

GUGGENHEIM ROADSHOW

March 30, 2021

**AMERICAN
ELECTRIC
POWER**

BOUNDLESS ENERGY™



“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, electricity usage, employees, 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 during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms, 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, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including coal ash and nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.

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The Premier Regulated Energy Company

16,800 EMPLOYEES

24GW OWNED GENERATION

5.5M CUSTOMERS, 11 STATES

\$81B TOTAL ASSETS

40,000 TRANSMISSION MILES

223,000 DISTRIBUTION MILES

\$50B RATE BASE

\$42B CURRENT MARKET CAPITALIZATION

Statistics as of December 31, 2020 except for market capitalization as of March 26, 2021

AEP Leading the Way Forward

**Confidence in
Steady and
Predictable
Earnings Growth
Rate of
5%-7%**

**Commitment to
Growing
Dividend
Consistent with
Earnings**

**Well Positioned
as a Sustainable
Regulated
Business**

**Compelling
Portfolio of
Premium
Investment
Opportunities**

AEP's Strategic Vision and Execution

EXECUTE STRATEGY

TOP PRIORITIES

Promote clean energy transformation

- Invest in regulated and contracted renewables
- Optimize the generation fleet

Enable growth and prosperity for our communities

- Grow top line revenue
- Champion economic development
- Be good neighbors

Innovate for the benefit of our customers

- Improve customer experience through use of technology and business innovation
- Modernize regulatory mechanisms to support customer expectations

Build a modern, secure and resilient grid

- Deploy technologies that enhance grid safety, security and value
- Invest in leveraging energy infrastructure

Drive operational excellence

- Achieve Zero Harm
- Drive relentless O&M optimization
- Implement automation, digitization and process improvements
- Be a great place to work

AEP KEY THEMES

Pure Play Electric Utility with Significant
Renewables Upside

- 5%-7% Earnings Growth Rate and 2021 Range
- Proven Track Record of EPS Performance
- Strong Dividend Growth
- ESG Focus and Acceleration of a Clean Energy Future
- O&M Optimization



