



Guggenheim Non-Deal Roadshow

New York City
May 17, 2023



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

Darcy Reese, Vice President

Investor Relations
614-716-2614
dlreese@aep.com

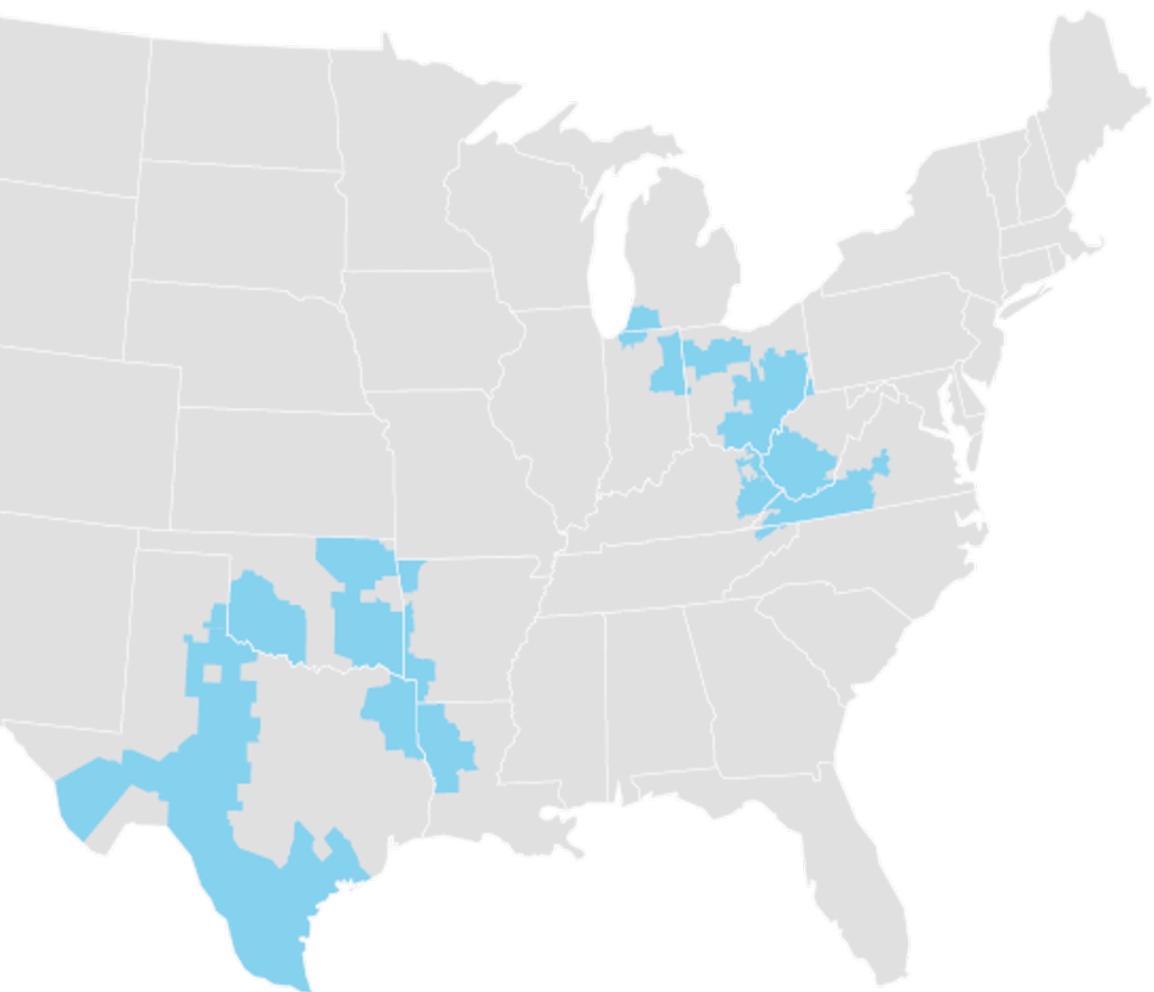
Annie Pribisko, Director

Investor Relations
614-716-2646
acpribisko@aep.com

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 conflict between Russia and Ukraine, 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, 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, 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, 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.



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.

25GW

OWNED GENERATION

Diverse generation fleet
As of March 31, 2023

\$94B

TOTAL ASSETS

Strong balance sheet

\$61B

RATE BASE

As of December 31, 2022

\$47B

CURRENT MARKET CAPITALIZATION

As of May 12, 2023

17,000

EMPLOYEES

Across the system

5.6M

CUSTOMERS

Throughout 11 states

Statistics are as of December 31, 2022 except for owned generation and market capitalization.

AEP Is Powering the Future

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



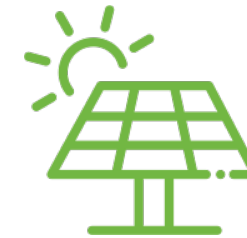
Delivering Consistent, Strong Performance

- 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
- 9%-10% consistent total shareholder return
- Strong balance sheet with a targeted FFO/Debt of 14%-15%
- 2023 operating earnings guidance range of \$5.19-\$5.39



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 \$40B includes \$15B of transmission investment and \$11B of distribution investment



Leading the Clean Energy Transition

- Proven track record of investing in sustainability and reducing fleet emissions
- Plans to add 17 GW of new resource opportunities between 2023 and 2032
- Goal of net zero by 2045
- Capital forecast includes \$9B 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



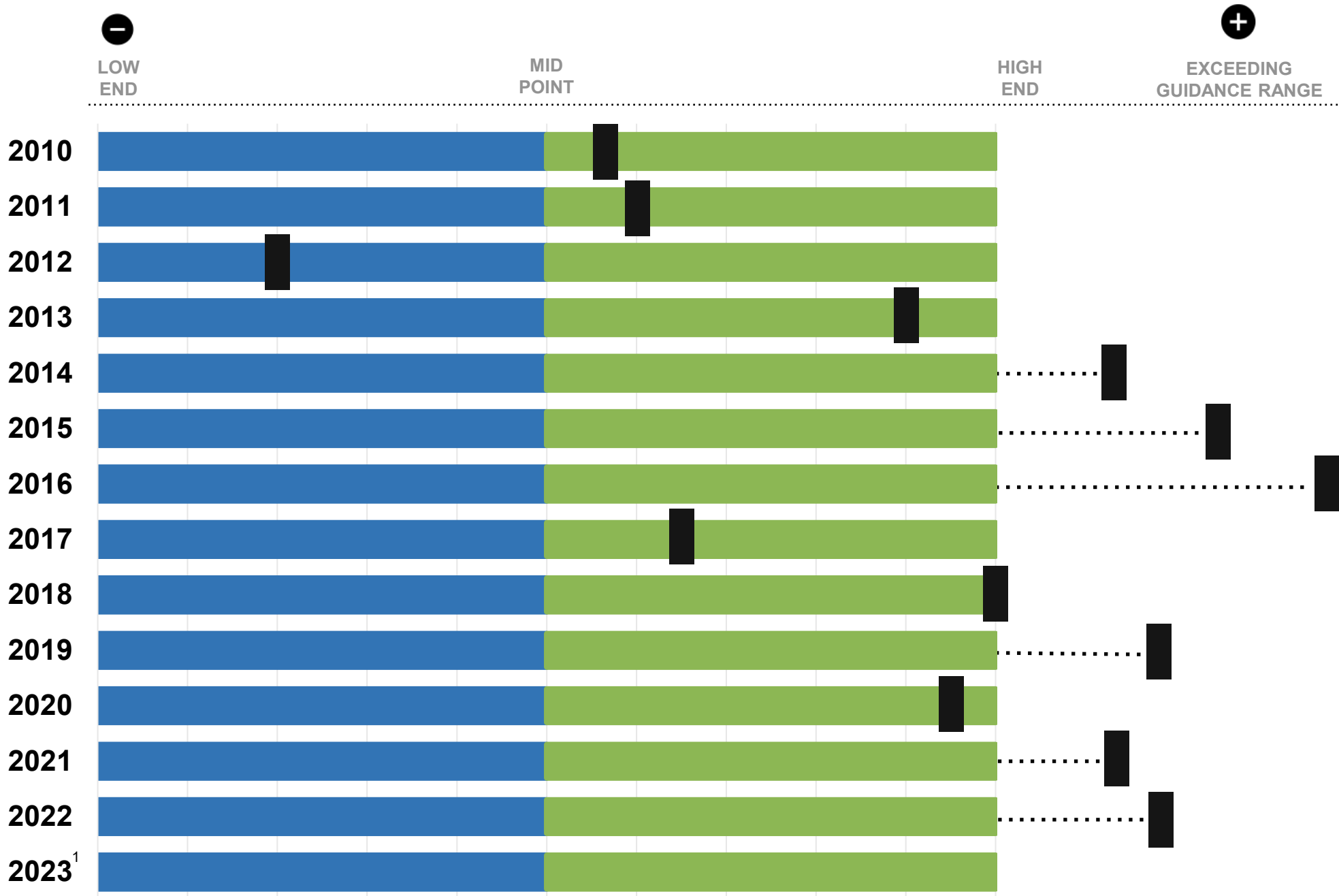
Proven Track Record of EPS Performance

Over a decade of meeting or exceeding original EPS guidance

¹ 2023 operating EPS guidance is \$5.19-\$5.39.

 Actual Result

Actual operating EPS in comparison to original EPS guidance range





Strong Dividend Growth

- Targeted payout ratio 60-70% of operating earnings
- Over 112 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.

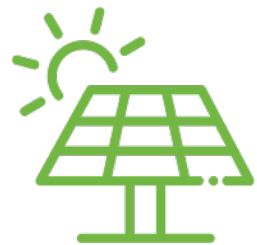


EPS Growth + Dividend Yield = 9% to 10% Annual Return Opportunity

Stakeholder Commitments



**6%-7% Annual
Operating Earnings
Growth**



**ESG Goal of Net
Zero by 2045**



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



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



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



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



Positioning for the Future

2023-2027 Capital Forecast

Shift to Wires and Renewables

2023-2027 Cash Flows and Financial Metrics

Rate Base Growth

Efficient Cost Recovery Mechanisms





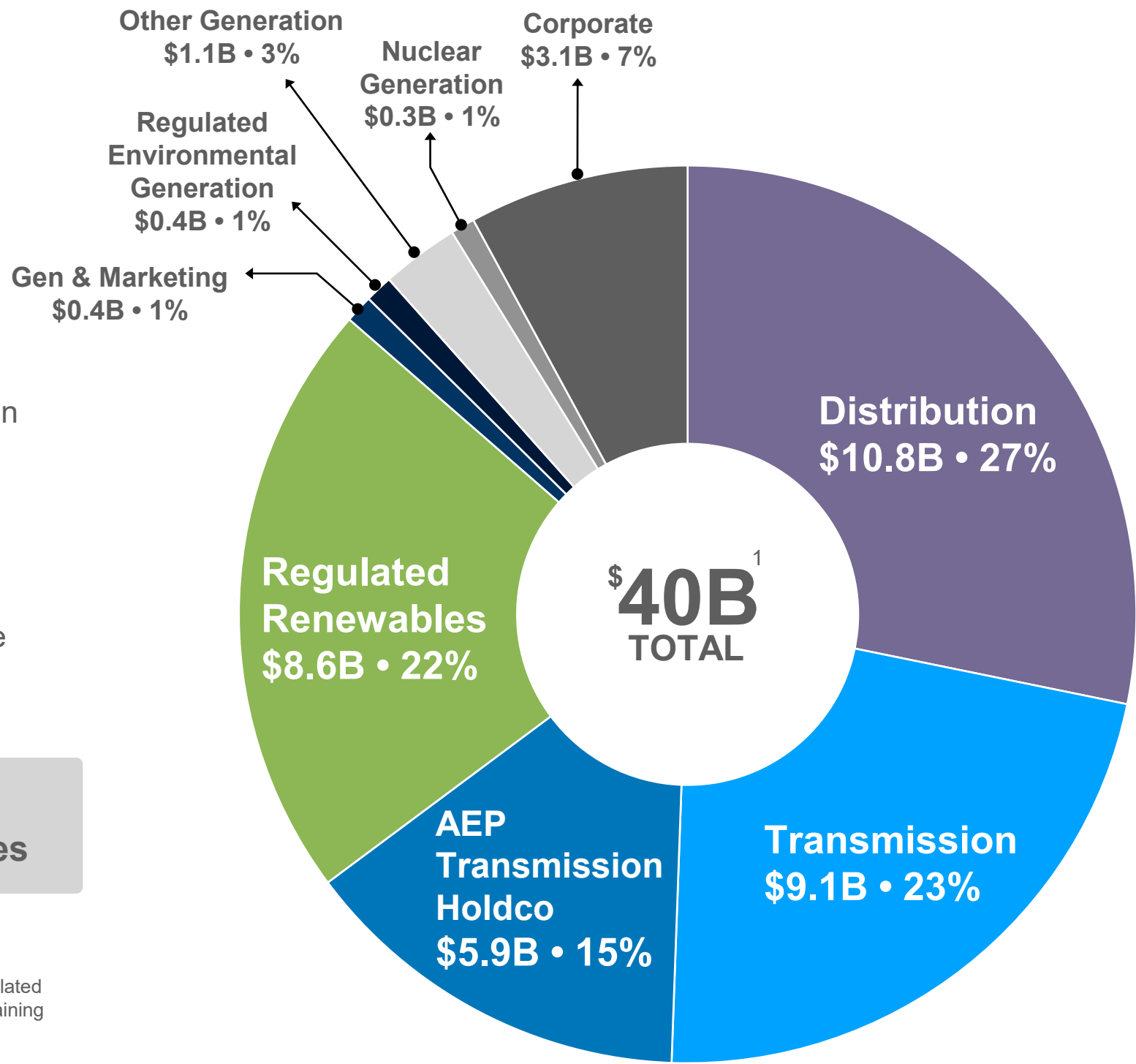
2023-2027 Capital Forecast of \$40B

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

On a system average, we expect rates to go up approximately 4% annually over the forecasted period

Capital forecast emphasizes investment in wires and renewables

¹ With the 2023 Kentucky operations sale termination, Kentucky related capital will be absorbed within the current capital plan while maintaining the existing functional split.



