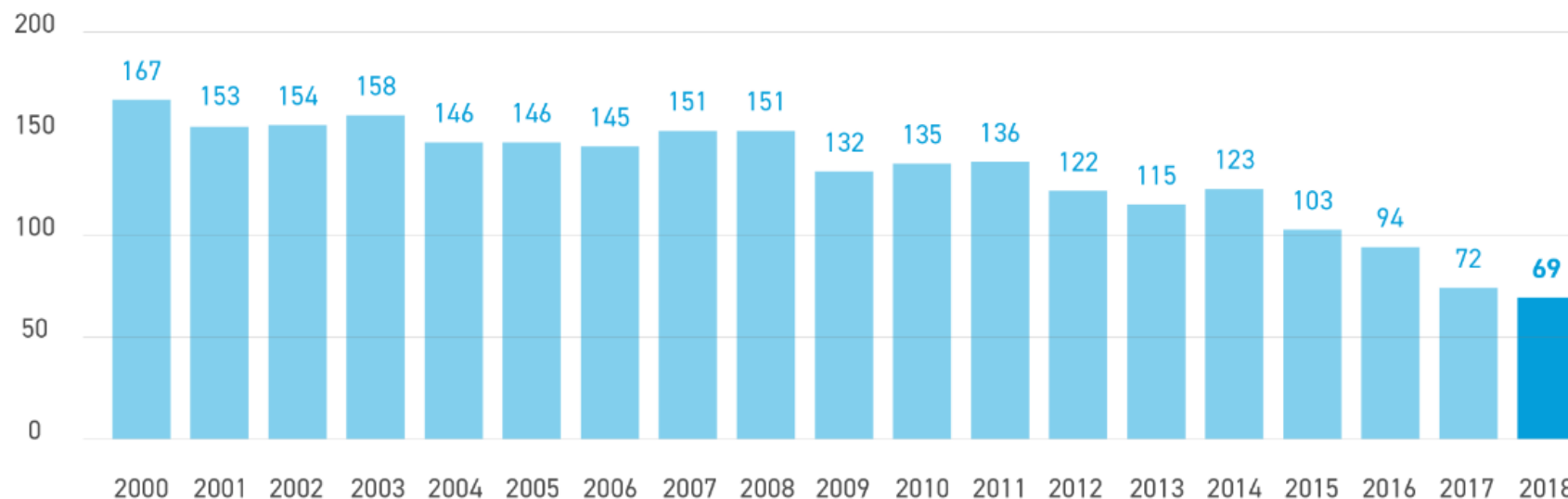
Hg

2001-2018
ACTUAL

95%

Dramatic Reductions in Emissions – Environmental

TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons



2000-2018
Actual

CO₂

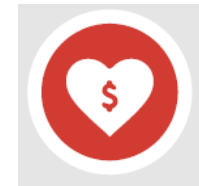
59%

Our Employees



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

Our Communities (2018 Stats)



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

Board Composition		
7 Yrs	92%	38%
Average Tenure	Independent	Diverse

- 12 of 13 directors are independent
- Annual election of directors by majority vote
- Lead independent director elected annually
- Proxy access adopted
- Annual advisory vote on compensation
- Tenure and overboarding policies
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided to Board at every meeting