Strong Return Proposition for Investors

TOTAL SHAREHOLDER RETURN

8% - 10%

2021 RAISED OPERATING EARNINGS GUIDANCE RANGE

\$4.55 - \$4.75

DIVIDEND YIELD

3%

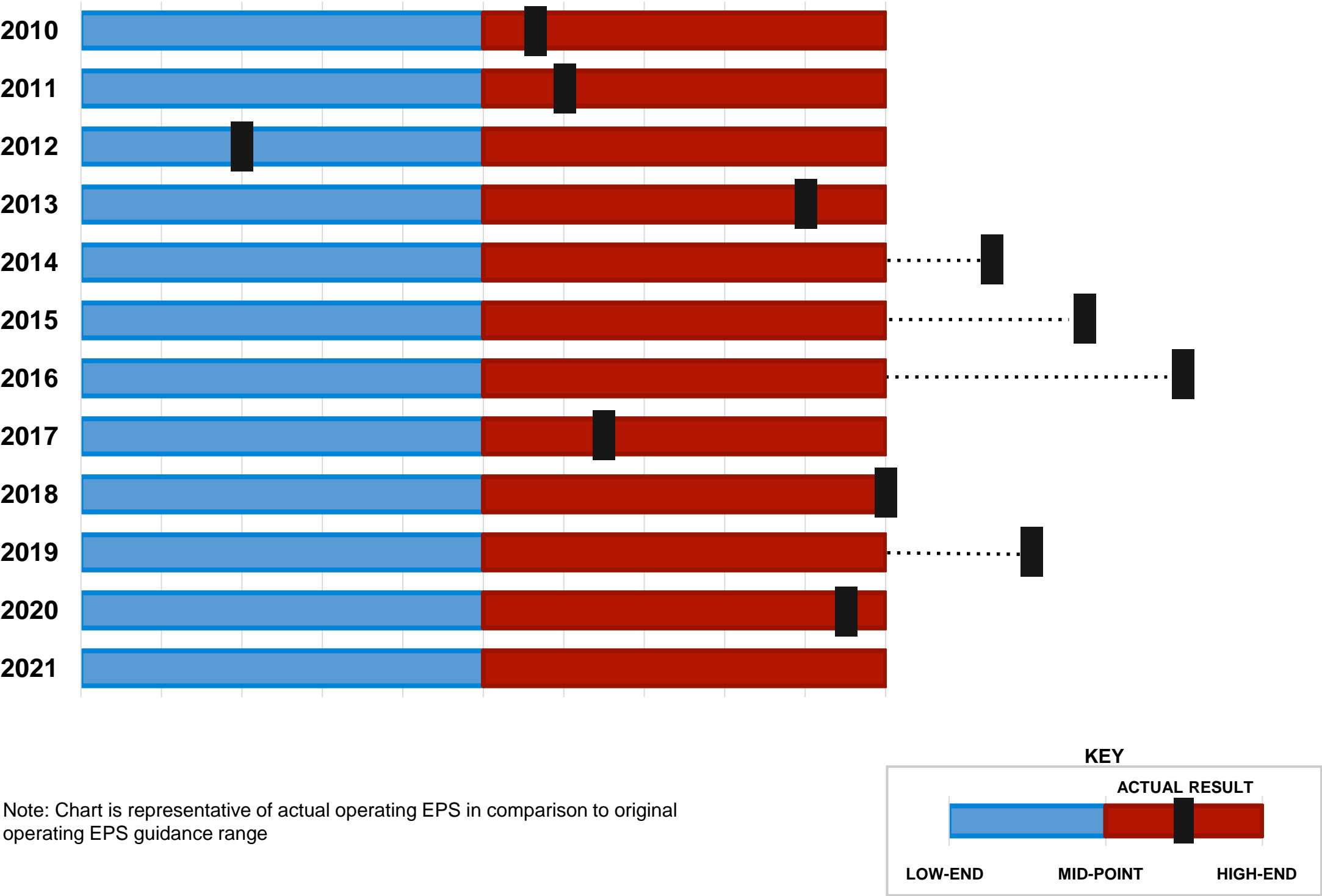
+

EPS GROWTH

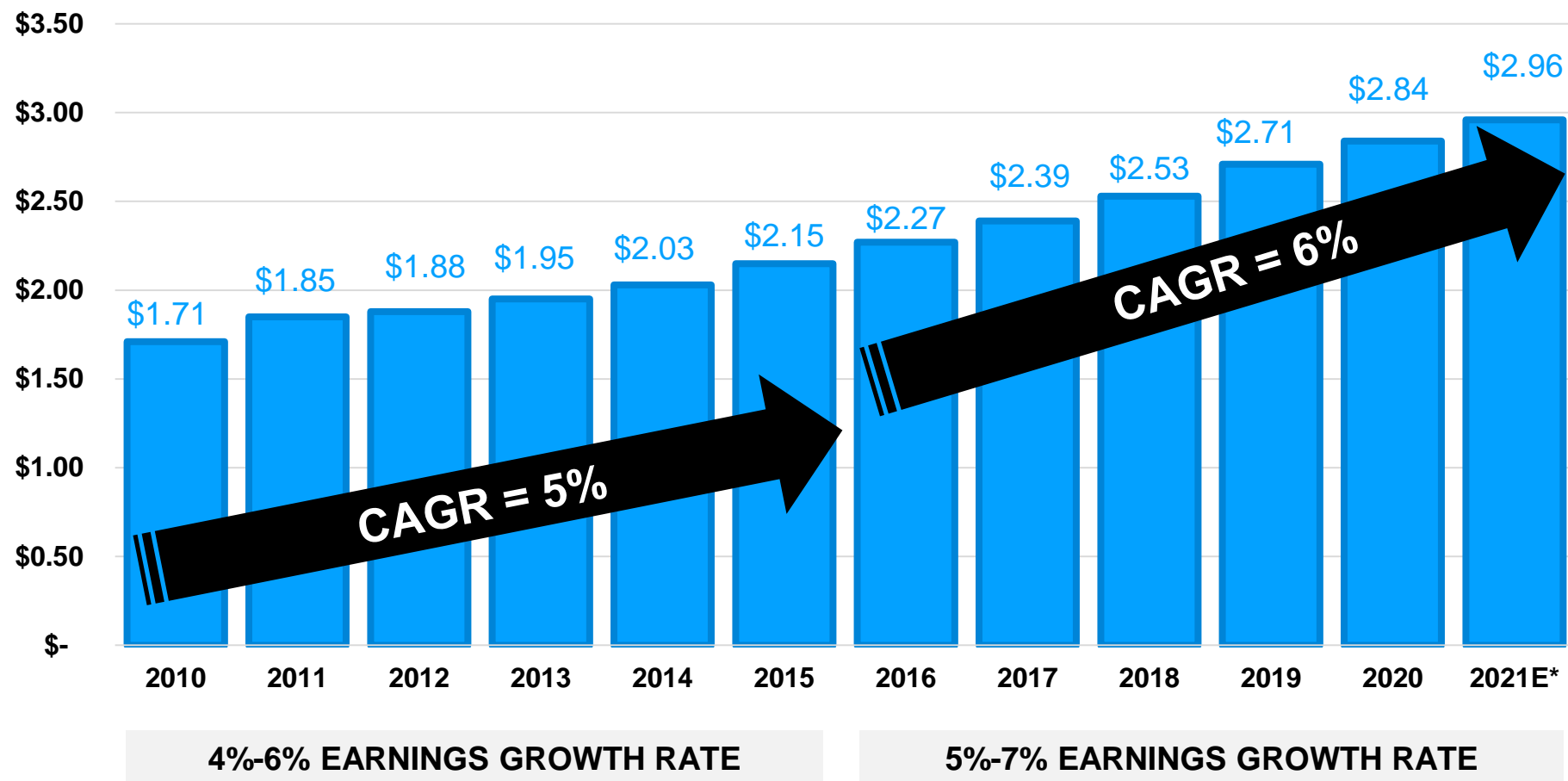
5% - 7%

- ✓ **STEADY GROWTH**
- ✓ **CONSISTENT DIVIDENDS**
- ✓ **LOW RISK, REGULATED ASSETS**
- ✓ **INVESTMENT PIPELINE**
- ✓ **INCENTIVE COMPENSATION TIED TO EPS RESULTS**

Over a Decade of Meeting or Exceeding EPS Guidance



Strong Dividend Growth



- ✓ Targeted payout ratio 60-70% of operating earnings
- ✓ Over 110 years of consecutive quarterly dividends
- ✓ Targeted dividend growth in line with earnings

EPS Growth + Dividend Yield = 8% to 10% Annual Return Opportunity

* Subject to Board approval

ESG Focus

ENVIRONMENTAL

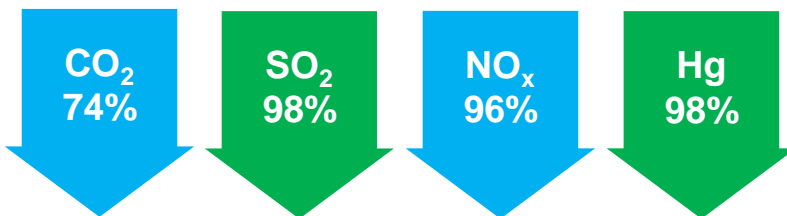
- Accelerated carbon emission reduction goals: 80% by 2030, net zero by 2050
- ~\$9B spent on environmental controls since 2000
- 44% reduction in coal capacity by 2030
- Coal capacity = 15% of rate base
- Emission reduction strategy tied to long-term incentive compensation

SOCIAL

- Diversity and inclusion vision
- Focused on economic and business development in our service territories
- Zero Harm mentality – zero injuries, zero occupational illnesses and zero fatalities

