



Evercore ISI Utility CEO Retreat

Ponte Vedra Beach, FL
January 11, 2024



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

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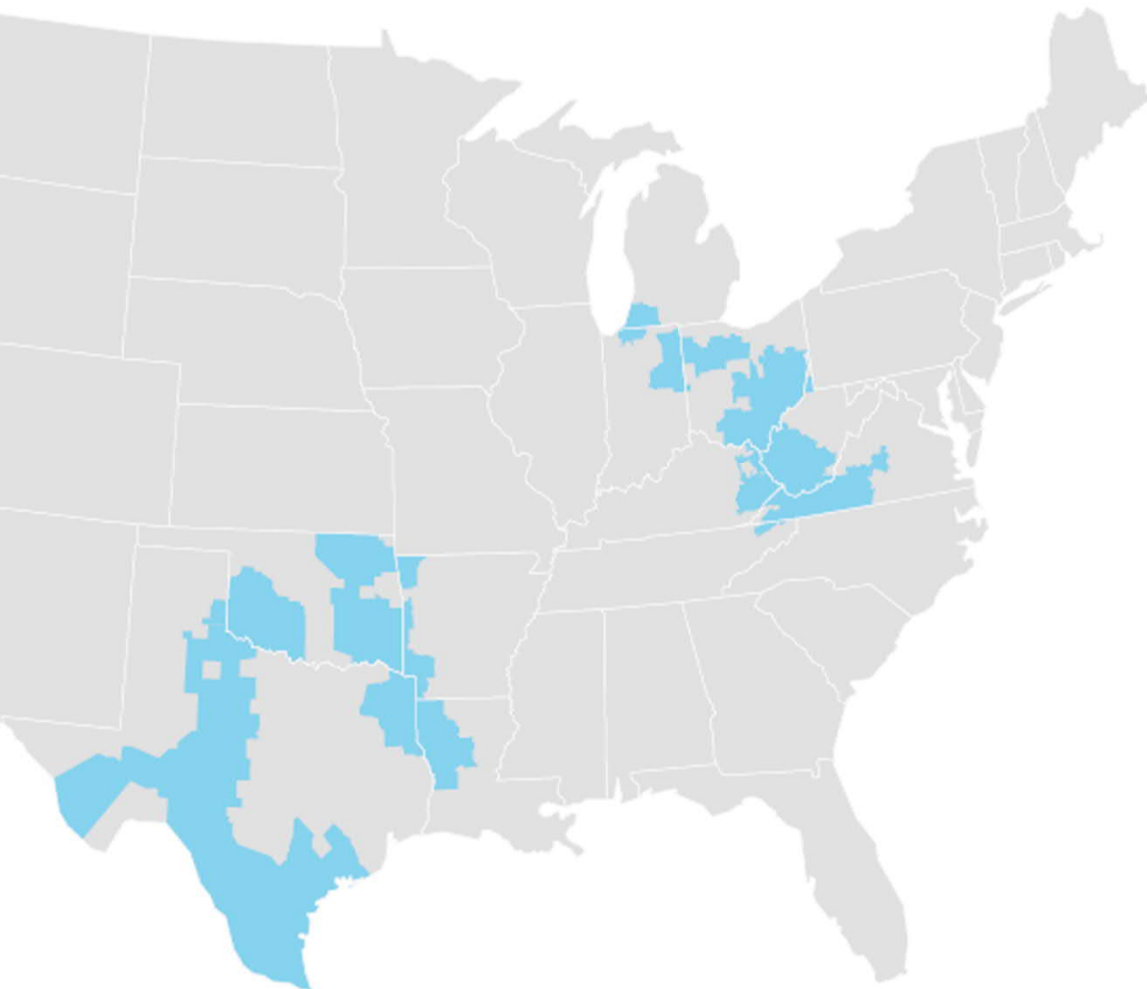
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This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, 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, the impact of pandemics and any associated disruption of AEP's business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers, the economic impact of increased global trade tensions including the conflicts in Ukraine and the Middle East, and the adoption or expansion of economic sanctions or trade restrictions, inflationary or deflationary interest rate trends, volatility and disruptions in the financial markets precipitated by any cause including failure to make progress on federal budget or debt ceiling matters or instability in the banking industry, 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 (i) if expected sources of capital, such as proceeds from the sale of assets, subsidiaries or tax credits, do not materialize, and (ii) 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, limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations, 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 transition from fossil generation and 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, including favorable tax treatment, meet cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for renewable generation projects, and to recover all related costs, new legislation, litigation or government regulation, including changes to tax laws and regulations, 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, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent 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 or regulatory proceedings or investigation, 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, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns, 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 and military conflicts, the effects of terrorism (including increased security costs), embargoes, wildfires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.



AEP Is a Pure Play Regulated Utility



40K
TRANSMISSION MILES
Nation's largest electric transmission system

225K
DISTRIBUTION MILES
One of the largest distribution systems in the U.S.

23GW
OWNED GENERATION
Diverse generation fleet
As of September 30, 2023

\$95B
TOTAL ASSETS
As of September 30, 2023

\$62B
RATE BASE
Strong rate base growth

\$44B
CURRENT MARKET CAPITALIZATION
As of January 8, 2024

17,000
EMPLOYEES
Across the system

5.6M
CUSTOMERS
Throughout 11 states

Statistics are as of December 31, 2022, unless separately disclosed.

AEP Investment Thesis

Powering the Future as One of the Largest Utilities in the U.S. by Rate Base and Market Cap



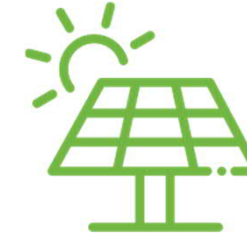
Delivering Consistent, Strong Performance

- Stable, resilient business allows us to keep customer rates affordable
- Commitment to 6%-7% annual operating earnings growth; dividend growth is in line with earnings
- 10%-11% consistent total shareholder return
- Strong balance sheet with a targeted FFO/Debt of 14%-15%
- Narrowed 2023 operating earnings guidance range to \$5.24-\$5.34
- 2024 operating earnings guidance range of \$5.53-\$5.73



Operating Attractive Transmission and Distribution Assets

- Largest transmission provider in the U.S.
- One of the largest distribution providers in the U.S.
- Bolstered by organic growth with diversity in geographic footprint and customer base
- Capital forecast of \$43B includes \$16B of transmission investment and \$11.3B of distribution investment



Leading the Clean Energy Transition

- Proven track record of investing in sustainability and reducing fleet emissions
- Plans to add 21.5 GW of new resource opportunities between 2024 and 2033
- Goal of net zero by 2045
- Capital forecast includes \$9.4B of regulated renewable investment



Actively Managing the Business and Portfolio

- Immediate-term focus on de-risking and simplifying business
- Thoughtful and proactive portfolio management and investment to support strategy
- Strong employee base led by experienced leaders with a shared passion for the AEP mission

Key Themes Supporting Stakeholder Commitments

- 2024 operating earnings guidance range of \$5.53-\$5.73
- 6%-7% long-term operating earnings growth rate reinforced by a flexible and robust \$43B wires-focused capital plan from 2024-2028
- Advancing positive regulatory strategies to close the ROE gap
- High-growth transmission business supported by stable, predictable and transparent revenue stream
- Balance sheet progress with FFO/Debt in the targeted range in early 2024
- Improved customer rate outlook with a 3% annual bill increase over the 2024-2028 forecasted period enabled by renewables and economic development activities
- Continued execution of current sale processes



6%-7% Annual Operating Earnings Growth



Dividend Growth In-line with Earnings Growth and Targeted Payout Ratio of 60%-70%



Strong Balance Sheet with a Target FFO/Debt of 14%-15%



Customer Care: Commitment to Identification and Realization of Efficiencies to Keep Customer Rates Affordable



Active Management of Portfolio with the Primary Objective to De-risk and Simplify Our Business




ESG Goal of Net Zero by 2045



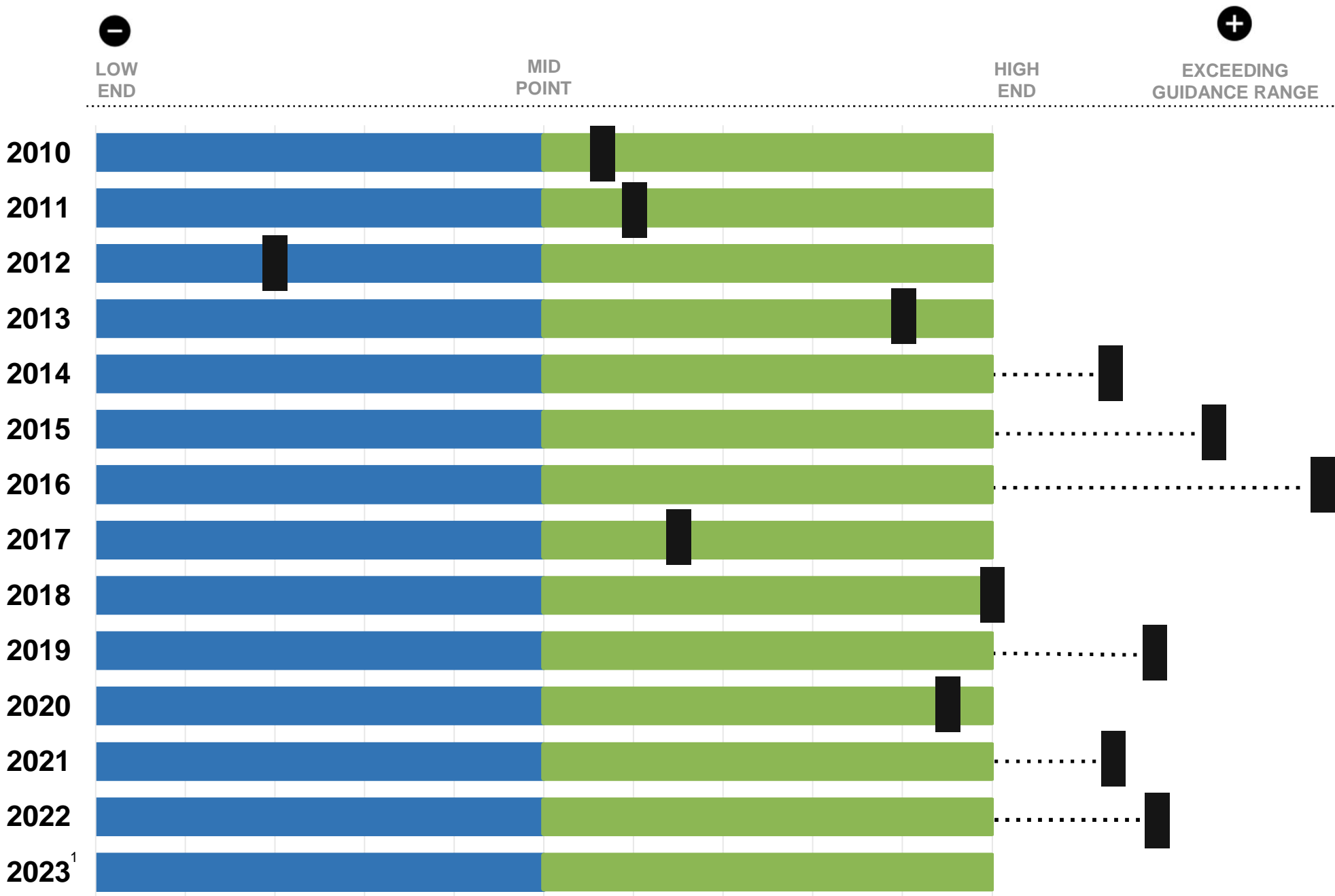
Proven Track Record of EPS Performance

Over a decade of meeting
or exceeding original EPS
guidance

¹ 2023 original operating EPS guidance was \$5.19-\$5.39. In November 2023, guidance was narrowed to \$5.24-\$5.34 and \$5.29 midpoint maintained.

