



BOUNDLESS ENERGYSM



**February/March 2022
Investor Meetings**



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

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, the impact of pandemics, including COVID-19, and any associated disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential vaccination or testing mandates to AEP, electricity usage, supply chain issues, employees including employee reactions to potential vaccination mandates, customers, service providers, vendors and suppliers, 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 (i) if expected sources of capital, such as proceeds from the sale of assets or subsidiaries, 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, 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, and to recover those costs, new legislation, litigation and 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 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.

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Pure Play Regulated Utility

16,700 EMPLOYEES

25GW OWNED GENERATION

5.5M CUSTOMERS, 11 STATES

\$88B TOTAL ASSETS

**40,000 TRANSMISSION MILES
LARGEST IN THE U.S.**

224,000 DISTRIBUTION MILES

\$56B RATE BASE

\$43B CURRENT MARKET CAPITALIZATION

Statistics as of December 31, 2021 except for market capitalization as of February 22, 2022

AEP's Strategic Vision and Execution

Execute Strategy

Clean

Lead the transformation to a clean energy economy through electrification and zero carbon resources

Top Priorities

- Transform all parts of our business to align with AEP emission reduction goals
- Improve the reliability and resiliency of the grid to facilitate a clean energy economy for our communities

Customer and Community Centric Growth

Aggressively expand investments and service offerings

- Advance electrification of the economy
- Support and build thriving communities through economic development and job growth
- Diversify our asset base and service offerings

Innovate and Achieve

Continue to raise the bar in operational excellence and empower teams to integrate technologies, analytics and risk mitigation tools for the benefit of our customers and communities

- Achieve 6%-7% per year earnings per share growth and maintain at least a BBB Stable/Baa2 Stable credit rating
- Empower our teams to continually innovate solutions in all aspects of our business
- Be best in class in cost and operational excellence through our continuous improvement foundation of Achieving Excellence

Affordable

Relentless pursuit of affordable energy solutions

- Be an industry leader in cost efficiency
- Grow our business while keeping rates at or below regional average
- Ensure cost competitiveness with leading technologies

Engage

Equip our workforce and improve our employee experience

- Achieve Zero Harm
- Be a great place to work

AEP KEY THEMES

- **Strong Return Proposition with Proven Track Record of EPS Performance and Dividend Growth**
- **Commitment to ESG**
- **Generation Transformation**
- **Flexible Capital Investment Pipeline**
- **Dedication to Customer Affordability and Credit Rating**



Strong Return Proposition

Total Shareholder Return

9% – 10%

Dividend Yield
3%

+

EPS Growth
6% – 7%

2022 Operating Earnings Guidance Range

\$4.87 – \$5.07

2021 EPS
Original
Midpoint
\$4.65

+

6.5% EPS
Growth

+

KY Sale
Accretion

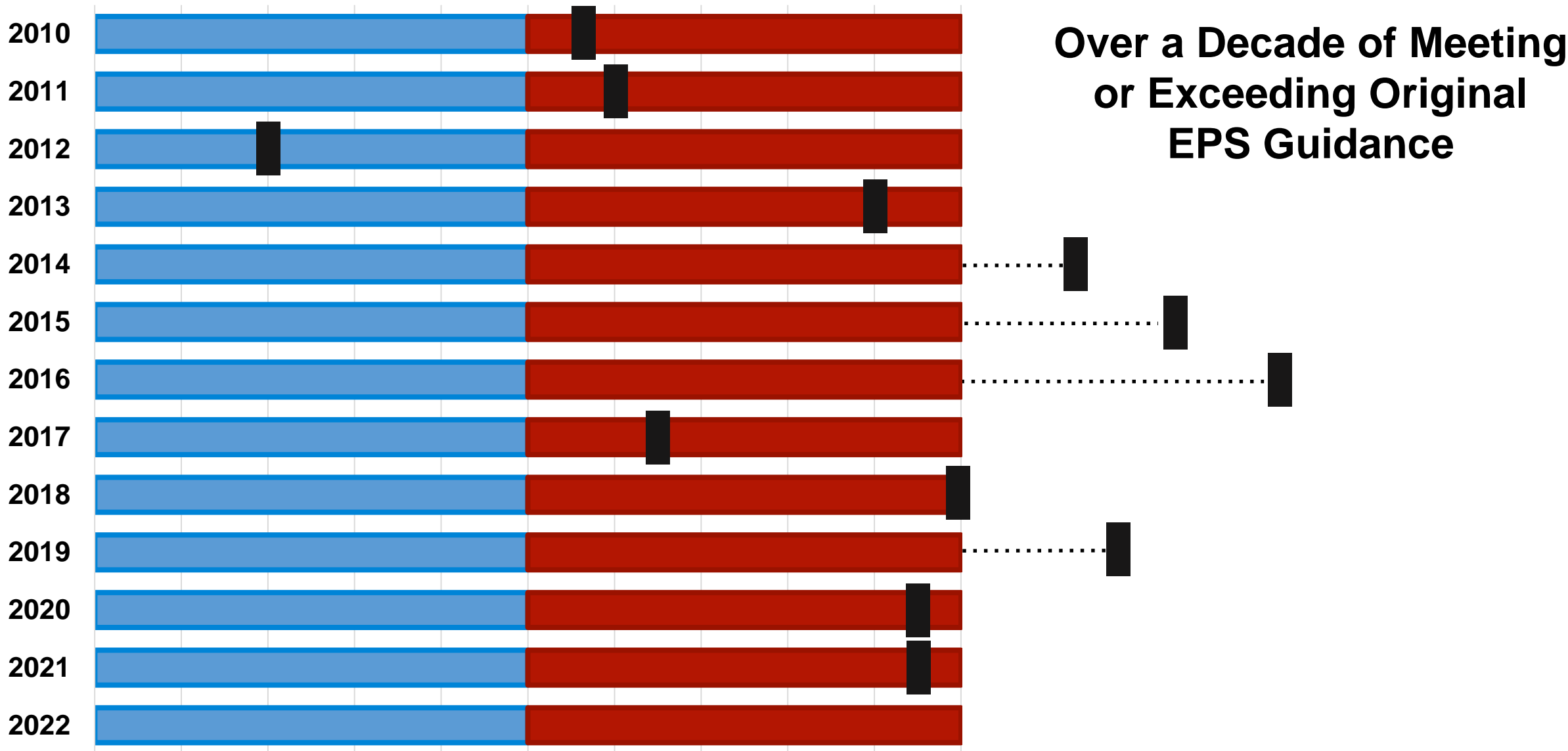
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2022 EPS
Midpoint
\$4.97

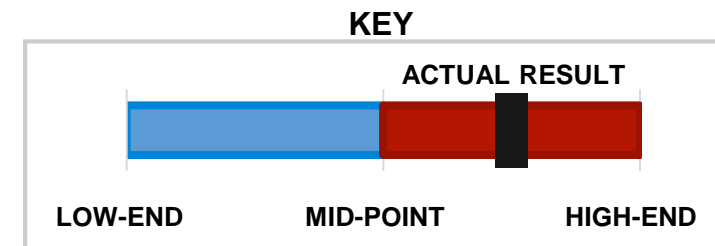
- ✓ **Steady Growth**
- ✓ **Consistent Dividends**
- ✓ **Low Risk, Regulated Assets**
- ✓ **Investment Pipeline**
- ✓ **Incentive Compensation Tied to EPS Results**

**Organic Growth Opportunities in
Renewables and Wires Significantly
Extends 6%-7% Runway**

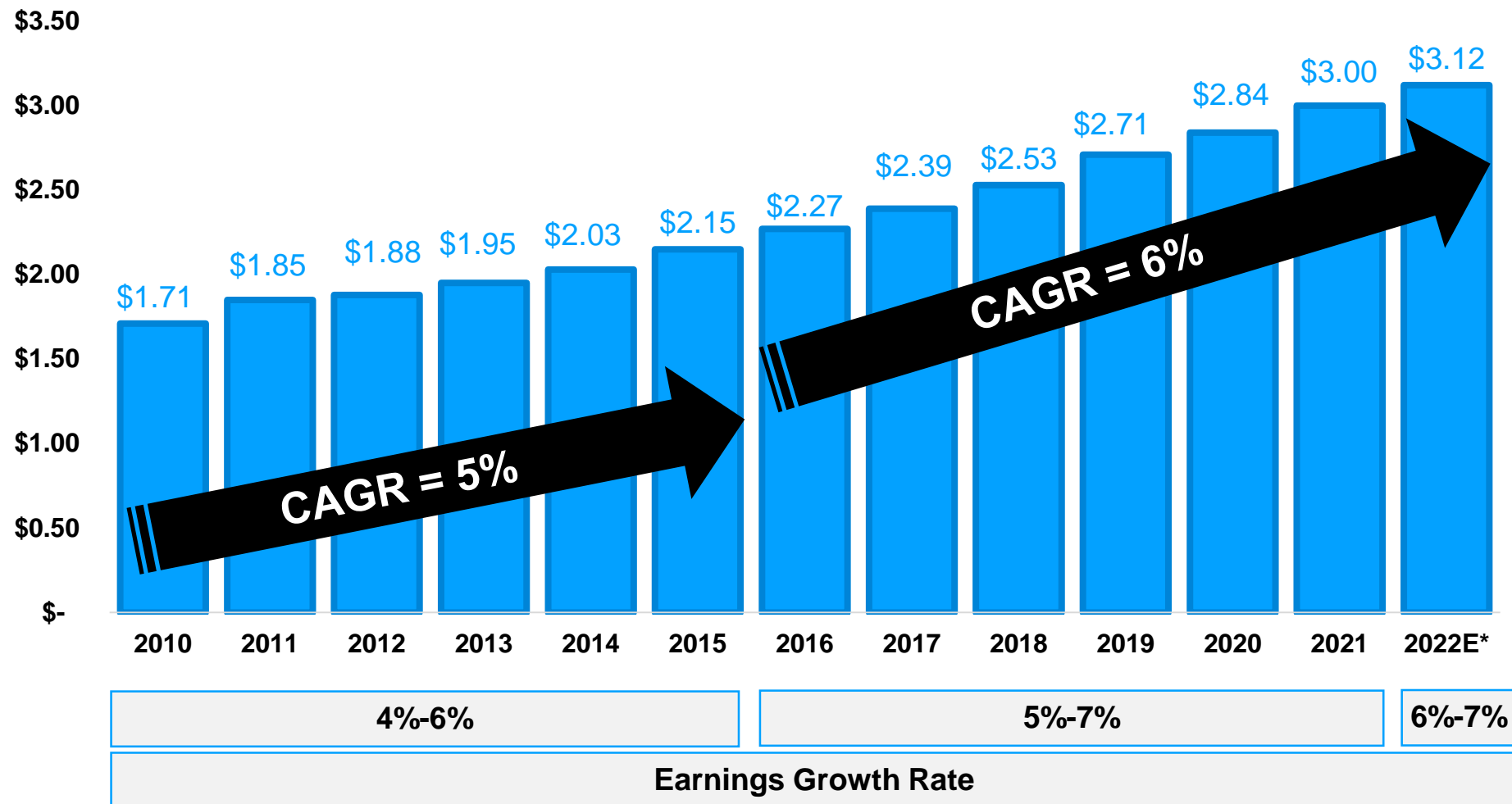
Proven Track Record of EPS Performance



Note: Chart is representative of actual operating EPS in comparison to original operating EPS guidance range.



Strong Dividend Growth



- ✓ Targeted payout ratio 60-70% of operating earnings
- ✓ Over 111 years of consecutive quarterly dividends
- ✓ Targeted dividend growth in line with earnings

EPS Growth + Dividend Yield = 9% to 10% Annual Return Opportunity

* Common dividends increased to \$0.78 per share Q4-21; \$3.12/share in 2022 (dividends per share remain constant until approved by Board of Directors). Dividends evaluated by Board of Directors each quarter.

Commitment to ESG

Environmental

- Accelerated carbon emission reduction goals: 80% by 2030, net zero by 2050
- ~\$9B spent on environmental controls since 2000
- 47% reduction in coal capacity as a percent of total capacity by 2030
- 2020 coal capacity = 14% of rate base
- 2020 coal revenue = 13% of total revenue
- Clean energy transition tied to long-term incentive compensation

80% reduction by 2030
Net-Zero by 2050

CO₂
70%

SO₂
98%

NO_x
95%

Hg
97%

Social

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



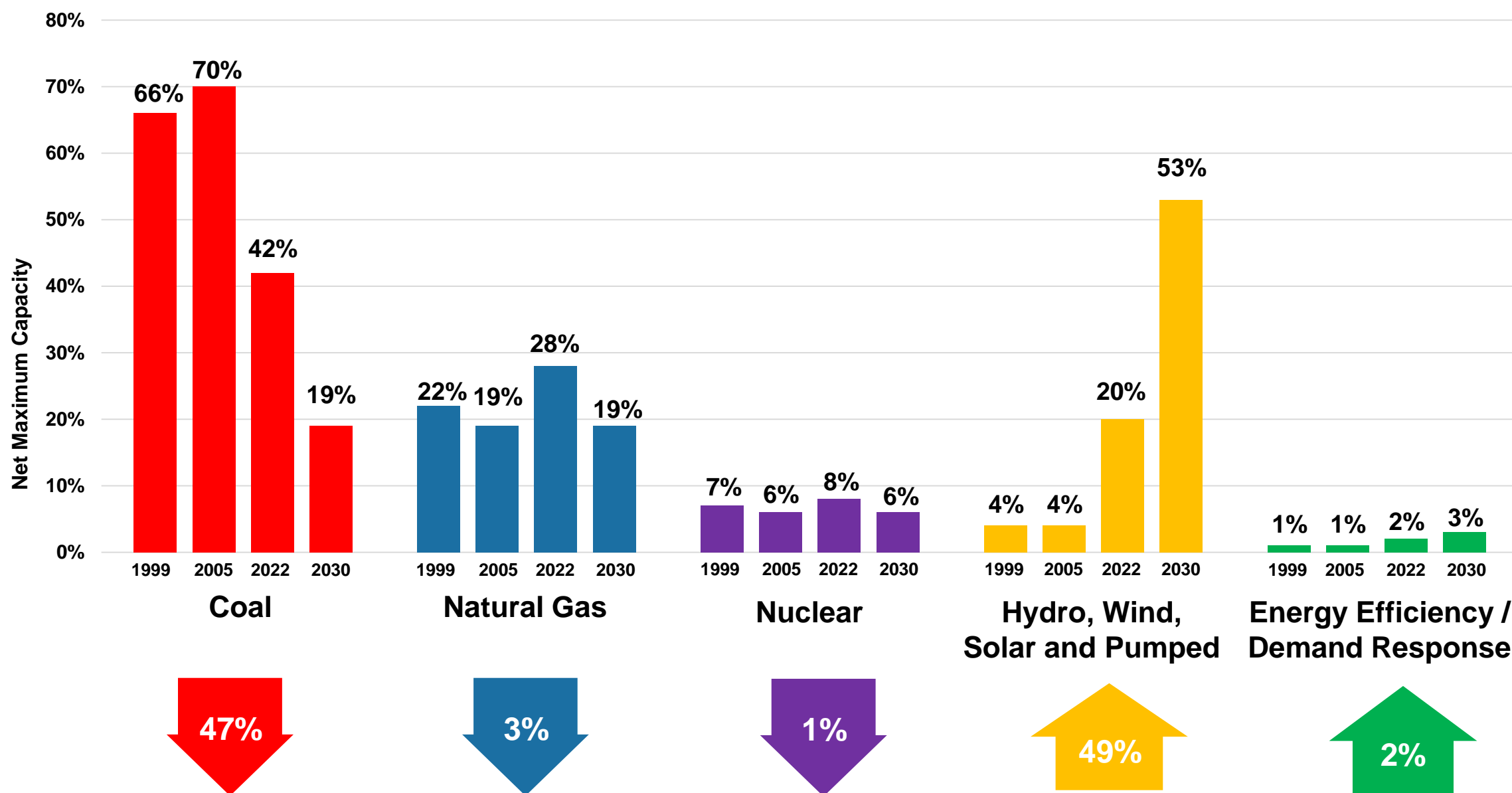
Governance

- 13 Board of Directors, 12 independent
- 46% Board diversity
- Average Board tenure of 8 years
- 31% of executive/senior leadership female or minority
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided at every Board meeting



Note: See "Environmental, Social and Governance" section for further information

Transforming Our Generation Fleet



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

2022 data as of 1/31/2022 and includes current capacity of KPCo. In October 2021, AEP entered into an agreement to sell its Kentucky operations to Algonquin Power & Utilities. The sale is expected to close in Q2-22 pending regulatory approvals. 2030 includes forecasted additions and retirements, and excludes previously identified projected resource additions for KPCo.