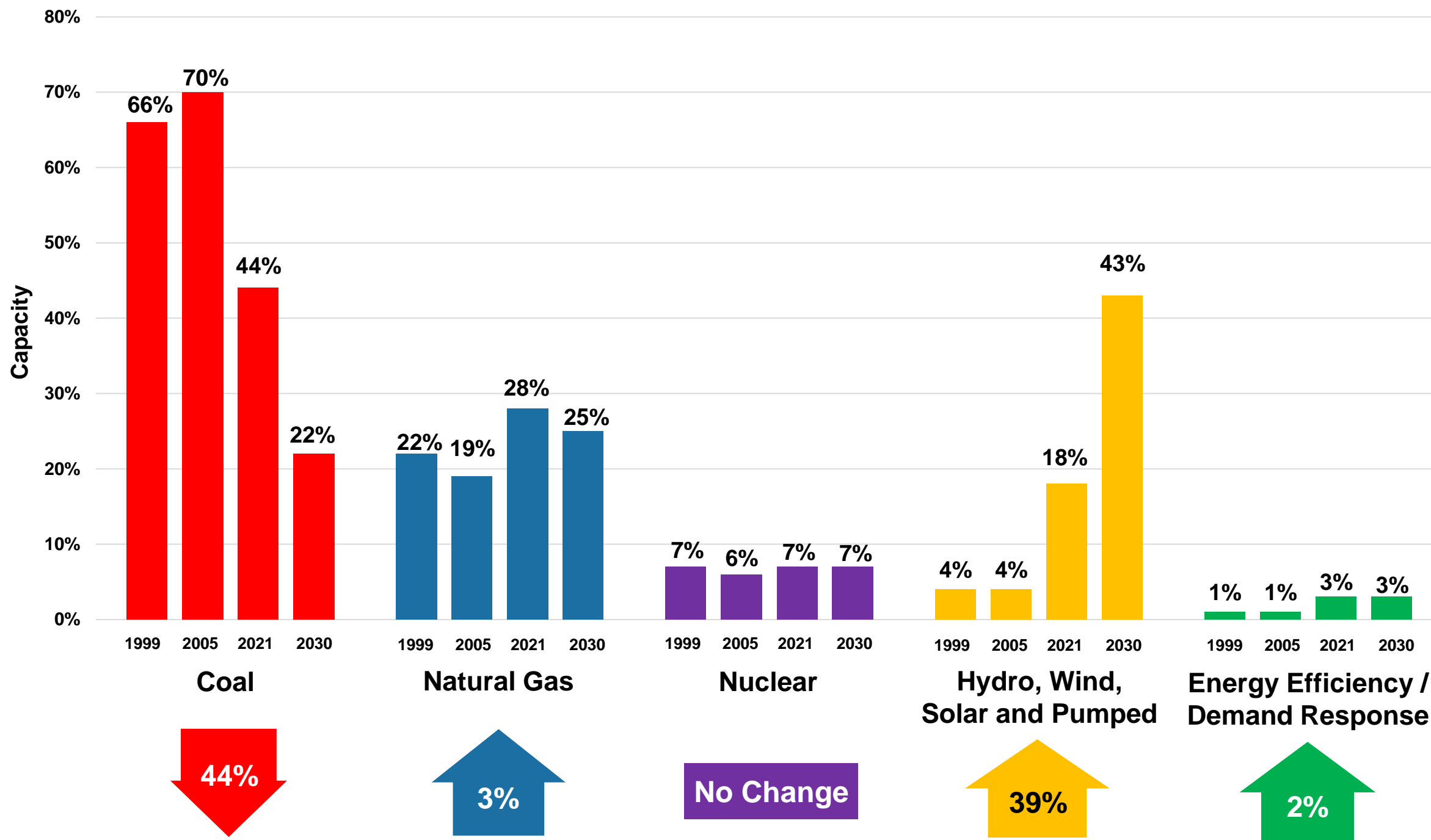
GOVERNANCE

- 14 directors, 13 are independent, 43% diverse with an average tenure of 8 years
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided at every Board meeting



Note: See “Environmental, Social & Governance” section for further information

Transforming Our Generation Fleet



2021 data as of 2/15/2021. 2030 includes IRP forecasted additions and retirements as well as subsequent public filings. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

Retirement Progress and Plans

Reduce coal generation by approximately 5,600 MW by 2030 and decrease coal net book value through retirements and depreciation. This creates the opportunity to own replacement wind, solar and natural gas resources.

2010

~24,800 MW¹

2020

~12,100 MW^{1,2}

2028E

~7,100 MW³

2030E

~6,500 MW

2010 – 2020
Retirements/Sales

2021-2030 Planned
Retirements

YEAR	PLANT	CAPACITY	YEAR	PLANT	CAPACITY	YEAR	PLANT	CAPACITY
2011	Sporn 5	450 MW	2015	Tanners Creek 1-4	995 MW	2021	Dolet Hills	257 MW
2012	Conesville 3	165 MW	2016	Big Sandy 1	278 MW	2023	Pirkey	580 MW
2014	Beckjord	53 MW	2016	Clinch River 1 & 2	470 MW	2026	Northeastern 3	469 MW
2015	Big Sandy 2	800 MW	2016	Northeastern 4	470 MW	2028	Rockport 1	1,310 MW
2015	Clinch River 3	235 MW	2016	Welsh 2	528 MW	2028	Welsh	1,053 MW
2015	Glen Lyn 5 & 6	335 MW	2017	Gavin 1 & 2	2,640 MW	2030	Cardinal	595 MW
2015	Kammer 1-3	630 MW	2017	Zimmer	330 MW			
2015	Kanawha River 1 & 2	400 MW	2018	Stuart 1-4	600 MW			
2015	Muskingum River 1-5	1,440 MW	2019	Conesville 5 & 6	820 MW			
2015	Picway 5	100 MW	2020	Conesville 4	651 MW			
2015	Sporn 1-4	600 MW	2020	Oklaunion	460 MW			