 Actual Result

Actual operating EPS in comparison
to original EPS guidance range

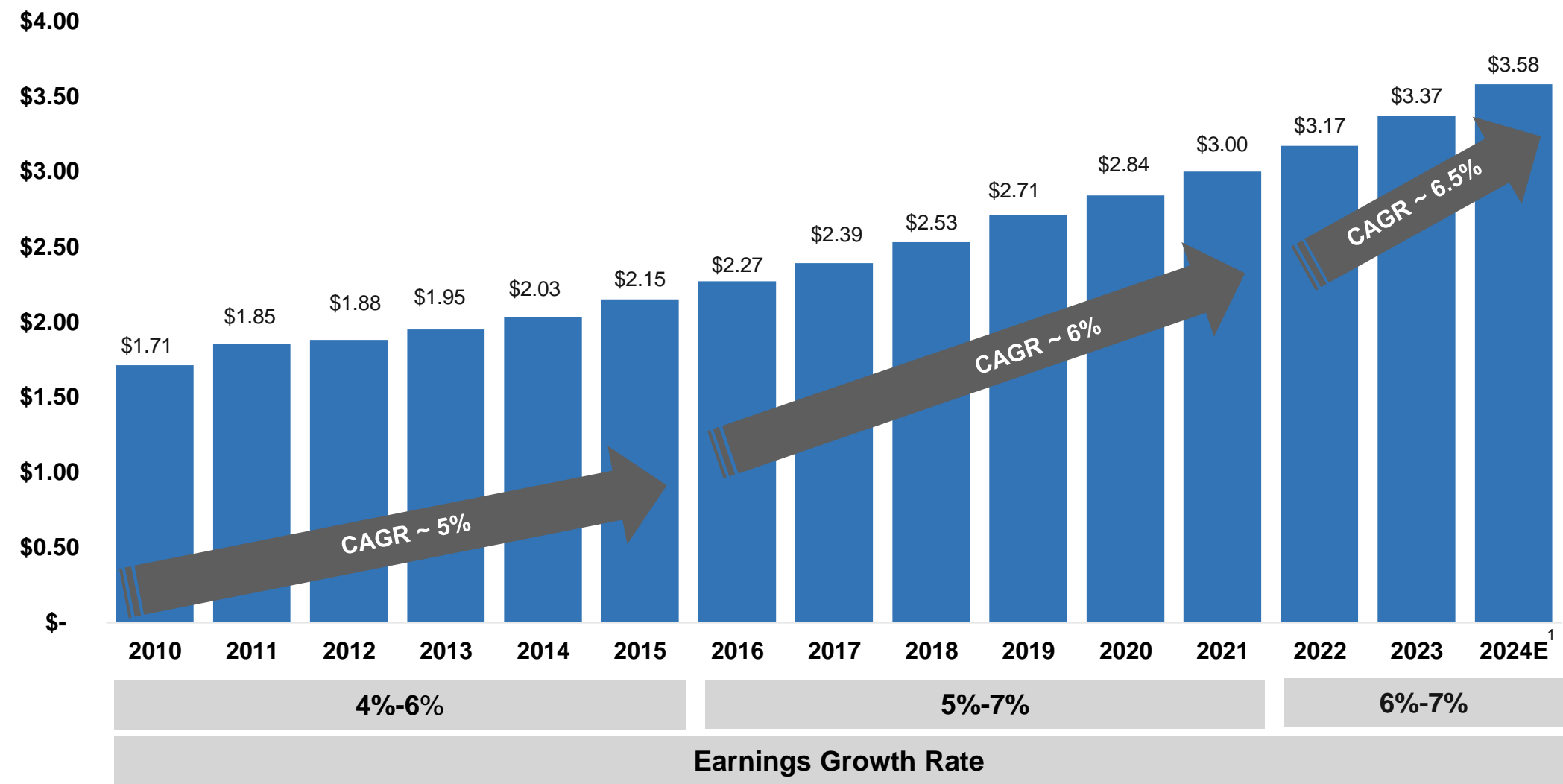




Strong Dividend Growth

- Targeted payout ratio 60-70% of operating earnings
- Over 113 years of consecutive quarterly dividends
- Targeted dividend growth in line with earnings

¹ Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by Board of Directors.



EPS Growth + Dividend Yield = 10% to 11% Annual Return Opportunity



Positioning for the Future

2024-2028 Capital Forecast

Rate Base Growth

Efficient Cost Recovery Mechanisms

2024-2028 Cash Flows and Financial Metrics



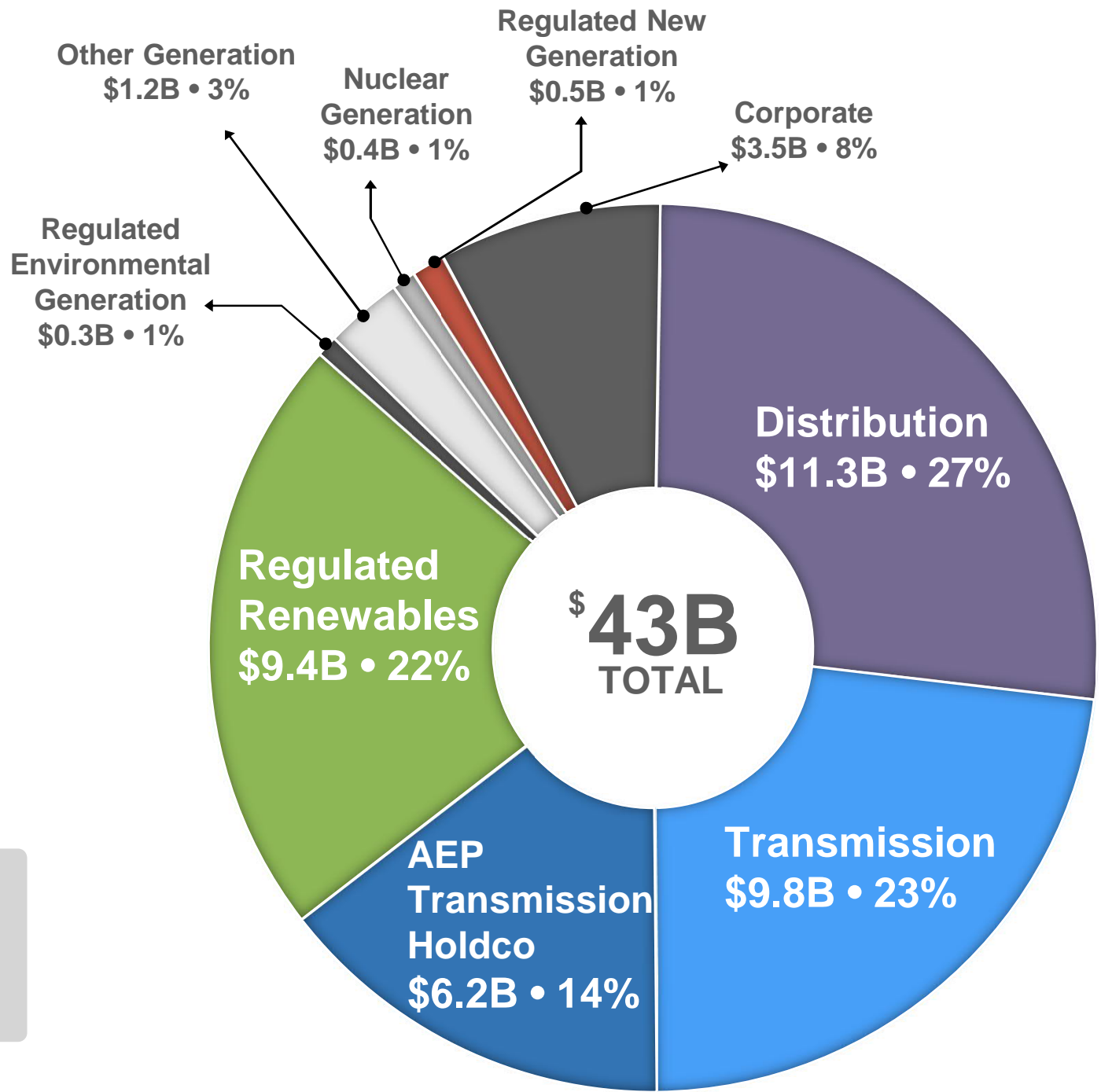


2024-2028 Capital Forecast of \$43B

The ability to quickly redeploy transmission and distribution investment ensures we deliver on our 6-7% EPS growth commitment while mitigating customer bill impact

On a system average, we expect rates to go up approximately 3% annually over the forecasted period

A balanced, flexible and robust capital plan designed to meet our customers needs



100%
of capital allocated to regulated businesses

\$27B 64%
allocated to wires

\$9B 22%
allocated to regulated renewables

7.2%
resulting rate base CAGR



2024-2028 Capital Forecast by Subsidiary

Capital plans are continuously optimized which may result in redeployment between functions and companies.

\$ in millions, excludes AFUDC	2024E	2025E	2026E	2027E	2028E	Total
Appalachian Power Company	\$ 963	\$ 1,447	\$ 1,400	\$ 865	\$ 1,063	\$ 5,738
Wheeling Power Company	\$ 85	\$ 59	\$ 64	\$ 52	\$ 60	\$ 320
Kingsport Power Company	\$ 30	\$ 24	\$ 28	\$ 21	\$ 22	\$ 125
Indiana Michigan Power Company	\$ 579	\$ 923	\$ 1,101	\$ 827	\$ 1,388	\$ 4,818
Kentucky Power Company	\$ 166	\$ 158	\$ 164	\$ 163	\$ 185	\$ 836
AEP Ohio	\$ 1,034	\$ 883	\$ 855	\$ 922	\$ 872	\$ 4,566
Public Service Company of Oklahoma	\$ 569	\$ 1,848	\$ 1,580	\$ 710	\$ 749	\$ 5,456
Southwestern Electric Power Company	\$ 1,176	\$ 2,242	\$ 736	\$ 856	\$ 1,650	\$ 6,660
AEP Texas Company	\$ 1,533	\$ 1,420	\$ 1,451	\$ 1,349	\$ 1,448	\$ 7,201
AEP Generating Company	\$ 10	\$ 6	\$ 6	\$ 7	\$ 5	\$ 34
AEP Transmission Holdco	\$ 1,338	\$ 1,031	\$ 1,094	\$ 1,203	\$ 1,574	\$ 6,240
Other	\$ 61	\$ 184	\$ 92	\$ 113	\$ 111	\$ 561
Total Capital and Equity Contributions	\$ 7,544	\$ 10,225	\$ 8,571	\$ 7,088	\$ 9,127	\$ 42,555

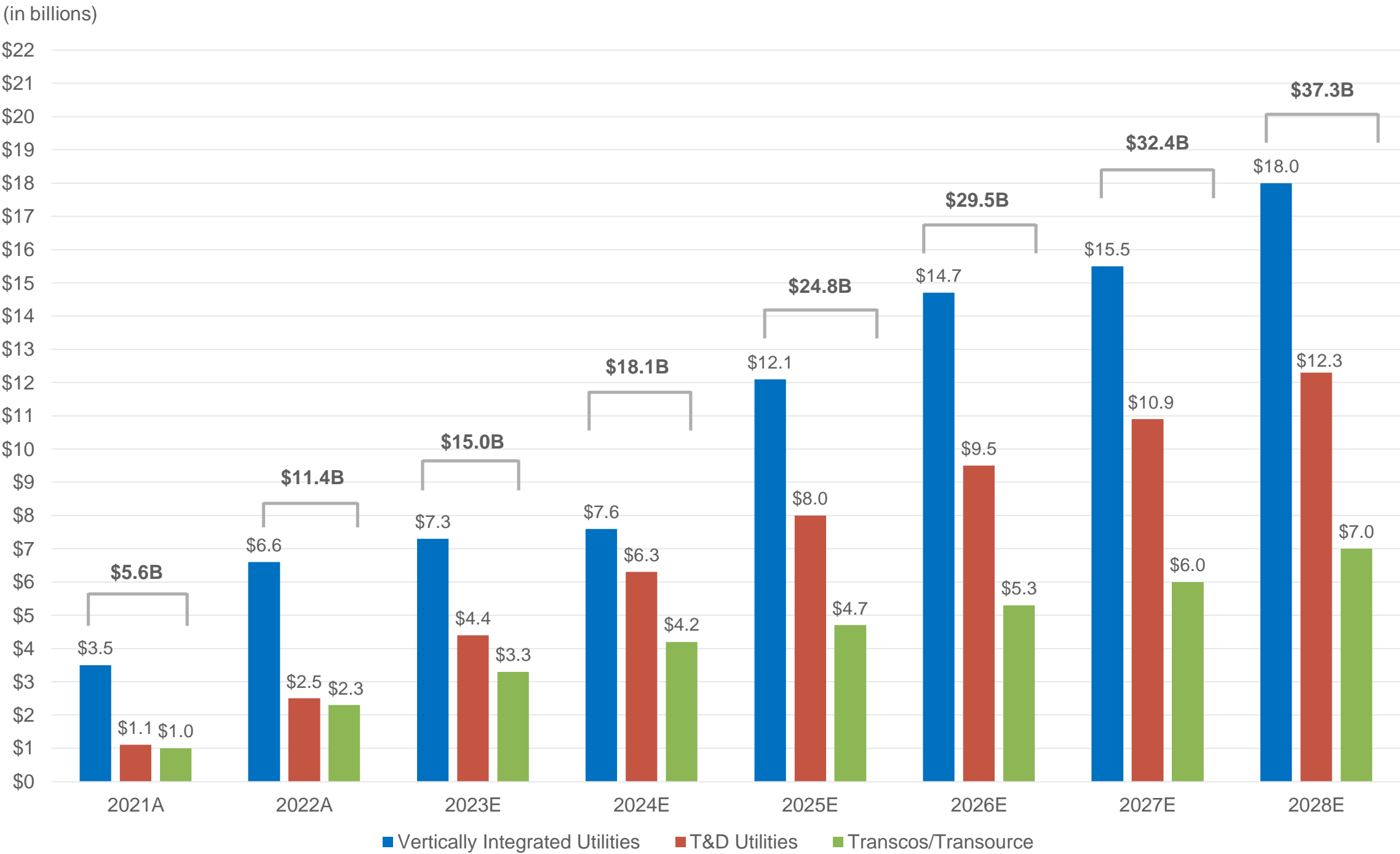


7.2% CAGR in Rate Base Growth

Cumulative change from 2020 base

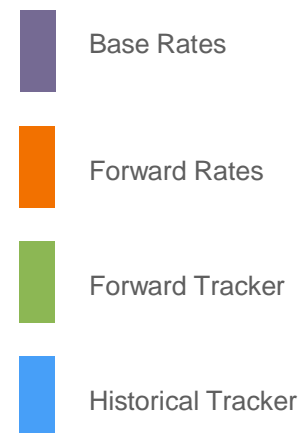
6-7% EPS growth is predicated on regulated rate base growth

2020 RATE BASE PROXY	
Vertically Integrated Utilities	\$27.2B
T&D Utilities	\$13.8B
Transcos/Transource	\$9.4B
TOTAL	\$50.4B



Efficient Cost Recovery Mechanisms

Approximately 85% of the capital plan is recovered through reduced lag mechanisms



2024-2028 Regulated Capital Investments





2024-2028 Cash Flows and Financial Metrics

¹ Reflects after tax cash proceeds to Parent of \$1.2B related to the sale of unregulated contracted renewable assets.