2030 coal capacity includes Amos, Mountaineer and Mitchell plants as the WVPSC approved ELG investment to keep optionality for these plants to operate post 2028. 2030 coal capacity also includes SWEPCO's Turk and Flint Creek plants.

2030 Hydro, Wind, Solar and Pumped capacity includes contracted renewable assets within the unregulated business recently announced for sale. Excluding this capacity would not materially change 2030 projected capacity mix.

Retirement Progress and Plans

Reduce coal generation by approximately **5,300 MW** from 2022-2028 and decrease coal net book value through retirements and depreciation. Creates opportunities to own replacement wind, solar and natural gas resources.

2010

~24,800 MW¹

2021

~11,850 MW^{1,2}

2028E

~6,500 MW

**2010 – 2021
Retirements/Sales**

**2022-2028 Planned
Retirements**

Year	Plant	Capacity	Year	Plant	Capacity	Year	Plant	Capacity
2011	Sporn 5	450 MW	2016	Big Sandy 1	278 MW	2023	Pirkey	580 MW
2012	Conesville 3	165 MW	2016	Clinch River 1-2	470 MW	2026	Northeastern 3	465 MW
2014	Beckjord	53 MW	2016	Northeastern 4	470 MW	2028	Rockport 1	1,310 MW
2015	Big Sandy 2	800 MW	2016	Welsh 2	528 MW	2028	Rockport 2	1,310 MW
2015	Clinch River 3	235 MW	2017	Gavin 1-2	2,640 MW	2028	Welsh	1,053 MW
2015	Glen Lyn 5-6	335 MW	2017	Zimmer	330 MW	2028	Cardinal 1	595 MW
2015	Kammer 1-3	630 MW	2018	Stuart 1-4	600 MW			
2015	Kanawha River 1-2	400 MW	2019	Conesville 5-6	820 MW			
2015	Muskingum River 1-5	1,440 MW	2020	Conesville 4	651 MW			
2015	Picway 5	100 MW	2020	Oklaunion	460 MW			
2015	Sporn 1-4	600 MW	2021	Dolet Hills	257 MW			
2015	Tanners Creek 1-4	995 MW						

**5,313 MW
Reduction
in
Coal
Capacity
from 2021**

¹ Total includes owned coal units and the Rockport 2 lease

² Includes 2012 Turk Plant addition

Commitment to Regulated Renewables



Commission **1 GW** NCW – Traverse site in Q1-22
409 MW owned resources filed for approval at APCo in Q4-21
Renewable RFPs in progress at APCo, I&M, PSO and SWEPCO



\$8.2 Billion^{1,2,3}
In 2022-2026 Capital Plan

Successful North Central Wind project sets
foundation for regulated renewables platform

Diligently working on securing additional
renewable opportunities for customers



**Committed to Transforming our Generating Fleet to
~50% Renewables by 2030**

¹ Includes 998 MW / \$1.3B investment in NCW – Traverse project.

² Investments in renewables will be subject to market availability of viable projects and regulatory approvals.

³ AEP's capital plan is based on current tax credit law. Any potential PTC/ITC extension could present upside to current plan.

Current Regulated Renewables Opportunity

 Wind Additions				 Solar Additions			
Company	2022-2030 (MW)	Included in 2022-2026 Capital Plan (MW / billions)		Company	2022-2030 (MW)	Included in 2022-2026 Capital Plan (MW / billions)	
APCo	1,504	803	\$ 1.3	APCo	629	292	\$ 0.5
I&M	800	400	\$ 0.6	I&M	1,300	195	\$ 0.4
PSO ¹	3,254	1,604	\$ 2.1	PSO	2,100	461	\$ 0.6
SWEPCO ¹	2,994	1,845	\$ 2.5	SWEPCO	2,600	200	\$ 0.2
Total¹	8,552	4,652	\$ 6.5	Total	6,629	1,148	\$ 1.7

Total Renewables¹

2022-2030	Included in 2022-2026 Capital Plan ²	
15,181 MW	5,800 MW	\$ 8.2B

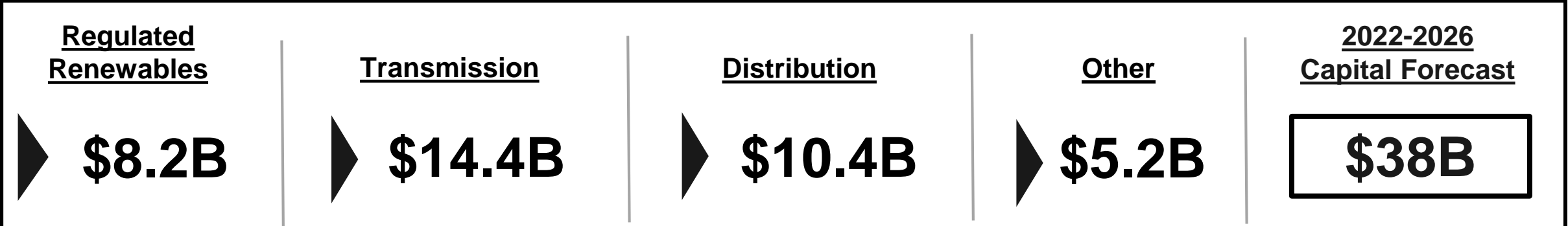
Investment opportunity is dynamic and AEP operating companies will continue to develop IRPs over the near and long-term in collaboration with stakeholders

Note: Projected regulated resource additions current as of 1/31/2022. Resource plans also currently project ~1 GW of natural gas additions (I&M) and 210 MW of storage (APCo and I&M) through 2030.

¹ Includes 998 MW / \$1.3B investment in NCW – Traverse project

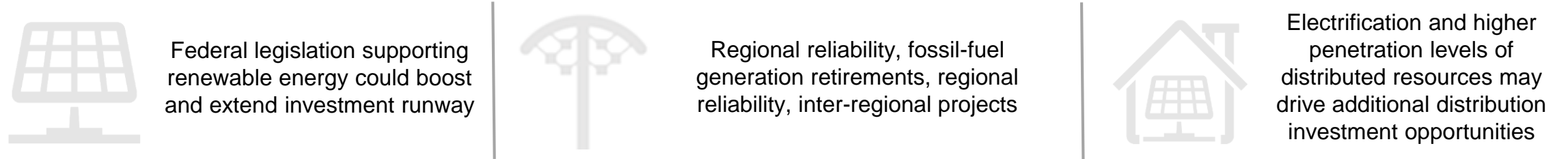
² Investments in renewables will be subject to market availability of viable resources and regulatory approvals

Flexible Capital Investment Pipeline with Significant Organic Growth Opportunities



Flexible and extended organic pipeline of transmission and distribution investments, and regulated renewable opportunities provide the ability to strategically shift capital and deliver on our 6%-7% EPS growth commitment.

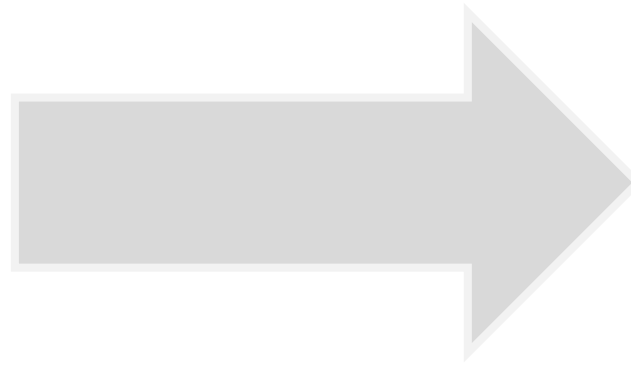
Extending the Runway – Growth Opportunities Beyond the 5-Year Capital Plan



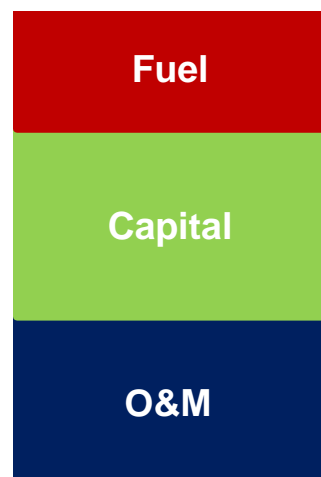
Responsible Management of Capital Investments

Largest transmission system in the U.S.	Among the largest distribution systems in the U.S.
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Dedicated to Keeping Customer Rates Affordable



Current



Customer Total Bill Transformation

- ✓ Significant fuel costs replaced with capital investment
- ✓ Reduced fixed O&M profiles of generation resource
 - ✓ Tax credits passed back to customers
- ✓ Facilitating electrification reducing total customer costs
 - ✓ Economic development to spread costs

Future



AEP's efforts will transform customer bills and control while keeping rates affordable and maintaining reliable service for customers

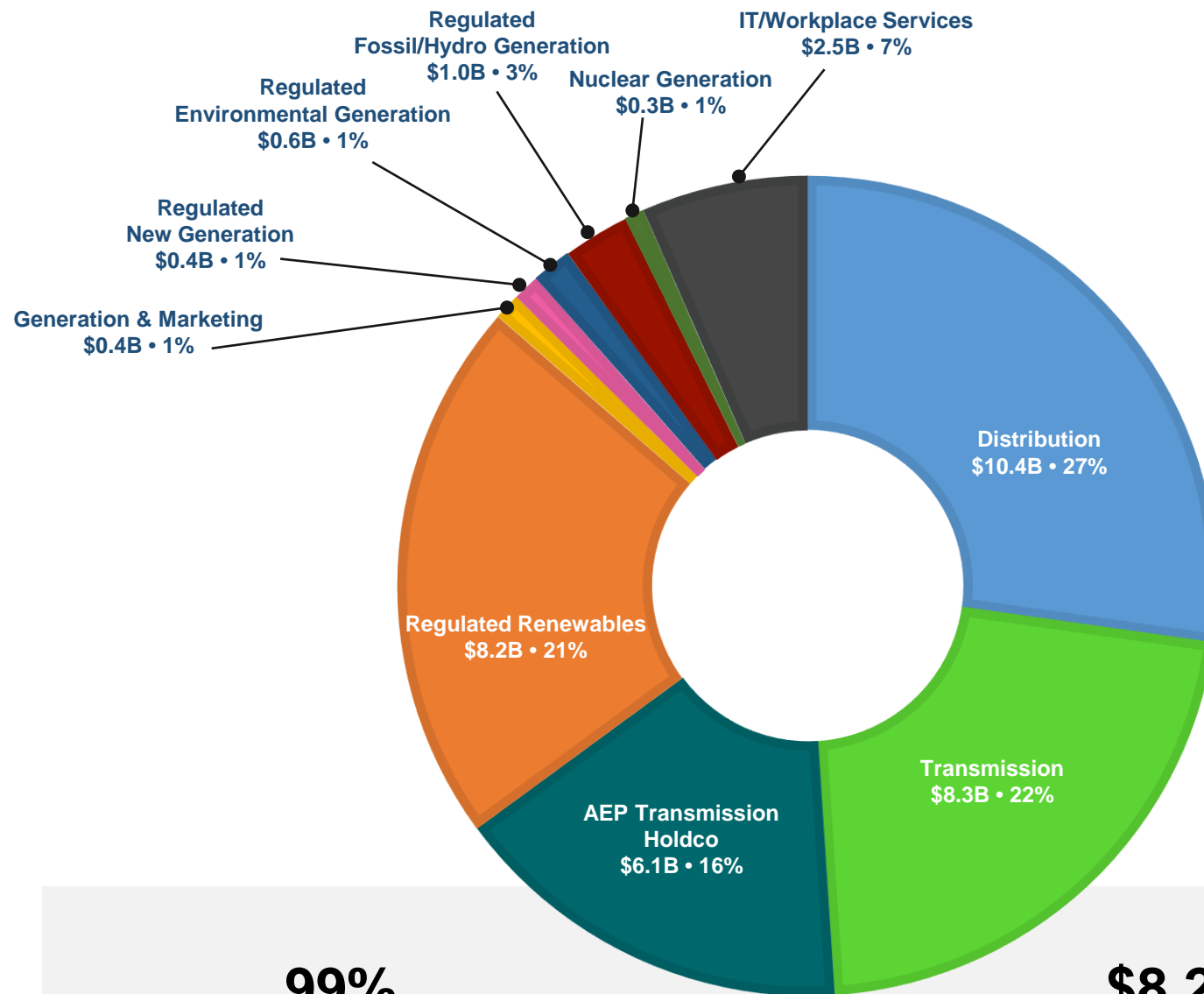
Note: On a system average, rates expected to go up approximately 4% annually over the forecasted period (a 1% decline from previous estimates).

POSITIONING FOR THE FUTURE

- 2022-2026 Capital Forecast
- 2022-2026 Cash Flows and Financial Metrics
- Rate Base Growth
- Efficient Cost Recovery Mechanisms



2022-2026 Capital Forecast of \$38B



The ability to quickly redeploy transmission and distribution investment ensures we maintain capital spend while mitigating customer bill impact

99%
of capital allocated to regulated businesses

\$24.8B / 65%
allocated to wires

\$8.2B / 21%
allocated to regulated renewables

Capital forecast emphasizes investment in wires and renewables

2022-2026 Capital Forecast by Subsidiary

\$ in millions, excludes AFUDC	2022E	2023E	2024E	2025E	2026E	Total
Appalachian Power Company	\$ 1,093	\$ 1,767	\$ 943	\$ 1,899	\$ 993	\$ 6,695
Wheeling Power Company	\$ 63	\$ 63	\$ 29	\$ 30	\$ 34	\$ 219
Kingsport Power Company	\$ 25	\$ 37	\$ 35	\$ 36	\$ 35	\$ 168
Indiana Michigan Power Company	\$ 608	\$ 537	\$ 694	\$ 989	\$ 1,006	\$ 3,834
AEP Ohio	\$ 787	\$ 849	\$ 800	\$ 738	\$ 673	\$ 3,847
Public Service Company of Oklahoma	\$ 992	\$ 533	\$ 1,425	\$ 1,069	\$ 977	\$ 4,996
Southwestern Electric Power Company	\$ 1,212	\$ 625	\$ 1,793	\$ 496	\$ 1,221	\$ 5,347
AEP Texas Company	\$ 1,154	\$ 1,189	\$ 1,365	\$ 1,388	\$ 1,264	\$ 6,360
AEP Generating Company	\$ 74	\$ 23	\$ 7	\$ 18	\$ 12	\$ 134
AEP Transmission Holdco	\$ 1,402	\$ 1,318	\$ 1,209	\$ 1,120	\$ 1,086	\$ 6,135
Generation & Marketing	\$ 122	\$ 87	\$ 69	\$ 39	\$ 38	\$355
Other	\$ 38	\$ 36	\$ 33	\$ 19	\$ 19	\$ 145
Total Capital and Equity Contributions	\$ 7,570	\$ 7,064	\$ 8,402	\$ 7,841	\$ 7,358	\$ 38,235

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

2022-2026 Cash Flows and Financial Metrics

Cash proceeds related to sale of contracted renewable assets within the unregulated business are not included below.

\$ in millions	2022E	2023E	2024E	2025E	2026E
Cash from Operations	\$ 5,600	\$ 6,100	\$ 6,400	\$ 6,900	\$ 7,400
Net Cash Proceeds from Sale of Kentucky Operations ¹	1,400	-	-	-	-
Capital and JV Equity Contributions ²	(7,600)	(7,100)	(8,400)	(7,800)	(7,400)
Other Investing Activities	(300)	(400)	(400)	(400)	(400)
Common Dividends ³	(1,600)	(1,600)	(1,700)	(1,700)	(1,700)
Required Capital	\$ (2,500)	\$ (3,000)	\$ (4,100)	\$ (3,000)	\$ (2,100)
Financing					
Required Capital	\$ (2,500)	\$ (3,000)	\$ (4,100)	\$ (3,000)	\$ (2,100)
Debt Maturities (Senior Notes, PCRBs)	(3,000)	(2,400)	(500)	(1,800)	(1,400)
Securitization Amortizations	(100)	(200)	(200)	(100)	(100)
Equity Units Conversion	805	850	-	-	-
Equity Issuances – Includes DRP	-	100	600	700	700
Debt Capital Market Needs (New)	\$ (4,795)	\$ (4,650)	\$ (4,200)	\$ (4,200)	\$ (2,900)
Financial Metrics					
Debt to Capitalization (GAAP)	Approximately 60%				
FFO/Total Debt (Moody's)	14.0%-15.0% Range				

¹ Cash proceeds to Parent of \$1.4B are net of Kentucky indebtedness, tax and transaction costs and adjusted for residual pay-down of Parent debt.