4,264 MW
Coal
Retirements
2021-2030

+

1,310 MW
Rockport 2
Lease
Expiration
In 2022

=

5,574 MW
Reduction in
Coal Capacity
from 2020
46%




¹ Total includes owned coal units and the Rockport 2 lease

² Includes 2012 Turk Plant addition

³ Total accounts for the expiration of the Rockport 2 lease

Advancing Towards a Clean Energy Future

Projected Resource Additions¹

SOLAR ADDITIONS (MW) 				WIND ADDITIONS (MW) 				NATURAL GAS ADDITIONS (MW) 				TOTAL PROJECTED RESOURCE ADDITIONS (MW)	
Company	2021 - 2022	2023 - 2025	2026 - 2030	Company	2021 - 2022	2023 - 2025	2026 - 2030	Company	2021 - 2022	2023 - 2025	2026 - 2030	Resource	2021-2030
APCo	110	150	450	APCo	-	200	400	I&M	18	18	788	Solar	3,794
I&M	150	300	850	I&M	300	150	300	PSO	373 ³	37 ³	373 ³	Wind	Up to 6,635
KPCo	20	253	-	KPCo	-	-	200	Totals	391	55	1,161	Natural Gas	1,607
PSO	11	300	900	PSO	675 ²	400	200					Totals	Up to 12,036
SWEPCO	-	200	100	SWEPCO	810 ²	Up to 1,500	Up to 1,500						
Totals	291	1,203	2,300	Totals	1,785	Up to 2,250	Up to 2,600						

¹ Representative of IRP filings and subsequent public filings or planned RFPs, as well as projects that have obtained regulatory approval but have not yet reached commercial operation

² Represents North Central Wind

³ To replace expiring PPA

As of 2/15/21

Renewables Progress Update

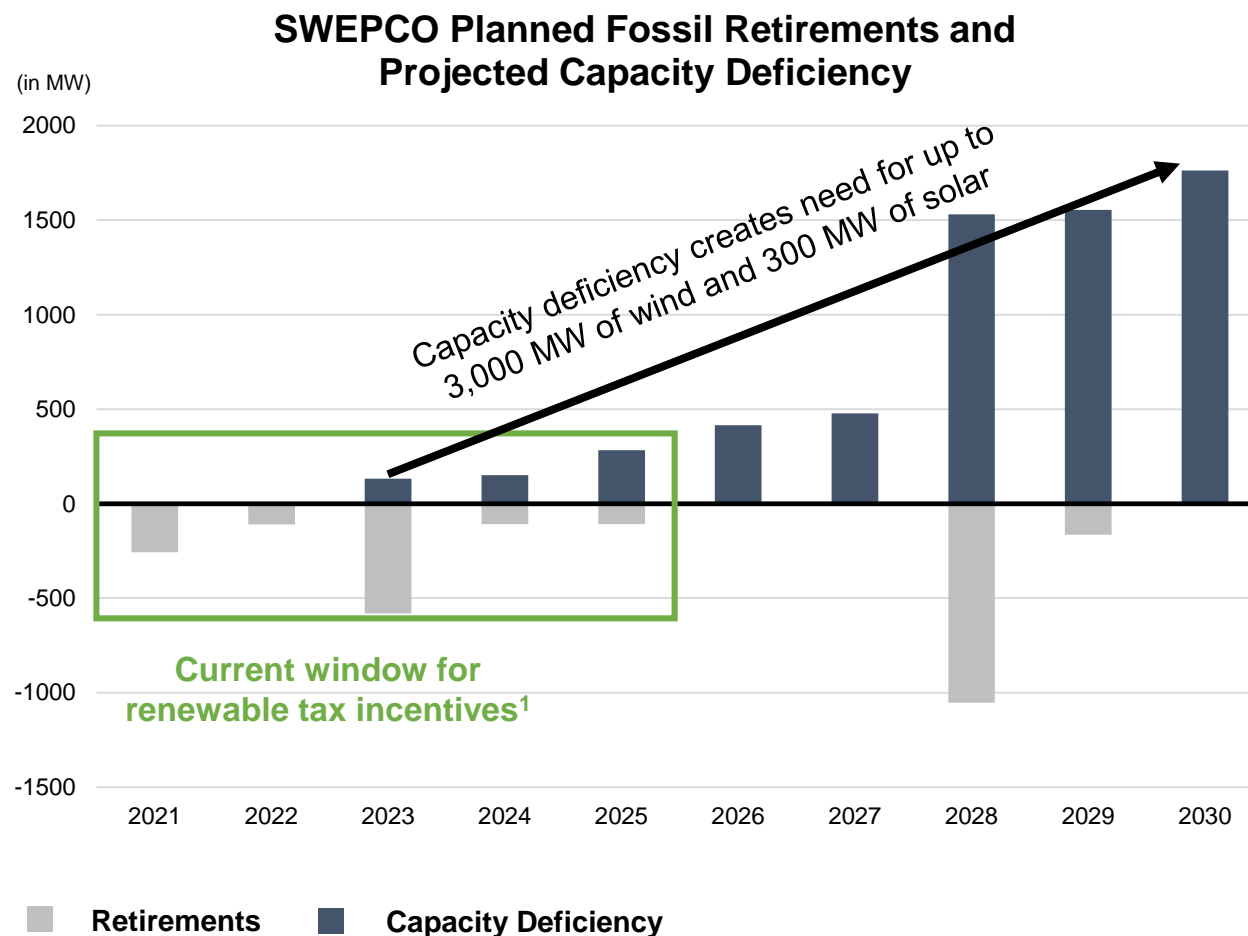
Company	Structure	Solar (MW)	Wind (MW)	Public Status	Expected In-Service	In 2021-2025 Capital Plan
APCo (VA)	PPA	15	-	Expected COD Q2-21	2021	N/A
APCo (VA)	PPA	40	-	Expected COD 2021	2021	N/A
APCo (VA)	Owned	5	-	Solar RFP issued in January 2020	2023	Yes
APCo (VA)	Owned	100 ⁴	200 ⁴	RFP issued in February 2021	2023	Partially
APCo (WV)	Owned	50	-	Solar RFP issued in June 2020	2022	Yes
I&M	Owned	20	-	Approval received (St. Joseph Solar)	2021	Yes
I&M	2/3 Owned & 1/3 PPA	300 ⁴	150 ⁴	Solar and wind RFP issued November 2020	2023	Yes
PSO	Owned	-	675	Approval received (North Central Wind)	2021/2022	Yes
SWEPCO (AR, LA)	Owned	-	810	Approval received (North Central Wind)	2021/2022	Yes
SWEPCO	Owned	300	Up to 3,000	RFP planned for Q2-21	2025/2028	No
Total MW		830	Up to 4,835			