² Reflects after tax cash proceeds to Parent of \$700M for the sale of NMRD, Retail and Distributed Resources businesses and Prairie Wind and Pioneer. Estimate is based on the current book value of the assets. Actual proceeds, reflecting market value, will be determined in a competitive auction process for each asset.

³ Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by the Board of Directors. The stated target payout ratio range is 60%-70% of operating earnings.

Actual cash flows will vary by company and jurisdiction based on regulatory outcomes.

\$ in millions	2023E	2024E	2025E	2026E	2027E	2028E
Cash from Operations	\$ 5,000	\$ 6,600	\$ 6,900	\$ 7,800	\$ 8,300	\$8,700
Net Cash Proceeds from Sale of Assets	1,200 ¹	700 ²	-	-	-	-
Capital Expenditures:						
Capital and JV Equity Contributions	(6,900)	(7,000)	(6,200)	(6,400)	(6,400)	(7,200)
Renewable Capital Expenditures	(200)	(600)	(4,000)	(2,200)	(700)	(1,900)
Other Investing Activities	(100)	(200)	(400)	(200)	(300)	(200)
Common Dividends ³	(1,700)	(1,900)	(2,100)	(2,200)	(2,300)	(2,600)
Required Capital	\$ (2,700)	\$ (2,400)	\$ (5,800)	\$ (3,200)	\$ (1,400)	\$ (3,200)
Financing						
Required Capital	\$ (2,700)	\$ (2,400)	\$ (5,800)	\$ (3,200)	\$ (1,400)	\$ (3,200)
Long-term Debt Maturities	(2,700)	(2,200)	(3,200)	(1,700)	(1,500)	(2,300)
Short-term Debt Repayments	(1,000)	-	-	-	-	-
Securitization Amortizations	(100)	(200)	(100)	(100)	(100)	(100)
Equity Units Conversion	850	-	-	-	-	-
Equity Issuances – Includes DRP	100	400	800	800	700	700
Debt Capital Market Needs (New)	\$ (5,550)	\$ (4,400)	\$ (8,300)	\$ (4,200)	\$ (2,300)	\$ (4,900)
Financial Metrics						
Debt to Capitalization (GAAP)	Approximately 61%-63%					
FFO/Total Debt (Moody's)	14%-15% Target Range					



Financial Information

Regulated Returns

2024 Operating Earnings Guidance

2024 Key Guidance Sensitivities and Assumptions

Continuous Focus on O&M Efficiency

Weather Normalized Retail Load Trends

FFO to Total Debt Outlook

Capitalization and Liquidity

Credit Ratings and Downgrade Thresholds

2024 Debt Issuances and Maturities Overview





Regulated Returns

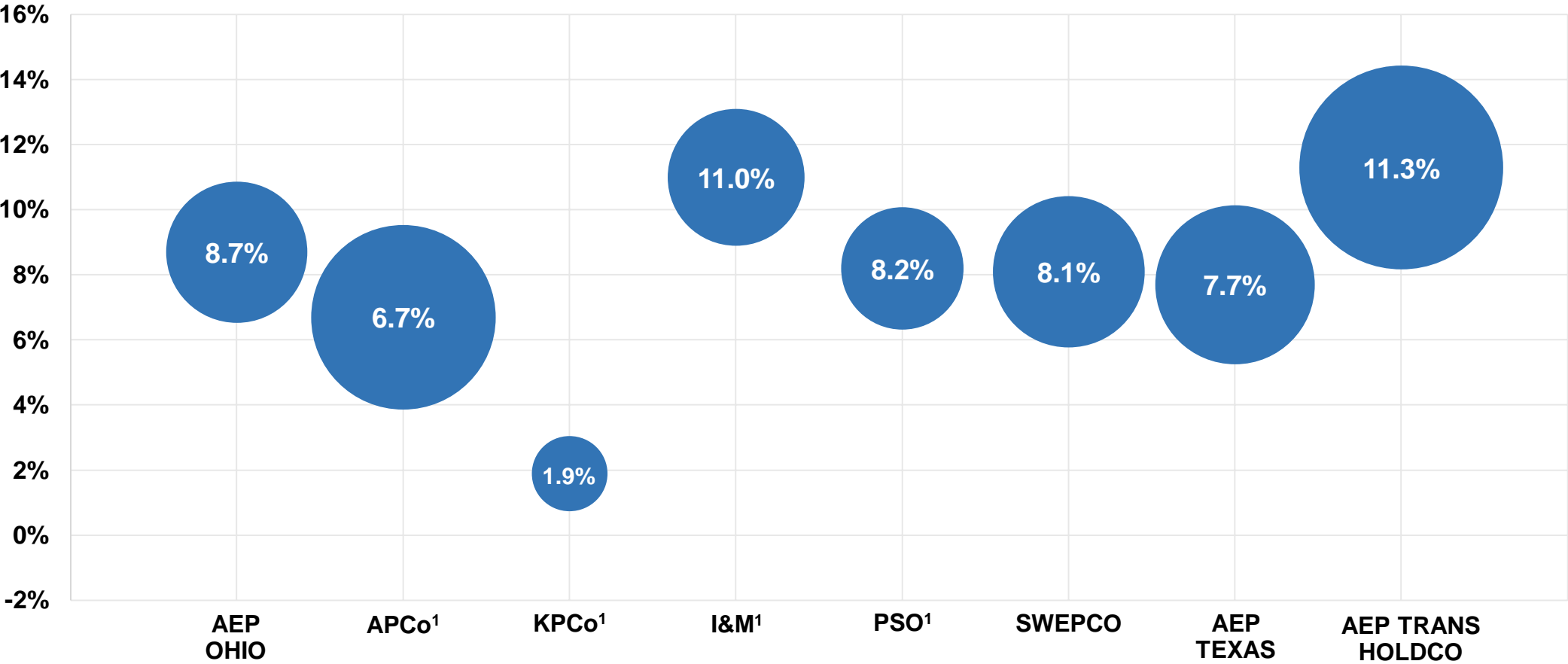
2024 Forecasted Regulated ROE is 9.1%

¹ Base rate cases pending/order recently received.

² The 9/30/2023 earned ROE was depressed by 40 bps on mild weather.

Sphere size is based on each company's relative equity balance.

Twelve Months Ended 9/30/2023 Earned ROE's – Total Regulated ROE was 8.7%²
(non-GAAP operating earnings, not weather normalized)



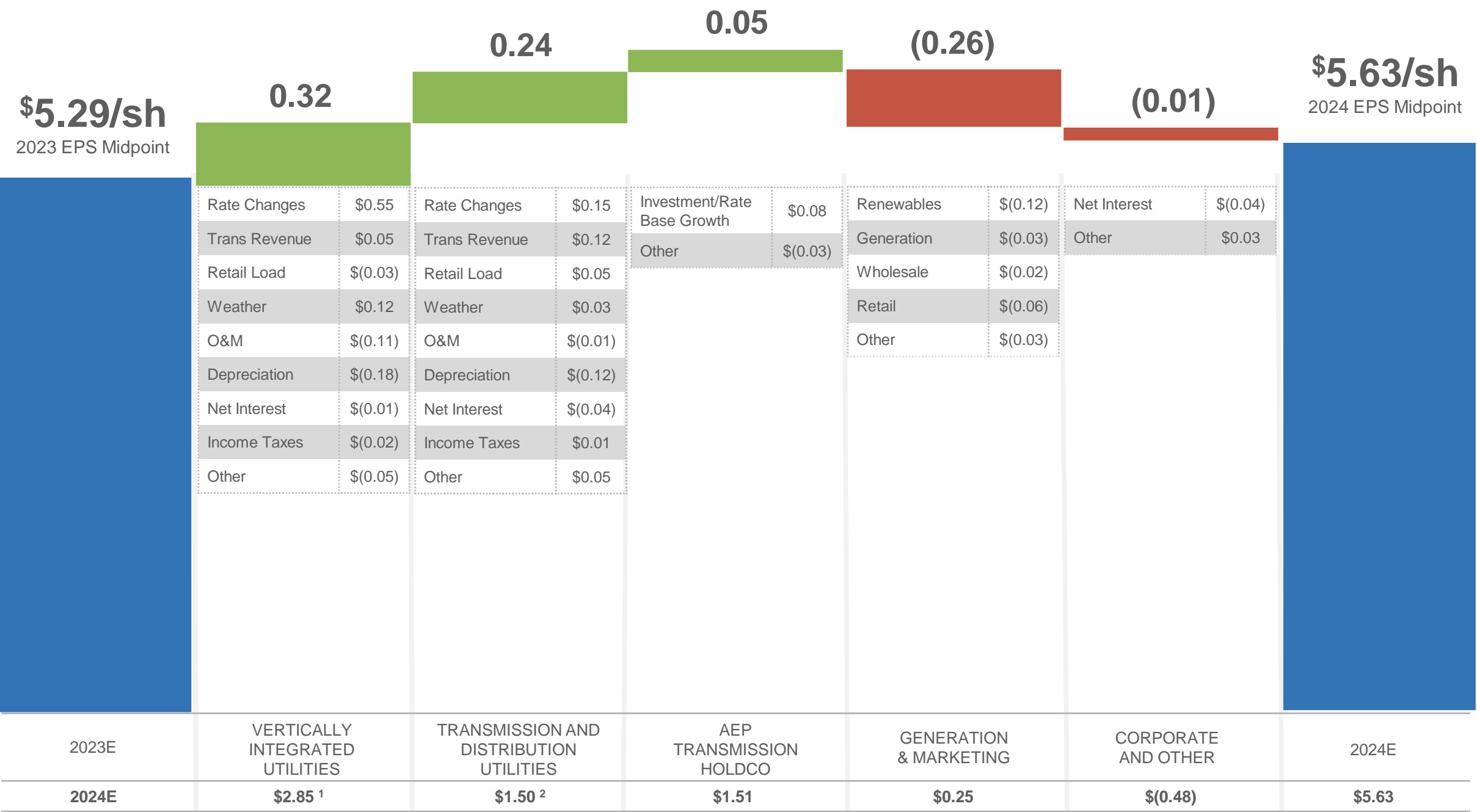


2024 Operating Earnings Guidance

2024 Key Drivers

¹ 2024 transmission-related EPS in VIU is \$0.80 of segment total.

² 2024 transmission-related EPS in T&D is \$0.69 of segment total.





2024 Key Guidance Sensitivities and Assumptions

Assumptions

2024 Regulated Connected Load (Billed and Accrued)

Residential	58,363 GWh
Commercial	56,893 GWh
Industrial	61,209 GWh

Rate Changes: \$462M; \$49M secured
Average Shares Outstanding: 528M

Sensitivity Analysis

	SENSITIVITY		EPS	
			VIU	T&D
Retail Sales				
Residential	1.0%	+/-	\$ 0.032	\$ 0.010
Commercial	1.0%	+/-	\$ 0.016	\$ 0.003
Industrial	1.0%	+/-	\$ 0.009	\$ 0.001
O&M Expense (excludes O&M with offsets)	1.0%	+/-	\$ 0.04	
Interest Expense (floating debt)	25 bps	+/-	\$ 0.02	
Interest Expense (new issuances)	25 bps	+/-	\$ 0.01	
Regulated ROE	10 bps	+/-	\$ 0.06	

A \$6.7M change in pretax earnings equals \$0.01 per share



Continuous Focus on O&M Efficiency

O&M discipline over time amid rising costs and growing asset base helps keep customer rates affordable