99%
of capital allocated to regulated businesses

\$26B 65%
allocated to wires

\$9B 22%
allocated to regulated renewables

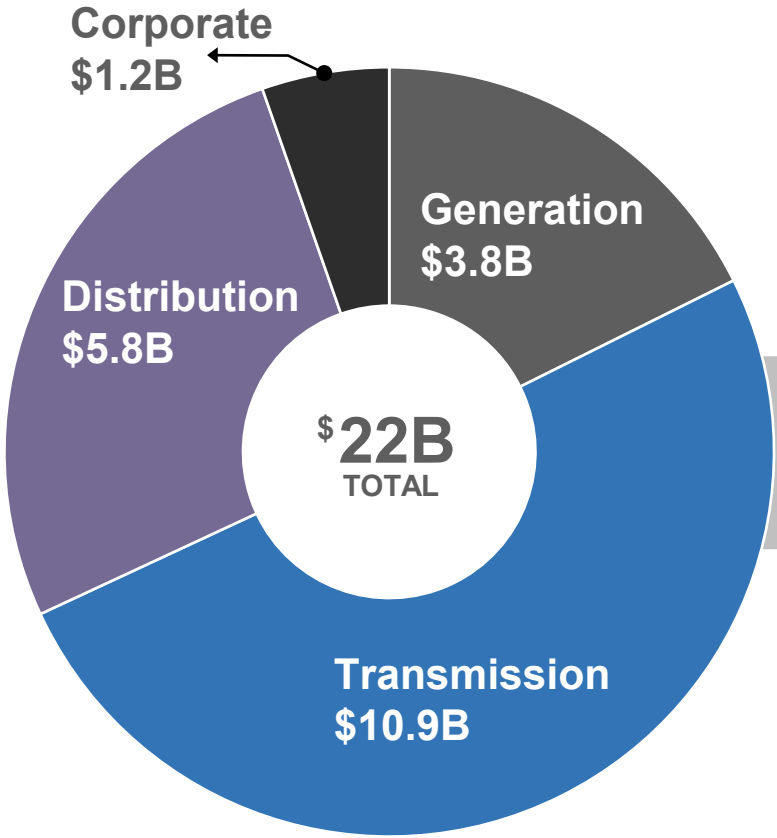
7.5%
resulting rate base CAGR



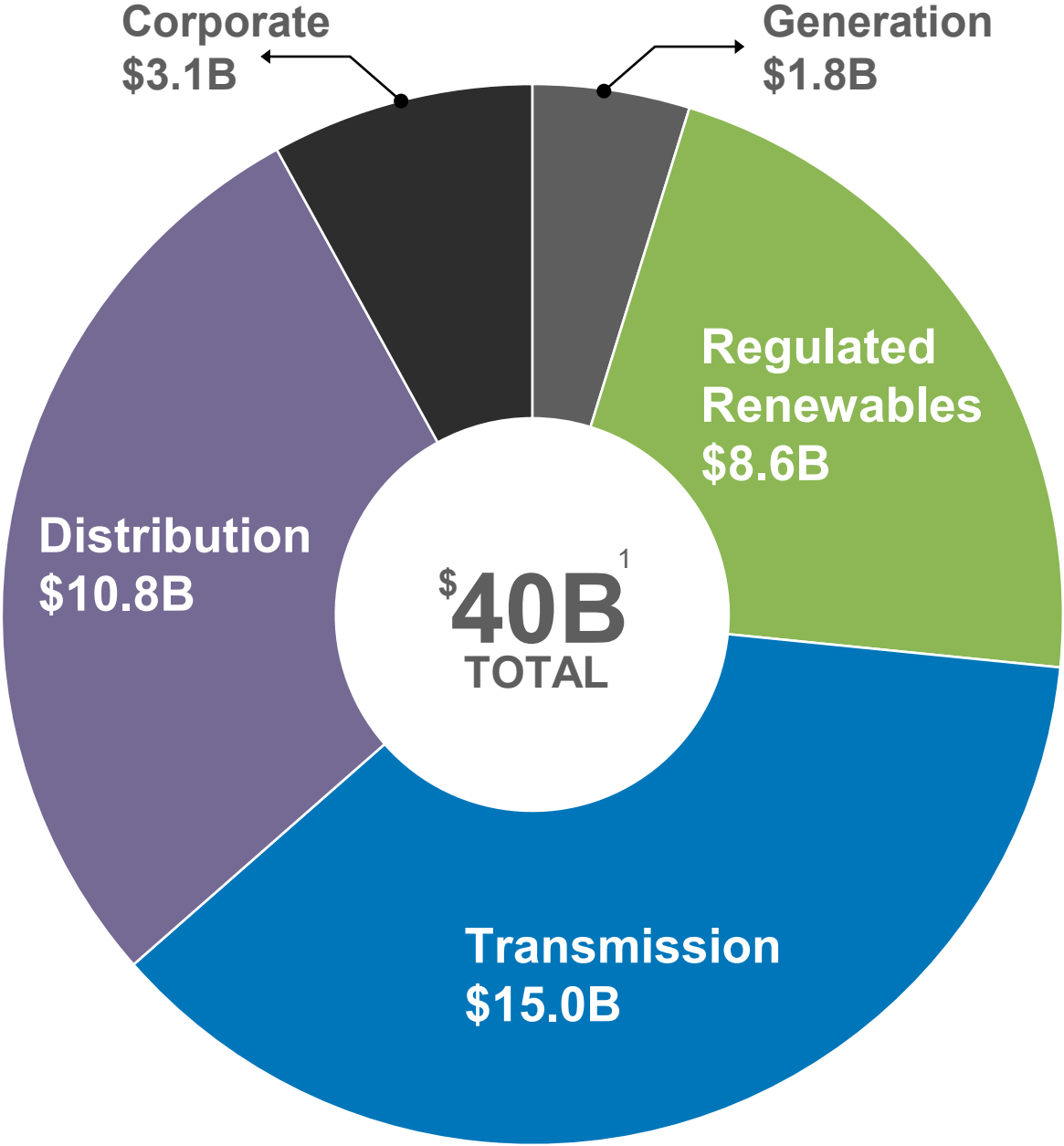
Shift to Wires and Renewables

~90% of future investment is in wires and renewable generation

2013-2017 Regulated Capital



2023-2027 Regulated Capital Forecast



¹ With the 2023 Kentucky operations sale termination, Kentucky related capital will be absorbed within the current capital plan while maintaining the existing functional split.



2023-2027 Cash Flows and Financial Metrics

Cash proceeds related to the sale of unregulated contracted renewable assets are included in 2023; proceeds from other future assets sales are not included

\$ in millions	2023E	2024E	2025E	2026E	2027E
Cash from Operations	\$ 5,800	\$ 6,700	\$ 7,000	\$ 7,700	\$ 8,100
Net Cash Proceeds from Sale of Assets ¹	1,200	-	-	-	-
Capital and JV Equity Contributions	(6,800)	(8,900)	(9,700)	(7,300)	(6,900)
Other Investing Activities	(100)	(300)	(200)	(300)	(200)
Common Dividends ²	(1,700)	(1,900)	(2,100)	(2,200)	(2,400)
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Financing					
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Long-term Debt Maturities	(2,600)	(1,700)	(2,300)	(1,700)	(1,500)
Short-term Debt Repayments	(1,000)	-	-	-	-
Securitization Amortizations	(100)	(200)	(100)	(100)	(100)
Equity Units Conversion	850	-	-	-	-
Equity Issuances – Includes DRP	100	600	700	700	700
Debt Capital Market Needs (New)	\$ (4,350)	\$ (5,700)	\$ (6,700)	\$ (3,200)	\$ (2,300)
Financial Metrics					
Debt to Capitalization (GAAP)	Approximately 60%				
FFO/Total Debt (Moody's)	14%-15% Target Range				

¹ Cash proceeds to Parent of \$1.2B in 2023 relates to the sale of unregulated contracted renewable assets.

² Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by Board of Directors. Stated target payout ratio range is 60%-70% of operating earnings.

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



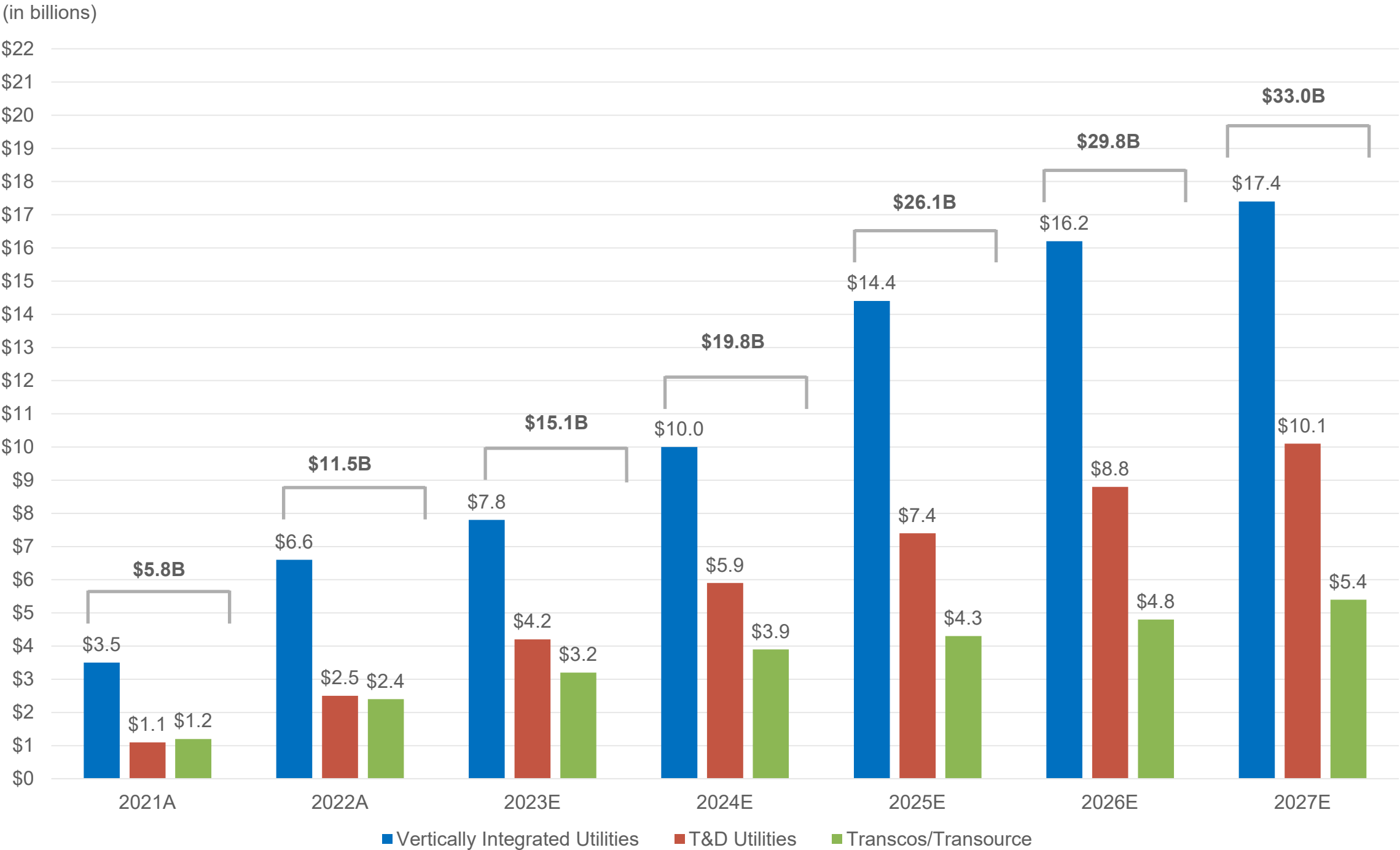
7.5% CAGR in Rate Base Growth

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

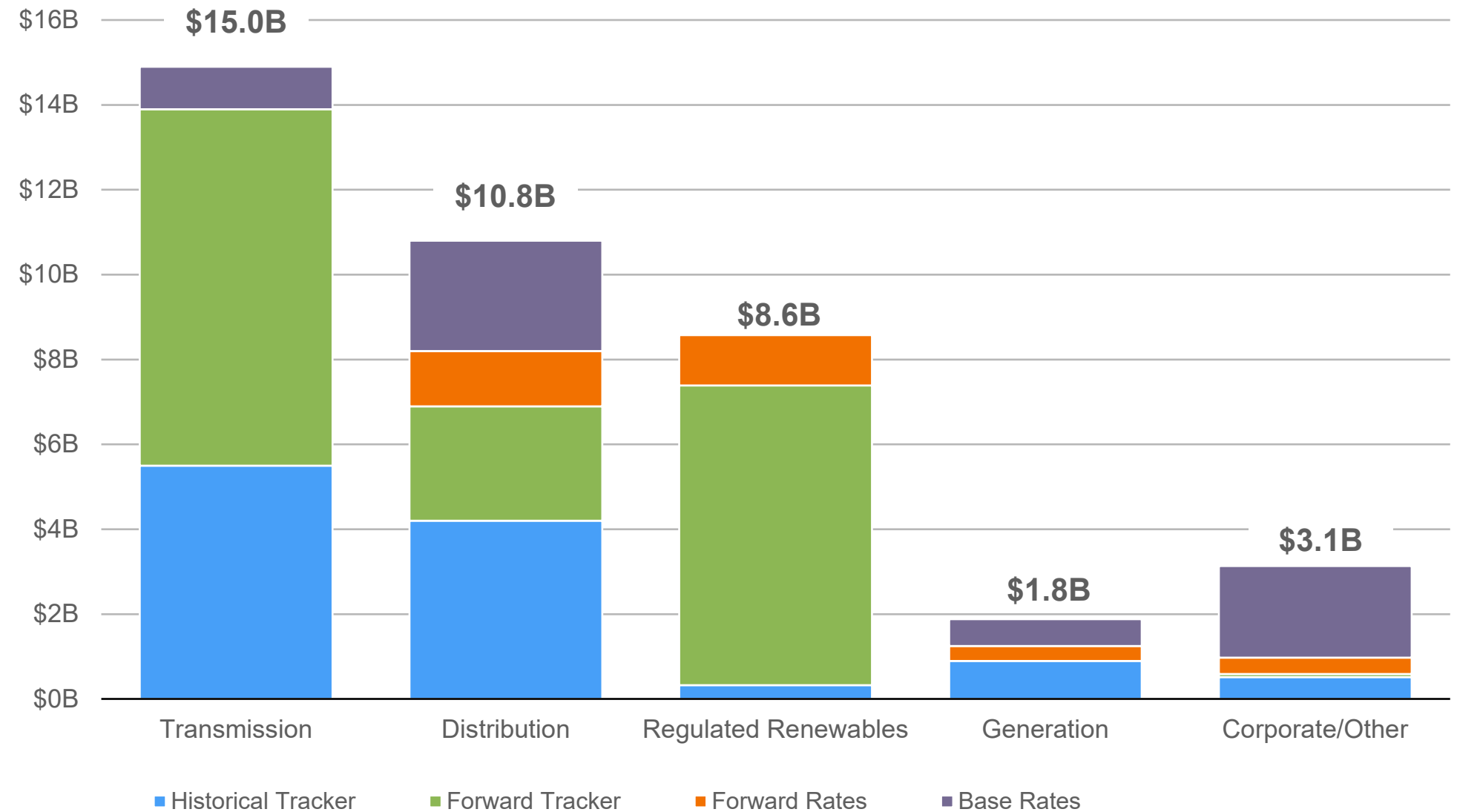
Adjusted data to include Kentucky rate base while maintaining the existing functional split related to the current 5-year capital plan.