Total of up to 5,665 MW of renewable projects in progress

⁴ Final solar and wind split to be determined

Note: Regulated renewable plan to be updated across all AEP companies in Q2-21

SWEPCO Generation Replacement Plan



¹ Solar ITC reduced to 10% in 2026

- Planned retirement of fossil generation facilities at SWEPCO drives a capacity need of nearly 2 GW by 2030
 - 2021: Dolet Hills (257 MW) – lignite
 - 2023: Pirkey (580 MW) – coal
 - 2028: Welsh (1053 MW) – coal operations cessation
 - By 2029: 489 MW – gas
- SWEPCO's capacity need creates a renewable energy and dispatchable resource replacement opportunity over the 2021-2030 time horizon
 - Up to 3,000 MW of wind
 - ~ 300 MW of solar
- Anticipate issuing an RFP in Q2-21 for acquisition of resources to satisfy near-term capacity needs
 - Targeting large-scale renewables acquisition to take advantage of tax incentives
- Total renewable acquisition amount through 2030 will be contingent on factors such as market response, pricing and terms, technology, public policy, and availability and timing of tax incentives

Will provide a regulated renewable plan update across all AEP companies in Q2-21

APCo Virginia Clean Energy Initiative Details

Current & Pending Renewable Resources (MW)

	PPA	Owned	Total	Counts Toward VCEA ¹ MW Goal ²	VCEA Targets ³	% Progress
Hydro – Current	80	200	280	254	254	100%
Wind – Current	495	-	495	140	2,200	6.4%
Total Current	575	200	775	394		
Solar – Pending	55	105	160	160	3,460	4.6%
Wind – Pending	-	200	200	200	2,200	9.1%
Total Current & Pending⁴	630	505	1,135	754	5,914	12.7%

Projected Long Term Resource Additions (MW)

	2021-2025 ⁵			2026-2030			2031-2050			Total			Counts Toward VCEA MW Goal ²	VCEA Targets ³	% Progress
	PPA	Own	Total	PPA	Own	Total	PPA	Own	Total	PPA	Own	Total			
Wind	-	200	200	-	400	400	-	1,600	1,600	-	2,200	2,200	2,200	2,200	100%
Solar	105	105	210	150	300	450	1,000	1,800	2,800	1,255	2,205	3,460	3,460	3,460	100%
Total	105	305	410	150	700	850	1,000	3,400	4,400	1,255	4,405	5,660	5,660	5,660	100%

¹ Virginia Clean Economy Act

² Includes Virginia jurisdictional share of owned and contracted facilities

³ Targets reflect renewable resources necessary to meet requirements in VCEA through 2050

⁴ Does not include an additional 585 MWs of in-service pumped storage owned by APCo

⁵ Includes pending solar projects

North Central Wind Overview



APPROVED 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	78	5.2%
Total:	1,485	100%

SWEPCO AND PSO REGULATED WIND INVESTMENT

Total Rate Base Investment	~\$2 billion (1,485 MW)			
North Central Wind	<u>Name</u>	<u>MW</u>	<u>Investment</u>	<u>Target Date</u>
	Sundance	199	\$307M	Apr. 2021 (100% PTC)
	Maverick	287	\$402M	Dec. 2021 (80% PTC)
	Traverse	999	\$1,287M	Dec. 2021 to Apr. 2022 (80% PTC)
Net Capacity Factor	44.0%			
Customer Savings	~\$3 billion (30-year nominal \$)			
Developer	Invenergy			
Turbine Supplier	GE			

Note: Facilities to be acquired on a fixed cost, turn-key basis at completion

**Regulatory approvals achieved in
Oklahoma, Louisiana, Arkansas and at
FERC**

O&M Optimization

INITIATIVES	ACTIONS
Achieving Excellence Program	<ul style="list-style-type: none"> • Employee based O&M prioritization and optimization effort • Driven down costs in 2020 & beyond, initial results imbedded in budgets • Program was transitioned from EHS partners to internal resources and will continue annually • 2021 Program – New O&M savings ideas, evaluation of further study ideas and Future of Work opportunities • Future of Work – Optimization of Value Streams (end-to-end work flow)
Lean Management System Implementation/Continuous Process Improvement	<ul style="list-style-type: none"> • Distribution – Enhanced reliability to reduce O&M and improve storm hardening • Supply chain – Optimize the material requisition process to improve material lead times, reducing stock and increasing crew productivity • Fleet operations – Reduce the number of vehicle platforms and optimize the acquisition process • Generation (system productivity) – Optimize plant systems and operations
Data Analytics	<ul style="list-style-type: none"> • Workforce optimization – Employee/contractor mix • Hot socket model – Using AMI data to preemptively identify meters at risk • Revenue protection – Detecting meter tampering • Frequency regulation – Analysis of PJM bidding strategies
Automation	<ul style="list-style-type: none"> • Scrap metal billing and management • Service Corp billing allocation factors • No-bill workflow assignment process • Customer workflow scheduling
Digital Tools	<ul style="list-style-type: none"> • Generation Monitoring and Diagnostic Center – Predictive capabilities that save O&M and capital
Use of Drones	<ul style="list-style-type: none"> • Storm damage assessment • Real estate and land surveys • Transmission facility inspections, construction monitoring and documentation • Telecommunication tower inspections • Cooling tower and boiler inspections
Outsourcing	<ul style="list-style-type: none"> • Accounting and tax initiative • Rapid application and information support • Lockbox for customer payments by check
Workforce Planning	<ul style="list-style-type: none"> • Approximately 4,000 employees will retire or leave in the next 5 years
Strategic Sourcing	<ul style="list-style-type: none"> • Reducing cost through procurement category management – Continuing to mature our Category Management program and aggressively using strategic sourcing opportunities to optimize the value AEP receives from the \$6B spent annually on goods and services