\$44B

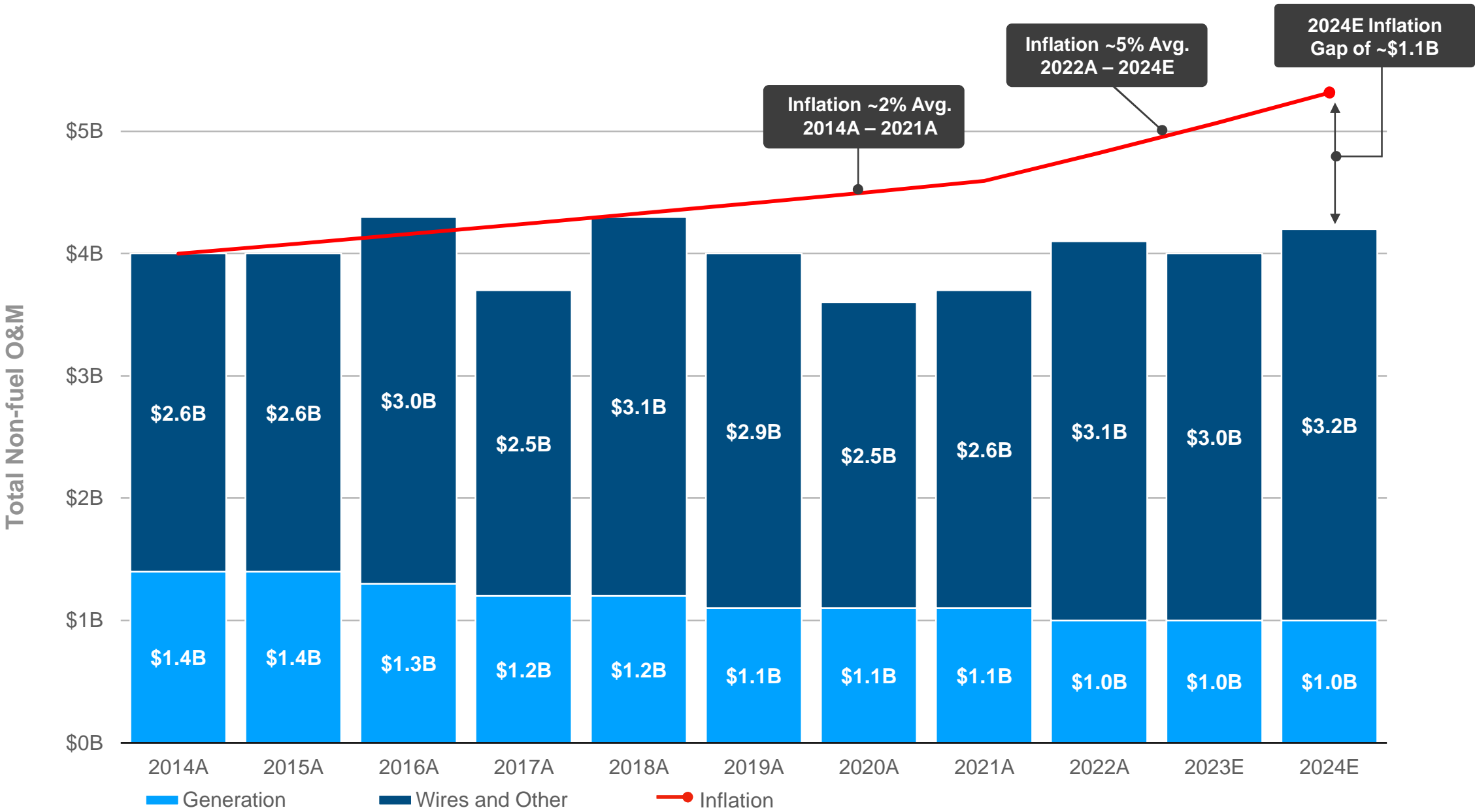
2014A Net Plant

>>

\$82B

2024E Net Plant

Total tracked and untracked O&M are both actively managed to address customer affordability



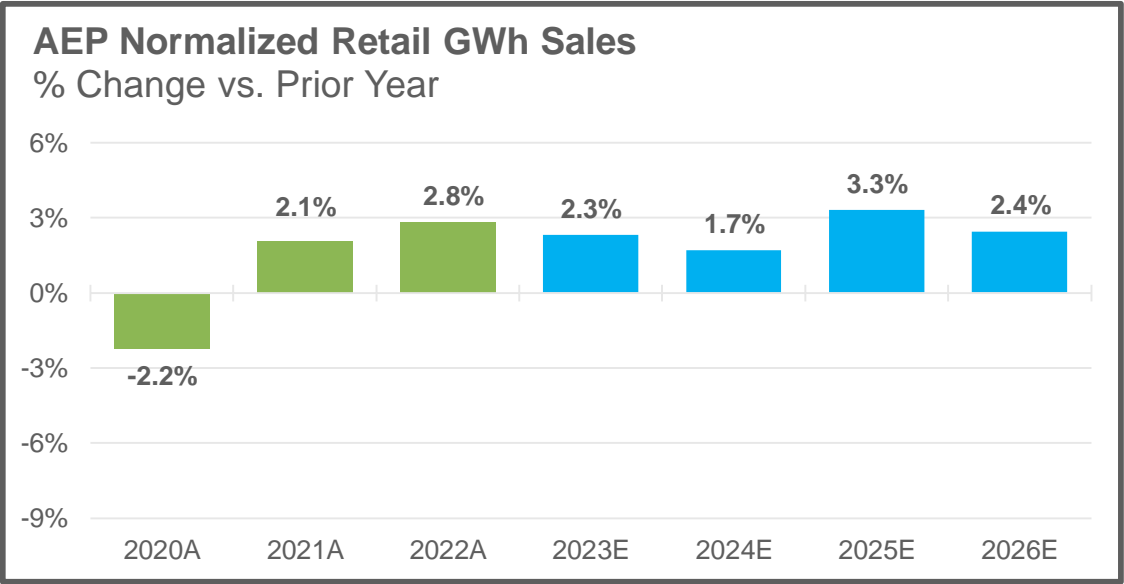
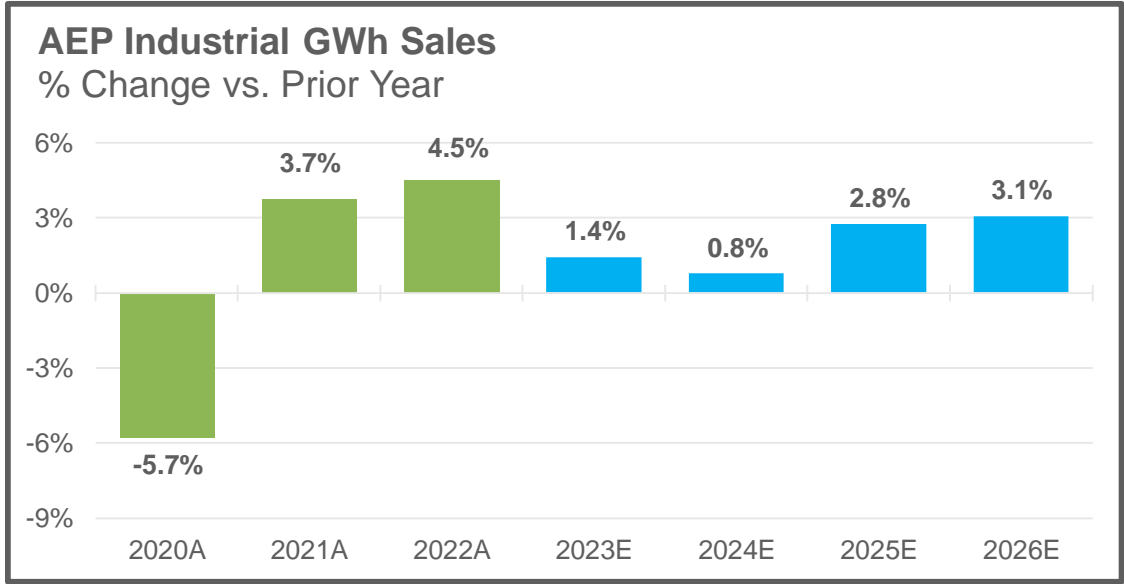
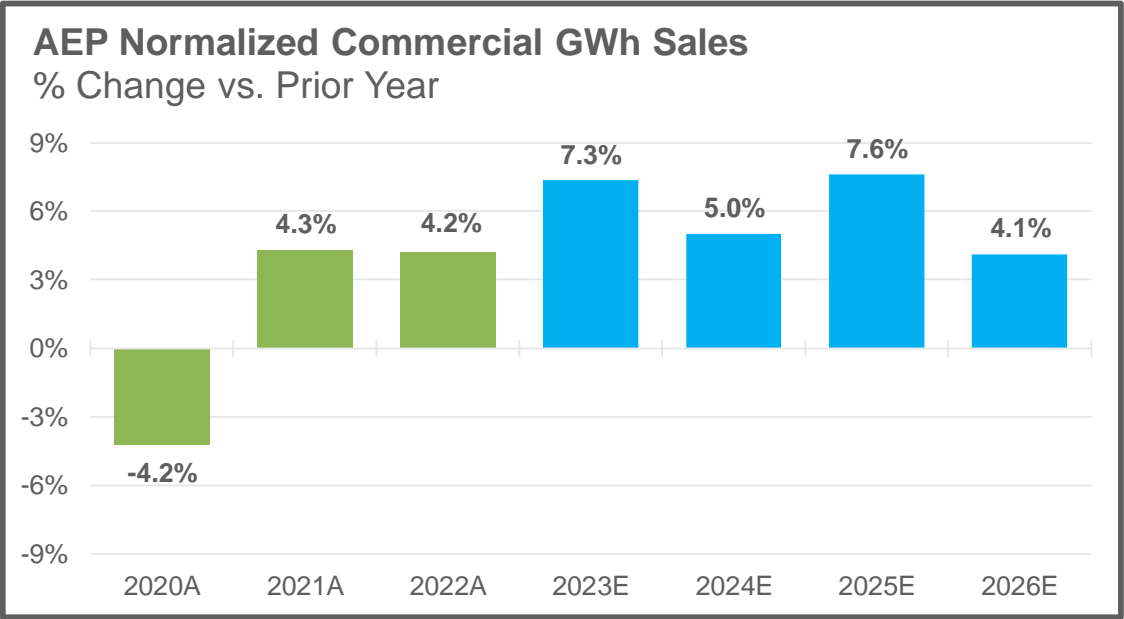
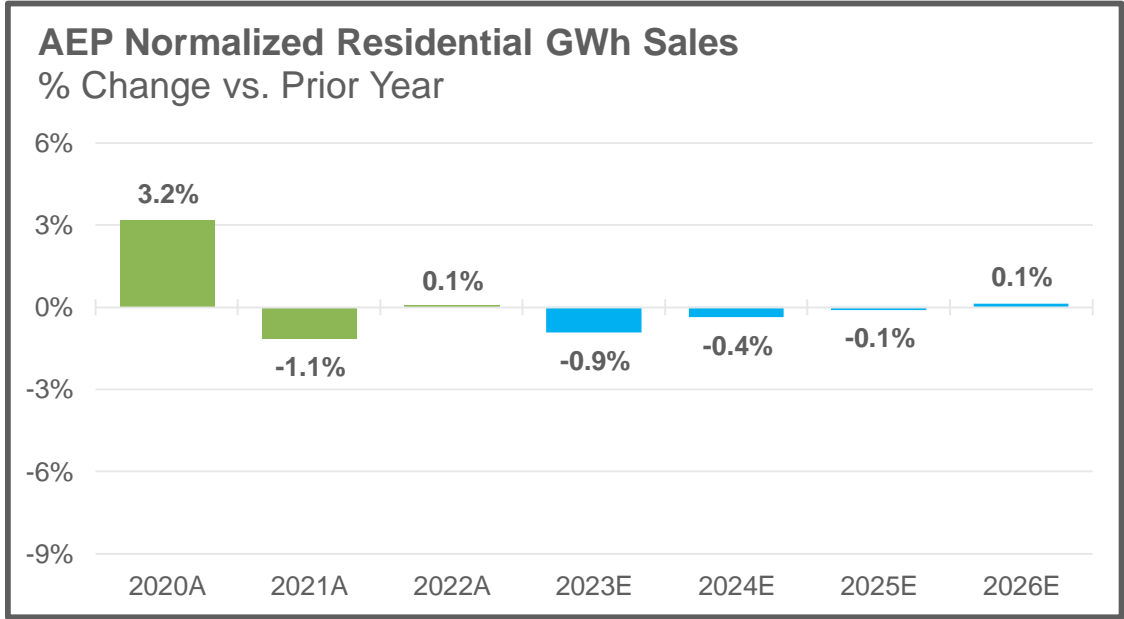
(in billions)	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E
Untracked O&M	\$3.1	\$3.1	\$3.1	\$2.8	\$3.1	\$3.1	\$2.7	\$2.8	\$3.0	\$2.8	\$2.8



Weather Normalized Billed Retail Load Trends

Load in AEP’s service territory remains strong, benefiting from economic development efforts

Load figures are billed retail sales excluding firm wholesale load.



■ Actual Normalized Load ■ Estimated Normalized Load



FFO to Total Debt Outlook

AEP expects to be in the FFO/Debt target range by early 2024

FFO to Total Debt (Trailing 12 months as of 9/30/2023)

	Moody's	GAAP
FFO to Total Debt	11.4% ¹	11.4% ¹
Targeted Range	14.0%-15.0%	

FFO to Total Debt Path to Target Range

	Impact on FFO	Basis Points	Projected FFO to Total Debt
FFO to Total Debt Trailing 12 Months as of 9/30/2023			11.4%¹
Q4-22: Roll-off of Prior Year Cash Collateral Outflow	\$ 370M	90 bps	
Q4-22: Roll-off of Prior Year Deferred Fuel Outflow	\$170M	40 bps	
Q4-22: Roll-off of Prior Year Foundation Contribution	\$60M	10 bps	
Q4-23: Estimated Deferred Fuel Recovery ²	\$150M – \$200M	40 bps – 50 bps	
Q4 -23: Projected Favorable Drivers to FFO	\$750M – \$800M	180 bps – 190 bps	13% - 14%
Q1-23: Roll-off of Prior Year Cash Collateral Outflow	\$ 390M	90 bps	
Q1-23: Roll-off of Prior Year Unfavorable Weather ³	\$ 90M	20 bps	
Early 2024: Projected Favorable Drivers to FFO	\$ 1.2B – \$1.3B	290 bps – 300 bps	14% – 15%

¹ The metric was depressed due to the roll-off of \$687M received from the PSO securitization in September 2022. This was offset by the reduction in debt from the contracted renewables proceeds of \$1.2B and the 2022 equity unit conversion of \$850M (both transactions were completed in August 2023), as well as trailing 12-month collateral and deferred fuel positive impacts.