Efficient Cost Recovery Mechanisms

~85% of capital plan is recovered through reduced lag mechanisms

2023-2027 Regulated Capital Investments





Financial Information

First Quarter 2023 Operating Earnings

Continued Focus on O&M Efficiency

Normalized Retail Load Trends

Capitalization and Liquidity

2023 Debt Issuances and Maturities Overview

Credit Ratings





1st Quarter Operating Earnings Segment Detail

Key Drivers Q1-23 vs. Q1-22

	\$1.22 Per Share		(0.07)		(0.06)		0.01		0.06		(0.05)		\$1.11 Per Share	
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	2022 Actual		VERTICALLY INTEGRATED UTILITIES		TRANSMISSION AND DISTRIBUTION UTILITIES		AEP TRANSMISSION HOLDCO		GENERATION & MARKETING		CORPORATE AND OTHER		2023 Actual	
	2023 Actual EPS		\$0.52		\$0.24		\$0.35		\$0.09		\$(0.09)		\$1.11	



Continuous Focus on O&M Efficiency

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

\$41B

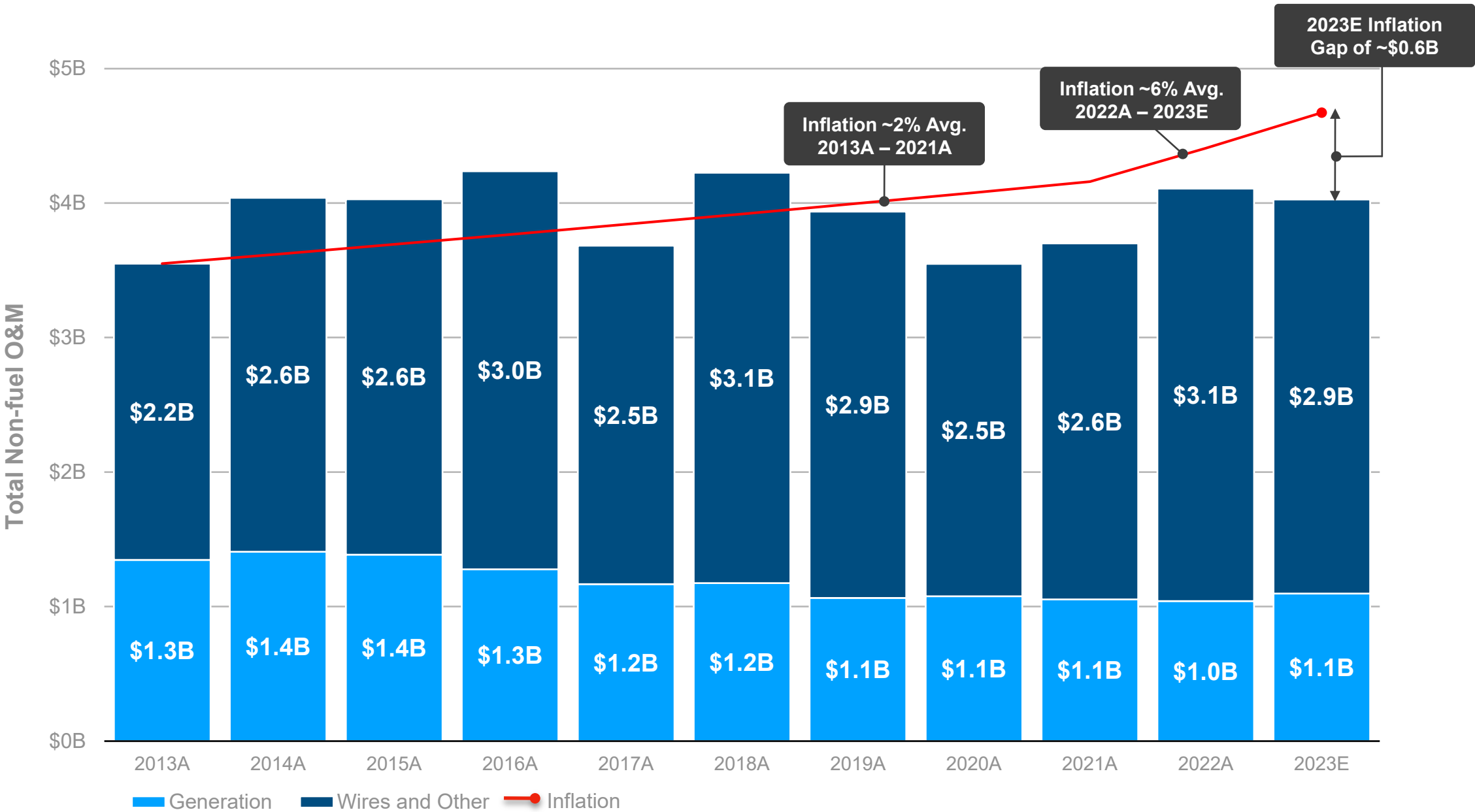
2013A Net Plant

»»

\$79B

2023E Net Plant

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



(in billions)	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E
Untracked O&M	\$2.8	\$3.1	\$3.1	\$3.1	\$2.8	\$3.1	\$3.1	\$2.7	\$2.8	\$3.0	\$2.9

Data adjusted to include Kentucky.



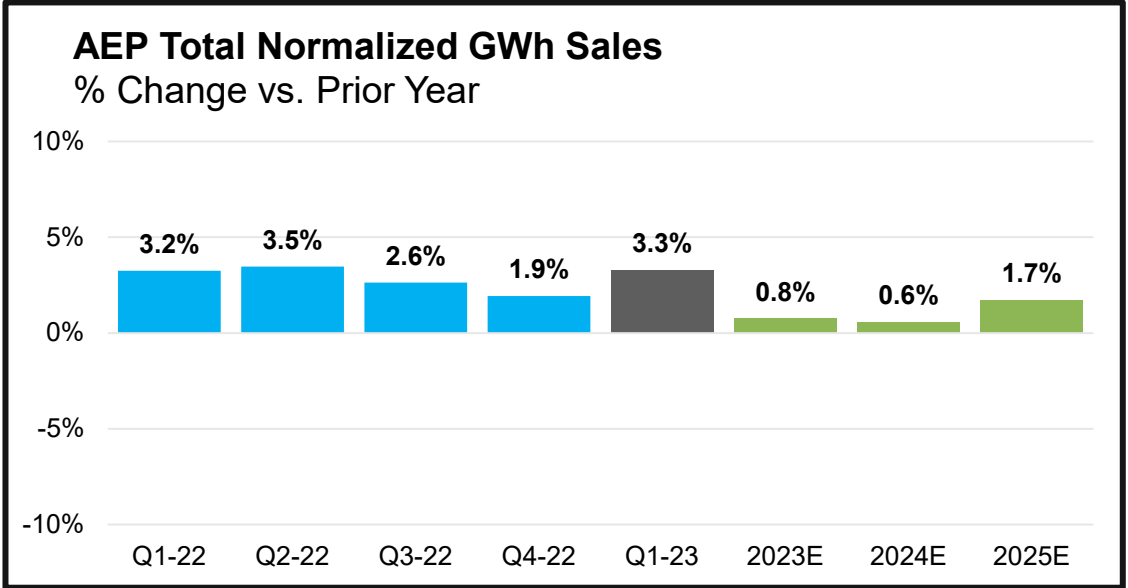
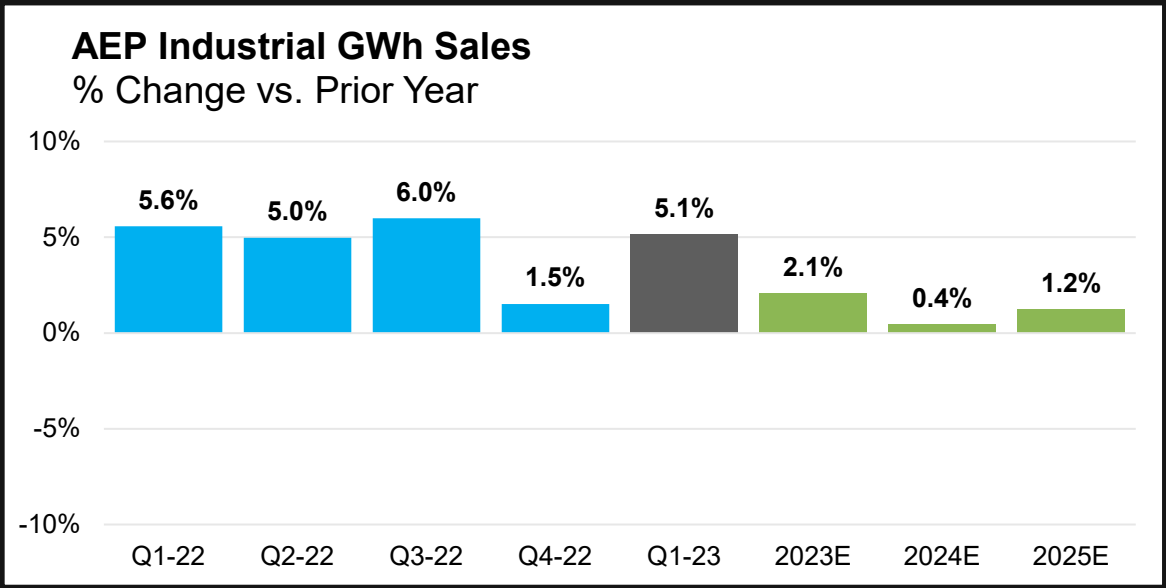
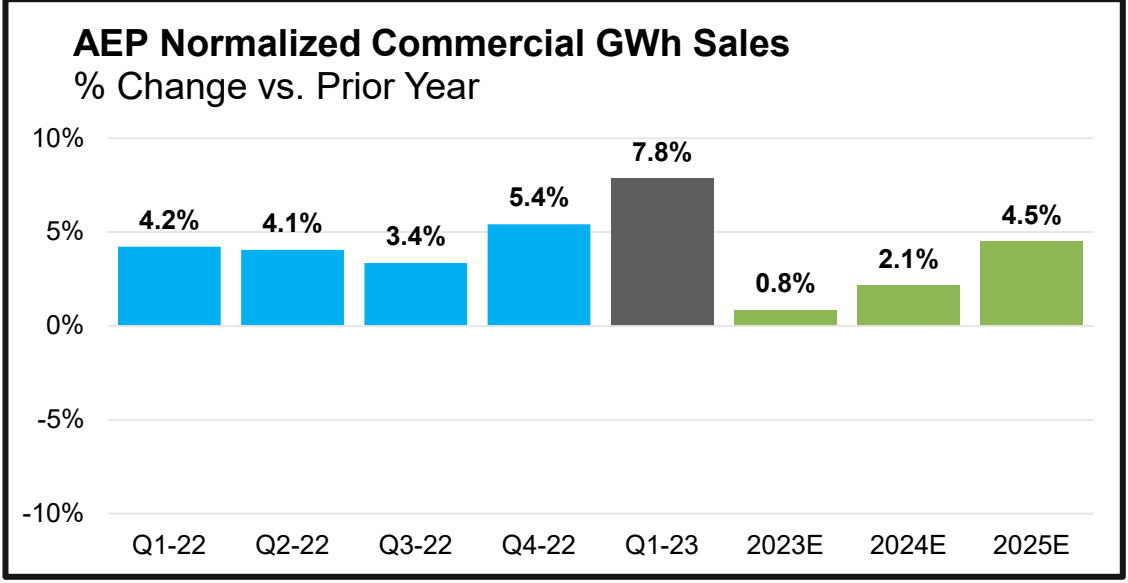
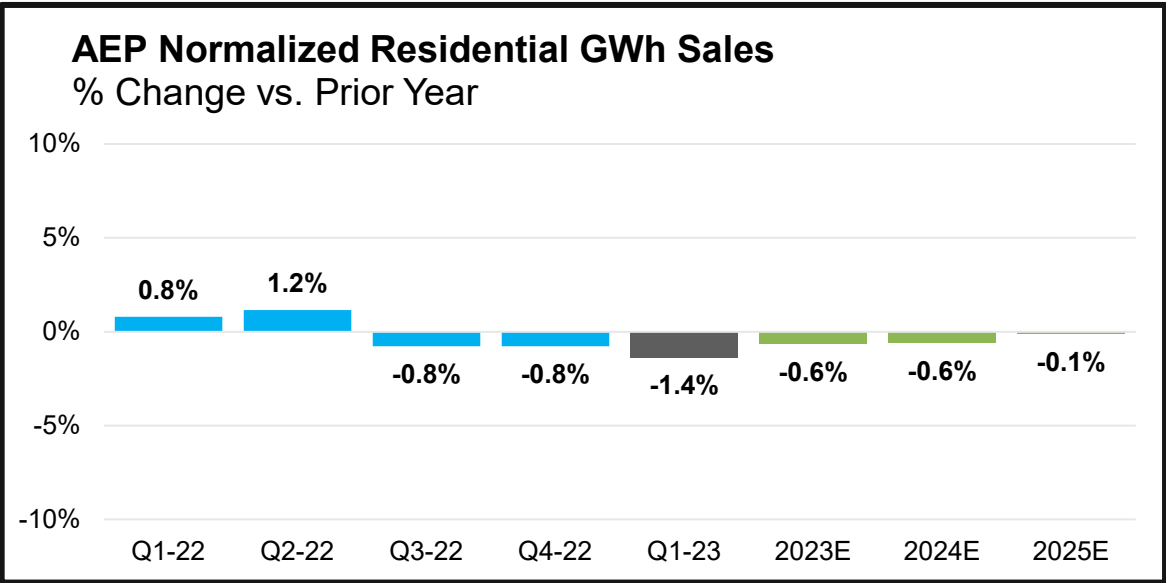
Weather Normalized Billed Retail Load Trends

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

Load figures are billed retail sales excluding firm wholesale load.