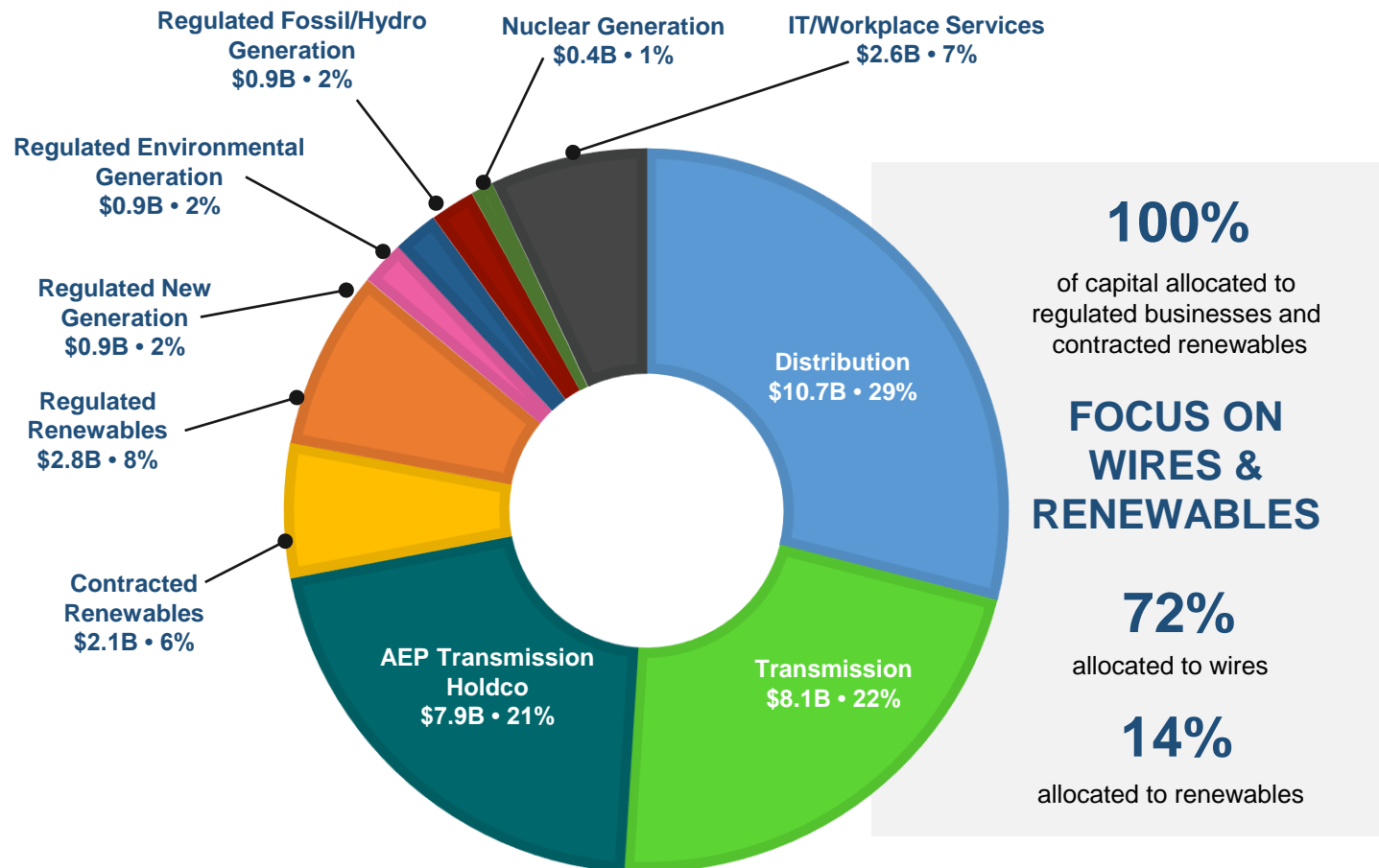
POSITIONING FOR THE FUTURE

- 2021-2025 Capital Forecast
- Cash Flows and Financial Metrics
- Rate Base Growth
- Efficient Cost Recovery Mechanisms



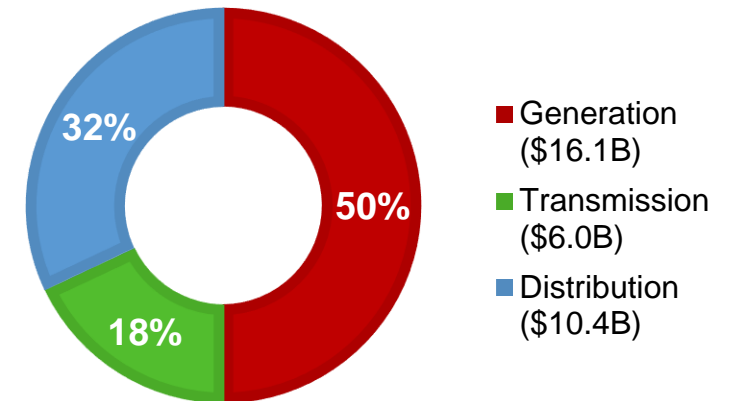
2021 - 2025 Capital Forecast of \$37B and Net Plant