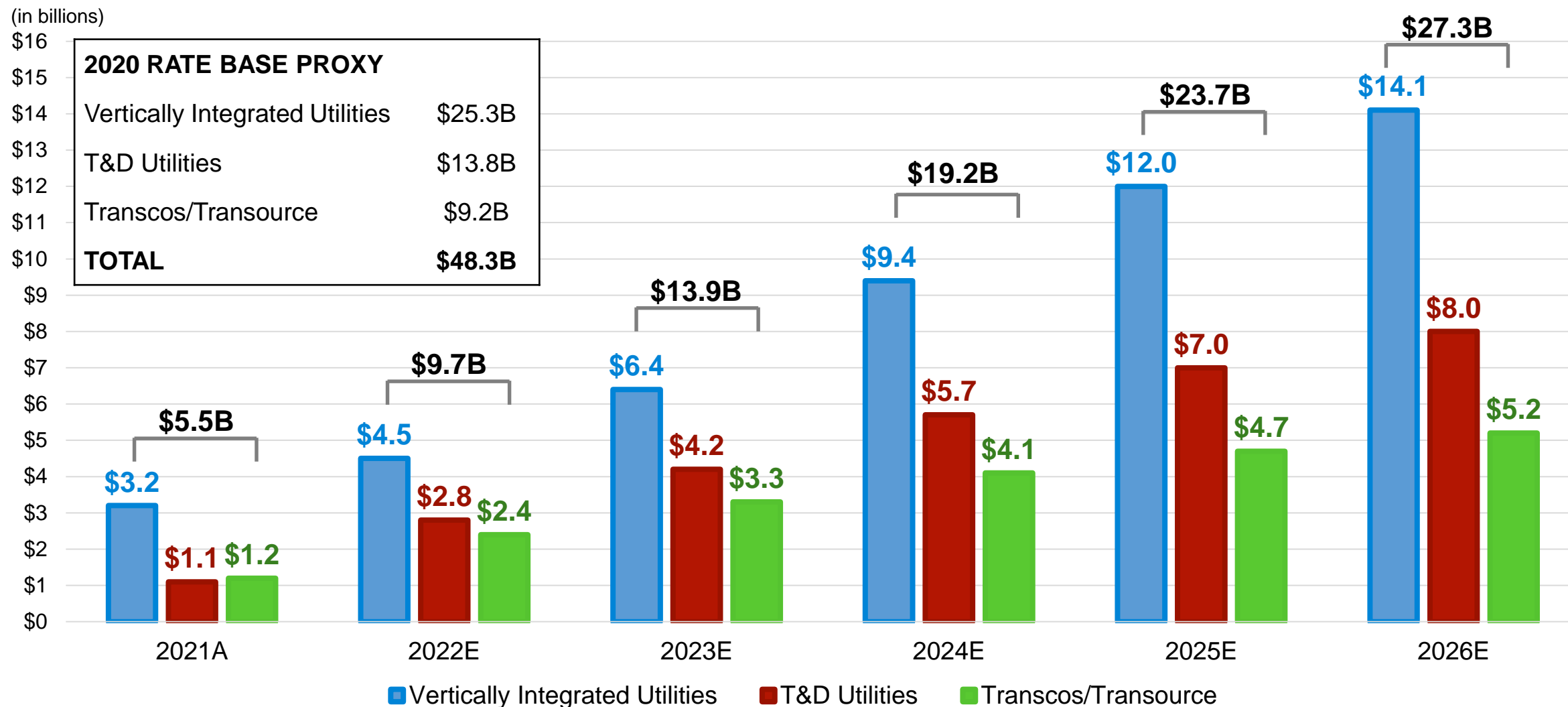
² Capital investments in 2022 include approximately \$1.3B for NCW – Traverse project.

³ Common dividends increased to \$0.78 per share Q4-21; \$3.12/share 2022-2026 (dividends per share remain constant until approved by Board of Directors). Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.

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

7.8% CAGR in Rate Base Growth

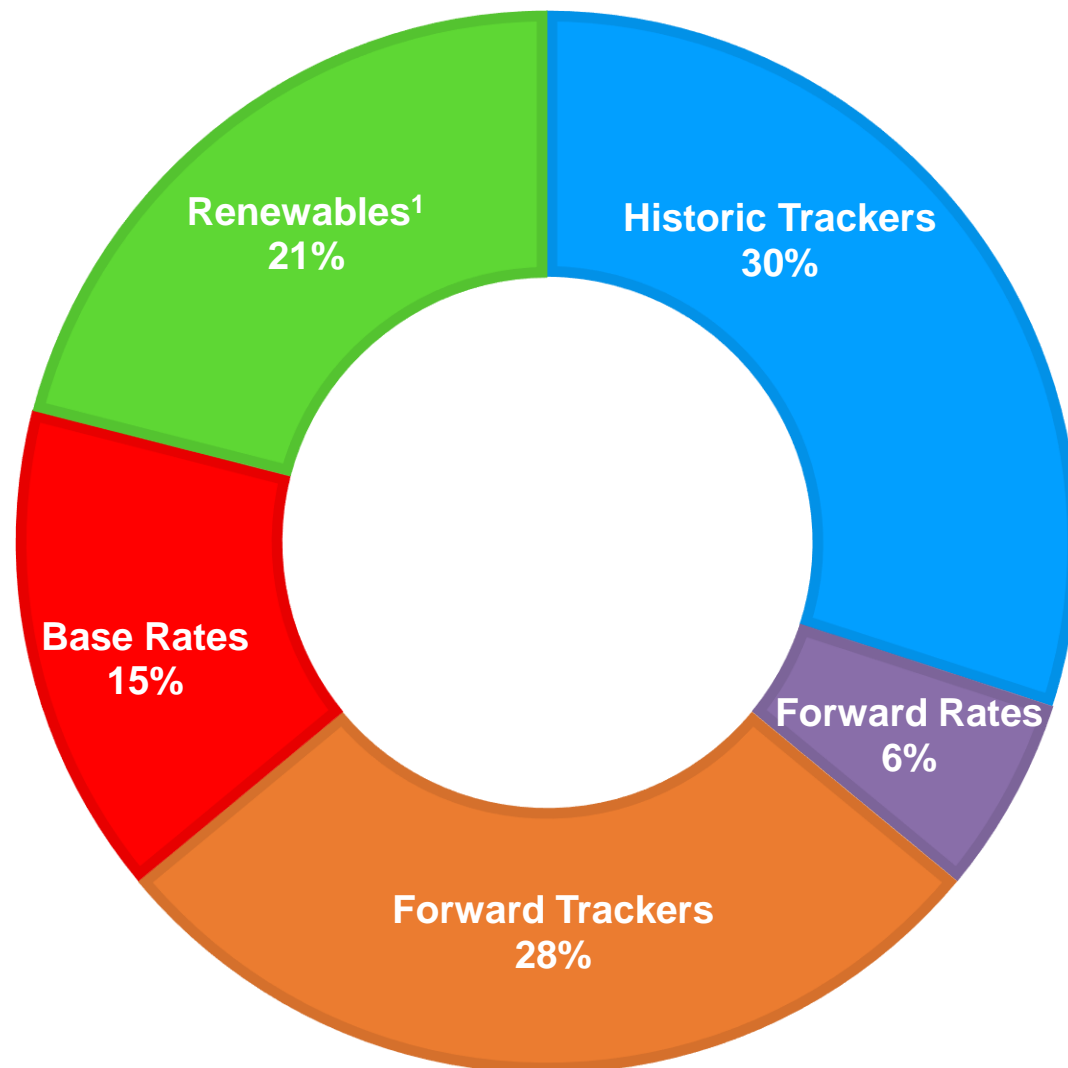
Cumulative Change from 2020 Base



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

Note: For comparative purposes, rate base excludes Kentucky operations

Efficient Cost Recovery Mechanisms



Approximately 85% of 2022-2026 regulated capital plan recovered through reduced lag mechanisms

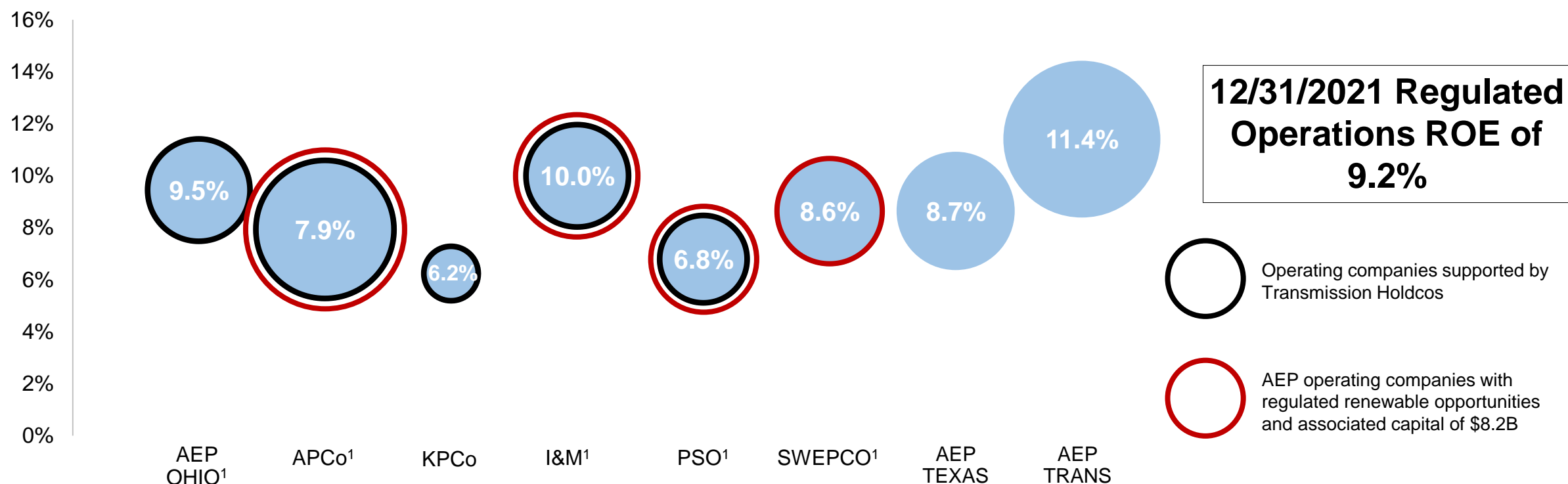
¹ Recovery of renewable investments will occur using a combination of reduced lag mechanisms including trackers, forward test years, near-term retention of PTCs and timed rate cases

FINANCIAL INFORMATION

- Regulated Returns and Authorized Equity Layers
- 2022 Operating Earnings Guidance
- Regulatory Timeline of Kentucky Sale
- Recent Major Regulatory Execution
- Current Rate Case Activity
- Untracked O&M
- Normalized Load Trends
- Capitalization and Liquidity
- 2022 Debt Issuances and Maturities
- Credit Ratings

Regulated Returns and Authorized Equity Layers

Twelve Months Ended 12/31/2021 Earned ROE's
(non-GAAP operating earnings, not weather normalized)



Sphere size based on each company's relative equity balance

Authorized Equity Layers (in whole percentages)

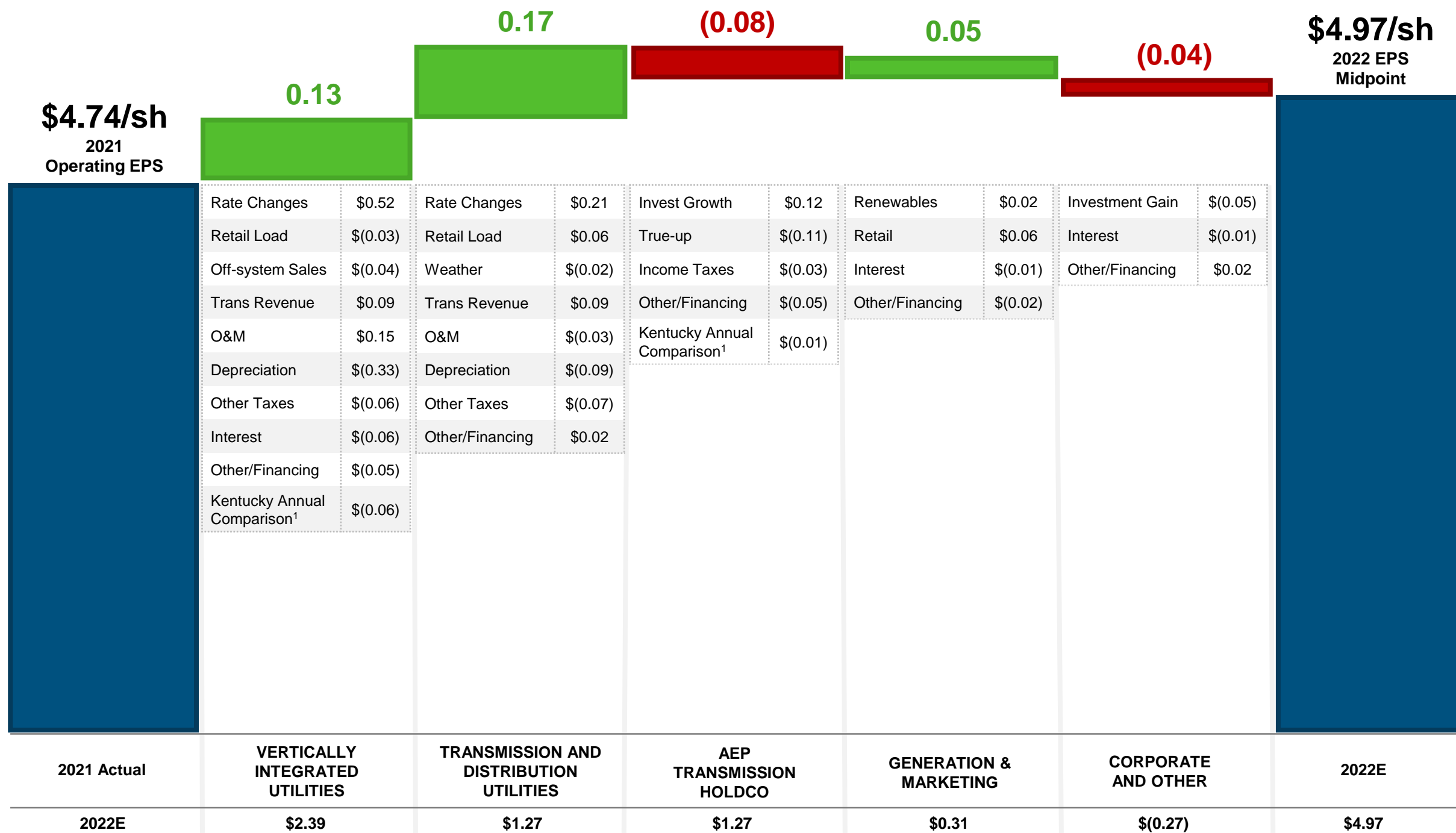
Operating Company	12/31/2017	12/31/2021	Improvement
AEP Ohio	48%	54%	6%
APCo – VA	43%	50%	7%
APCo – WV	47%	50%	3%
PSO	44%	53%	9%
SWEPCO – AR ²	46%	51%	5%
SWEPCO – LA ²	47%	51%	4%
AEP Texas	40%	43%	3%
AEP Transmission	50%	55%	5%

**Improving
Authorized Equity Layers
Over Time**

¹ Base rate cases pending/order recently received

² 12/31/2021 data represents equity layers in recent base rate cases

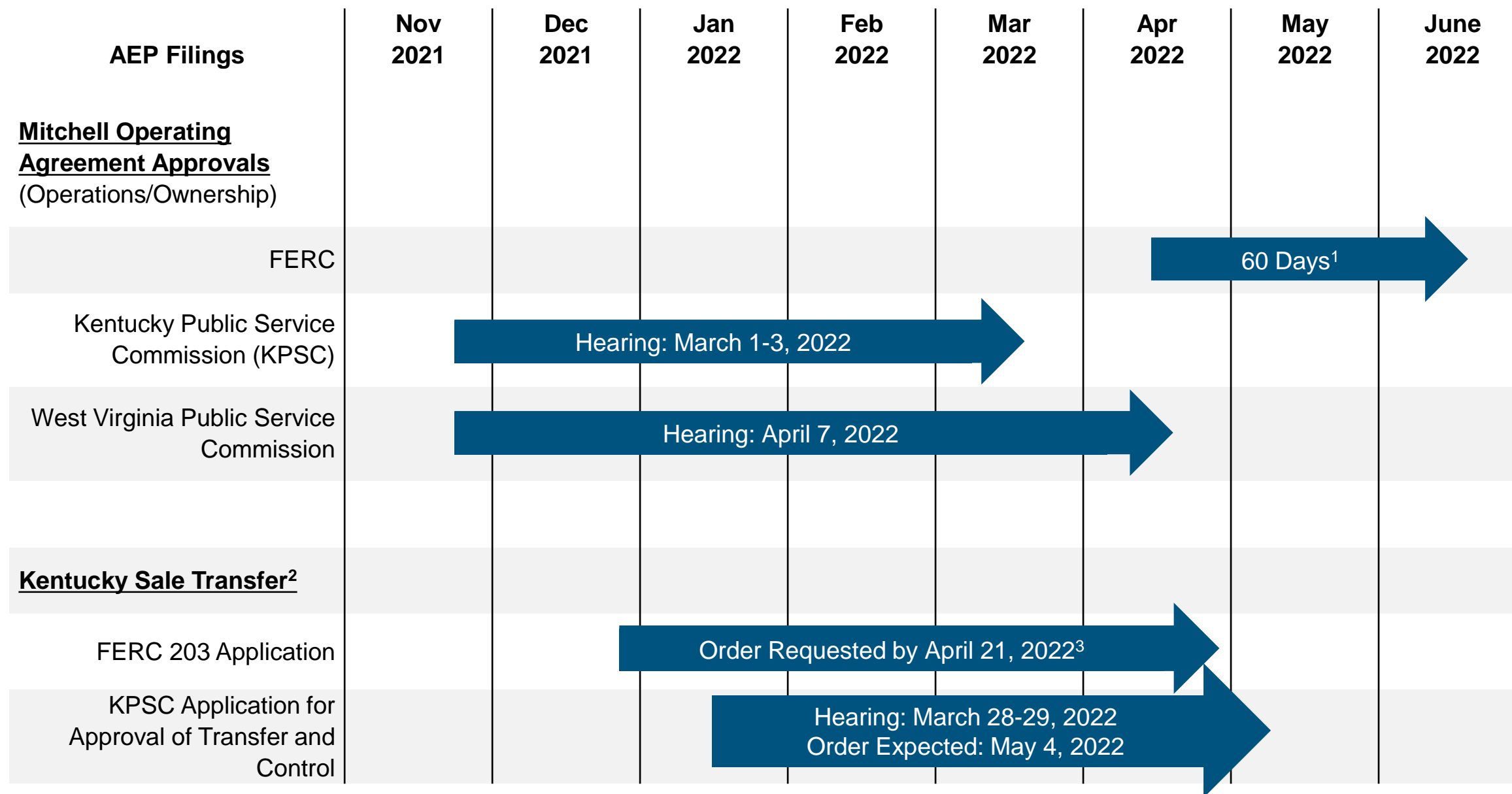
2022 Operating Earnings Segment Detail



¹ Represents the net impact to earnings of Kentucky operations being included in AEP consolidated results for 12 months in 2021 vs. 4 months in 2022. Expected accretion from Kentucky sale transaction included in 2022 operating earnings guidance.