2023 estimates based on forecast provided at 2022 EEI Financial Conference and adjusted to reflect 2022 actual results.

2023, 2024 and 2025 full year estimates adjusted to include Kentucky operations.



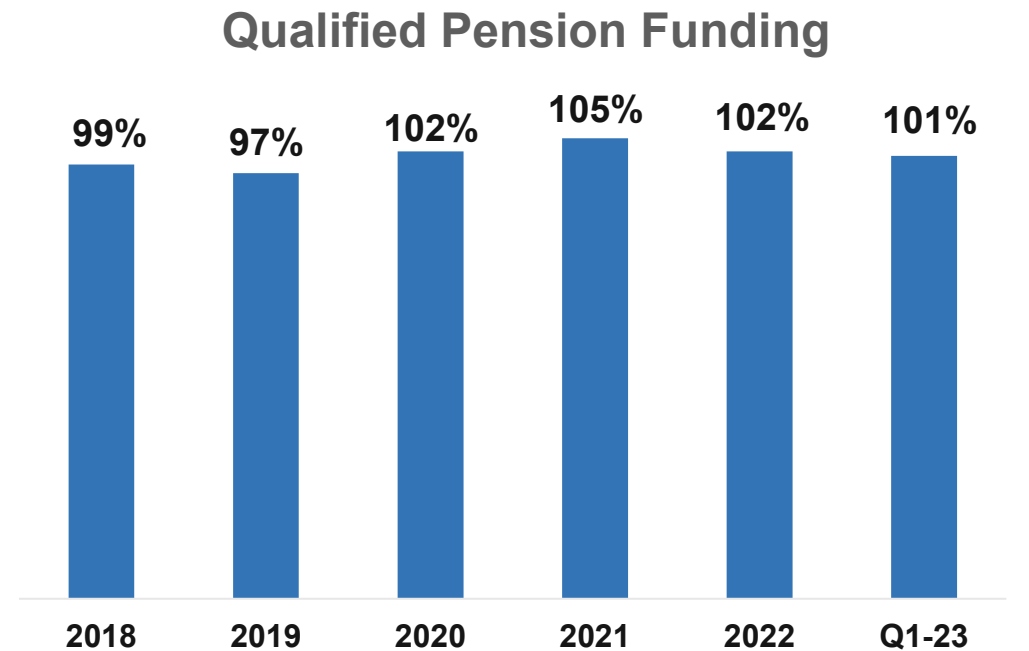
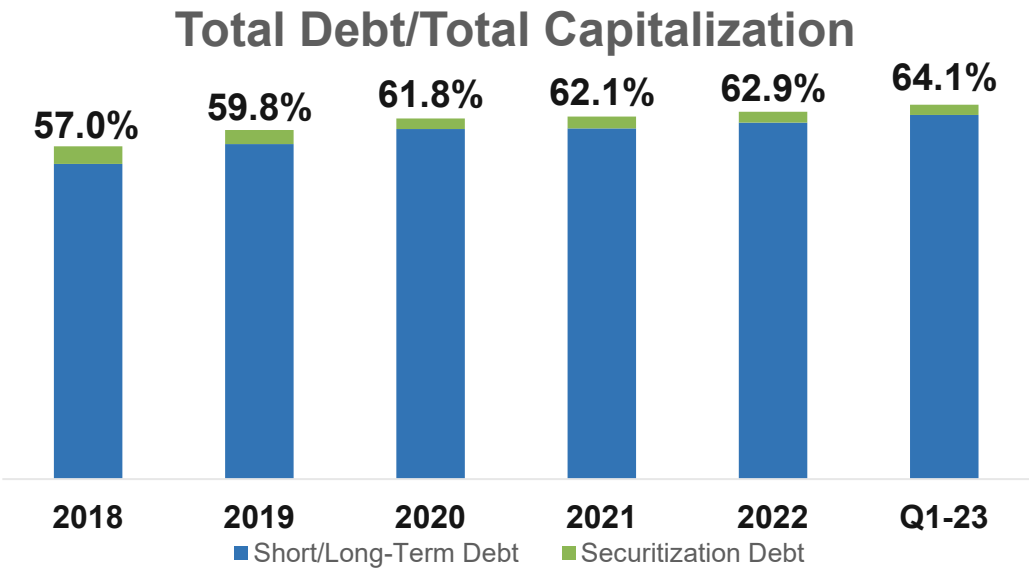


Capitalization and Liquidity

FFO/Debt target of 14%-15%; strong liquidity and pension funding status

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

Liquidity Summary		
(\$ in millions)	3/31/2023 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	March 2027
Revolving Credit Facility	1,000	March 2025
Plus		
Cash & Cash Equivalents	344	
Less		
Commercial Paper Outstanding	(1,981)	
Net Available Liquidity	\$ 3,363	



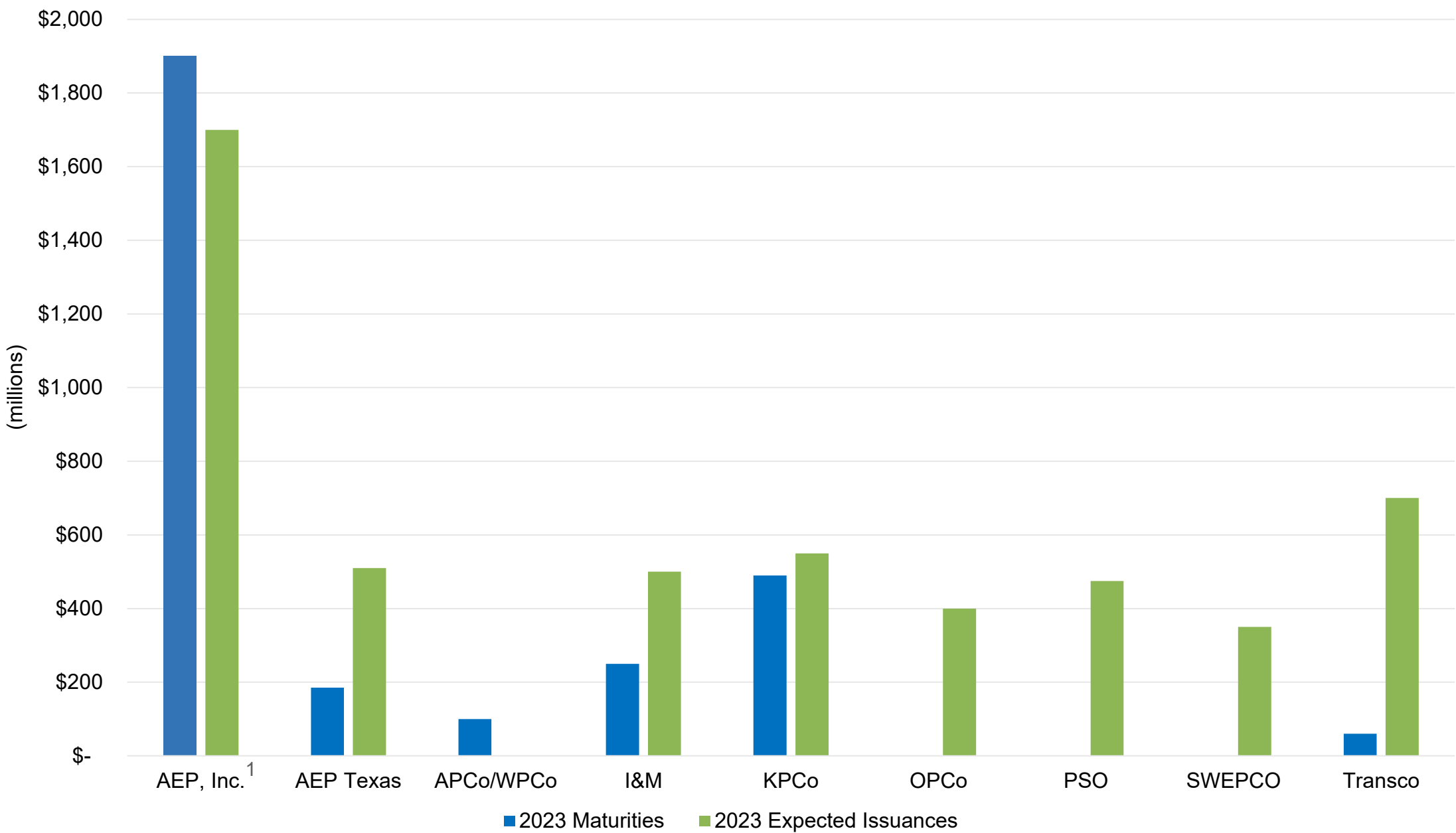
¹ Represents the trailing 12 months as of 3/31/2023.



2023 Debt Issuances and Maturities Overview

¹ \$850M maturity and issuance are associated with the mandatory convertible remarketing.

Chart excludes securitization bonds and nuclear fuel leases; no significant maturities and issuances are planned for AEG 2023.





Credit Ratings

Current ratings for AEP and subsidiaries as of 4/20/2023

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+	S	BBB	S
AEP, Inc. Short Term Rating ²	P2	S	A2	S	NR	NR
AEP Texas Inc.	Baa2	S	A-	S	BBB+	S
AEP Transmission Company, LLC	A2	S	A-	S	A	S
Appalachian Power Company ¹	Baa1	S	A-	S	A-	S
Indiana Michigan Power Company ¹	A3	S	A-	S	A	S
Kentucky Power Company	Baa3	S	BBB	S	BBB+	S
AEP Ohio	Baa1	S	A-	S	A	S
Public Service Company of Oklahoma	Baa1	S	A-	S	A-	S
Southwestern Electric Power Company	Baa2	S	A-	S	BBB+	S
Transource Energy ²	A2	S	NR	NR	NR	NR



Portfolio Management

Unregulated Contracted Renewables Sale

Competitive Business Platform

Other Asset Sales and Strategic Review Announcements

Transmission Joint Venture Businesses





Transaction Overview of Unregulated Contracted Renewables Sale

Transaction Description	<ul style="list-style-type: none">On 2/22/2023, AEP signed an agreement to sell 100% of equity of 1,365 MW unregulated contracted renewable assets containing 14 large-scale projects
Buyer	<ul style="list-style-type: none">IRG Acquisition Holdings, consortium owned by Invenergy (20%), CDPQ (40%) and funds managed by Blackstone Infrastructure (40%)
Purchase Price	<ul style="list-style-type: none">\$1.5B enterprise value / \$1.3B equity value
Financial Impact	<ul style="list-style-type: none">The sale resulted in an after-tax expected GAAP loss of \$90M in Q1 2023
Use of Proceeds	<ul style="list-style-type: none">\$1.2B cash proceeds after tax and transaction costsProceeds will be directed to support regulated businesses
Timing	<ul style="list-style-type: none">Made FERC 203 filing on 3/22/2023 and assigned docket EC23-66; on track to close in Q2 2023 after regulatory approval by FERC and clearance from the Committee on Foreign Investment in the United States

Competitive Business Platform



CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

RETAIL SERVICES (SALE ANNOUNCED)



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

DISTRIBUTED RESOURCES (SALE ANNOUNCED)



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

WHOLESALE SERVICES



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



Other Asset Sales and Strategic Review Announcements

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

- A 50/50 joint venture partnership with PNM Resources consisting of 8 operating projects of 135 MW, 1 project under construction of 50 MW, 6 development projects of 440 MW, all located in New Mexico
- Book value of AEP's investment as of 3/31/2023 was \$102M
- Assets contribute \$0.01 EPS in 2023 operating earnings guidance
- Advisor hired; sale announcement early in Q4 2023 with transaction close by the end of 2023

Sell Retail and Distributed Resources businesses (not including NMRD)

- Book value of AEP's investment as of 3/31/2023: \$200M Retail and \$350M Distributed Resources
- Assets EPS contributions in 2023 operating guidance: \$0.04 Retail and \$0.02 Distributed Resources
- Advisor hired; sale launch in Summer 2023 with transaction close in the first half of 2024

Strategic review of certain non-core transmission joint venture businesses

- Businesses under strategic review include Prairie Wind Transmission, Pioneer Transmission and Transource Energy
- Portfolio includes approximately 370 pole line miles, 4 substations and projects under development in PJM and SPP
- As of 3/31/2023, AEP's portion of PP&E was \$551M and rate base was \$456M
- Assets contribute \$0.05 EPS in 2023 operating earnings guidance
- Complete strategic review by end of 2023

De-risk and simplify the business profile through active management



Transmission Joint Venture Businesses

In 2023 operating earnings guidance, Prairie Wind, Pioneer and Transource transmission joint ventures contribute \$0.05 EPS; as of 3/31/2023, AEP's portion of PP&E was \$551M and rate base was \$456M

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 3/31/2023	Base ROE	RTO Adder	Project Risk ROE	Total Authorized ROE
ETT	Texas (ERCOT)	BHE (50%), AEP (50%)	\$1,729M	9.60%	0.00%	0.00%	9.60%
Prairie Wind <i>(Under Strategic Review)</i>	Kansas	Evergy, Inc. (50%), BHE (25%), AEP (25%)	\$ 32M	10.80%	0.50%	1.50%	12.80%
Pioneer Project <i>(Under Strategic Review)</i>	Indiana	Duke Energy (50%), AEP (50%)	\$ 91M	10.02%	0.50%	0.00%	10.52%
Transource-Iatan-Nashua <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 53M	9.80%	0.50%	0.00%	10.30%
Transource-Nebraska-Sibley <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 196M	9.80%	0.50%	1.00%	11.30%
Transource-WV <i>(Under Strategic Review)</i>	West Virginia	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 70M	10.00%	0.50%	0.00%	10.50%
Transource-Sooner-Wekiwa <i>(Under Strategic Review)</i>	Oklahoma	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 19M	9.80%	0.50%	NA	10.30%
Transource-PA & MD ¹ <i>(Under Strategic Review)</i>	Pennsylvania & Maryland	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 90M	9.90%	0.50%	0.00%	10.40%