² Consistent with the third quarter 2023 recovery rates and mechanisms.

³ Reflects the unfavorable first quarter 2023 weather impact versus normal.

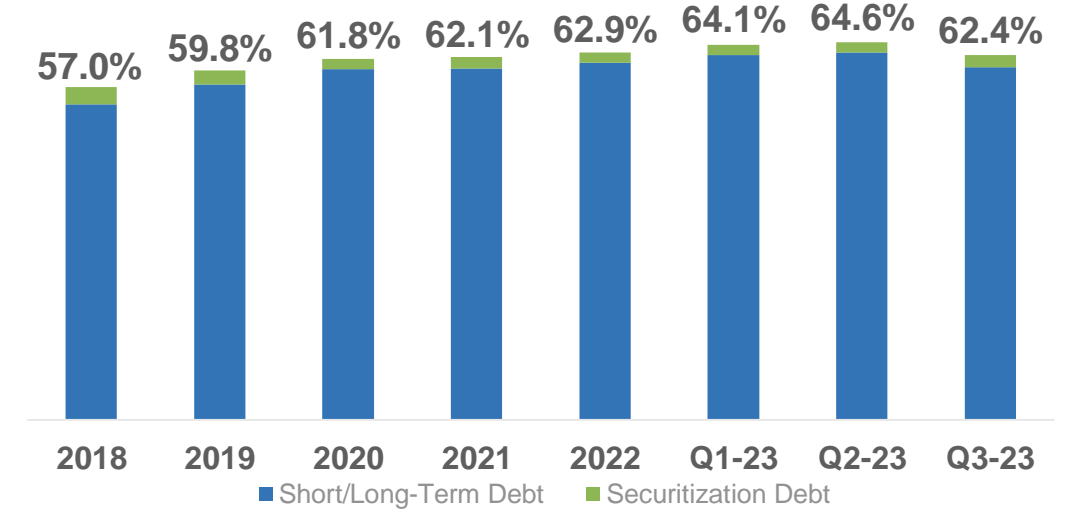
Capitalization and Liquidity

**Strong liquidity and pension
funding status**

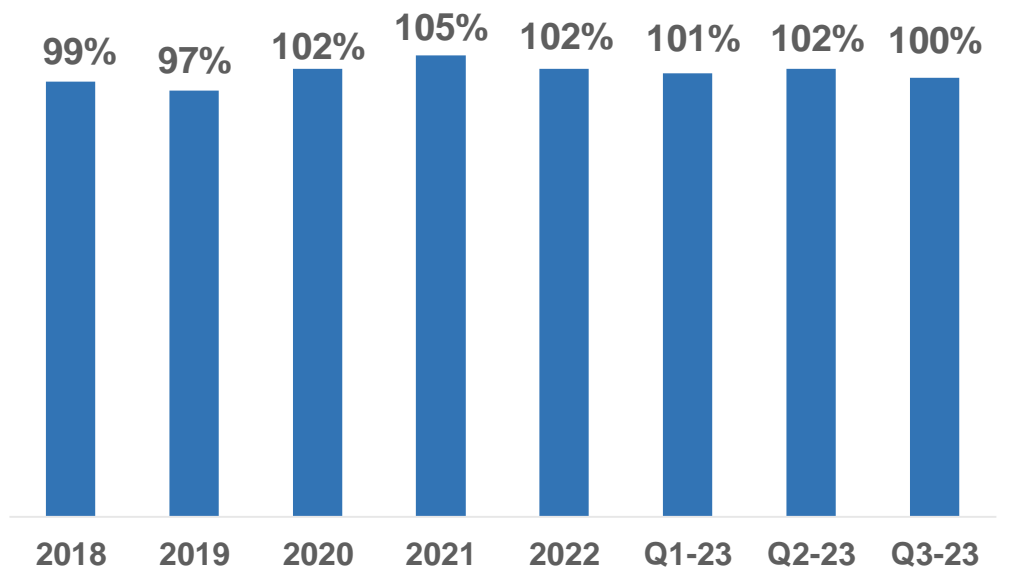
Liquidity Summary

(\$ in millions)	9/30/2023 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	March 2027
Revolving Credit Facility	1,000	March 2025
Plus		
Cash & Cash Equivalents	353	
Less		
Commercial Paper Outstanding	(1,826)	
Net Available Liquidity	\$ 3,527	

Total Debt/Total Capitalization



Qualified Pension Funding





Credit Ratings and Downgrade Thresholds

Current ratings for AEP and subsidiaries

AEP Downgrade Threshold (on a sustained basis)	
Moody's: FFO/Debt	13%
S&P: FFO/Debt	16%
Fitch: FFO Leverage	5.8x

¹ In conjunction with the unenhanced VRDN remarketings, APCo and I&M both received short-term credit ratings of A-2/P2 from S&P/Moody's.

² NR stands for Not Rated.

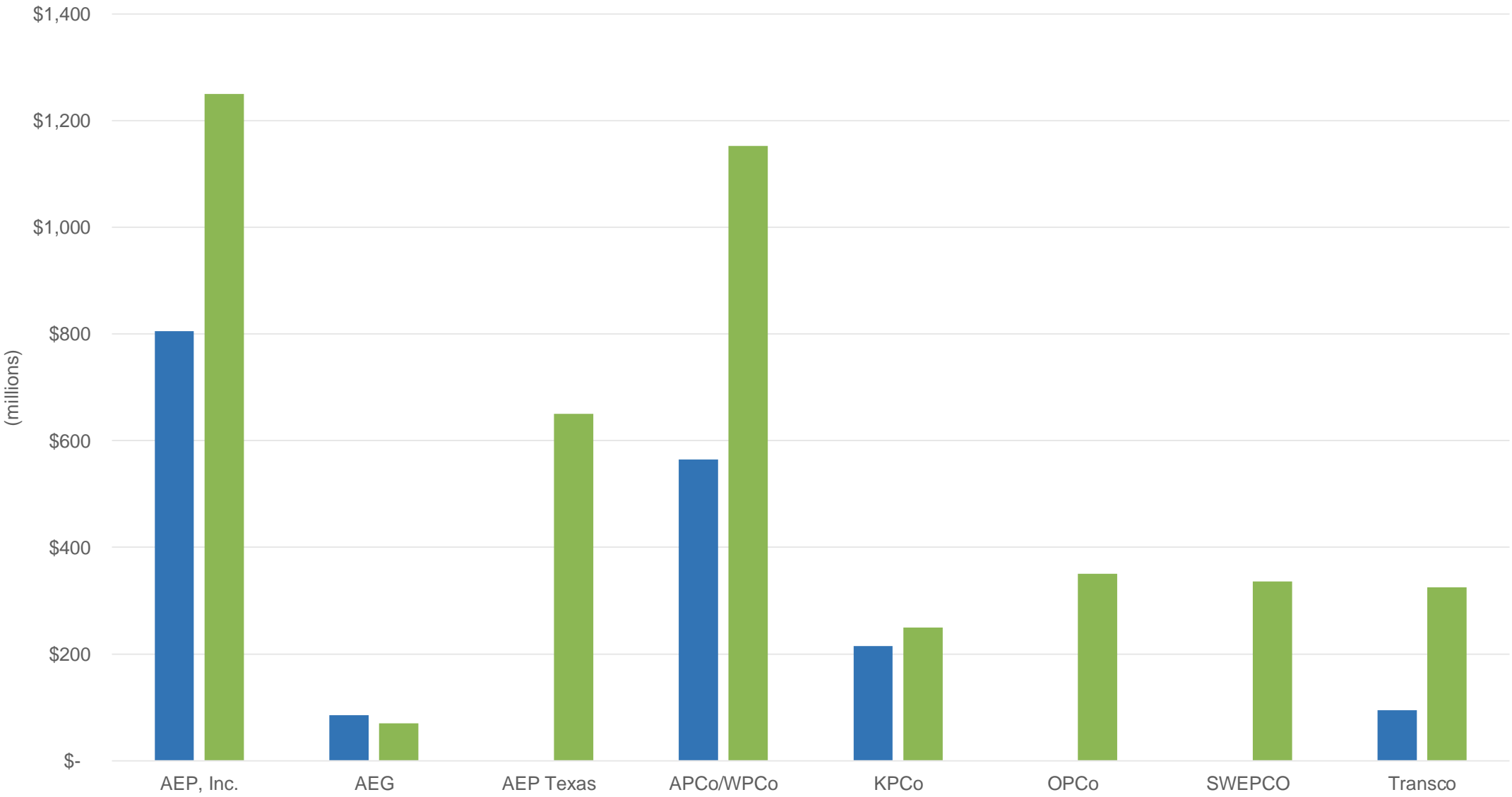
Company	Moody's		S&P		Fitch	
	Senior Unsecured	Outlook	Senior Unsecured	Outlook	Senior Unsecured	Outlook
American Electric Power Company, Inc.	Baa2	S	BBB+	N	BBB	S
AEP, Inc. Short Term Rating ²	P2	S	A2	S	NR	NR
AEP Texas Inc.	Baa2	S	A-	N	BBB+	S
AEP Transmission Company, LLC	A2	S	A-	N	A	S
Appalachian Power Company ¹	Baa1	S	A-	N	A-	S
Indiana Michigan Power Company ¹	A3	S	A-	N	A	S
Kentucky Power Company	Baa3	S	BBB	N	BBB+	S
AEP Ohio	Baa1	S	A-	N	A	N
Public Service Company of Oklahoma	Baa1	S	A-	N	A-	S
Southwestern Electric Power Company	Baa2	S	A-	N	BBB+	S
Transource Energy ²	A2	S	NR	NR	NR	NR



2024 Debt Issuances and Maturities Overview

Chart excludes pollution control bond remarketings and nuclear fuel leases; no significant maturities and issuances are planned for I&M and PSO in 2024.

- 2024 Maturities
- 2024 Expected Issuances





Portfolio Management

Competitive Business Platform

Asset Sales and Strategic Review

Transmission Joint Venture Businesses



Competitive Business Platform



CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

RETAIL SERVICES (SALE LAUNCHED)



- Electric Sales
- Natural Gas Sales
- Demand Response Sales
- Sustainability Services

DISTRIBUTED RESOURCES (SALE LAUNCHED)



- Solar
- Energy Storage
- Reciprocating Engines
- Fuel Cells
- Substations

WHOLESALE SERVICES



- Electric Sales
- Renewable PPA Sourcing
- Congestion Management
- RTO Services
- Portfolio Optimization



Asset Sales and Strategic Review

Sell New Mexico Renewable Development (NMRD), a joint venture solar portfolio

- On 12/22/23, AEP signed an agreement to sell 50% of NMRD to Exus North American Holdings, LLC. AEP and PNM Resources plan to sell the portfolio of 15 solar projects totaling 625 MW
- Purchase price of approximately \$230M subject to true-up adjustments at close; AEP's share of the sale is about \$115M
- Cash proceeds of approximately \$104M after tax and transaction fees
- Asset contributes \$0.01 EPS in 2023 operating earnings guidance; the sale transaction will not have a material impact on financial results
- Expect to close in February 2024 after regulatory approval by the New Mexico Public Regulation Commission; FERC approval and Hart-Scott-Rodino clearance were both obtained in December 2023

Sell Retail and Distributed Resources businesses (not including NMRD)

- Book value of AEP's investment as of 9/30/2023: \$244M Retail and \$353M Distributed Resources
- Asset EPS contributions in 2023 operating guidance: \$0.04 Retail and \$0.02 Distributed Resources
- Advisor hired; sale launched in August 2023 and expect sale agreement to be announced in Q1 2024 with the transaction close in the first half of 2024

Sell Prairie Wind and Pioneer non-core transmission joint ventures

- As of 9/30/2023, AEP's portion of PP&E was \$123M and rate base was \$107M
- Assets contribute \$0.02 EPS in 2023 operating earnings guidance
- Advisor hired; sale launched in October 2023 and expect sale agreement to be announced in Q2 2024 with the transaction close in the second half of 2024

Strategic Review of Transource non-core transmission joint venture

- Completed strategic review of Transource Energy at end of 2023; will provide decision on 4Q23 earnings call
- As of 9/30/2023, AEP's portion of PP&E was \$433M and rate base was \$348M
- Assets contribute \$0.03 EPS in 2023 operating earnings guidance

De-risk and simplify the business profile through active management



Transmission Joint Venture Businesses

In 2023 operating earnings guidance, Prairie Wind and Pioneer contribute \$0.02 EPS and Transource contributes \$0.03 EPS

As of 9/30/2023, AEP's portion of rate base for Prairie Wind and Pioneer was \$107M; Transource was \$348M

¹ The Independence Energy Connection transmission project was approved by the Maryland commission and rejected by the Pennsylvania commission; federal litigation is currently pending. The project received the abandonment incentive from FERC.