Regulatory Timeline of Kentucky Sale

In October 2021, AEP entered into an agreement to sell its Kentucky operations to Algonquin Power & Utilities for an enterprise value of \$2.846B. The sale is expected to close in Q2-22 pending regulatory approvals.



¹ In February 2022, AEP withdrew its initial FERC filing pursuant to a filing made by the KPSC. AEP expects to re-file its FERC application after commission review in April 2022.

² Also needs clearance from the Committee on Foreign Investment in the United States (90-120 days) and Hart-Scott-Rodino review (30-60 days); both obtained in January 2022.

³ Application filed requests an order within 120 days. The statutory timeline for an order is 180 days or by 6/20/2022.

Recent Major Regulatory Execution

Indiana

- Base rate case settlement **APPROVED**
- Rockport Unit 2 settlement **APPROVED** – gives AEP control ensuring retirement by 2028
- Filed IRP in January 2022

Michigan

- Filing IRP to establish presumption for renewable additions in February 2022

Ohio

- Base rate case settlement **APPROVED**
- gridSMART Phase 3 settlement **APPROVED**

Arkansas

- Hearing in base rate case on 3/15/2022
- Filed IRP in December 2021

Virginia

- Filed VCEA renewable plan – 409MW of owned assets and \$841M of investment
- Oral argument in triennial base rate case Supreme Court appeal – 3/1/2022

Oklahoma

- Base rate case settlement **APPROVED**
- Storm Uri securitization **APPROVED**

West Virginia

- Filed to share VCEA assets in WV – includes subscription model for C&I to offset residential customer costs and support economic development
- Filed Mitchell Operating Agreement

Texas

- AEP Texas DCRF **APPROVED**
- AEP Texas filed TCOS filing
- SWEPCO Texas base rate case order
- SWEPCO Texas base rate case rehearing filed 2/8/2022

Kentucky

- Filed Mitchell Operating Agreement
- Filed KPCo transfer to Liberty for approval

Louisiana

- Ongoing settlement discussions in pending base rate case

Current Rate Case Activity

AEP Ohio

Docket #	20-0585-EL-AIR
Filing Date	6/1/2020
Requested Revenue Increase	\$402M
Requested Rate Base	\$3.105B
Requested ROE	10.15%
Cap Structure	45.6%D / 54.4%E
Net Revenue Increase	\$41M ¹
Test Year	11/30/2020
<u>Settlement Summary</u>	
Settlement Filed	3/12/2021
Commission Order	11/17/2021
Effective Date	12/1/2021
Revenue Increase	\$295M
Rate Base	\$3.088B
ROE	9.7%
Cap Structure	45.6%D / 54.4%E
Net Revenue Decrease	\$64M ¹

¹ Approximately \$60M of the filed vs. settled difference reflects the discontinuation of EE/DSM programs and movement of certain items from base rates to riders; no earnings impact.



APCo – Virginia

Docket #	PUR-2020-00015
Filing Date	3/31/2020
Requested Rate Base	\$2.5B
Requested ROE	9.9%
Cap Structure	50%D / 50%E
Gross Revenue Increase	\$65M (Less \$27M D&A)
Net Revenue Increase	\$38M
Test Year	12/31/2019
<u>Commission Order Summary²</u>	
Order Received	11/24/2020
Effective Date	1/23/2021
ROE	9.2%
Cap Structure	50%D / 50%E
Gross Revenue Increase	\$0M (Less \$25.5M D&A)
Net Revenue Decrease	\$25.5M

² APCo immediately filed an appeal of the commission order with the Virginia Supreme Court after the November 2020 order. Oral arguments are scheduled for 3/1/2022 with a result expected during the year.



Current Rate Case Activity

I&M – Indiana

Docket #	45576
Filing Date	7/1/2021
Requested Rate Base	\$5.2B
Requested ROE	10.0%
Cap Structure	49.1%D / 50.9%E
Gross Revenue Increase	\$104M (Less \$7M D&A)
Net Revenue Increase	\$97M
Test Year	2022 Forecasted
<u>Settlement Summary</u>	
Settlement Filed	11/16/2021
Commission Order	2/23/2022
Effective Date	2/23/2022
ROE	9.7%
Cap Structure	50%D / 50%E
Net Revenue Increase ^{1,2}	\$61M

¹ Does not include \$145M of Rockport Unit 2 costs moving from base rates to riders through the end of the Rockport Unit 2 lease term in December 2022; no earnings impact.

² Revenue increases are recognized on a phased-in basis. The result is a \$3M net increase beginning in Q2-22 and a \$61M net increase beginning in January 2023.



PSO

Docket #	202100055
Filing Date	4/30/2021
Requested Rate Base	\$3.293B
Requested ROE	10.0%
Cap Structure	47.0%D / 53.0%E
Gross Revenue Increase	\$172M ³ (Less \$57M D&A)
Original Net Revenue Increase	\$115M
6-Month Post Test Year Net Revenue Increase	\$70M ⁴
Test Year	12/31/2020
<u>Settlement Summary</u>	
Settlement Filed	9/30/2021
Commission Order	12/28/2021
Effective Date ⁵	2/1/2022
ROE	9.4%
Cap Structure	47.0%D / 53.0%E
Net Revenue Increase	\$51M

³ Does not include \$71M of current riders moving to base rates.

⁴ The change in net revenue ask is the result of a 6-month post test year adjustment that included an additional \$32M of current riders moving to base rates and \$13M of rebuttal testimony adjustments.

⁵ PSO implemented interim rates in November 2021.



Current Rate Case Activity

SWEPCO – Arkansas¹

Docket #	21-070-U
Filing Date	7/23/2021
Requested Rate Base	\$1.56B
Requested ROE	10.35%
Cap Structure	48.7%D / 51.3%E
Gross Revenue Increase	\$85M (Less \$29M D&A)
Net Revenue Increase	\$56M
Test Year	4/30/2021 ²
<u>Procedural Schedule</u>	
Hearing	3/15/2022
Expected Commission Order	Q2-22

¹ This filing provides notice of re-election for rate regulation under a formula rate review mechanism.

² Includes adjustments for reasonably known and measurable changes through 4/30/2022, including North Central Wind.



SWEPCO – Louisiana

Docket #	U-35441
Filing Date	12/18/2020
Requested Rate Base	\$2.1B
Requested ROE	10.35%
Cap Structure	49.2%D / 50.8%E
Gross Revenue Increase	\$114M (Less \$41M D&A)
Net Revenue Increase	\$73M
Test Year	12/31/2019 ³
<u>Procedural Schedule</u>	
Hearing	Note 4
Expected Commission Order	Q2/Q3-22

³ Includes proposed pro-forma adjustment to plant in-service through 12/31/2020.

⁴ In January 2022, an unopposed motion was filed to stay the hearing as the parties engage in settlement discussions.



SWEPCO – Texas

Docket #	51415
Filing Date	10/13/2020
Requested Rate Base	\$2.0B
Requested ROE	10.35%
Cap Structure	50.6%D / 49.4%E
Gross Revenue Increase	\$90M ⁵ (Less \$17M D&A)
Net Revenue Increase	\$73M
Test Year	3/31/2020
<u>Commission Order Summary⁶</u>	
Order Received	1/14/2022
Effective Date	3/18/2021
ROE	9.25%
Cap Structure	50.6%D / 49.4%E
Net Revenue Increase ⁷	\$23M

⁵ Does not include \$15M of current riders moving to base rates.

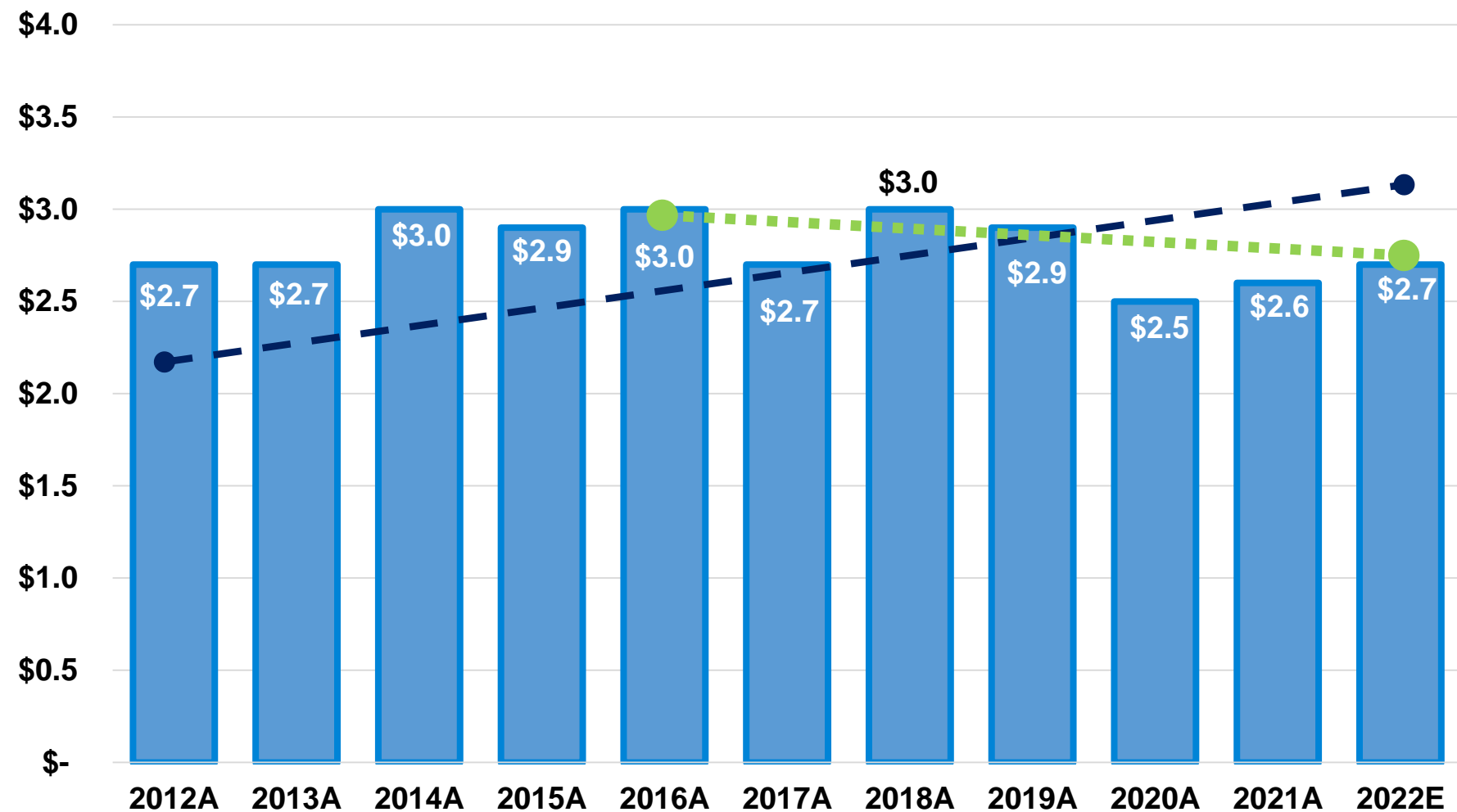
⁶ SWEPCO filed for rehearing on 2/8/2022.

⁷ In 2021, SWEPCO recognized a \$28M net revenue increase which included a return of and on the Dolet Hills plant that retired in December 2021. In 2022 and future years, the net revenue increase will be \$23M and only include recovery of the Dolet Hills plant with no return component.



Untracked O&M

(in billions)



O&M focuses on bending the O&M curve down

O&M actual spend represents adjusted spend throughout each year as needed

■ Untracked O&M Actuals/2022 Estimate

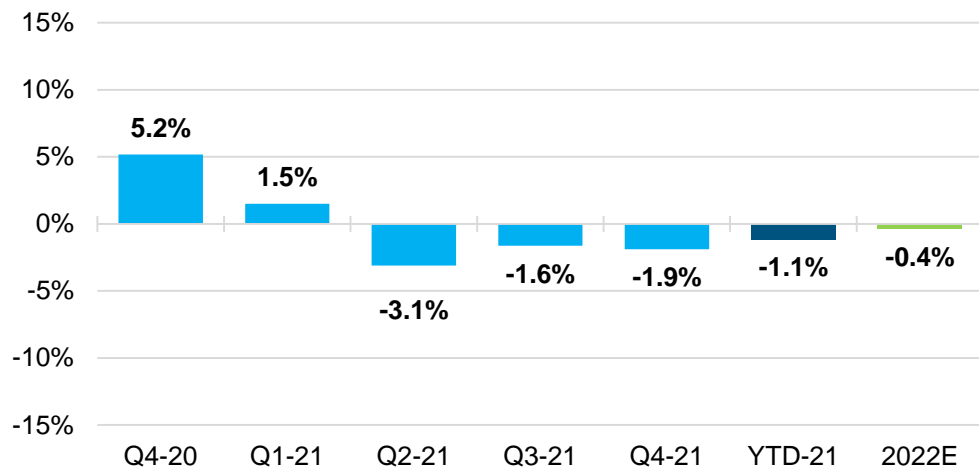
●-● Bending the Curve Trajectory

●-● Inflation @ 2%

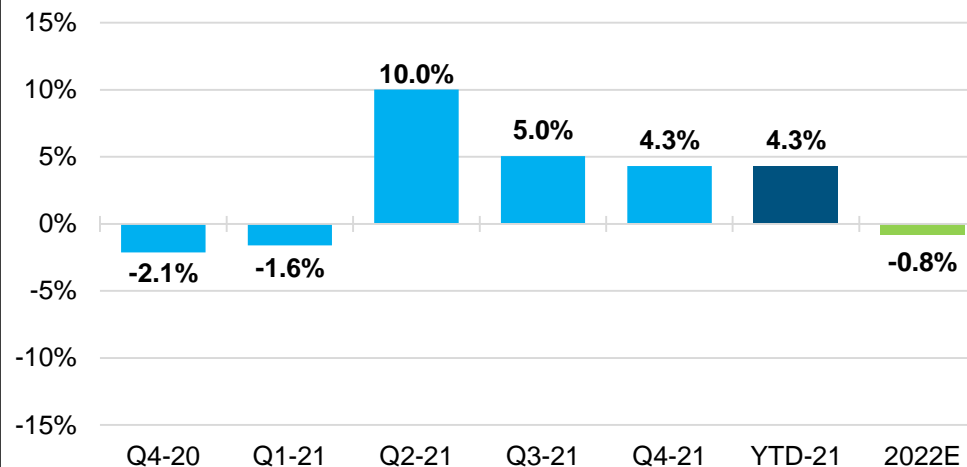
Note: For comparative purposes, historical and projected O&M excludes Kentucky-related O&M expenses