Environmental, Social and Governance (ESG)

Commitment to ESG

Proven Track Record of Reducing Fleet Emissions

Coal Fleet Transition

Transforming Our Generation Fleet

Committed to Being a Top ESG Employer





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

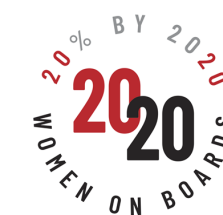
SOCIAL

- 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



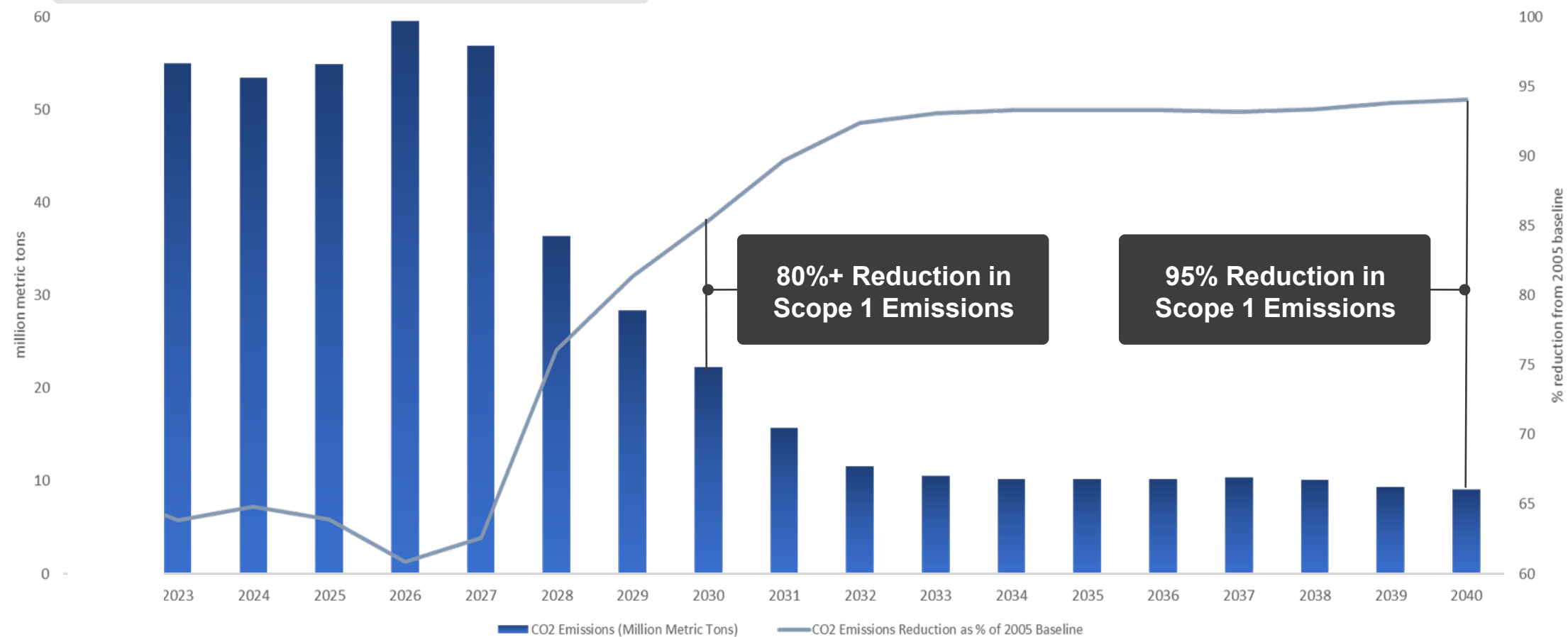
GOVERNANCE

- 13 Board of Directors, 11 independent directors
- 62% Board diversity
- Average Board tenure of 6.5 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 filed Integrated Resource Plans current as of 12/31/2022 for regulated companies and also assumes 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.

66%

Reduction in CO₂ emissions from 152M metric tons in 2005 to 51M metric tons in 2022

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

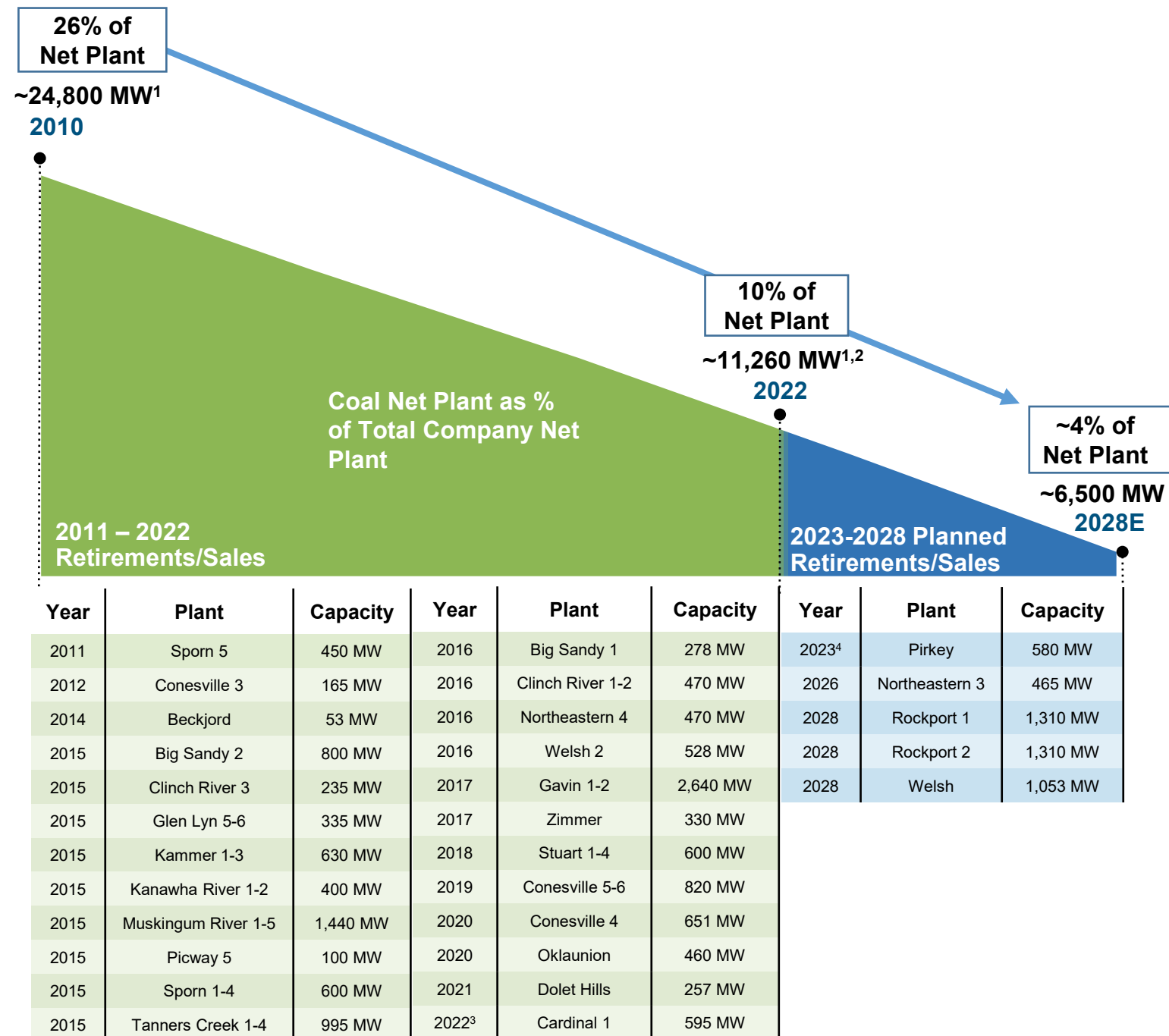
Coal-fired generation retirements pave the way for ~17 GW of new generation opportunities over the next ten years

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.





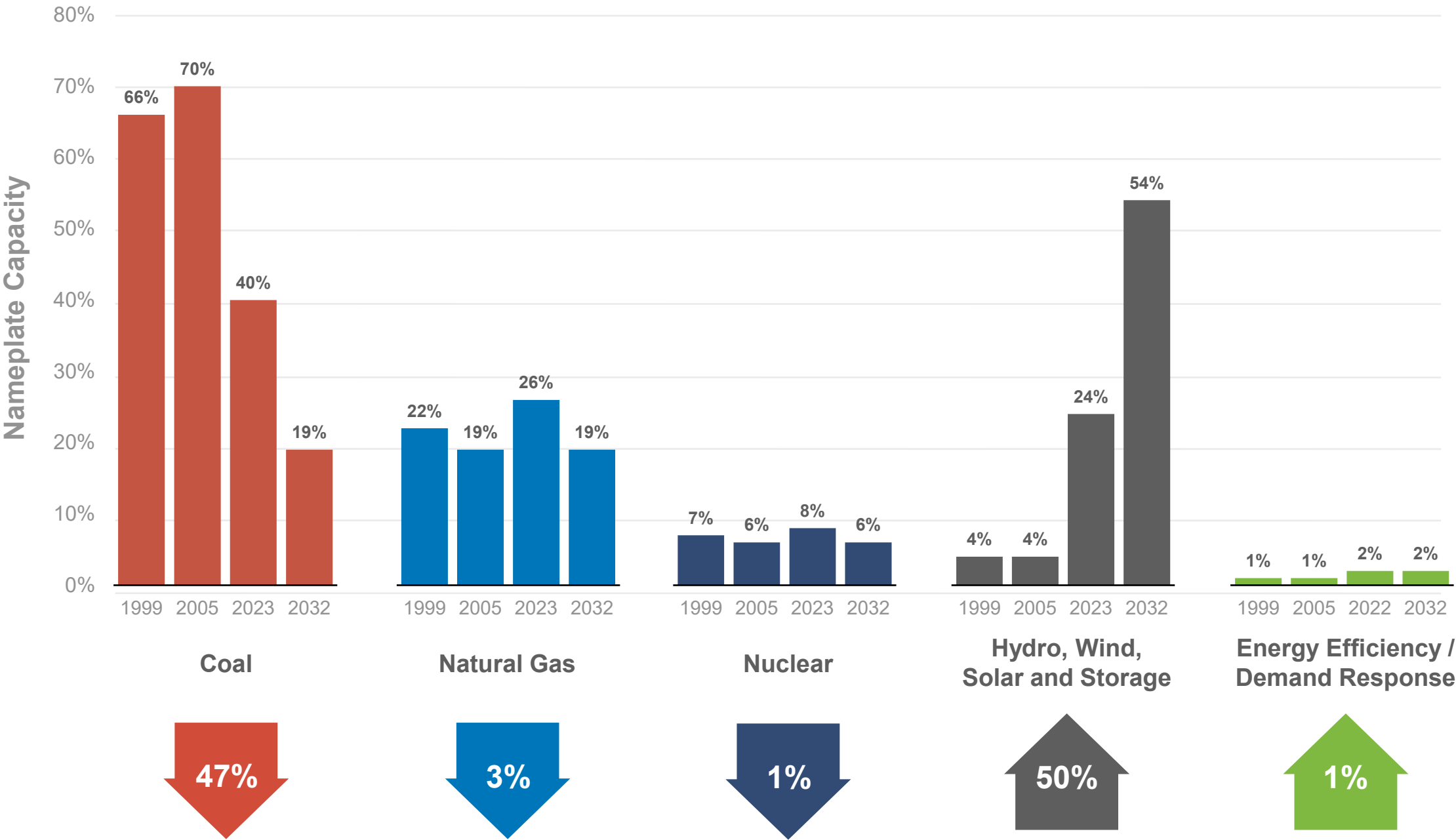
Transforming Our Generation Fleet

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

2023 data as of 3/31/2023.

2032 coal capacity includes WV's Amos, Mountaineer and Mitchell plants as well as SWEPCO's Turk and Flint Creek plants.

2032 Hydro, Wind, Solar and Storage capacity includes pending sales of unregulated contracted renewable assets and the distributed resources. Excluding capacity from both businesses would not materially change the 2032 projected capacity mix.