Project Name	Location	Owners	AEP's Portion of Net Plant as of 9/30/2023	AEP's Portion of Rate Base as of 9/30/2023	Base ROE	RTO Adder	Project Risk ROE	Total Authorized ROE
ETT	Texas (ERCOT)	BHE (50%), AEP (50%)	\$1,807M	\$1,418M	9.60%	0.00%	0.00%	9.60%
Prairie Wind <i>(Sale Launched)</i>	Kansas	Evergy, Inc. (50%), BHE (25%), AEP (25%)	\$ 32M	\$25M	10.80%	0.50%	1.50%	12.80%
Pioneer Project <i>(Sale Launched)</i>	Indiana	Duke Energy (50%), AEP (50%)	\$ 91M	\$82M	10.02%	0.50%	0.00%	10.52%
Transource-Iatan-Nashua <i>(Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 51M	\$40M	9.80%	0.50%	0.00%	10.30%
Transource-Nebraska-Sibley <i>(Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 196M	\$154M	9.80%	0.50%	1.00%	11.30%
Transource-WV <i>(Strategic Review)</i>	West Virginia	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 70M	\$64M	10.00%	0.50%	0.00%	10.50%
Transource-Sooner-Wekiwa <i>(Strategic Review)</i>	Oklahoma	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 24M	-	9.80%	0.50%	NA	10.30%
Transource-PA & MD ¹ <i>(Strategic Review)</i>	Pennsylvania & Maryland	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 92M	\$90M	9.90%	0.50%	0.00%	10.40%



Regulatory Initiatives

Strategies to Close the ROE Gap

Current Rate Case Activity

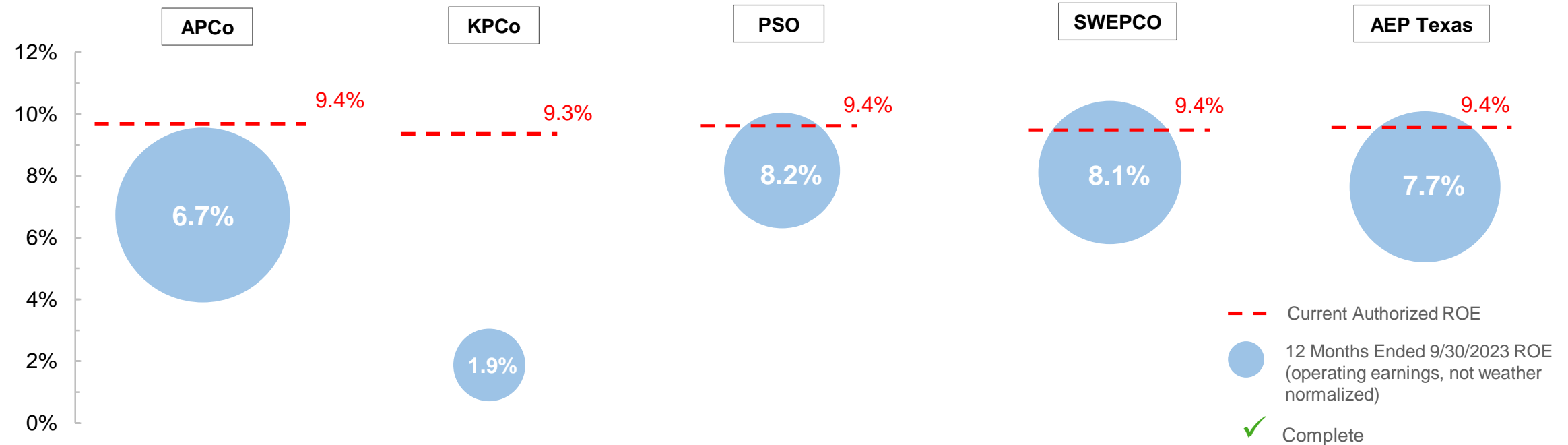
Review of Multi-jurisdictional Regulatory Constructs



Strategies to Close the ROE Gap

- Actively listen to stakeholders on the needs and timing of incremental rate recovery
- Revisit prior case decisions to find new opportunities
- Establish legislative mechanisms that provide more concurrent recovery
- Improve alignment of spend with recovery to reduce regulatory lag

Building a strong foundation to close the ROE gap



BUILDING A STRONG FOUNDATION WITH REGULATORY AND LEGISLATIVE ACTIONS				
APCo	KPCo	PSO	SWEPCO	AEP Texas
<ul style="list-style-type: none"> ✓ Securitization legislation passed in WV ✓ Implemented VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo's favor in 2022 ✓ Finalized VA triennial in November 2023 ✓ G, T, broadband, EE, RPS and DR trackers recover most incremental investment; biennial process for balance of recovery in VA ✓ VA biennial rate case legislation passed ✓ Rate base and renewables capital trackers in place for WV 	<ul style="list-style-type: none"> ✓ Right team in place to oversee efficient and effective execution of Kentucky strategy ✓ Securitization legislation passed ✓ Filed for recovery of fuel and storm cost deferrals ✓ Base case filed June 2023; statute allows for interim rates effective January 2024 ✓ Securitization filed in June 2023 to right-size rate base and mitigate rate impacts • Implement new economic development opportunities to build a strong community and promote customer affordability 	<ul style="list-style-type: none"> ✓ Securitization of Winter Storm Uri costs and North Central rates put in place in 2022 ✓ Finalized base case in November 2023; pursued approval of more efficient cost recovery mechanisms with the continuation of T&D trackers ✓ PSO submitted a Notice of Intent in November 2023 to file a new base case in January 2024 ✓ Renewable approval with interim recovery until added to rates 	<ul style="list-style-type: none"> ✓ Finalized LA rate case in January 2023 and implemented formula rate going forward ✓ Legislation modified to allow AR base case filing flexibility ✓ Filed Turk CCN and rider request in AR ✓ Filed LA formula rate update in April 2023 ✓ Filed AR formula rate update in April 2023 ✓ G, T and D trackers in place in TX ✓ Timing of formula rate updates and new generation in-service dates to minimize lag 	<ul style="list-style-type: none"> ✓ Bi-annual TCOS filings recover significant capital investment ✓ Annual DCRF filings recover D-related capital ✓ Bi-annual DCRF legislation passed • Review rate structures for 2024 rate case filing

Current Rate Case Activity

Continued focus on
regulatory execution



APCo – Virginia

Docket #	PUR-2023-00002
Filing Date	3/31/2023
Requested Rate Base	\$2.9B
Requested ROE	10.6%
Cap Structure	51.7%D / 48.3%E
Gross Revenue Increase	\$213M (Less \$53M D&A)
Net Revenue Increase	\$160M
Test Year	12/31/2022
<u>Commission Order Summary</u>	
Settlement Filed	8/22/2023
Commission Order	11/30/2023
Expected Effective Date	January 2024
ROE	9.5%
Cap Structure	51%D / 49%E
Gross Revenue Increase	\$127M
Net Revenue Increase	\$86M



I&M – Indiana

Docket #	45933
Filing Date	8/9/2023
Requested Rate Base	\$5.4B
Requested ROE	10.5%
Cap Structure	48.8%D / 51.2%E
Gross Revenue Increase	\$116M (Less \$75M D&A)
Net Revenue Increase	\$41M
Test Year	2024 Forecasted
<u>Settlement Summary</u>	
Settlement Filed	Pending Commission Approval
Expected Commission Order and Effective Date	12/20/2023
ROE	9.85%
Capital Structure	50%D / 50%E in 2024; 49%D / 51%E in 2025
Net Revenue Increase	\$16M in 2024; \$50M in 2025



I&M - Michigan

Docket #	U-21461
Filing Date	9/15/2023
Requested Rate Base	\$1.3B
Requested ROE	10.5%
Cap Structure	49.4%D / 50.6%E
Revenue Increase	\$34M
Test Year	2024 Forecasted
<u>Procedural Schedule</u>	
Intervenor Testimony	1/18/2024
Rebuttal Testimony	2/9/2024
Hearing	2/22/2024
Expected Commission Order and Effective Date	July 2024

Current Rate Case Activity

Continued focus on regulatory execution

¹ The base case filing also included a request to securitize \$471M of regulatory assets to mitigate rate impacts

² Does not include \$39M of existing riders moving to base rates; total revenue increase equals \$94M.

³ Does not include \$75M of existing riders moving to base rates.

⁴ The commission approved efficient cost recovery mechanisms with the continuation of T&D trackers. Inclusion of Rock Falls wind facility in rate base will be considered in a future case (within 6 months after the end of the test year); PSO submitted a Notice of Intent on 11/8/2023 to file a new base case in January 2024.

⁵ On 11/21/23, the commission modified the order to include a 2.5% residential cap; no impact to the stated revenue increase.



KPCo – Kentucky¹

Docket #	2023-00159
Filing Date	6/29/2023
Requested Rate Base	\$1.8B
Requested ROE	9.9%
Cap Structure	58.4%D / 41.6%E
Net Revenue Increase	\$55M ²
Test Year	3/31/2023
<u>Settlement Summary</u>	
	Pending Commission Approval
Settlement Filed	11/20/2023
Expected Commission Order	Early 2024
Statute Allows for Interim Rates	January 2024
Rate Base	\$1.6B
ROE	9.75%
Cap Structure	58.75%D / 41.25%E
Net Revenue Increase	\$36M



PSO – Oklahoma

Docket #	PUD 2022-000093
Filing Date	11/22/2022
Requested Rate Base	\$4.4B
Requested ROE	10.4%
Cap Structure	45.4%D / 54.6%E
Gross Revenue Increase	\$173M ³ (Less \$70M D&A)
Net Revenue Increase	\$103M
Test Year	6/30/2022
<u>Commission Order Summary⁴</u>	
Settlement Filed	5/5/2023
Commission Order	11/3/2023 ⁵
Effective Date	6/1/2023
ROE	9.3%
Cap Structure	48%D / 52%E
Net Revenue Increase	\$47M

Review of Multi-jurisdictional Regulatory Constructs

Allows customers and states greater flexibility in generation needs

Capacity data as of 9/30/2023.

APCo

Owned Generating Capacity	7,492 MW
PPA Capacity	969 MW
Generating & PPA Capacity by Fuel Mix	
Coal	63.7%
Natural Gas	19.4%
Hydro, Wind & Solar	16.9%



Recent State-level Divergence and Need:

- ELG investments for existing coal assets now approved in both Virginia and West Virginia
- Virginia Clean Energy Act (VCEA) mandated renewables now being planned and built to serve Virginia-jurisdictional customers
- Customer Focus – Develop renewables tariff and contract offerings to meet customer needs and support economic development
- Studying the Future – Reviewing IRA options and infrastructure support for new potential options in Appalachia

SWEPCO

Owned Generating Capacity	5,009 MW
PPA Capacity	469 MW
Generating & PPA Capacity by Fuel Mix	
Coal	32.7%
Natural Gas	44.0%
Hydro, Wind & Solar	23.3%



Recent State-level Divergence and Need:

- Arkansas portion of Turk was never included in rates due to Arkansas Supreme Court ruling; presenting the commission an option to allow customers to benefit from physical hedge provided by Turk
- North Central Wind declined in Texas and flexed up in Louisiana and Arkansas; costs/benefits of resource being direct assigned by states
- SPP raised reserve margin from 12% to 15%, driving further need for new supply for SWEPCO

Reviewing current construct to ensure individual states and AEP alignment on generation supply

- Reviewing path to dedicated state-by-state resources
- Determining process to organize resource mix based on state policy
- Applying lessons learned in past execution to manage the generation fleet



Regulated Investments

Regulated Capital Investment Strategy

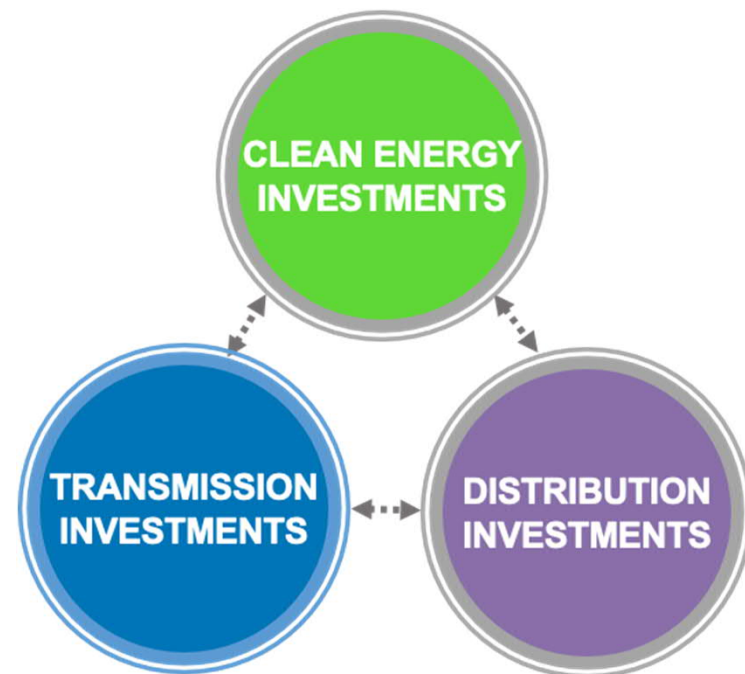
Transmission

Distribution

Regulated New Generation



Linking Investments to Outcomes: Regulated Capital Investment Strategy



KEY INVESTMENT STRATEGIES

- **Diversify our electric generation fleet** to drive down costs to customers and achieve our climate goals
- **Develop a modern and secure electric transmission grid** to bolster system reliability, enhance market efficiency and integrate new generation resources
- **Modernize the electric distribution system** to enhance reliability, accommodate changing resources, loads, advanced technologies and increase customer satisfaction
- Work with regulators, policymakers, and key stakeholders to **ensure a durable and sustainable transition to a clean energy economy** by balancing decarbonization goals and timelines with system reliability, resiliency, security and affordability