Weather Normalized Billed Retail Load Trends

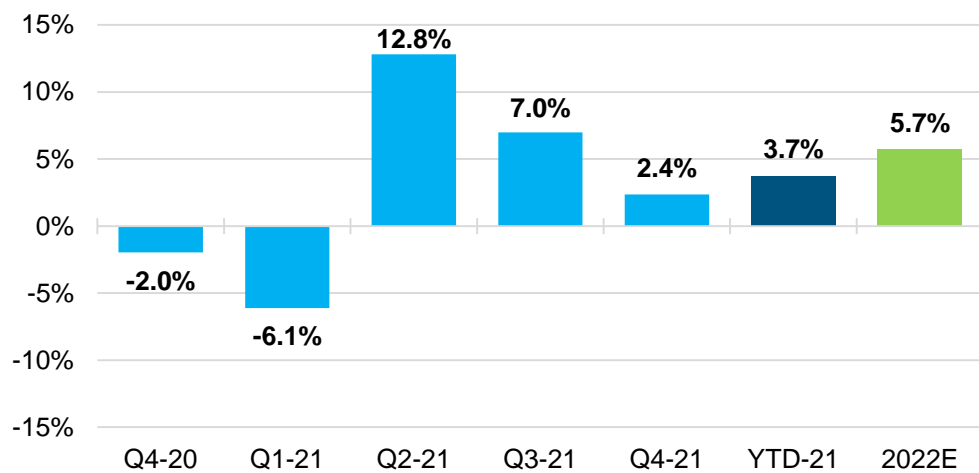
AEP Normalized Residential GWh Sales
% Change vs. Prior Year



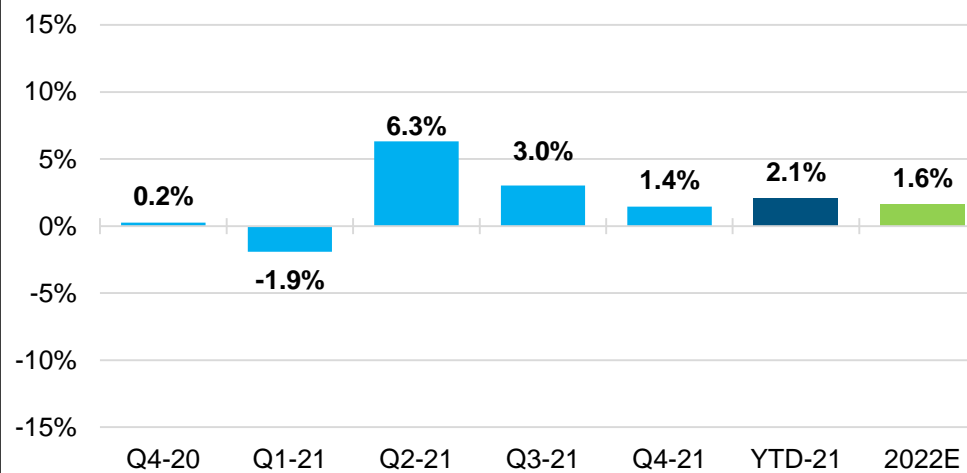
AEP Normalized Commercial GWh Sales
% Change vs. Prior Year



AEP Industrial GWh Sales
% Change vs. Prior Year



AEP Total Normalized GWh Sales
% Change vs. Prior Year

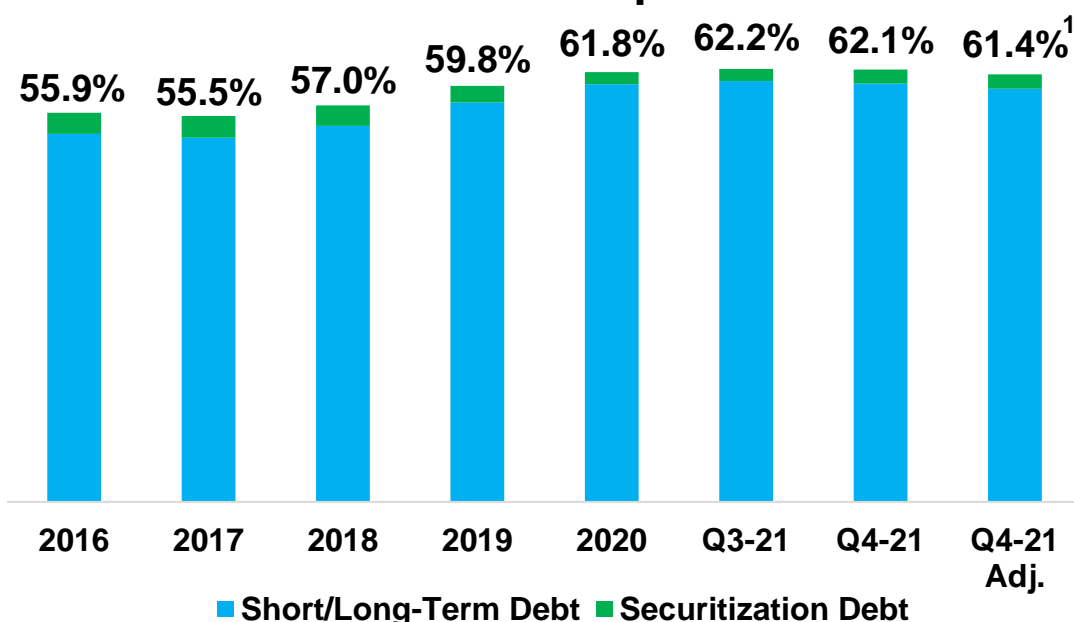


Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale load.

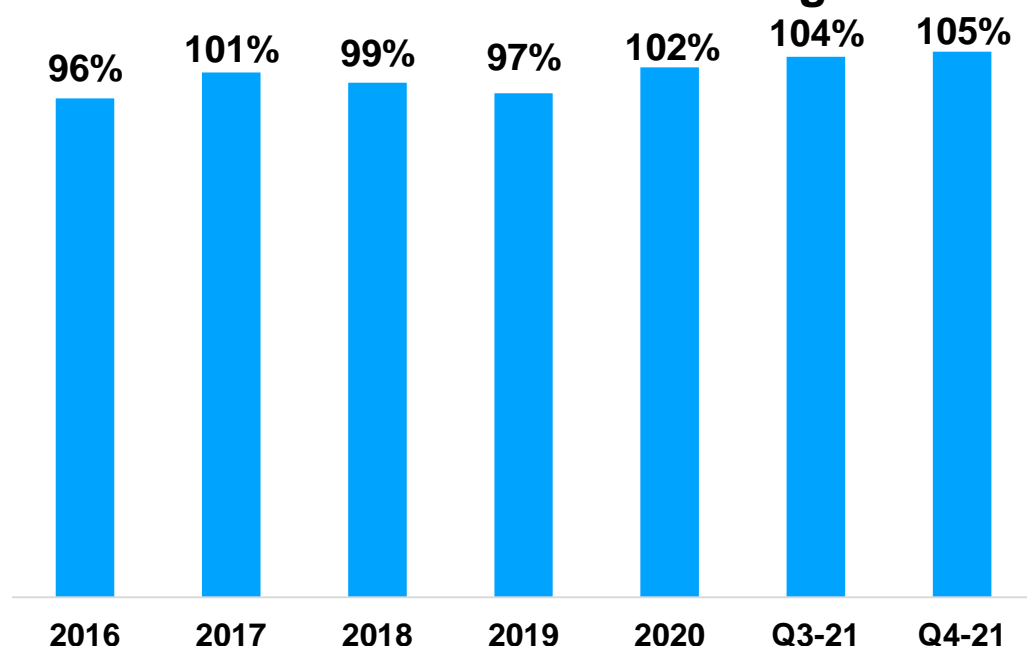
2022 estimates based on forecast provided at 2021 EEI Financial Conference and adjusted to reflect 2021 actual results. 2022 estimates do not include Kentucky operations.

Capitalization & Liquidity

Total Debt/Total Capitalization



Qualified Pension Funding



Credit Statistics

	Moody's	GAAP
FFO to Total Debt	9.9%	9.8%
Adj FFO to Total Debt ¹	13.3%	13.2%
Targeted Range	14.0%-15.0%	

Represents the trailing 12 months as of 12/31/2021

Liquidity Summary

(\$ in millions)

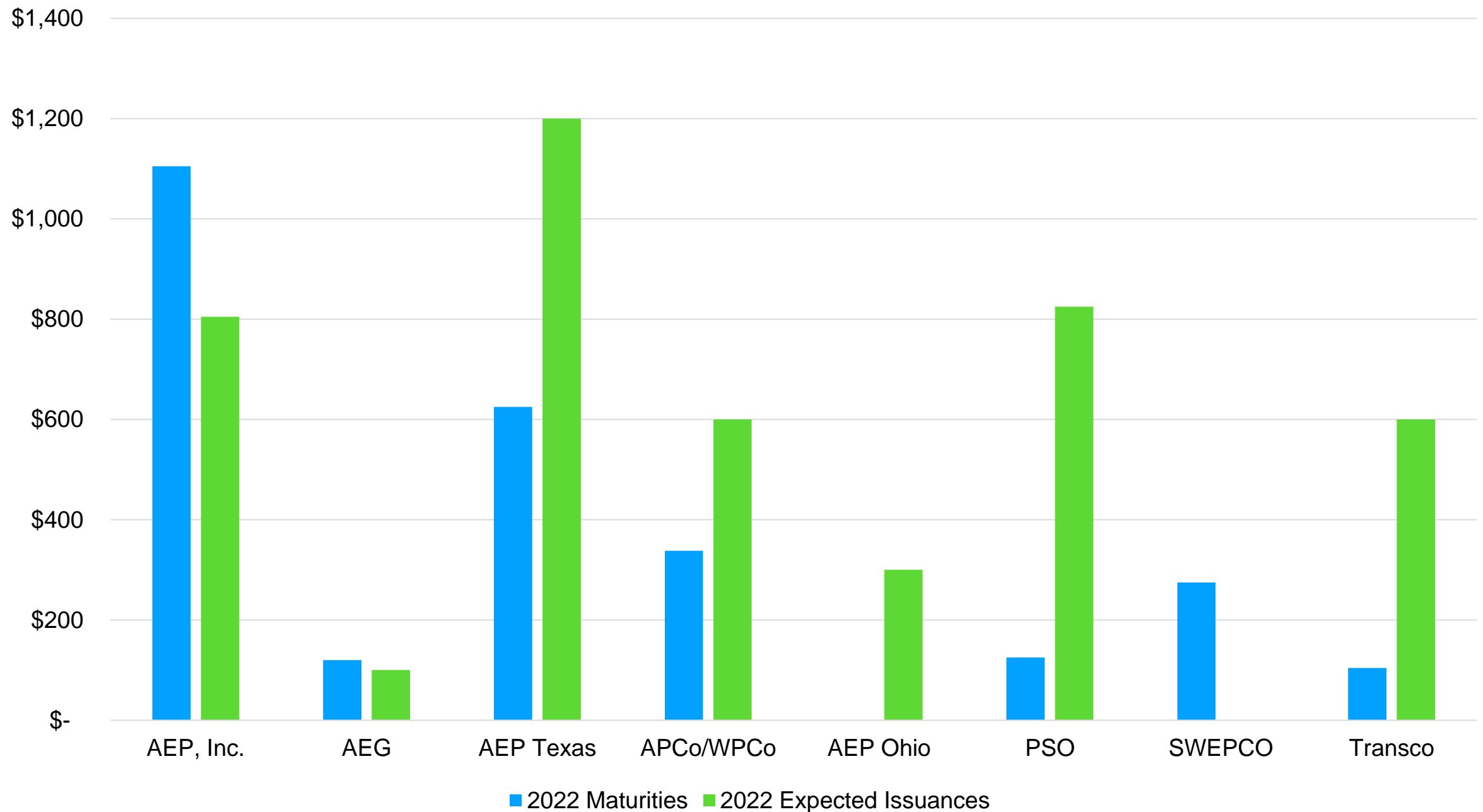
	12/31/2021 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	March 2026
Revolving Credit Facility	1,000	March 2023
364-Day Term Loan	500	March 2022 ²
Plus		
Cash & Cash Equivalents	403	
Less		
Commercial Paper Outstanding	(1,364)	
364-Day Term Loan	(500)	
Letters of Credit Issued	-	
Net Available Liquidity	\$ 4,039	

¹ Adjusted data excludes impact of Storm Uri in February 2021 that resulted in significant fuel and purchased power costs at PSO and SWEPCO and related incurrence of debt as of 12/31/2021. AEP's credit metrics saw temporary pressure in 2021 as we worked through the regulatory recovery process at PSO and SWEPCO. Management is in frequent contact with rating agencies to keep them apprised of all aspects of the business. AEP's FFO to Total Debt range for the 2022-2026 forecasted period is 14.0%-15.0%.

² Maturity of this loan expected to be extended to Q3-22.

2022 Debt Issuance and Maturities Overview

(in millions)



Note: Pending close of sale of Kentucky operations in Q2-22, AEP proceeds will be net of Kentucky's outstanding indebtedness. Additionally, any residual proceeds may be used to reduce a small portion of other outstanding debt.

Credit Ratings

Current Ratings for AEP, Inc. and Subsidiaries (as of 12/31/2021)

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	P2	S	A2	N	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	A3	N	A-	N	A	S
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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- **Emission Reduction Goals**
- **Investing to Reduce Emissions**
- **Committed to Being a Top ESG Employer**



Carbon Emission Reduction Goals

80%

by 2030

Net Zero

by 2050

(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
- ☐ Electrification

AEP's Environmental, Social and Governance (ESG) Reporting:

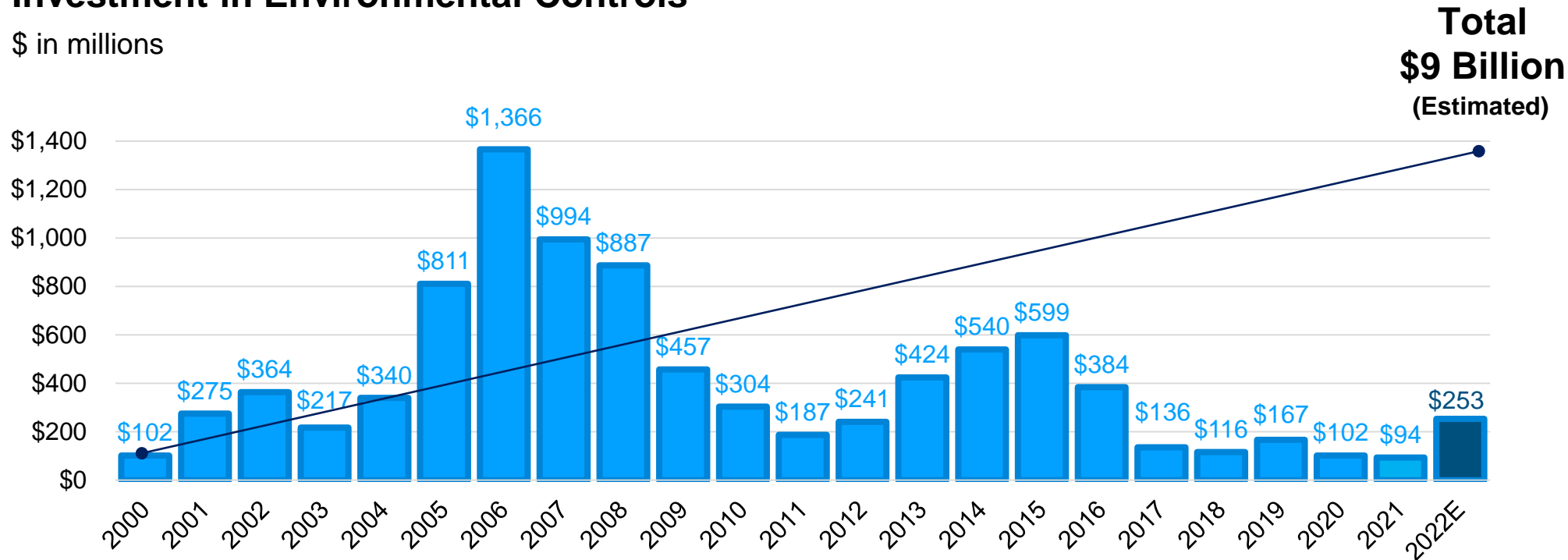
- Corporate Accountability Report
- Climate Impact Analysis Report (a TCFD report)
- ESG Data Center (featuring 250+ ESG metrics)
- EEI ESG Sustainability Report
- Sustainability Accounting Standards Board (SASB)
- CDP Survey Responses
- GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics



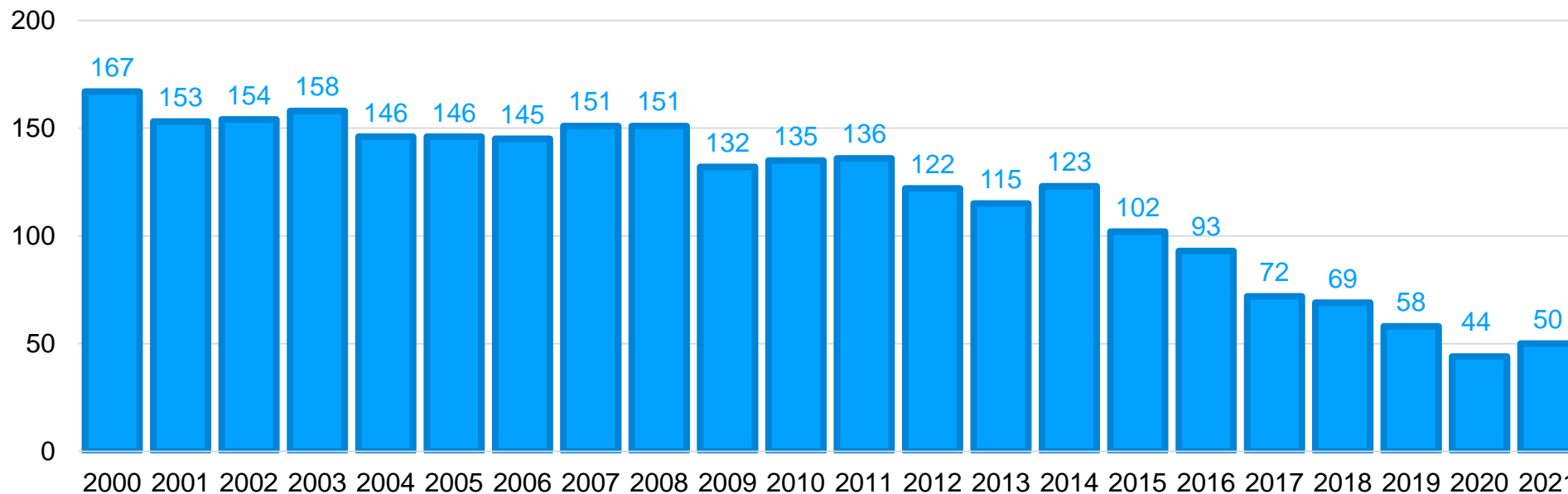
Investing to Reduce Emissions

Investment in Environmental Controls

\$ in millions



Total AEP System – Annual CO₂ Emissions in million metric tons



2000-2021 Actual

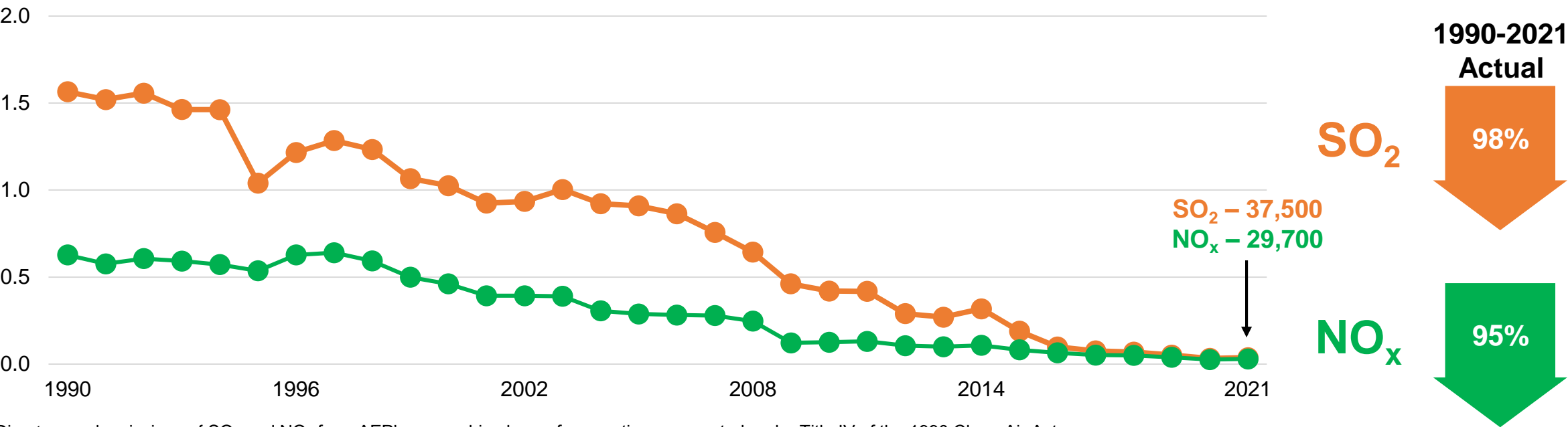
CO₂

70%

Direct CO₂ emission from AEP's ownership share of generation as reported under Title IV of the 1990 Clean Air Act

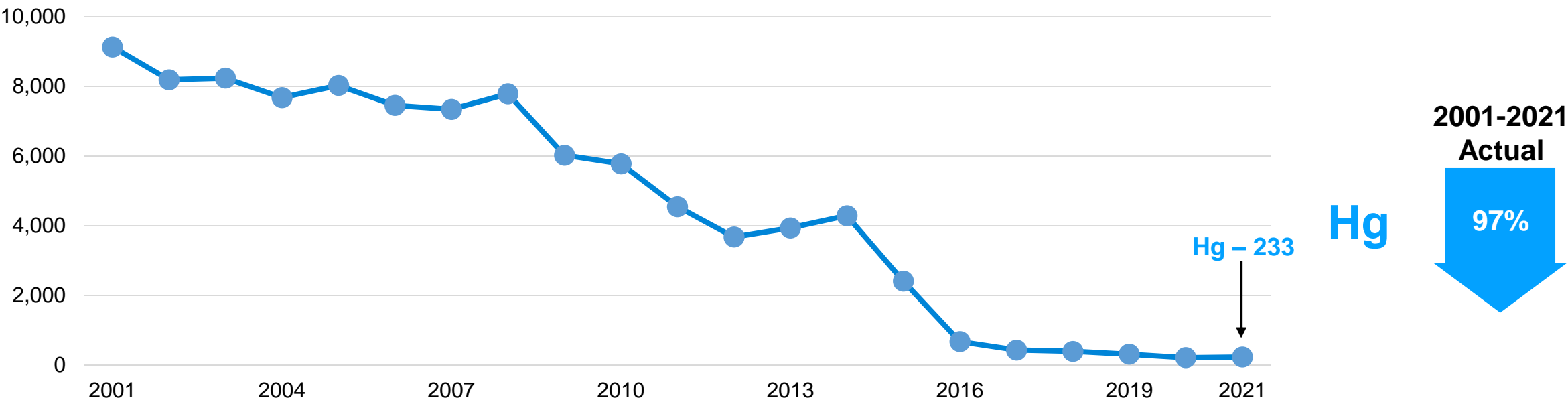
Investing to Reduce Emissions

Total AEP System – NO_x and SO₂ Emissions in million U.S. tons



Direct annual emissions of SO₂ and NO_x from AEP's ownership share of generation as reported under Title IV of the 1990 Clean Air Act.

Total AEP System – Mercury Air Emissions in pounds



AEP equity share of mercury air emissions from Toxic Release Inventory reporting. 2021 was estimated with MATS program emission monitors.

Committed to Being a Top ESG Employer



Recognizes companies that set the standard
in commitment to their stakeholders



Benchmarking tool for businesses to report
disability policies and practices



Recognizes companies that are
trailblazers in their commitment to
gender reporting and advancing
women's equality



**GALLUP EXCEPTIONAL
WORKPLACE AWARD**

Recognizes organizations
with engaged workplace
cultures



Annual measure of how
equitably large businesses
treat LGBTQ employees,
consumers and investors

Other Awards/Recognition

- Newsweek's Most Responsible Companies
- Fortune's World's Most Admired Companies
- JUST Capital's Top 100 U.S. Companies Supporting Healthy Communities and Families
 - Forbes America's Best Employers
 - Forbes America's Best Employers for Women
- Site Selection Magazine's Top Utilities for Economic Development

GENERATION TRANSFORMATION

- **Delivering Clean Energy Resources**
- **Regulated Renewable Projects and RFPs**
- **North Central Wind Overview**



Delivering Clean Energy Resources

AEP's January 31, 2022 Renewable Portfolio (in MW)

Hydro, Wind, Solar and Pumped Storage	Owned MW	PPA MW	Total MW
AEP Ohio	-	209	209
Appalachian Power Company	785	595	1,380
Indiana Michigan Power Company	56	450	506
Public Service Company of Oklahoma	221	1,137	1,358
Southwestern Electric Power Company	265	469	734
Competitive Wind, Solar and Hydro	1,761	177	1,938
Total	3,088	3,037	6,125




~20,600 MW





Renewable Generation Interconnected Across the U.S. via AEP's Transmission System Today

Regulated Renewable Projects and RFPs

Owned Renewable Projects Currently Seeking Regulatory Approval

	Resource	Project	MWs	Projected In-Service Date	Regulatory filing date: December 30, 2021 Expected Order: July 2022 Total investment: 409 MW / \$841M
	Solar	Amherst / Virginia	5	Q4-22	
	Solar	Bedington / West Virginia	50	Q4-23	
	Solar	Firefly / Virginia	150	Q3-24	
	Wind	Top Hat / Illinois	204	Q1-25	

RFPs in Progress

 3.3 GW	 4.2 GW	 1.1 GW¹	 1.3 GW²
Issued: June 2021 Wind: 3,000 MW Solar/Storage: 300 MW Regulatory Filings & Approvals: Q2-22 – Q2-23 In-Service Dates: YE24 – YE25	Issued: November 2021 Wind: 2,800 MW Solar/Storage: 1,350 MW Regulatory Filings & Approvals: Q3-22 – Q2-23 In-Service Dates: YE24 – YE25	Issued: January 2022 Wind: 1,000 MW Solar/Storage: 100 MW Regulatory Filings & Approvals: Q4-22 – Q2-23 In-Service Date: YE25	Issued: January 2022 (Draft) Wind: 800 MW Solar/Storage: 500 MW Regulatory Filings & Approvals: Q4-22 – Q2-23 In-Service Date: YE24 – YE25

2021/2022 Integrated Resource Plan Filings

2021 Filings

- PSO (OK) – October 2021
- SWEPCO (AR) – December 2021
- APCo VCEA (VA) – December 2021

2022 Filings

- I&M (IN) – January 2022
- I&M (MI) – February 2022
- APCo (VA) – Q2-22
- APCo VCEA (VA) – Q4-22
- SWEPCO (LA) Draft – Q4-22

IRPs set the stage for new regulated renewable resource additions

¹ In February 2022, APCo issued an additional RFP for owned West Virginia sited solar/storage of 150 MW with a projected in-service date of YE24 – YE25.

² Final all-source RFP expected to be issued March 2022 and will solicit bids for both owned projects and PPAs. Additional RFP expected in 2023/2024 for 800 MW of solar.

North Central Wind Overview



North Central Wind – Maverick

MW Allocation

Jurisdiction (Docket #)	MW	% of Project
PSO (PUD 2019-00048)	675	45.5%
SWEPCO – AR (19-035-U)	268	18.1%
SWEPCO – LA (U-35324)	464	31.2%
SWEPCO – FERC	77	5.2%
Total:	1,484	100%

PSO and SWEPCO Regulated Wind Investment

Total Rate Base Investment	~\$2 billion (1,484 MW)			
North Central Wind	<u>Name</u>	<u>MW</u>	<u>Estimated Investment</u>	<u>Commercial Date</u>
	Sundance	199	\$300M	Apr. 14, 2021 (100% PTC)
	Maverick	287	\$400M	Sept. 10, 2021 (80% PTC)
	Traverse	998	\$1,300M	Q1-22 (80% PTC)
Net Capacity Factor	44%			
Customer Savings	~\$3 billion (30-year nominal \$)			
Developer	Invenergy			
Turbine Supplier	GE			
Note: Facilities acquired on a fixed cost, turn-key basis at completion				

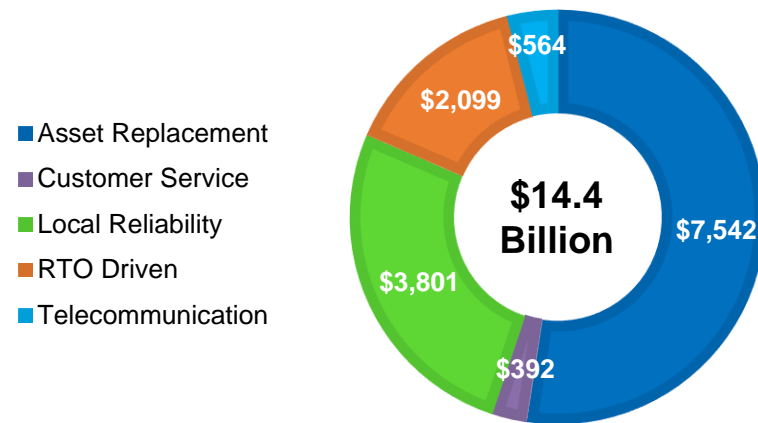
TRANSMISSION TRANSFORMATION

- **Transmission in Focus**
- **Investments in Asset Renewals**
- **Stable Cost Recovery Framework**
- **Delivering Customer and Shareholder Value**
- **Well Positioned to Capture New Investment**
- **Holdco Legal Entity Structure**



Transmission in Focus

2022-2026 Transmission Investment



From 2022 through 2026, ~50% of AEP's transmission capital investment will be deployed to modernize the transmission grid and enhance reliability and resilience

AEP's transmission investment is well positioned to grow with renewable expansion while improving reliability and meeting customer needs

Costs Supported by AEP Customers

Costs Supported More Broadly

Drivers

Asset Replacement

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

Local Reliability

- Standards-driven projects to address thermal and voltage violations, and improve operational flexibility

Customer Service

- Upgrades to connect new customers and enhanced service requests
- Facilitates local economic development

Telecom / Technology

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

RTO-Driven

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

Interconnection-Driven

- Projects to directly connect renewables and other generation to the grid

Additional Upside Opportunities

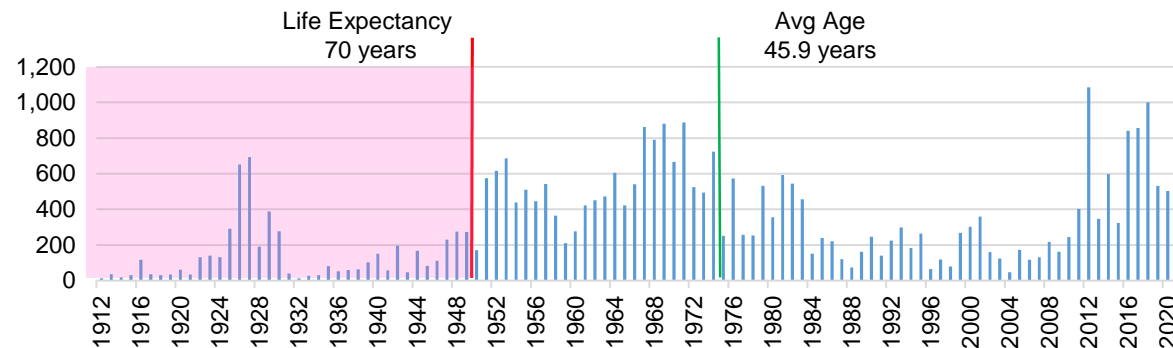
- Regional reliability
- Fossil-fuel generation retirements
- Integration of renewable resources
- Inter-regional projects

AEP has a long and diverse runway of organic transmission investment opportunities

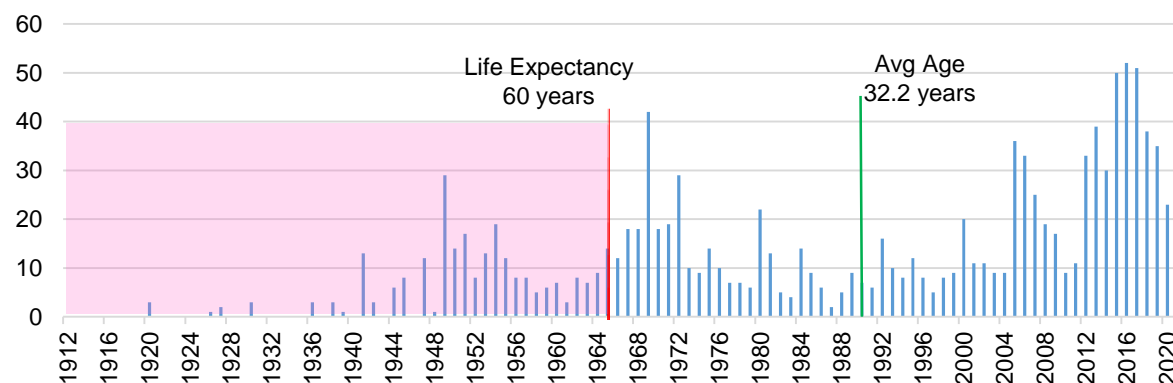
Investments in Asset Renewal Strengthen and Enable the Grid of the Future

AEP T-Line Age Profile

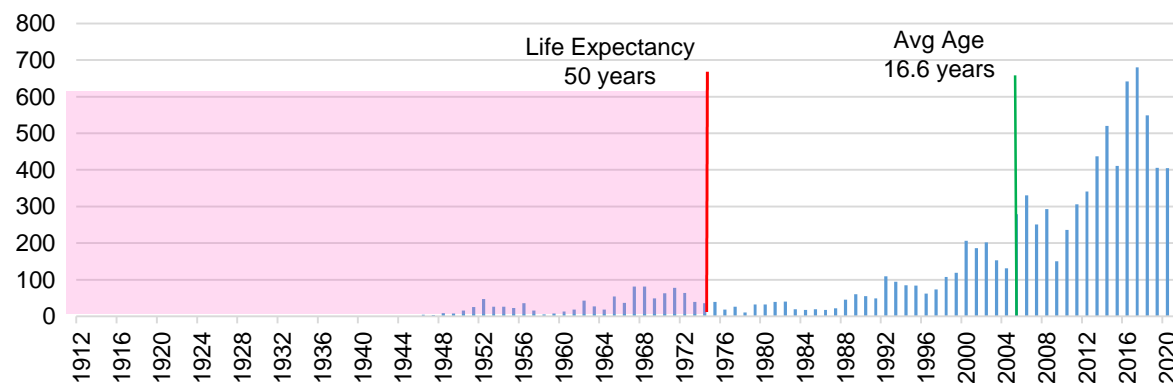
(Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



AEP Circuit Breaker Age Profile



Beyond Life Expectancy Range

- **\$2.7 billion** of annual on-system capital investment is required to replace and enhance all assets beyond life expectancy over the next 10 years.
- Asset renewal projects are prioritized based on performance, condition and risk.