Committed to Being a Top ESG Employer

Building an inclusive and
high performing culture



Recognizes companies that set
the standard in commitment to
their stakeholders



**GALLUP EXCEPTIONAL
WORKPLACE AWARD**

Recognizes organizations
with engaged workplace
cultures



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

Other Awards / Recognitions

- 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
- JUST Capital's Top 100 U.S. Companies for Workforce Equity and Mobility
- Forbes America's Best Employers
- Forbes America's Best Employers for Women
- Forbes America's Best Employers for New Grads
- Site Selection Magazine's Top Utilities for Economic Development
- Investor Business Daily's Best ESG Companies
- American Opportunity Index



Recognizes companies that
demonstrated diversity-related
best practices



Regulated Investments

Regulated Capital Investment Strategy

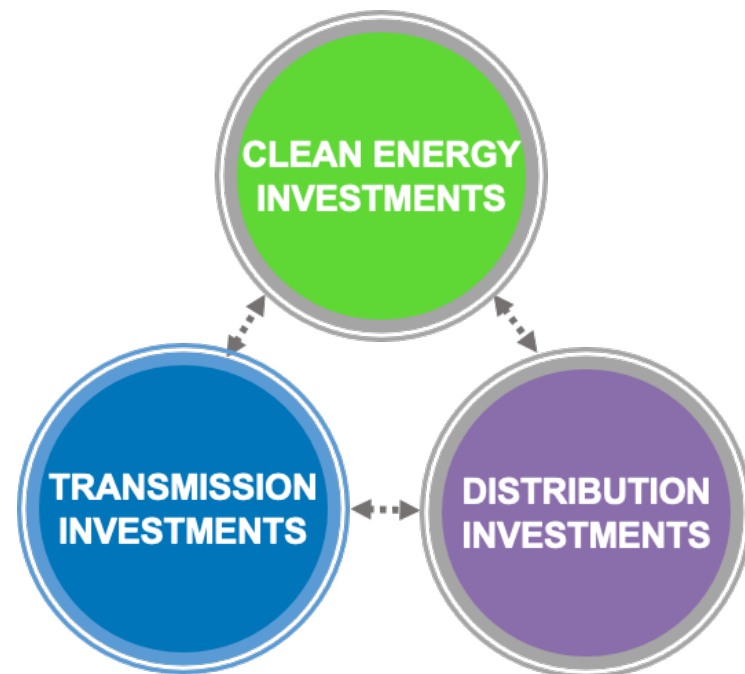
Transmission

Distribution

Regulated New Generation



Linking Investments to Outcomes: Regulated Capital Investment Strategy



KEY INVESTMENT STRATEGIES

- **Transform 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

2023-2027 CAPITAL INVESTMENT

\$15.0B

TRANSMISSION

Transmission Investment in Current 5-year Capital Plan

\$10.8B

DISTRIBUTION

Distribution Investment in Current 5-year Capital Plan

\$8.6B

REGULATED RENEWABLES

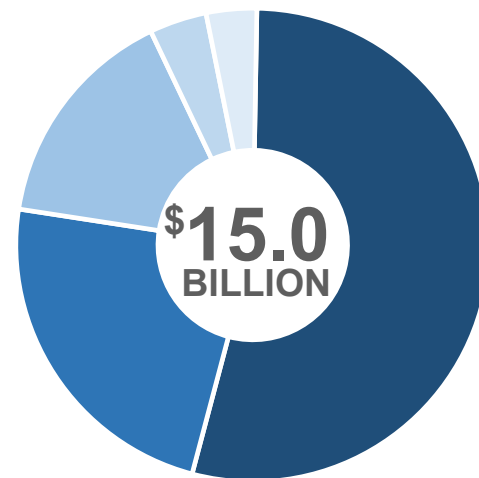
Regulated Renewable Investment in Current 5-year Capital Plan

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

2023-2027 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

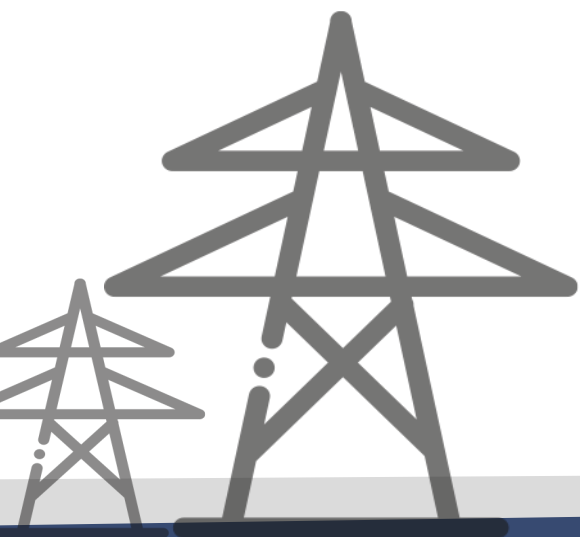
We have a **transmission investment pipeline of over \$35B** in various phases of development over the next 10 years (inclusive of current 5-year capital plan)

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

DISTRIBUTION

REGULATED NEW GENERATION

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

Asset renewal projects are prioritized based on performance, condition and risk

AEP Transmission Assets

Life Expectancy (Years)

Line Miles

Transformers

Circuit Breakers

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

Average Age (years)

2016 Year-End

End 2022 2nd Quarter

70

6,263

4,154

10,417

31%

Line Miles

52.5

45.8

60

191

151

342

29%

Transformers

36.1

30.9

50

726

281

1,007

11%

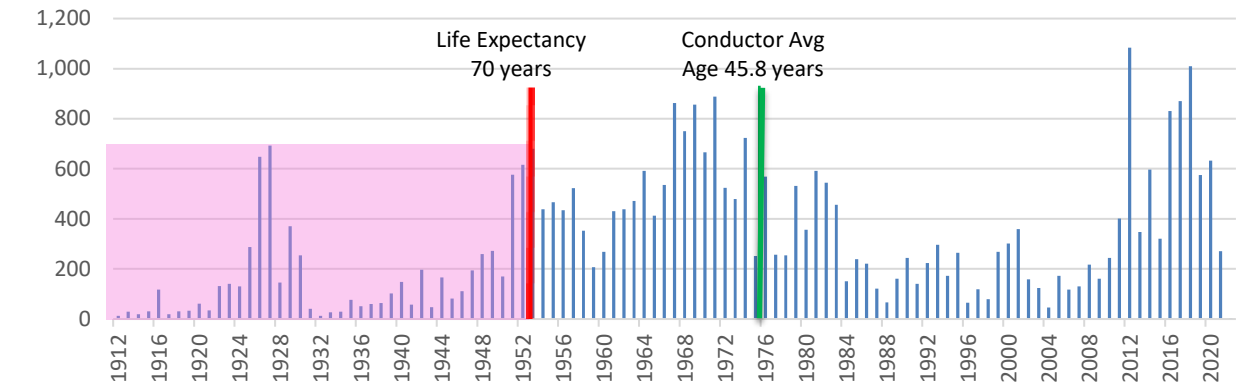
Circuit Breakers

22.9

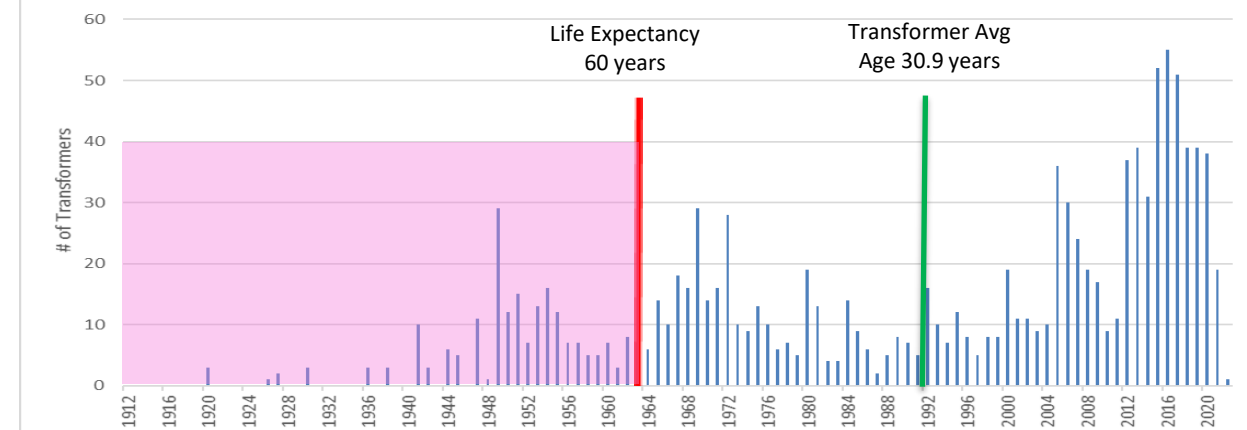
16.3

\$3B of annual on-system capital investment is required to replace and enhance all asset beyond life expectancy over the next 10 years

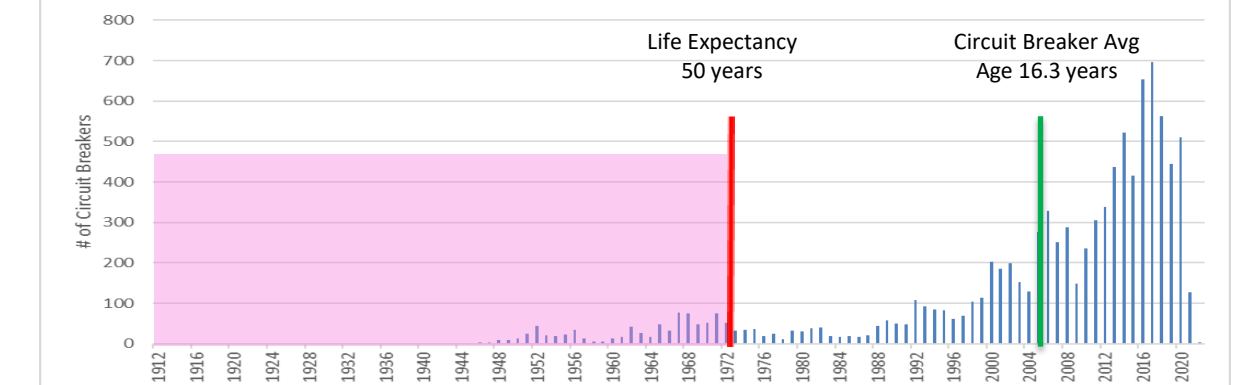
AEP T-Line Age Profile - (Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



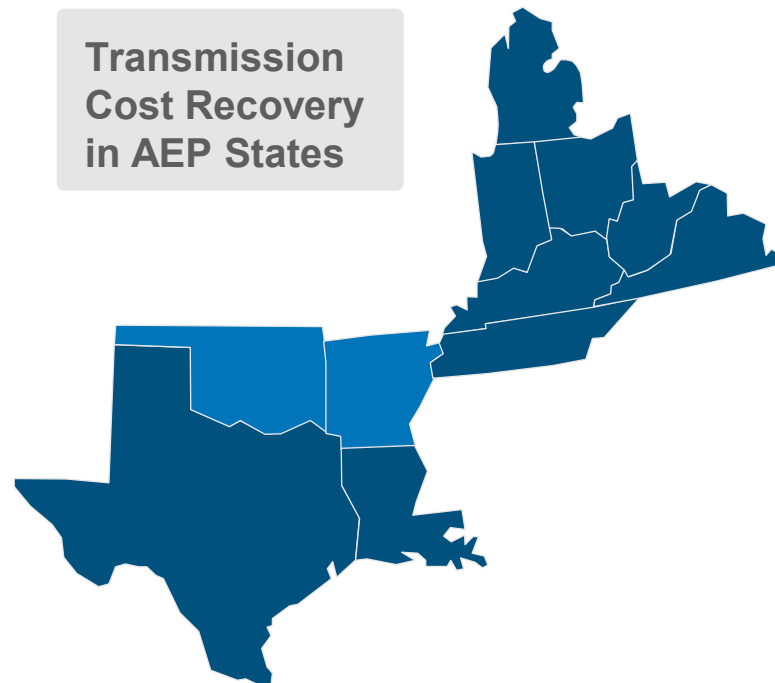
AEP Circuit Breaker Age Profile



Beyond Life Expectancy Range

Stable and Efficient Transmission Investment Recovery

Transmission
Cost Recovery
in AEP States



- Full tracker or rider recovery
- Partial tracker or rider recovery



ROE	9.85% Base ¹ + 0.50% RTO adder	10.0% Base + 0.50% RTO adder	9.4%
Forward Looking Rates	Yes	Yes	Capital updates allowed 2x per year (not forward looking)
Equity Layer	Capped at 55%	No Cap	Capped at 42.5%
Rate Approval Date	May 2019	June 2019	April 2020

¹ AEP Ohio Transmission, represents base ROE only.

² Table data for ERCOT reflects AEP Texas subsidiary; AEP's ETT joint venture in ERCOT has 9.6% ROE, 40% equity layer with rate approved in January 2021.

~95% of transmission capital investment is recovered through state tracker/rider mechanisms

AEP Transmission Holdco Legal Entity Structure

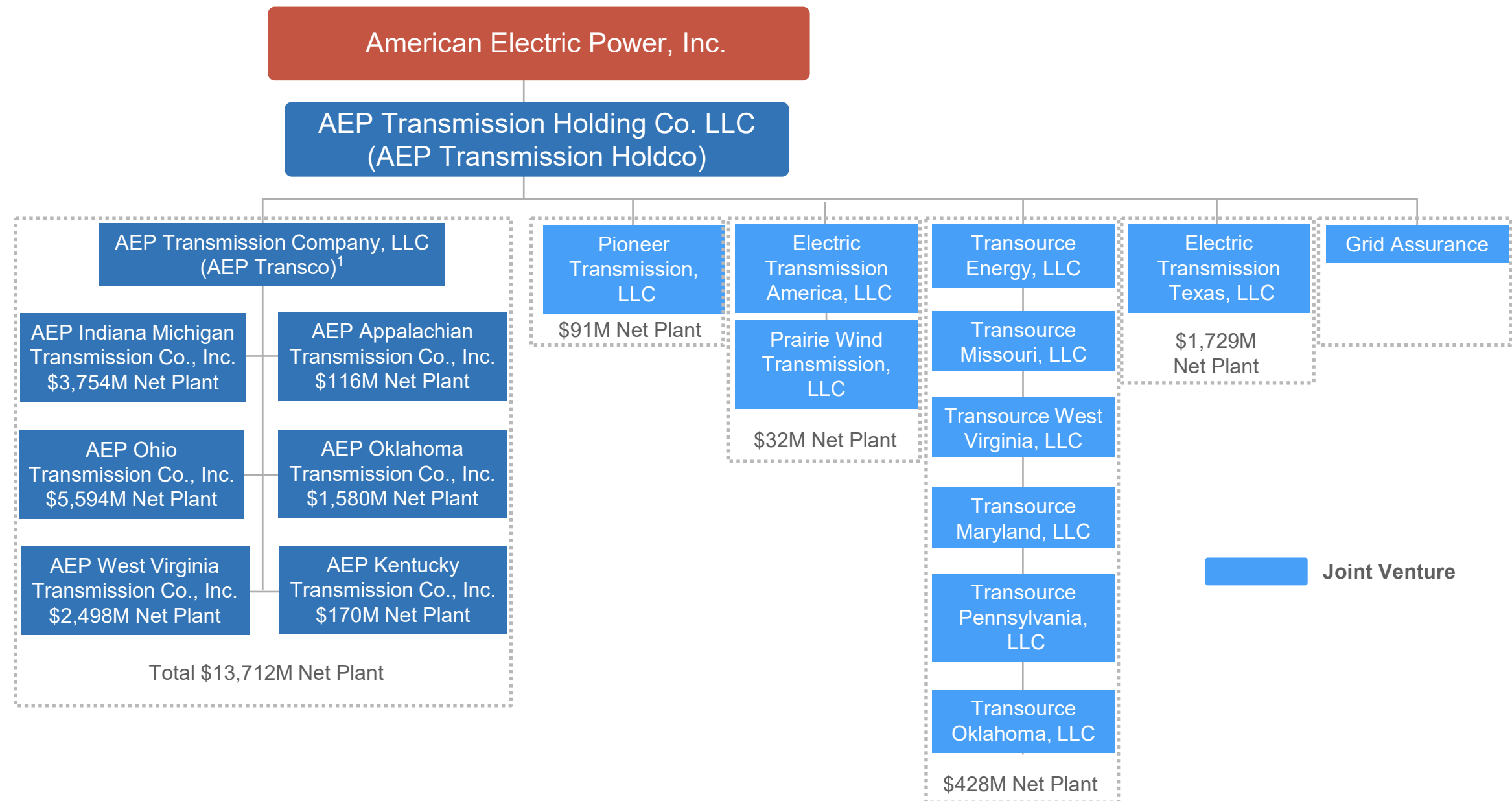
AEP Transmission Company, LLC (AEP Transco) is wholly-owned by AEP Transmission Holding Company, LLC (AEP Transmission Holdco)

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 reflect AEP's portion.