Our flexible and robust capital plan is designed to meet our customer needs and provide the ability to strategically shift capital to deliver on our 6-7% EPS growth commitment

2024-2028 CAPITAL INVESTMENT

\$16.0B

TRANSMISSION

Transmission Investment in Current 5-year Capital Plan

\$11.3B

DISTRIBUTION

Distribution Investment in Current 5-year Capital Plan

\$9.4B

REGULATED RENEWABLES

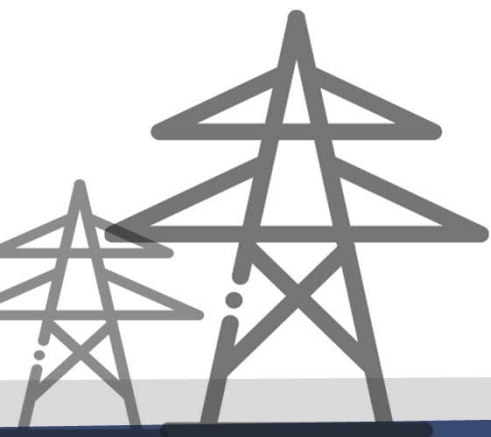
Regulated Renewable Investment in Current 5-year Capital Plan

We have developed a significant pipeline of organic growth opportunities beyond the investments included in our 5-year capital plan

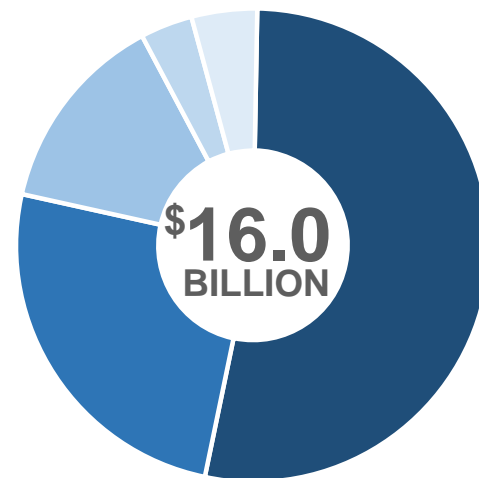
Transmission Organic Growth Opportunity

AEP has a long runway of organic transmission investment opportunities focused on improving system performance, increasing reliability and resiliency, and enhancing market efficiency

\$3B of annual on-system capital investment is required to maintain current age profile



2024-2028 CAPEX



DRIVERS

ASSET REPLACEMENT

Asset renewal investments based on condition, performance and risk to reduce customer outages and interruption times

LOCAL RELIABILITY

Multi-driver projects on the local network addressing reliability and customer concerns

RTO DRIVEN

Upgrades needed to address RTO standards related to thermal voltage overloads and contingency conditions; opportunities driven by enabling access to renewable generation

TELECOM / TECHNOLOGY

Asset health monitoring, cyber-security requirements and enhanced situational awareness for grid operations

CUSTOMER SERVICE

Upgrades to connect new customers and enhanced service requests; facilitates local economic development

TRANSMISSION PIPELINE

Large-scale and Growing Pipeline

We have a transmission investment pipeline of approximately \$30B in various phases of development over the next 10 years (inclusive of the current 5-year capital plan)

Capital Flexibility

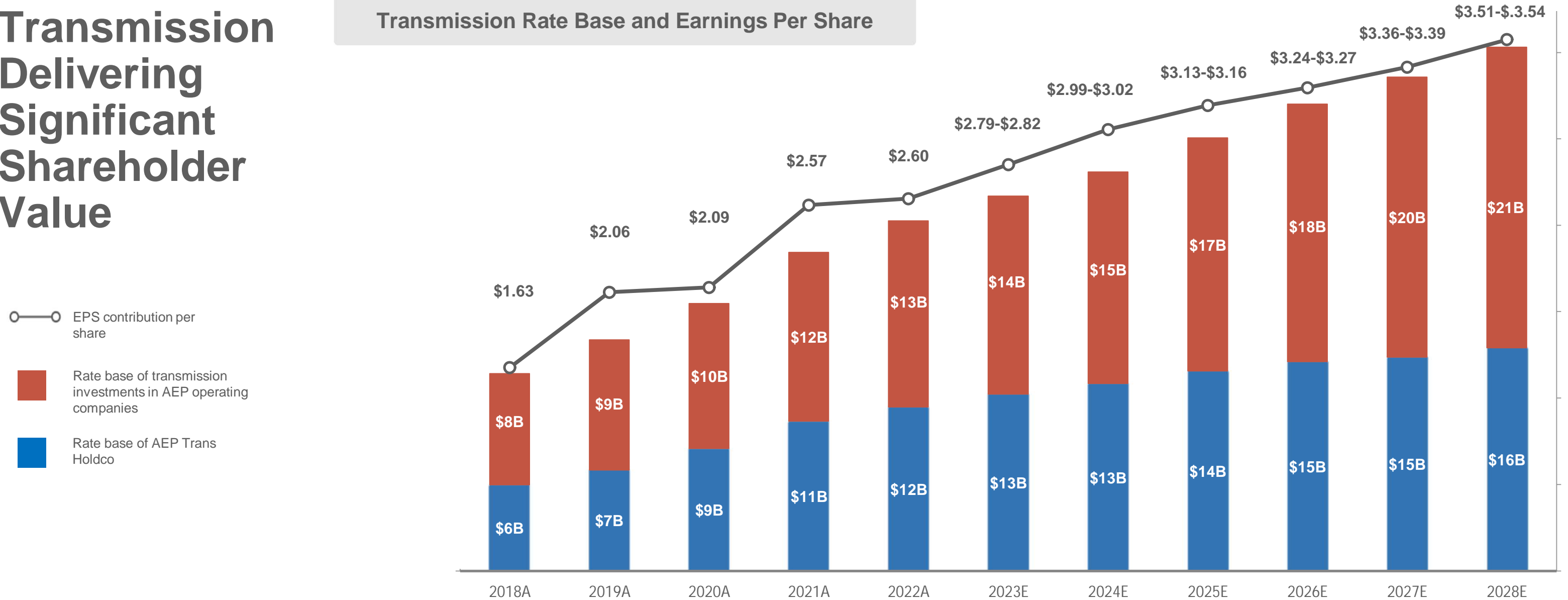
Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

Future Growth Drivers

Integration of renewable resources, fossil-fuel generation retirements, regional reliability, inter-regional projects, customer interconnections, positive policy changes that influence inter-regional expansion and cost allocation

Transmission Delivering Significant Shareholder Value

Transmission Rate Base and Earnings Per Share

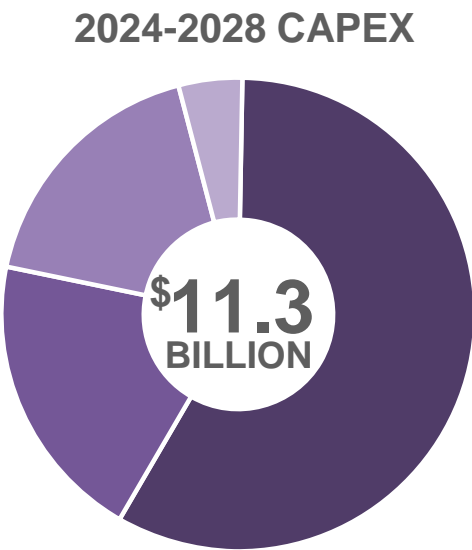


EPS Contributions (\$/Share)	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
AEP Trans Holdco	\$0.75	\$1.05	\$1.03	\$1.35	\$1.32	\$1.43	\$1.51	\$1.52	\$1.55	\$1.58	\$1.63
Transmission Investments in AEP Operating Companies	\$0.88	\$1.01	\$1.06	\$1.22	\$1.28	\$1.37	\$1.49	\$1.62	\$1.70	\$1.79	\$1.89

Distribution Organic Growth Opportunity

AEP’s expansive, aged distribution system provides significant opportunity for investment and we are developing a portfolio of projects to address system needs and ramping-up our capabilities to execute these projects

\$2B of annual on-system capital investment is required to maintain current age profile



DRIVERS			
CAPACITY EXPANSION, RELIABILITY & MODERNIZATION	CUSTOMER REQUESTS	METERING, AUTOMATION, TECHNOLOGY & TELECOM	RESTORATION & SPARING
Asset renewal and reliability investments including pole, conductor, cutout, station transformer and breaker replacements and capacity additions	Investments for new service, upgrades, relocation	Implementation of automated technology including automated meters, distribution supervisory control and data acquisition, smart switches and reclosers, volt-var optimization and sensors	Storm restoration and spare equipment

DISTRIBUTION PIPELINE

Robust Pipeline Under Development

Significant capital investment opportunity over the next 10-years to renew the distribution system, improve reliability and resilience, and expand operational capabilities

Capital Flexibility

Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

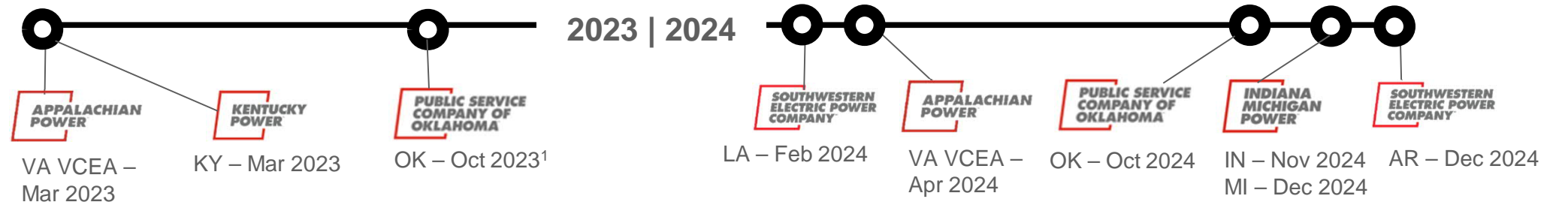
Future Growth Drivers

Electrification and higher penetration levels of distributed resources will drive additional distribution investment opportunities

Resource Plans Are Aligned with Capacity Needs

Current IRPs identify a significant need for new energy resources over the next 10 years

IRP FILINGS



10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2024-2033 (MW) ^{2,3}	SOLAR	WIND	STORAGE	NAT. GAS ⁴	TOTAL
APCo	1,454	1,029	308	-	2,791
I&M	1,500	800	315	1,250	3,865
KPCo	800	700	-	480	1,980
PSO	1,193	4,053	20	1,200	6,466
SWEPCO	2,523	2,400	200	1,293	6,416
TOTAL	7,470	8,982	843	4,223	21,518

3.3 GW

Owned and PPA Projects That Have Received or Are Pending Regulatory Approval



18.2 GW

Remaining Resource Additions in Pipeline (2024-2033)



21.5 GW

New Generation Opportunity Over Next 10-years

¹ Integrated Resource Plan refresh was required as part of the May 2023 PSO renewables approval.

² Resource additions are from Integrated Resource Plans (IRP) filings.

³ Investments in new generation resources will be subject to market availability of viable projects and regulatory approvals.

⁴ Natural gas additions may include peaking units and fuel switching to provide reliable, affordable and flexible power.



TRANSMISSION

DISTRIBUTION

REGULATED NEW GENERATION

Regulated New Generation Status

Approved owned projects total \$6.6B; projects pending commission approval total \$150M

¹ The project approval also included PPAs for seven solar facilities for a total of 204 MW.

² The project approvals in both Indiana and Michigan also included PPAs for two solar facilities for a total of 280 MW.

Approved projects may be impacted by market conditions during development. Additional RFP issuances are expected in the near term consistent with the IRPs for energy and capacity needs.