2021-2025 Capital Forecast

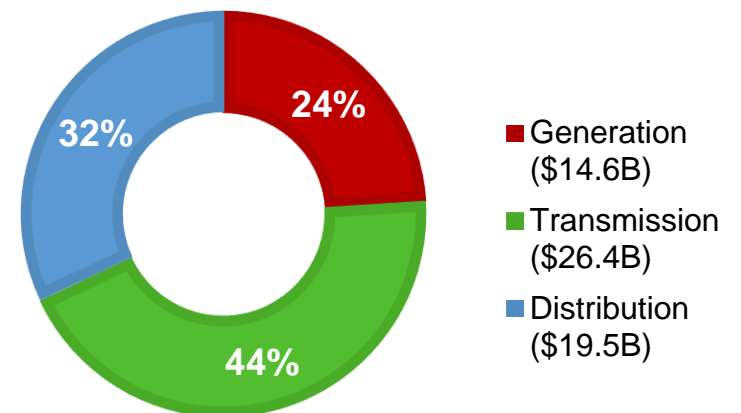


Historical Net Plant Profiles

2010 (Total \$32.5B)



2020 (Total \$60B)



2021-2025 Capital Forecast by Subsidiary

\$ in millions (excludes AFUDC)	2021E	2022E	2023E	2024E	2025E	TOTAL
Appalachian Power Company	\$ 878	\$ 1,182	\$ 986	\$ 916	\$ 1,002	\$ 4,964
Wheeling Power Company	\$ 37	\$ 68	\$ 65	\$ 38	\$ 32	\$ 240
Kingsport Power Company	\$ 21	\$ 20	\$ 19	\$ 18	\$ 18	\$ 96
Indiana Michigan Power Company	\$ 575	\$ 547	\$ 965	\$ 603	\$ 717	\$ 3,407
Kentucky Power Company	\$ 176	\$ 219	\$ 189	\$ 183	\$ 231	\$ 998
AEP Ohio	\$ 819	\$ 758	\$ 787	\$ 874	\$ 820	\$ 4,058
Public Service Company of Oklahoma	\$ 726	\$ 1,130	\$ 467	\$ 376	\$ 920	\$ 3,619
Southwestern Electric Power Company	\$ 848	\$ 1,101	\$ 519	\$ 561	\$ 634	\$ 3,663
AEP Texas Company	\$ 1,225	\$ 1,094	\$ 1,072	\$ 1,293	\$ 1,385	\$ 6,069
AEP Generating Company	\$ 32	\$ 25	\$ 20	\$ 19	\$ 19	\$ 115
AEP Transmission Holdco	\$ 1,597	\$ 1,406	\$ 1,337	\$ 1,638	\$ 1,909	\$ 7,887
Generation & Marketing	\$ 501	\$ 412	\$ 415	\$ 418	\$ 348	\$ 2,094
Other	\$ 32	\$ 25	\$ 24	\$ 17	\$ 2	\$ 100
Total Capital and Equity Contributions	\$ 7,467	\$ 7,987	\$ 6,865	\$ 6,954	\$ 8,037	\$ 37,310

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

Cash Flows and Financial Metrics

\$ in millions	2021E	2022E	2023E
Cash from Operations	\$ 5,100	\$ 5,700	\$ 6,000
Capital & JV Equity Contributions ¹	(7,500)	(8,000)	(6,900)
Other Investing Activities	(300)	(300)	(300)
Common Dividends ²	(1,400)	(1,500)	(1,500)
Required Capital	\$ (4,100)	\$ (4,100)	\$ (2,700)
Financing			
Required Capital	\$ (4,100)	\$ (4,100)	\$ (2,700)
Debt Maturities (Senior Notes, PCRBs)	(2,000)	(3,000)	(1,400)
Securitization Amortizations	(100)	(100)	(100)
Equity Units Conversion	-	805	850
Equity Issuances – Includes DRP ³	600	1,400	100
Debt Capital Market Needs (New)	\$ (5,600)	\$ (4,995)	\$ (3,250)
Financial Metrics			
Debt to Capitalization (GAAP)	Approximately 60%		
FFO/Total Debt (Moody's)	Low to Mid Teens Reflecting Accelerated Flowback of ADFIT		

¹ Capital expenditures in 2021 include \$709M for North Central Wind's Sundance and Maverick projects. Expenditures in 2022 include \$1.287B for North Central Wind's Traverse project.

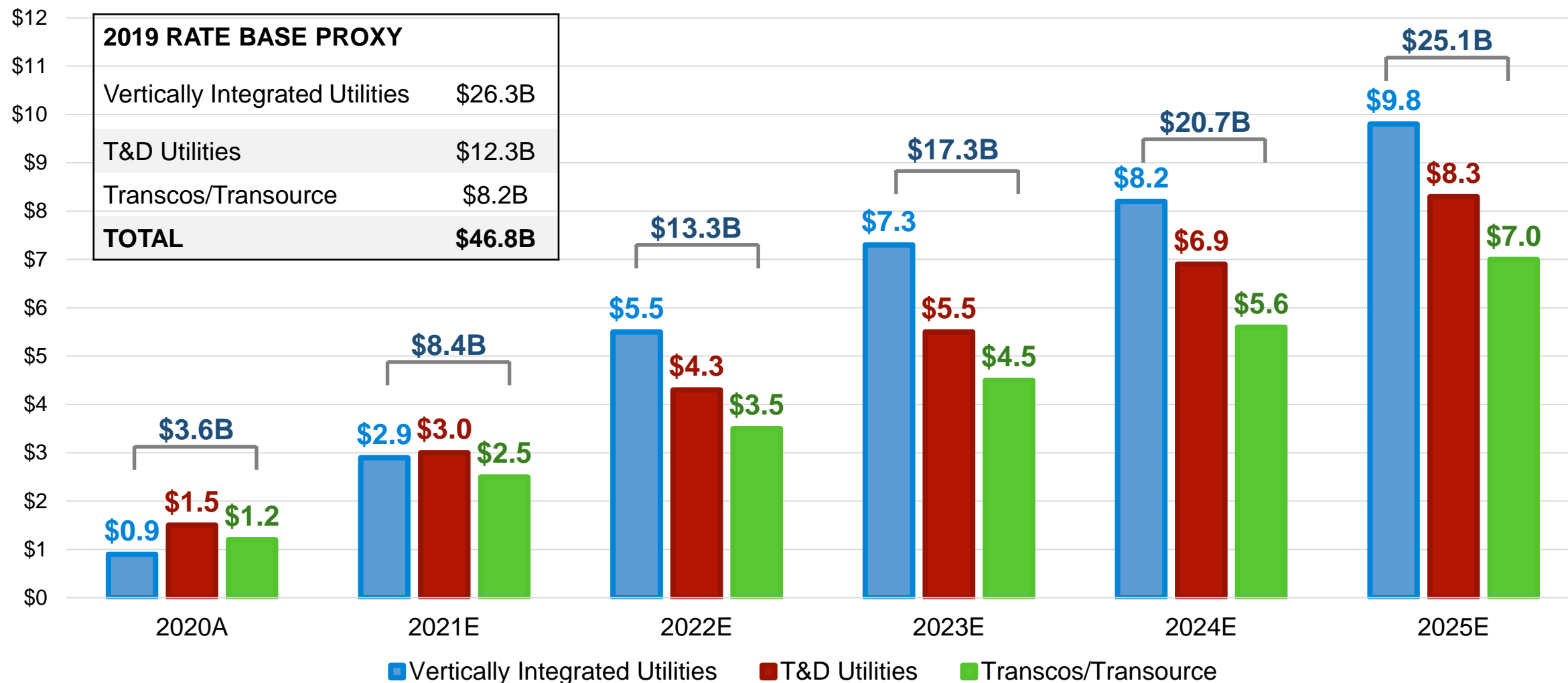
² Common dividends increased to \$0.74 per share Q4-20; \$2.96/share 2021-2023. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.