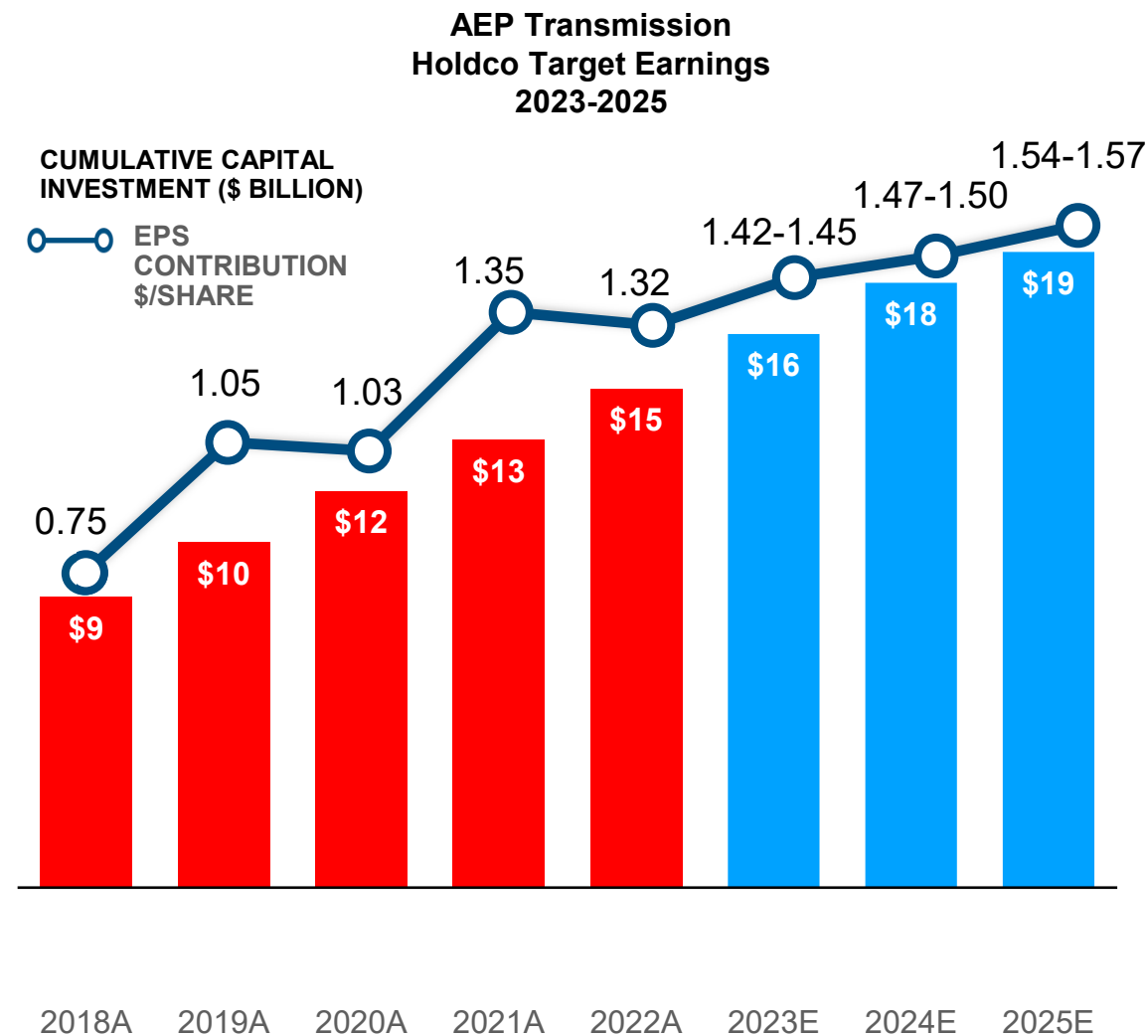
Net plant totals as of 3/31/2023.

¹ Debt issued at AEP Transco level for transmission companies.



AEP Transmission Holdco Delivering Significant Customer and Shareholder Value

Shareholder Benefits



Data adjusted to include Kentucky-related earnings.

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

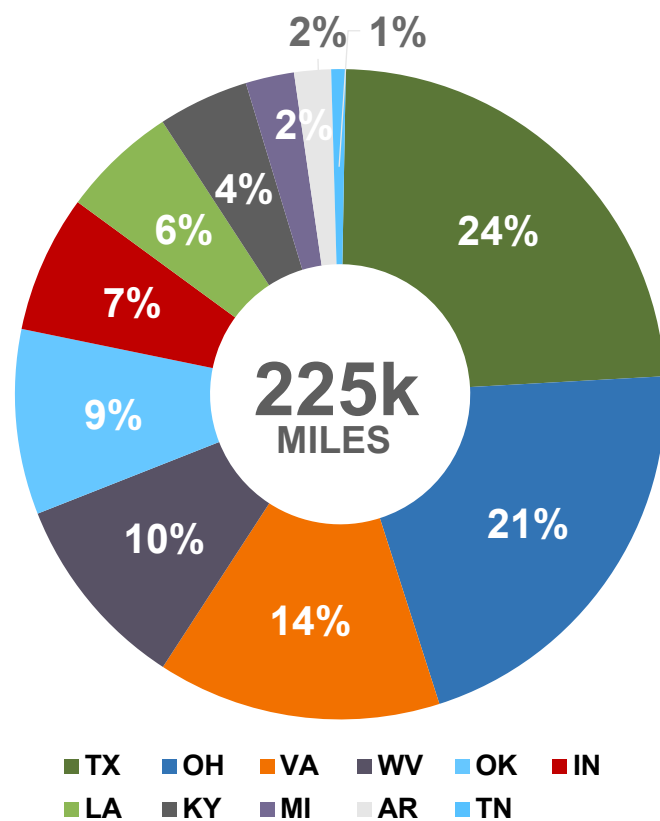
Improving reliability and security

Keeping the economy productive and connected by powering communication 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 and economic stimulus

Transforming the Distribution Grid



INVESTING IN THE DISTRIBUTION GRID OF THE FUTURE

Improve Reliability and Resiliency through Broad Asset Renewal and Reliability Investments

Significantly Enhance Reliability Performance Across All Operating Companies

Accelerate Service Delivery to All Customers through Enhanced Capacity Investments

Enable Economic Development, Electrification and Decarbonization Across Our Customer Base

Expand Operational Flexibility and Visibility through Targeted Telecommunications, Monitoring and Automation Investments

Enable a Seamless 2-way Exchange of Information and Energy and Optimize Operations for All Customers

AEP's distribution system is among the largest distribution systems in the U.S.

AEP DISTRIBUTION SYSTEM AT A GLANCE:

~225k
CIRCUIT MILES^{1,2}

2,400+
DISTRIBUTION
SUBSTATIONS²

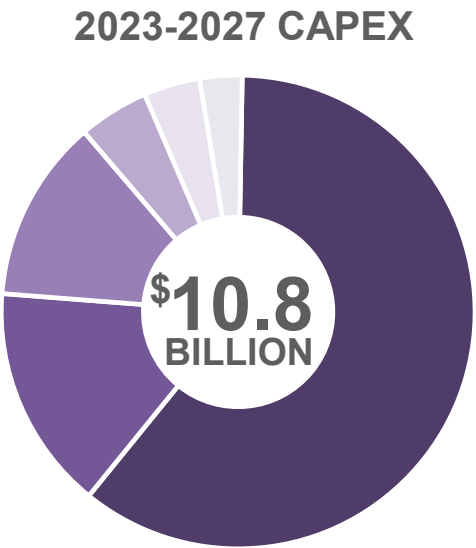
\$10.8B
5-YEAR CAPEX
(2023-2027)

¹ Includes approximately 36,400 miles of underground circuits.

² As of year-end 2022.

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



DRIVERS

CAPACITY EXPANSION, RELIABILITY AND MODERNIZATION	CUSTOMER REQUESTS	AUTOMATION AND TECHNOLOGY	RESTORATION AND SPARING	ADVANCED METERING (AMI)	RURAL BROADBAND
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 distribution supervisory control and data acquisition, smart switches and reclosers, volt-var optimization and sensors	Storm restoration and spare equipment	Advanced metering technology for the remaining AEP customers	Investment in fiber assets to provide middle mile broadband to rural communities and for company use

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 Climate Goals

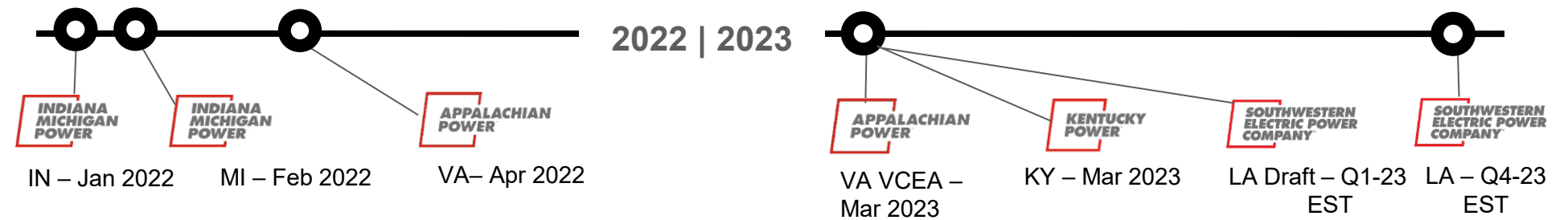
Current IRPs identify a significant need for new clean energy resources over the next 10 years

¹ Resource additions are from most recent Integrated Resource Plans (IRP) filings.

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

³ Natural gas additions are peaking units and fuel switching that are primarily selected for capacity (i.e., expected low capacity factors).

IRP FILINGS



10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2023-2032 (MW) ^{1,2}	<u>SOLAR</u>	<u>WIND</u>	<u>STORAGE</u>	<u>NAT. GAS³</u>	<u>TOTAL</u>
APCo	1,020	1,154	250	-	2,424
I&M	1,300	800	315	750	3,165
PSO	2,550	2,800	-	-	5,350
SWEPCO	3,300	2,450	-	528	6,278
TOTAL	8,170	7,204	565	1,278	17,217

1.5 GW

North Central Wind
In-Service



~17 GW

2023-2032



~18.5 GW

New Generation Opportunity
Over Next 10-years



TRANSMISSION

DISTRIBUTION

REGULATED NEW GENERATION

Regulated New Generation Regulatory Status

Total Investment	Resource	Project	MWs	Projected In-Service Date	Jurisdictional Status
209 MW / ~\$500M	Solar	Amherst / Virginia	5	Q2-23	Projects Approved July 2022 ¹
	Wind	Top Hat / Illinois	204	Q3-25	
151 MW / ~\$466M	Wind	Grover Hill / Ohio	143	Q4-25	Virginia Order Expected Q3 2023 ² Docket # PUR-2023-00001
	Storage	Glade-White Top / Virginia	8	2025	
469 MW / ~\$1.0B	Solar	Lake Trout / Indiana	245	Q2-26	Indiana Order Expected Q3 2023 ³ Docket # 45868
	Solar	Mayapple / Indiana	224	Q2-26	Michigan Order Expected Q3 2023-Q1 2024 ³ Docket # U-21377, U-21189
999 MW / ~\$2.2B	Solar	Mooringsport / Louisiana	200	Q4-25	Louisiana Settlement Filed March 2023; Settlement Not Approved April 2023; Rehearing 5/17/2023 Docket # U-36385
	Wind	Diversion / Texas	201	Q4-24	Arkansas Settlement Filed January 2023 and Order Expected Q2 2023 Docket # 22-019-U
	Wind	Wagon Wheel / Oklahoma	598	Q4-25	Texas ALJs Recommended Approval April 2023 and Order Expected Q2 2023 Docket # 53625
995.5 MW / ~\$2.5B ⁴	Solar	Algodon / Texas	150	Q4-25	Oklahoma Settlement Filed April 2023 and Order Approved 5/4/2023 Docket # 2022-000121
	Solar	Chisholm Trail / Kansas	103.5	Q4-25	
	Solar	Pixley / Kansas	189	Q2-25	
	Wind	Flat Ridge IV / Kansas	135	Q4-25	
	Wind	Flat Ridge V / Kansas	153	Q4-25	
	Wind	Lazbuddie / Texas	265	Q2-25	

APPALACHIAN
POWERINDIANA
MICHIGAN
POWERSOUTHWESTERN
ELECTRIC POWER
COMPANYPUBLIC SERVICE
COMPANY OF
OKLAHOMA

¹ Approved projects may be impacted by market conditions during development.

² APCo also seeks regulatory approval of PPAs for seven solar facilities for a total of 204 MW.

³ I&M also seeks regulatory approval of PPAs for two solar facilities for a total of 280 MW.

⁴ Additional RFP issuances expected the near term consistent with the IRPs for energy and capacity needs.