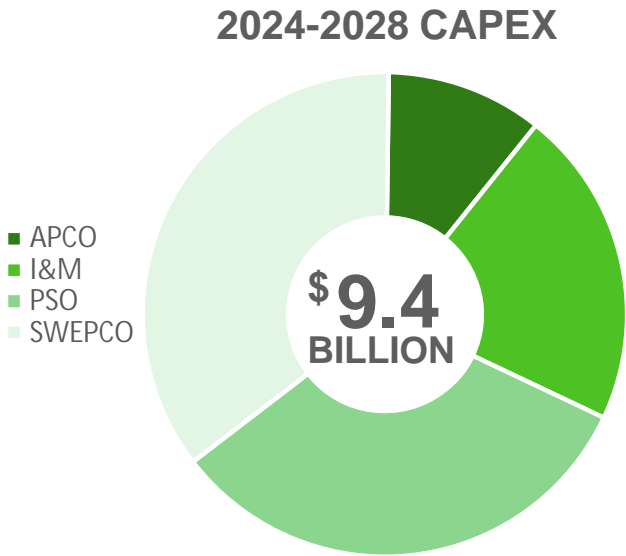
Total Investment	Resource	Project	MWs	In Service/ Acquisition Date	Jurisdictional Status
209 MW / ~\$500M	Solar	Amherst / Virginia	5	Q2-23	Projects <u>Approved</u> July 2022 Docket # PUR-2021-00206
	Wind	Top Hat / Illinois	204	Q3-25	
143 MW / ~\$426M ¹	Wind	Grover Hill / Ohio	143	Q1-26	Project <u>Approved</u> September 2023 Docket # PUR-2023-00001
469 MW / ~\$1.0B ²	Solar	Lake Trout / Indiana	245	Q2-26	Indiana Order Projects <u>Approved</u> October 2023 Docket # 45868 Michigan Orders Docket # U-21189 Mayapple <u>Approved</u> August 2023 Docket # U-21377 Lake Trout <u>Approved</u> December 2023
	Solar	Mayapple / Indiana	224	Q2-26	
999 MW / ~\$2.2B	Solar	Mooringsport / Louisiana	200	Q4-25	Projects <u>Approved</u> June 2023 Arkansas Docket # 22-019-U Louisiana Docket # U-36385
	Wind	Diversion / Texas	201	Q4-24	
	Wind	Wagon Wheel / Oklahoma	598	Q4-25	
995.5 MW / ~\$2.5B	Solar	Algodon / Texas	150	Q2-26	Projects <u>Approved</u> May 2023 Docket # 2022-000121
	Solar	Chisholm Trail / Kansas	103.5	Q4-25	
	Solar	Pixley / Kansas	189	Q2-25	
	Wind	Flat Ridge IV / Kansas	135	Q1-25	
	Wind	Flat Ridge V / Kansas	153	Q1-25	
	Wind	Lazbuddie / Texas	265	Q2-26	
154 MW / ~\$150M	Wind	Rock Falls / Oklahoma	154	Q1-23	Inclusion of Rock Falls in rate base will be considered in a future case (outside of Docket # PUD 2022-000093); PSO submitted a Notice of Intent on 11/8/2023 to file a new base case in January 2024

Total Projects Listed = 3.0 GW / \$6.8B Investment



Regulated New Generation Investment Growth

Continuing execution on the \$9.4B regulated renewables investment over the next five years



RFPs IN PROGRESS ¹			
RFP Issued	April 2023	March 2023	November 2023
Wind	600 MW	800 MW	1,500 MW of SPP accredited capacity
Solar		850 MW	
Storage	-	315 MW	
Natural Gas	-	540 MW	
Reg. Filings and Approvals	Q2-24 – Q4-24	Q1-24 – Q2-25	Q4-24 – Q3-25
Projected In-service Dates	YE26	YE27	YE27 or YE28

Future RFPs



Notice of intent to conduct an all-source RFP filed in September 2023; final RFP expected by February 2024

REGULATED GENERATION PIPELINE

18 GW Pipeline

Significant long-term investment potential over the next decade

Capital Flexibility

Investments contingent upon markets and regulatory approvals and are backed-up by a flexible pipeline of T&D investments

Growth Drivers

Generation needs coupled with new federal legislation support our clean energy goals and extend our investment runway

¹ RFPs represent up-to MW capacity values; related regulatory filings will take into consideration commission preferences. KPCo RFP details are not shown as the company only seeks contracted resources.

IRA Provides a Clean Energy Investment Tailwind



Tax credits extend the runway for clean energy investments and will significantly drive down costs to customers

- Long-term extension of clean energy tax credits and reinstatement of the full credit value
- Establishment of a new energy storage tax credit
- Establishment of a nuclear generation tax credit
- Bonus credits for qualifying projects



Tax credit package is advantageous for utility ownership of clean energy investments

- Normalization inefficiencies are addressed through the implementation of the solar PTC and technology-neutral PTC as well as the opt-out provision within the storage ITC
- The tax credits are transferrable which limits potential tax credit utilization inefficiencies
- Bonus credits for locating assets in existing energy communities



Provides flexibility to invest in other clean energy resource types and new technologies

- Credits transition to technology-neutral tax credits over time



Provides incentives for advanced manufacturing which can lead to economic growth in the communities in which we serve

Forecasted 2024-2028 annual cash from operations benefit of \$150M - \$500M from the sale of tax credits



Environmental, Social and Governance (ESG)

Commitment to ESG

Proven Track Record of Reducing Fleet Emissions

Continuing to Advance Coal Fleet Transition

Diversifying Our Generation Fleet



Commitment to ESG

ENVIRONMENTAL

- Accelerated CO₂ emission goals: 80% reduction by 2030 off a new 2005 baseline and accelerated net-zero goal by 2045
- 47% reduction in coal capacity as a percent of total capacity by 2032
- 2022 coal capacity = 12.2% of rate base; 2022 coal revenue = 10.5% of total revenue
- Clean energy transition tied to long-term incentive compensation

SOCIAL

- Promote diversity, equity and inclusion
- Service territory economic and business development
- Just Transition strategy
- Environmental and Social Justice Policy
- AEP Foundation Launched Delivering on the Dream: Social and Racial Justice grant program in 2021
- Zero Harm Safety Culture
- Human Rights Policy



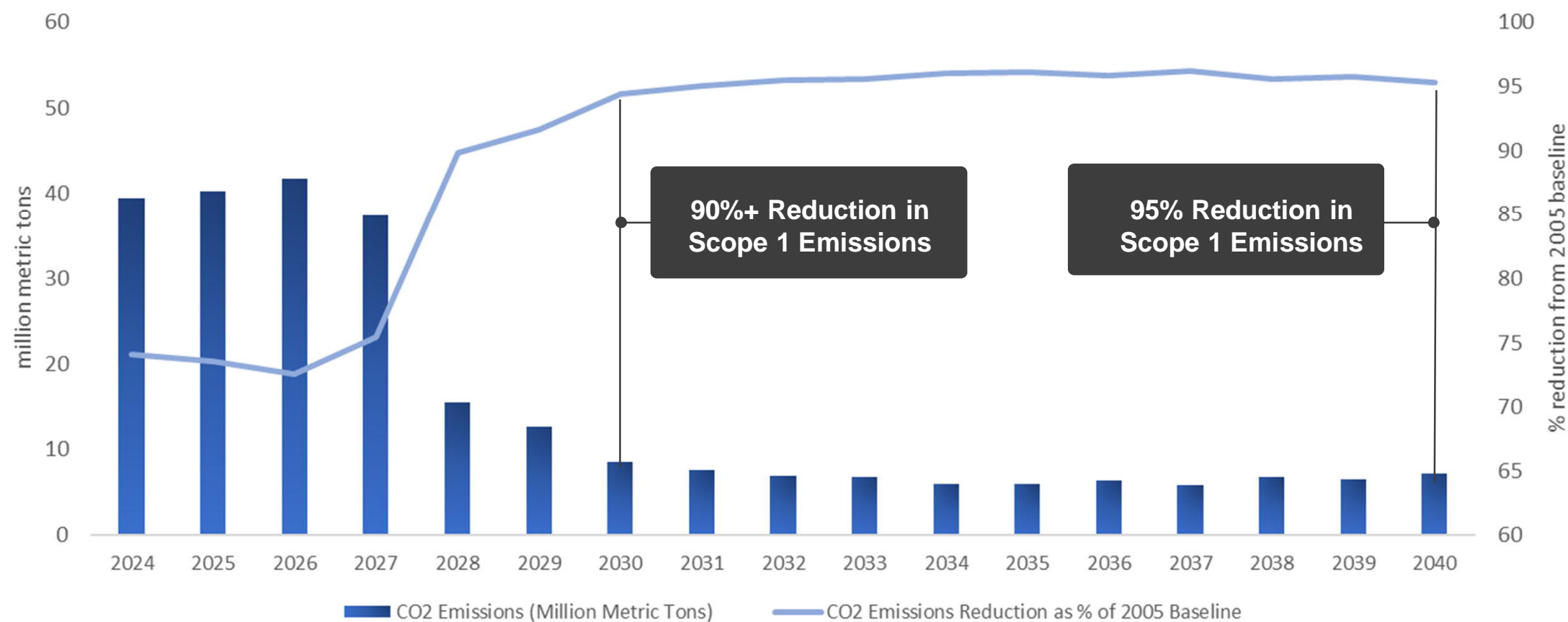
GOVERNANCE

- 12 Board of Directors, 11 independent directors
- 67% Board diversity
- Average Board tenure of 6 years
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided at every Board meeting



Proven Track Record of Reducing Fleet Emissions

Forecasted CO₂ Emissions (Scope 1)



Projections based upon Integrated Resource Plan filings and analysis updated as of 10/31/2023 for regulated companies and also assume an extension of the Cook nuclear power plant through the forecast period. Ability to meet the transition timeline is dependent upon market availability of resources, regulatory approvals, transmission system availability, etc.

¹ Percentage inclusive of emission reduction that results from assets sold and retired.

66%

Reduction in CO₂ emissions from 152M metric tons in 2005 to 51M metric tons in 2022¹

98%

Reduction in SO₂ emissions between 1990-2022

95%

Reduction in NO_x emissions between 1990-2022

98%

Reduction in mercury air emissions from 2001-2022

Continuing to Advance Our Coal Fleet Transition

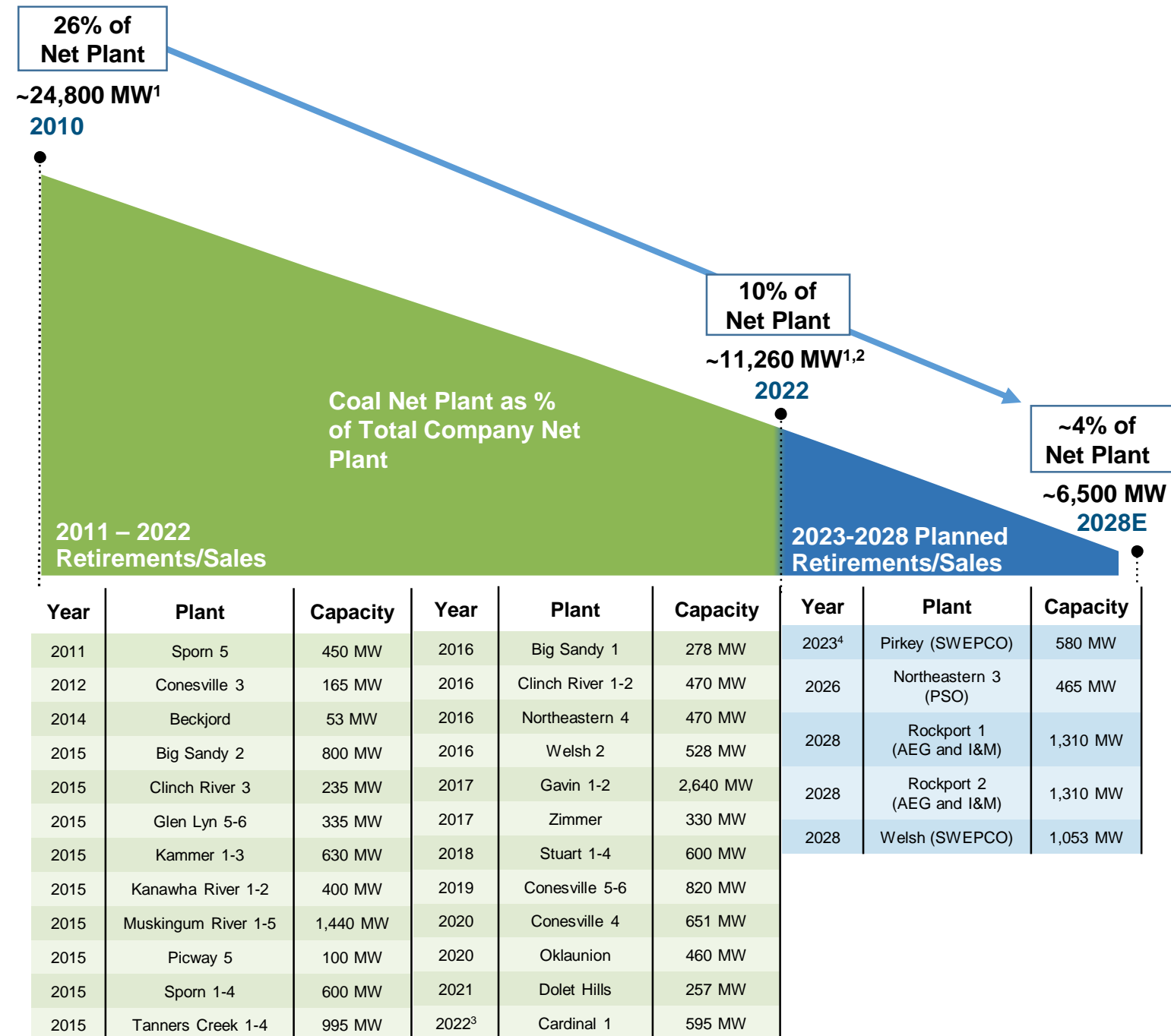
Coal-fired generation retirements pave the way for 21.5 GW of new generation opportunities over the next ten years

¹ Total includes owned coal units and Rockport 2; excludes AEP's investment in OVEC.

² Includes 2012 Turk Plant addition.

³ In April 2022, AEP executed simultaneous agreements with Buckeye Power to sell Cardinal 1 and purchase 100% of the output through 2028 via a PPA. The sale was completed in August 2022.

⁴ In March 2023, AEP retired SWEPCO's 580 MW Pirkey coal plant.



Diversifying Our Generation Fleet

2023 data as of 9/30/2023; 2023 and 2033 data adjusted to include the sale of unregulated contracted renewable assets completed in August 2023.

2033 coal capacity includes WV's Amos, Mountaineer and Mitchell plants as well as SWEPCO's Turk and Flint Creek plants.

2033 Hydro, Wind, Solar and Storage capacity includes pending sale of the distributed resources business. Excluding capacity from this business would not materially change the 2033 projected capacity mix.

Capacity includes both owned and PPA generation. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