AEP Transmission Assets

Life Expectancy (Years)

Current Quantity Over Life Expectancy

Quantity That Will Exceed Life Expectancy in Next 10 Years

Total Replacement Need Over Next 10 Years

% of AEP System

Line Miles

Transformers

Circuit Breakers

70

60

50

6,107

208

808

4,513

165

329

10,620

373

1,137

30%

30%

12%

Average Age (years)

2016 Year-End

2021 Year-End

Line Miles

Transformers

Circuit Breakers

52.5

36.1

22.9

45.9

32.2

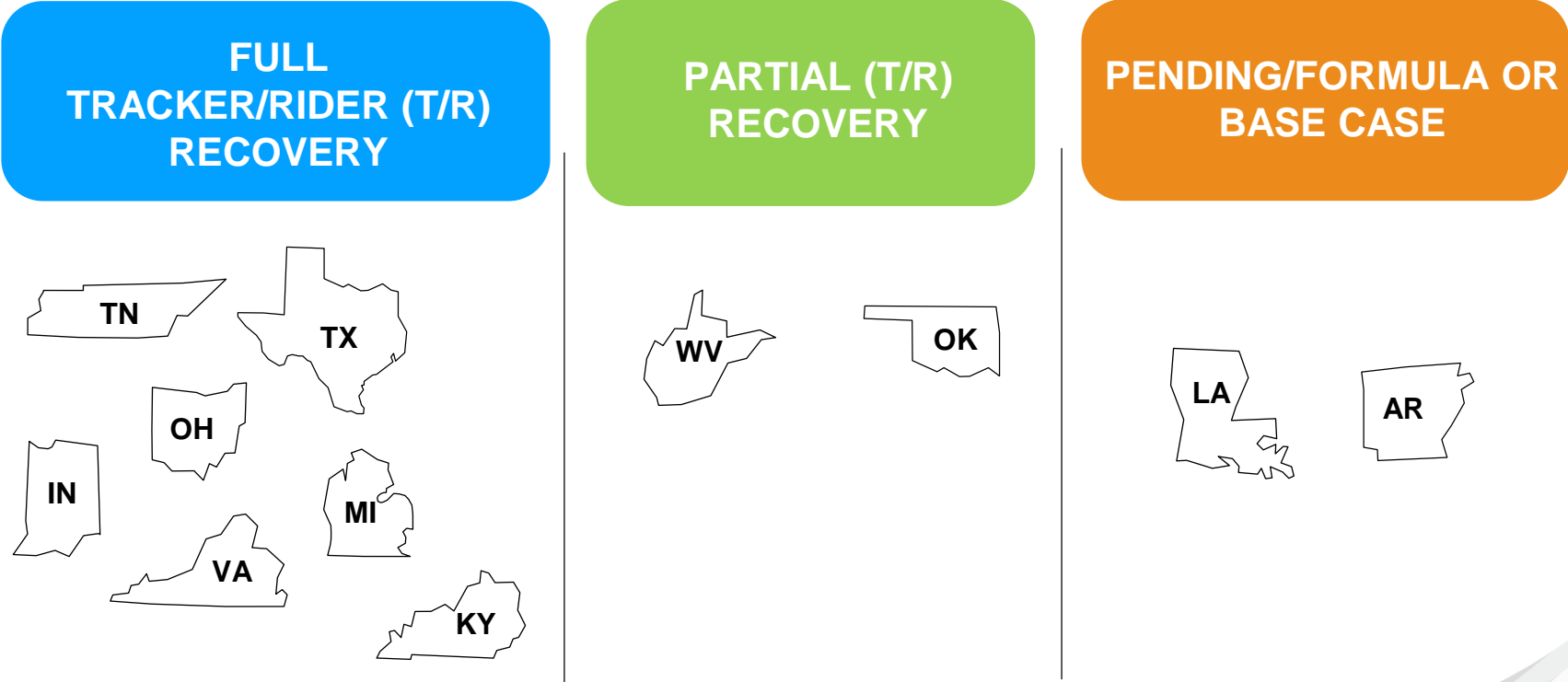
16.6

Stable Cost Recovery Framework

Stable and transparent wholesale cost recovery for transmission

	PJM	SPP	ERCOT
ROE	9.85% Base + 0.50% RTO adder	10.0% Base ROE + 0.50% RTO adder	9.4%
Forward Looking Rates	Yes	Yes	Allowed two updates per year (not forward looking)
Equity Structure	Capped at 55%	No Cap	Capped at 42.5%
Rate Approval Date	May 2019	June 2019	April 2020

~88% of transmission capital investment is recovered through state tracker/rider mechanisms

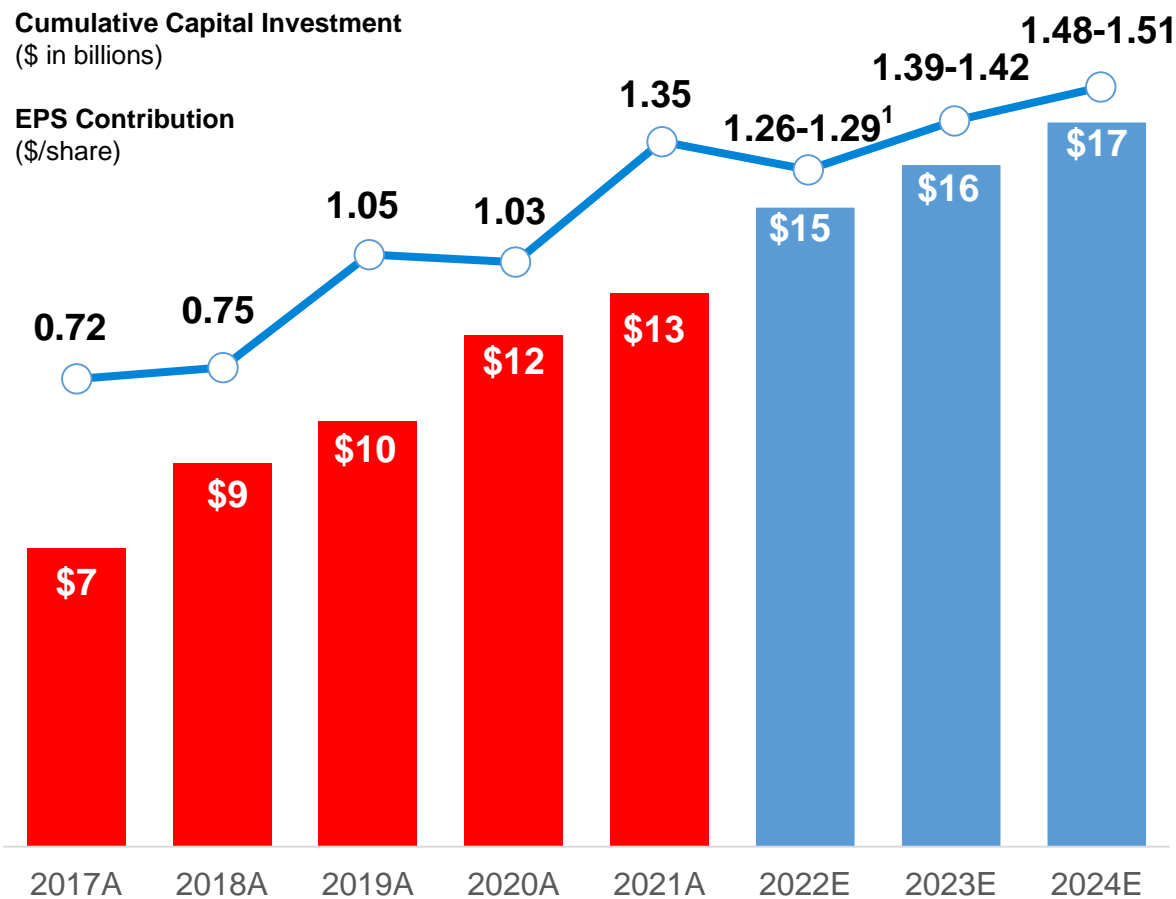


Note: Arkansas retail formula not currently being utilized

Delivering Significant Customer and Shareholder Value

Shareholder Benefits

AEPTHC Target Earnings 2022-2024



**AEPTHC's 2017 – 2024 EPS growth projected
at a CAGR of 11%**

Note: Historical and 2021 estimated EPS includes 12 months of Kentucky Transco earnings. 2022 estimated EPS includes only 4 months of Kentucky Transco earnings.

¹ Operating EPS decrease due to over collections in 2021 and related true-up in 2022.

Customer Benefits

Reducing customer costs

Enabling efficient economic dispatch of generation in each of our regions

Driving down emissions

Facilitating the fast and reliable interconnection of renewables to the grid to meet customer demand and public policy goals for clean energy

Improving reliability and security

Keeping the economy productive and connected by powering communications networks and electronics with reduced outages and a storm-hardened system

Creating economic benefits

Supporting economic development through construction projects that deliver community benefits including:

- ✓ Jobs
- ✓ State and local taxes
- ✓ Economic stimulus

Well Positioned to Capture Potential New Transmission Investment Necessary to Link Clean Resource Rich Areas to Customers

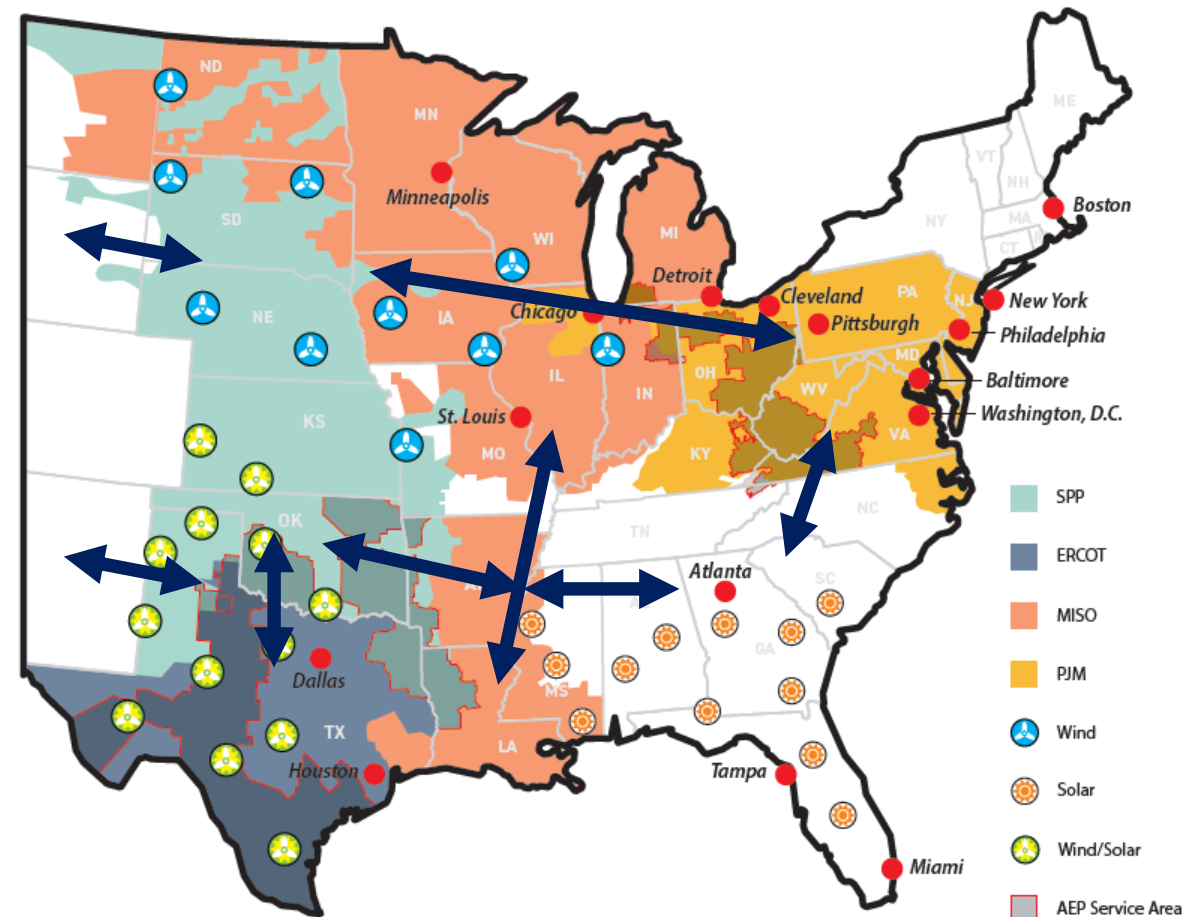
AEP's Competitive Advantage

Scale, Influence and Purchasing Power	<input checked="" type="checkbox"/> Largest transmission owner in the U.S.
Investment Opportunities in Grid of Future	<input checked="" type="checkbox"/> Robust asset renewal program with technology upgrades (i.e. BOLD™, 765kV)
Strategically Located	<input checked="" type="checkbox"/> Geographically diverse and located on multiple market seams
Established Competitive Entity with Proven Track Record	<input checked="" type="checkbox"/> Transource is active in four RTOs
Culture of Innovation	<input checked="" type="checkbox"/> Savings to customers and advantage in competitive solutions