Regulated New Generation Investment Growth

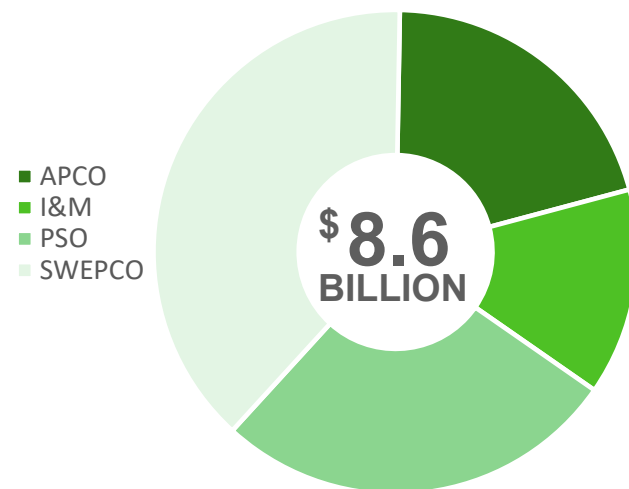
Continuing execution on the \$8.6B regulated renewables investment over the next five years

RFPs IN PROGRESS¹



RFP Issued	April 2023	March 2023 ²	September 2022
Wind	600 MW	800 MW	1,900 MW
Solar		850 MW	500 MW
Storage	-	315 MW	-
Natural Gas	-	540 MW	-
Reg. Filings and Approvals	Q2-24 – Q4-24	Q1-24 – Q2-25	Q4-23 – Q4-24
Projected In-service Dates	YE26	YE27	YE25 – YE26

2023-2027 CAPEX



REGULATED GENERATION PIPELINE

~17 GW Pipeline

Long-term investment potential beyond current 5-year plan

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.

² RFP is an all-source solicitation seeking proposals for both owned and PPAs from various types of generation.



Regulatory Initiatives

Current Rate Case Activity

Actively Managing Fuel Cost Impacts

Actions to Close the ROE Gap

Review of Multi-jurisdictional Regulatory Constructs

Economic Development Project Highlights

Recent AEP Reshoring Successes





Current Rate Case Activity



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>Procedural Schedule</u>	
Direct Testimony	7/14/2023
Rebuttal Testimony	8/11/2023
Hearing	8/24/2023
Expected Commission Order	Q4-2023
Expected Effective Date	January 2024

¹ Does not include \$75M of current riders moving to base rates.

² The settlement provided approval for more efficient cost recovery mechanisms with the continuation of T&D trackers.

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

⁴ The settlement reestablished the Formula Rate Plan for an initial three-year term starting with 2022 test year, to be filed in April each year with an effective date in August.



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 ¹ (Less \$70M D&A)
Net Revenue Increase	\$103M
Test Year	6/30/2022
<u>Settlement Summary</u> ²	
Pending Commission Approval	
Settlement Filed	5/5/2023
Expected Commission Order	Q2-2023
Effective Date	6/1/2023
ROE	9.5%
Cap Structure	45.4%D / 54.6%E
Net Revenue Increase	\$50M



SWEPCO – Louisiana

Docket #	U-35441
Filing Date	12/18/2020
Requested Rate Base	\$2.1B
Requested ROE	10.35%
Cap Structure	49%D / 51%E
Gross Revenue Increase	\$114M (Less \$41M D&A)
Net Revenue Increase	\$73M
Test Year	12/31/2019 ³
<u>Settlement Summary</u> ⁴	
Settlement Filed	1/13/2023
Commission Order	1/18/2023
Effective Date	1/31/2023
ROE	9.5%
Cap Structure	49%D / 51%E
Net Revenue Increase	\$27M



Actively Managing Current Fuel Cost Impacts

Adapting fuel clause recovery with a focus on customer impacts

APCo VA

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level with a 24-month recovery and carrying charge on under-recovered balance starting in September 2022

APCo/WPCo WV

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Securitization legislation effective March 2023; new fuel case filed in April 2023 proposes to use the securitization legislation to address deferred fuel balance

PSO OK

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level starting in October 2022 which includes 27 months to recover under recovered balance

SWEPCO AR

- Current Mechanism: 12-month fuel clause to reset and account for prior year filed annually in March, effective for April bills
- Adjustment: Filed an interim factor effective October 2022 to recover the under recovery in a 6-month surcharge; this makes the increase effective during the lower winter seasonal rate

SWEPCO TX

- Current Mechanism: May update the fuel factor up to three times per year in a process resetting fuel (filed only in January, May, and/or September); this is not done every year
- Adjustment: Updated fuel surcharge to collect the under recovered balance over a 16-month period starting in February 2023



Actions to Close the ROE Gap

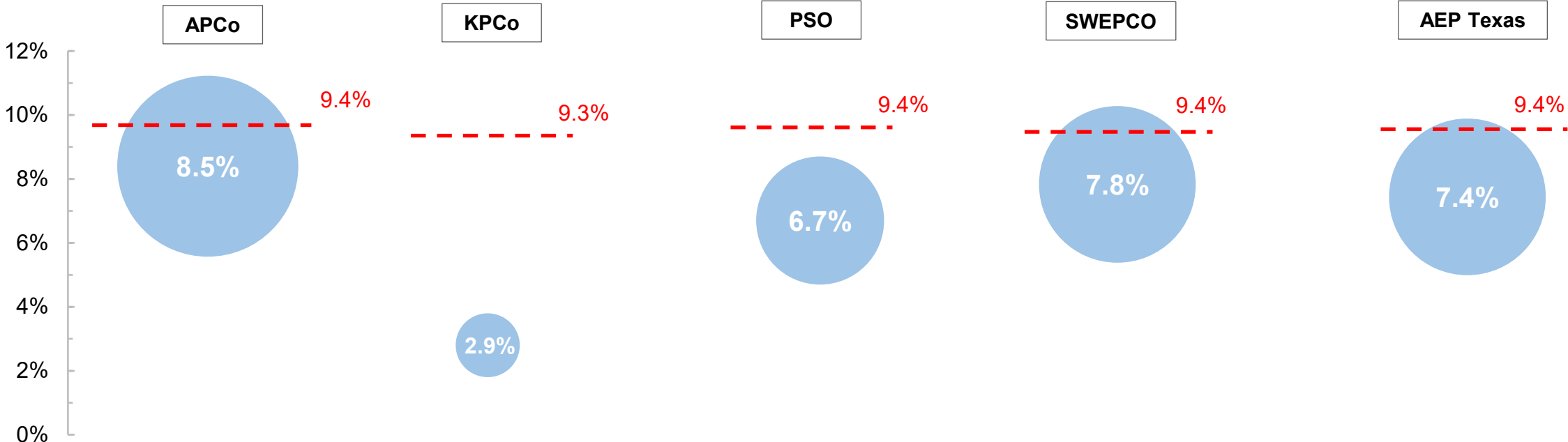
Focus on achieving authorized ROEs in all operating companies; 3/31/2023 Regulated Operations ROE of 8.8%

Other ROEs – 12 Months Ended 3/31/2023:

- AEP Ohio – authorized 9.7% vs earned 9.3%.
- I&M – authorized 9.7% vs. earned 11.3%.
- AEP Transmission Holdco – authorized 10.4% vs. earned 10.5%.

Authorized ROE in multijurisdictional companies is estimated by weighting various jurisdictional factors.

- Current Authorized ROE
- 12 Months Ended 3/31/2023 ROE (operating earnings, not weather normalized)
- ✓ Complete



ACTION PLANS TO CLOSE GAP				
APCo	KPCo	PSO	SWEPCO	AEP Texas
<div>✓</div> Securitization legislation passed in WV	<div>✓</div> Right team in place to oversee efficient and effective execution of Kentucky strategy	<div>✓</div> Securitization of Winter Storm Uri costs and North Central rates put in place in 2022	<div>✓</div> Finalized LA rate case in January 2023 and implemented formula rate going forward	<div>✓</div> Bi-annual TCOS filings recover significant capital investment
<div>✓</div> Implemented VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo's favor in 2022	<div>✓</div> Securitization legislation passed	<div>✓</div> Base case filed November 2022 and settlement filed May 2023; pursuing approval of more efficient cost recovery mechanisms with the continuation of T&D trackers	<div>✓</div> Legislation modified to allow AR base case filing flexibility	<div>✓</div> Annual DCRF filings recover D-related capital
<div>✓</div> Filed new VA triennial in 2023	<div>✓</div> Filed for recovery of fuel and storm cost deferrals		<div>✓</div> Filed Turk CCN and rider request in AR	<div>•</div> Pursue regulatory and legislative options to further close gap
<div>✓</div> G, T, broadband, EE, RPS and DR trackers recover most incremental investment; triennial process for balance of recovery in VA	<div>•</div> File a new base rate case in June 2023 with rates effective in January 2024		<div>✓</div> Filed LA formula rate update in April 2023	<div>•</div> Review rate structures for 2024 rate case filing
<div>✓</div> VA biennial rate case legislation passed	<div>•</div> Focus on economic development to build a strong community and promote customer affordability		<div>✓</div> Filed AR formula rate update in April 2023	
<div>✓</div> Rate base and renewables capital trackers in place for WV	<div>•</div> Right-size rate base including potential securitization		<div>✓</div> G, T and D trackers in place in TX	
			<div>•</div> Timing of formula rate updates and new generation in-service dates to minimize lag	

Review of Multi-jurisdictional Regulatory Constructs

Allows customers and states greater flexibility in generation transformation

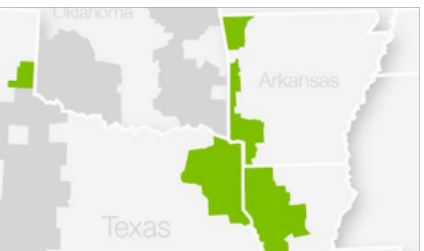
APCo

Owned Generating Capacity	7,461 MW
PPA Capacity	968 MW
Generating & PPA Capacity by Fuel Mix	
Coal	63.7%
Natural Gas	19.5%
Hydro, Wind & Solar	16.8%



SWEPCO

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



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

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

Economic Development Project Announcements: 2021 to Q1 2023

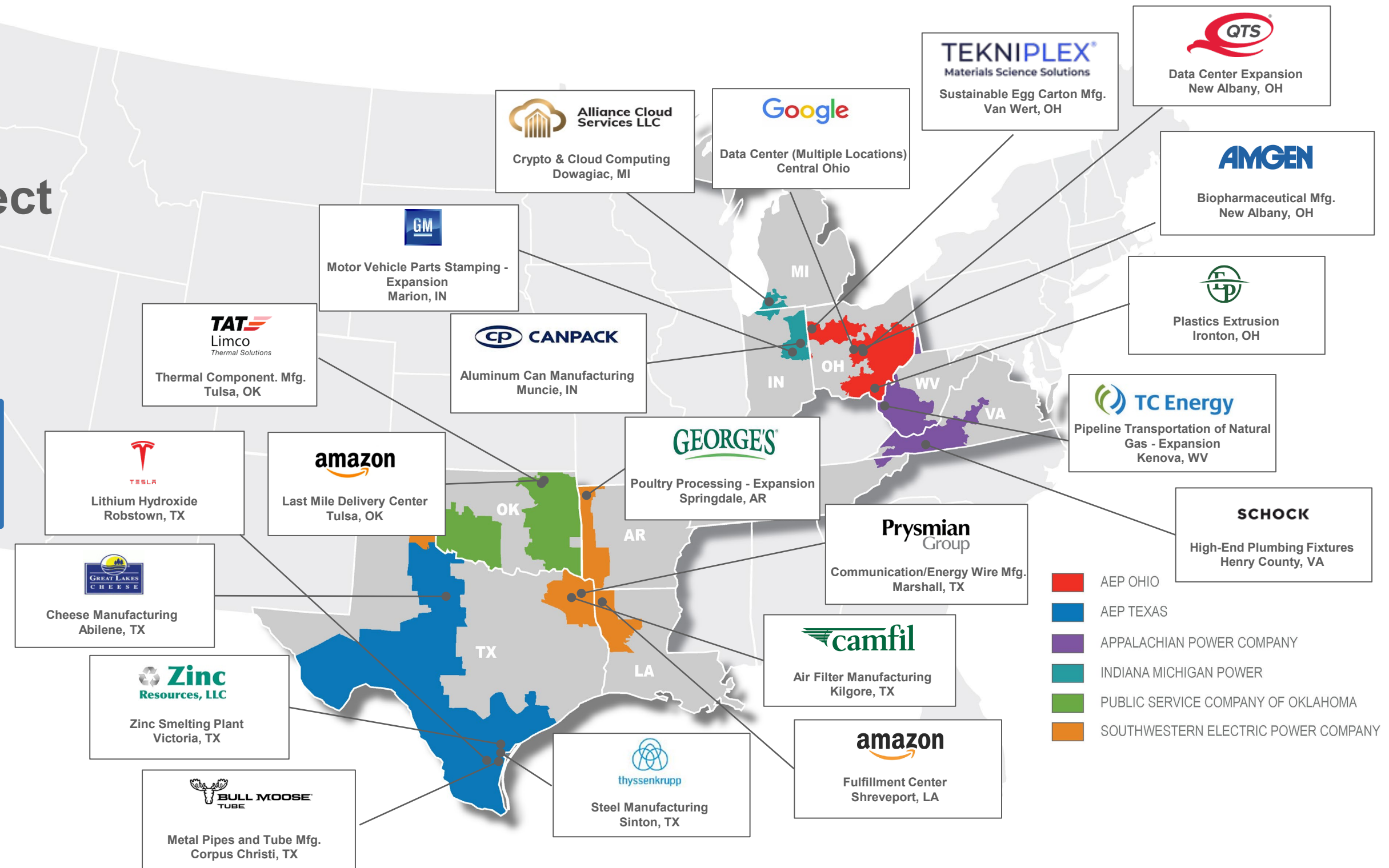
AEP has an attractive
service territory for
economic development

Summary of future impacts

25,600 direct jobs

74,500 total jobs

3,177 MW from 2021 to Q1
2023 announced projects



Recent AEP Reshoring Successes

Parts of AEP service territory in OH, VA and WV may be eligible for announced federal tax credits from the IRA

Nucor (APCo)

- The largest single investment in West Virginia history.
- Site chosen because of high voltage infrastructure, AEP's proven ability to serve large loads and AEP's excellent customer service.

Intel (AEP Ohio)

- \$20B investment at the first Midwest chip production plant.
- Property was annexed into AEP Ohio service territory.
- The site was selected because of AEP's competence in serving large loads, team strength and depth and demonstrated ability to meet Intel's unique needs.

Blue Star NBR (APCo)

- Largest economic development project ever for Southwest Virginia.
- Supported by Federal dollars designated for PPE production.

Lyseon North America (PSO)

- Automotive supplier to Navistar/IC bus plant in Tulsa, Oklahoma, for electric buses.
- Locating in large vacant facility at Tulsa Port of Catoosa.