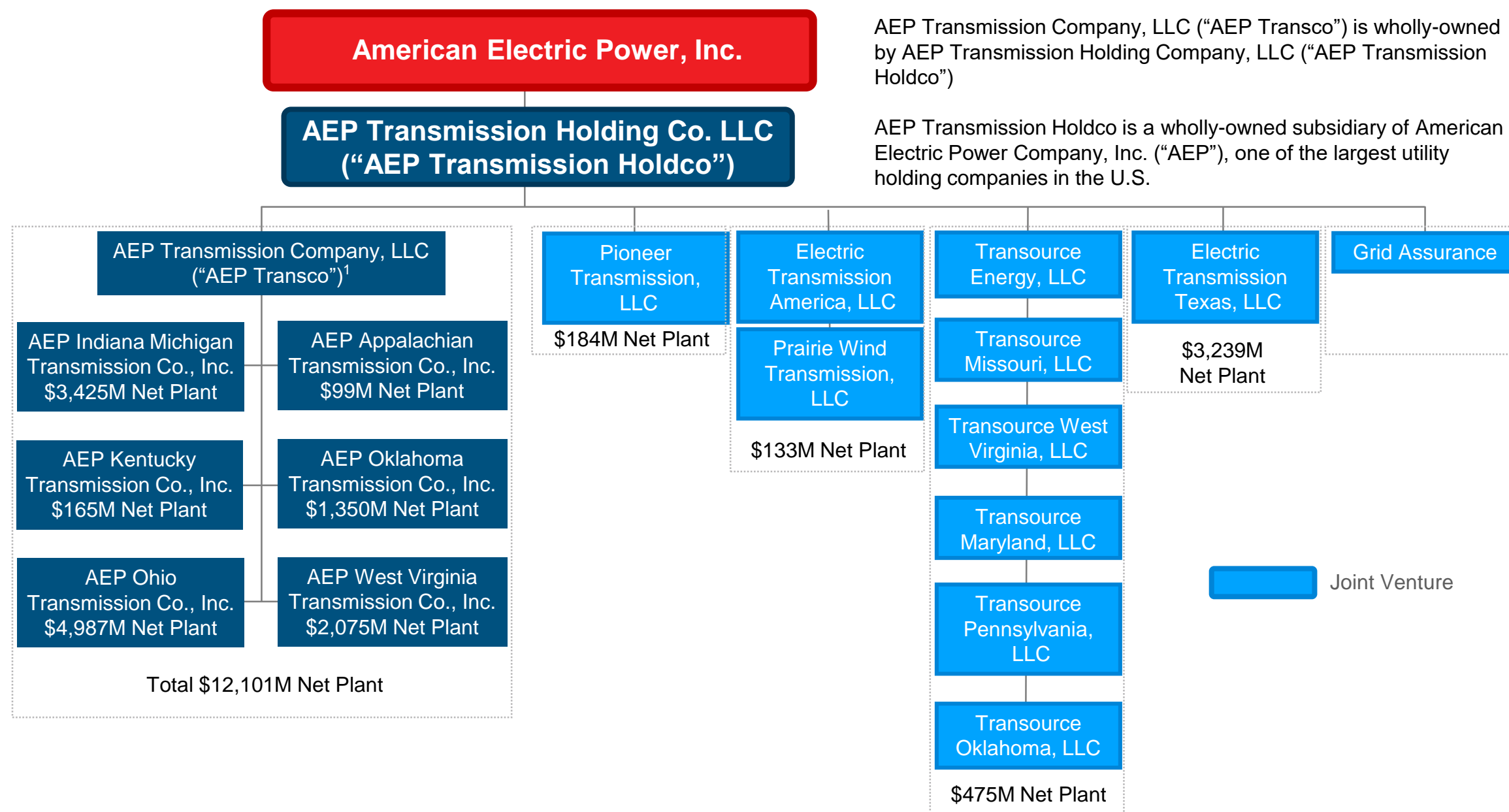
*Transource is AEP's competitive-regulated transmission company

Increased flows across regional seams will link clean, resource-rich areas to customers and AEP is well-situated to deliver competitive or non-competitive transmission solutions



Note: Portion of large-scale transmission investment may be subject to competitive bidding rules per current FERC policy

AEP Transmission Holdco Legal Entity Structure



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

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

Joint Venture net plant balances are inclusive of non-affiliate share

Net plant totals as of 12/31/2021

¹ Debt issued at AEP Transco level for transmission companies

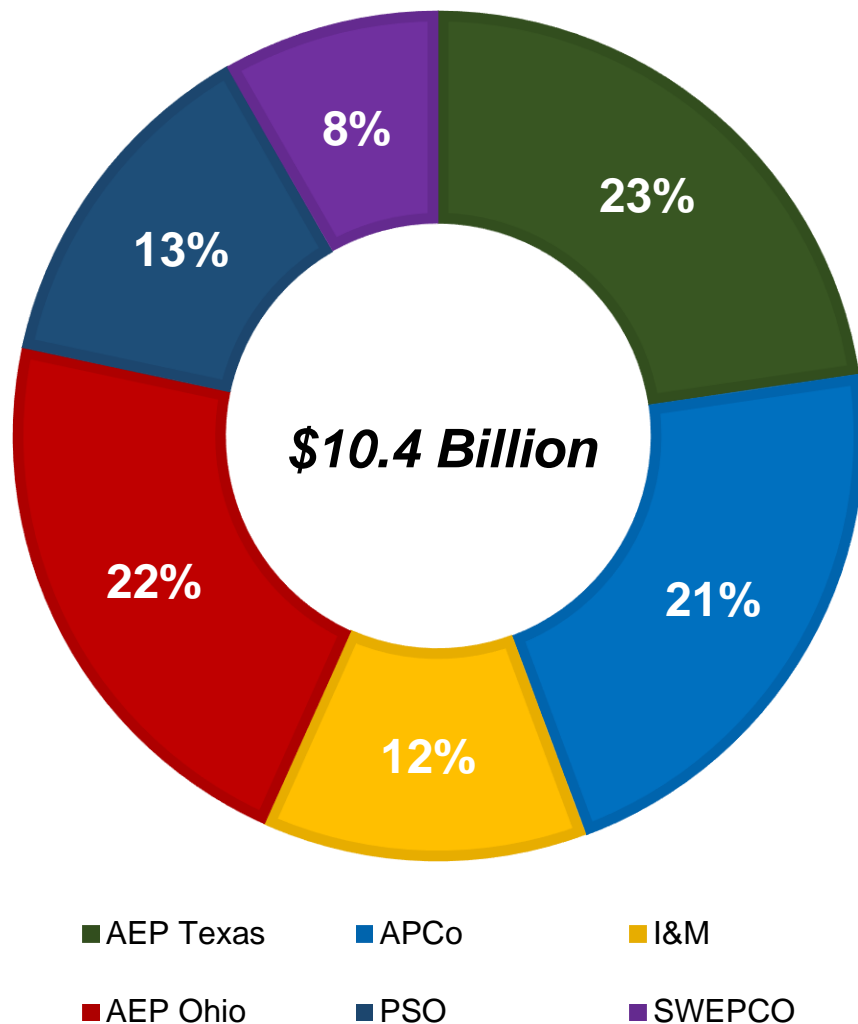
UTILITY TRANSFORMATION

- Robust Distribution Capital Investment Opportunities
- Grid Transformation



Robust Distribution Capital Investment Opportunities

2022 – 2026 Distribution Capital Forecast



Distribution Spend Categories

Investment Category	Category Description	Capital Investment (in billions)
Capacity Expansion, Reliability and Modernization	Asset renewal and reliability investments including pole, conductor, cutout, station transformer and breaker replacements and capacity additions	\$ 6.0
Customer Requests	Investments for new service, upgrades, relocations	\$ 1.6
Automation and Technology	Implementation of automated technology including distribution supervisory control and data acquisition, smart switches and reclosers, volt var optimization and sensors. Investments include telecommunication and system components	\$ 1.3
Restoration and Sparring	Storm restoration and spare equipment	\$ 0.5
Advanced Metering Infrastructure (AMI)	Advanced metering technology for the remaining AEP customers	\$ 0.4
Rural Broadband	Investment in fiber assets to provide middle mile broadband to rural communities and for company use	\$ 0.3
Green Technology	Investments in LED outdoor and streetlights and electric vehicle charging infrastructure	\$ 0.3
Total		\$ 10.4

Additional Upside Opportunities

- Significant capital investment opportunity over the next decade to renew the distribution system and improve reliability
- Electrification and higher penetration levels of distributed resources may drive additional distribution investment opportunities

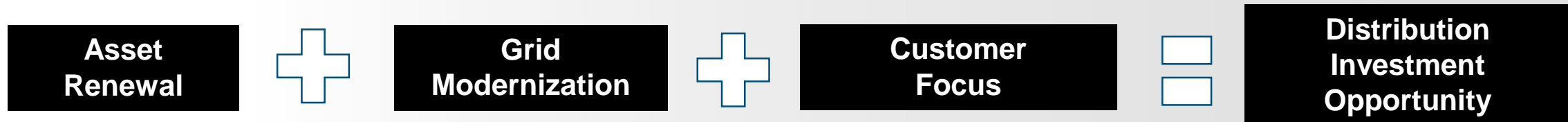
AEP's expansive, aged distribution system provides significant opportunity for investment and we are developing a portfolio of projects to modernize the grid for our customers

Grid Transformation

AEP is preparing to accommodate new grid resources, grow load in our service territories and open the door to future customer-driven growth opportunities

AEP's Expansive Distribution System Provides Significant Opportunity for Investment

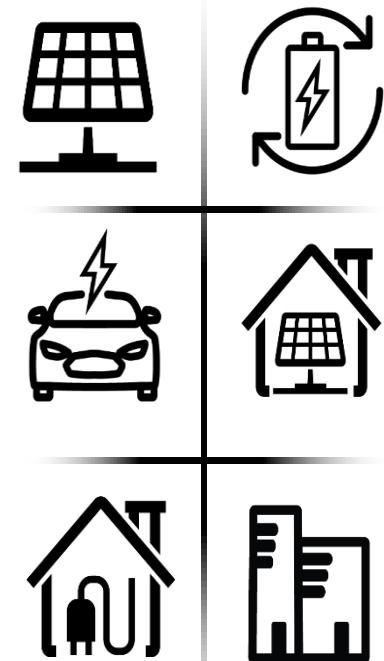
- 224,000 miles of distribution lines
- ~3,000 distribution substations



Strategic Priorities:

- Improved reliability, storm hardening and resilience
- Increased operational capabilities
- Prepare the grid for enhanced DER penetration and electrification
- Develop robust pipeline of capital investments
- Enhance ability to obtain timely cost recovery from regulators

Developing long-term plans to focus on improved reliability, resiliency and to prepare the grid for 2-way power systems, supported by detailed 5-year capital investment plans

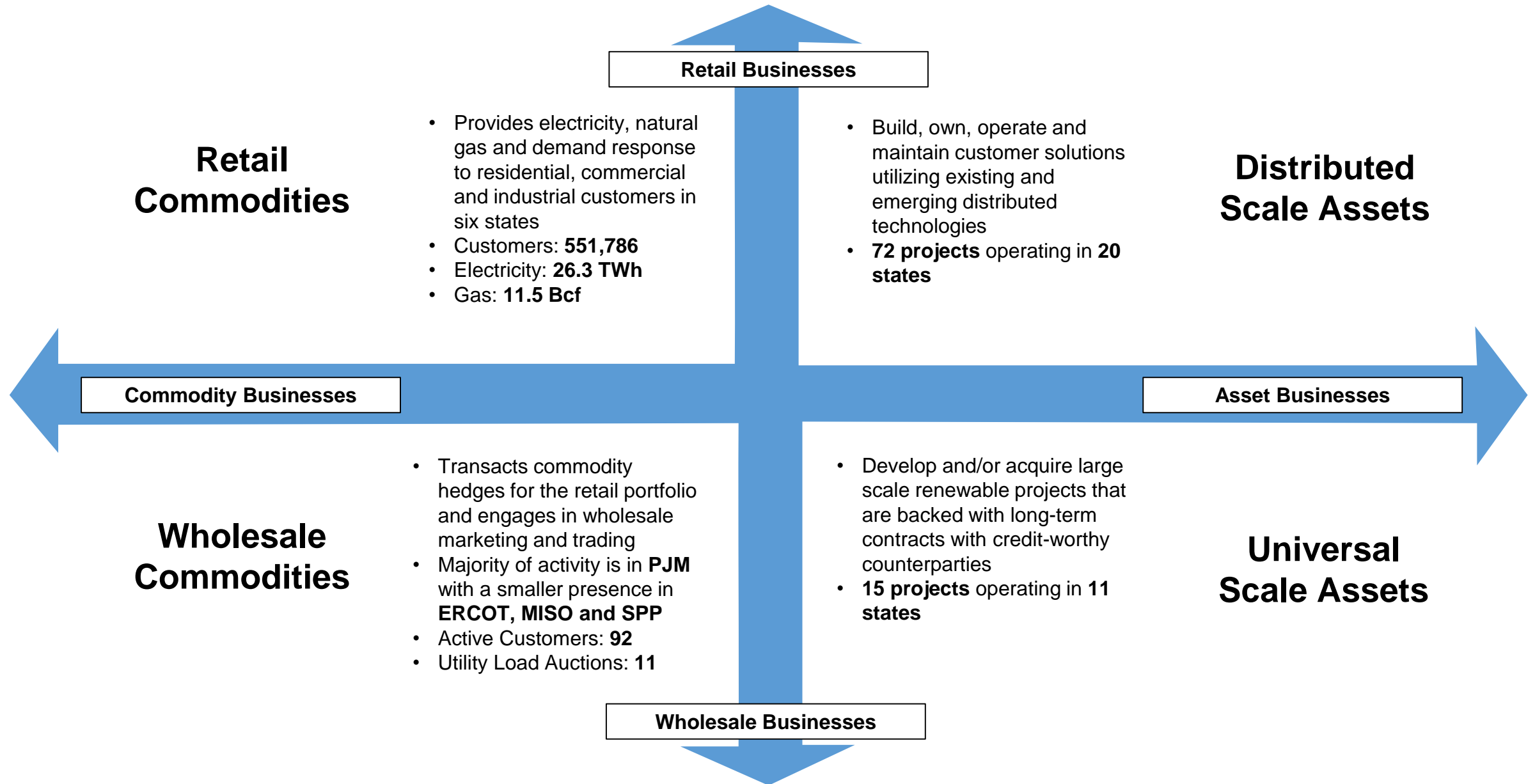


COMPETITIVE BUSINESS

- **Business Strategy and Operations**
- **Business Presence**



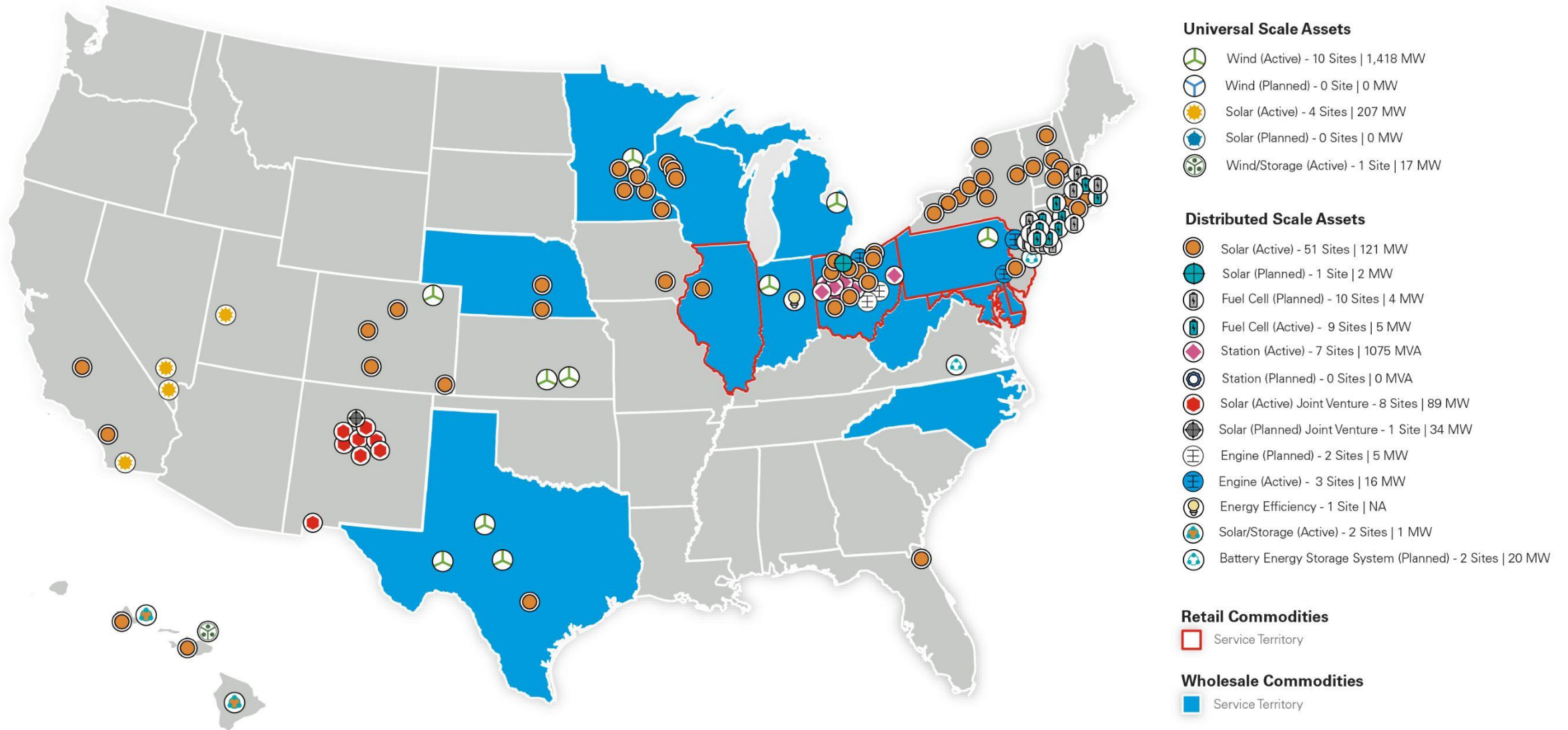
Competitive Business Strategy and Operations



As of 12/31/2021

Competitive Business Presence

Active in 29 States (5 states overlap with AEP Utilities)



As of 12/31/2021