³ Equity needs in 2021 include approximately \$500M for North Central Wind's Sundance and Maverick projects. Equity needs in 2022 include approximately \$800M for North Central Wind's Traverse project. Total equity needs for the project are \$1.3B.

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

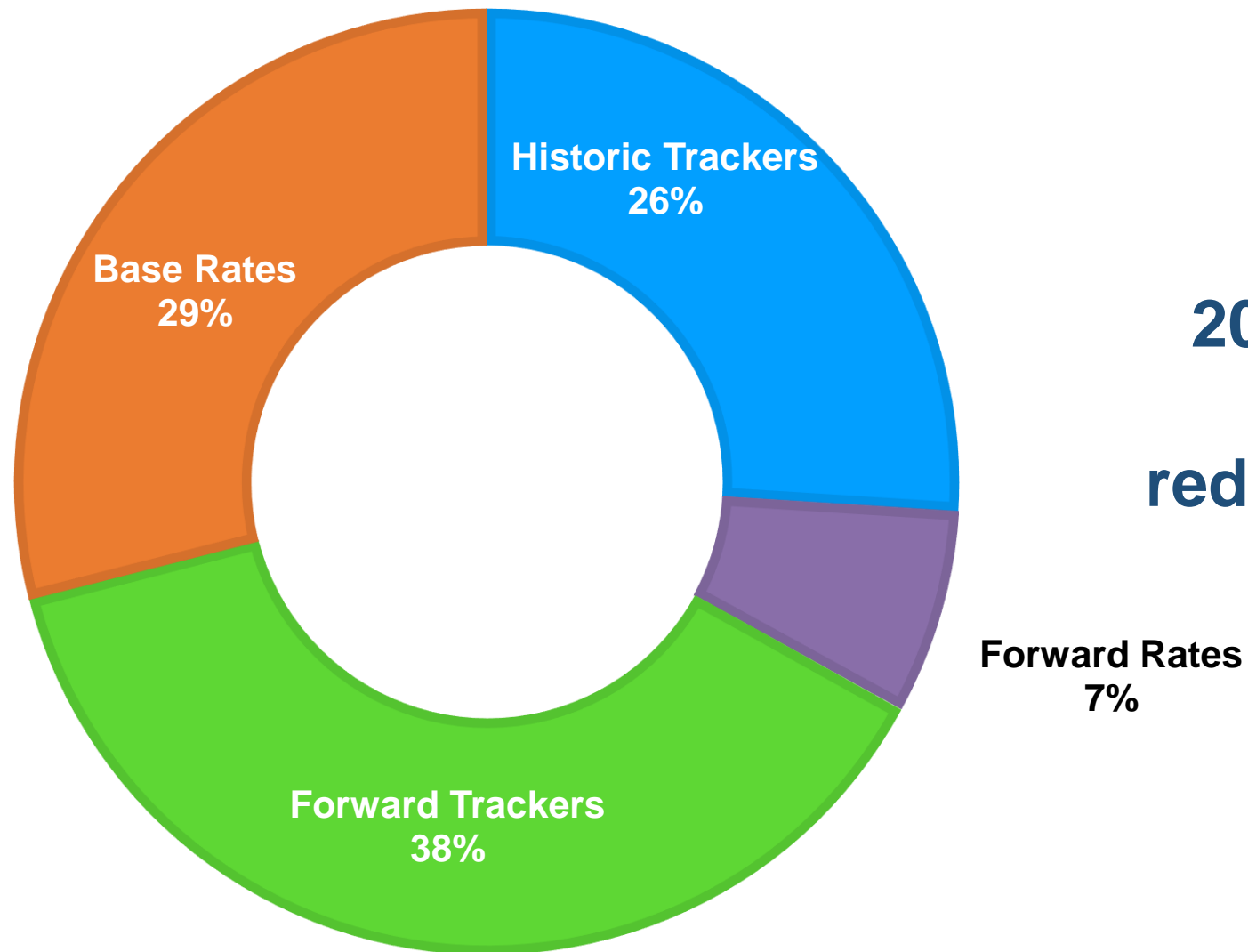
7.4% CAGR in Rate Base Growth

CUMULATIVE CHANGE FROM 2019 BASE



5%-7% EPS growth is predicated on regulated rate base growth

Efficient Cost Recovery Mechanisms



**More than 70% of
2021-2025 capital plan
recovered through
reduced lag mechanisms**

FINANCIAL INFORMATION

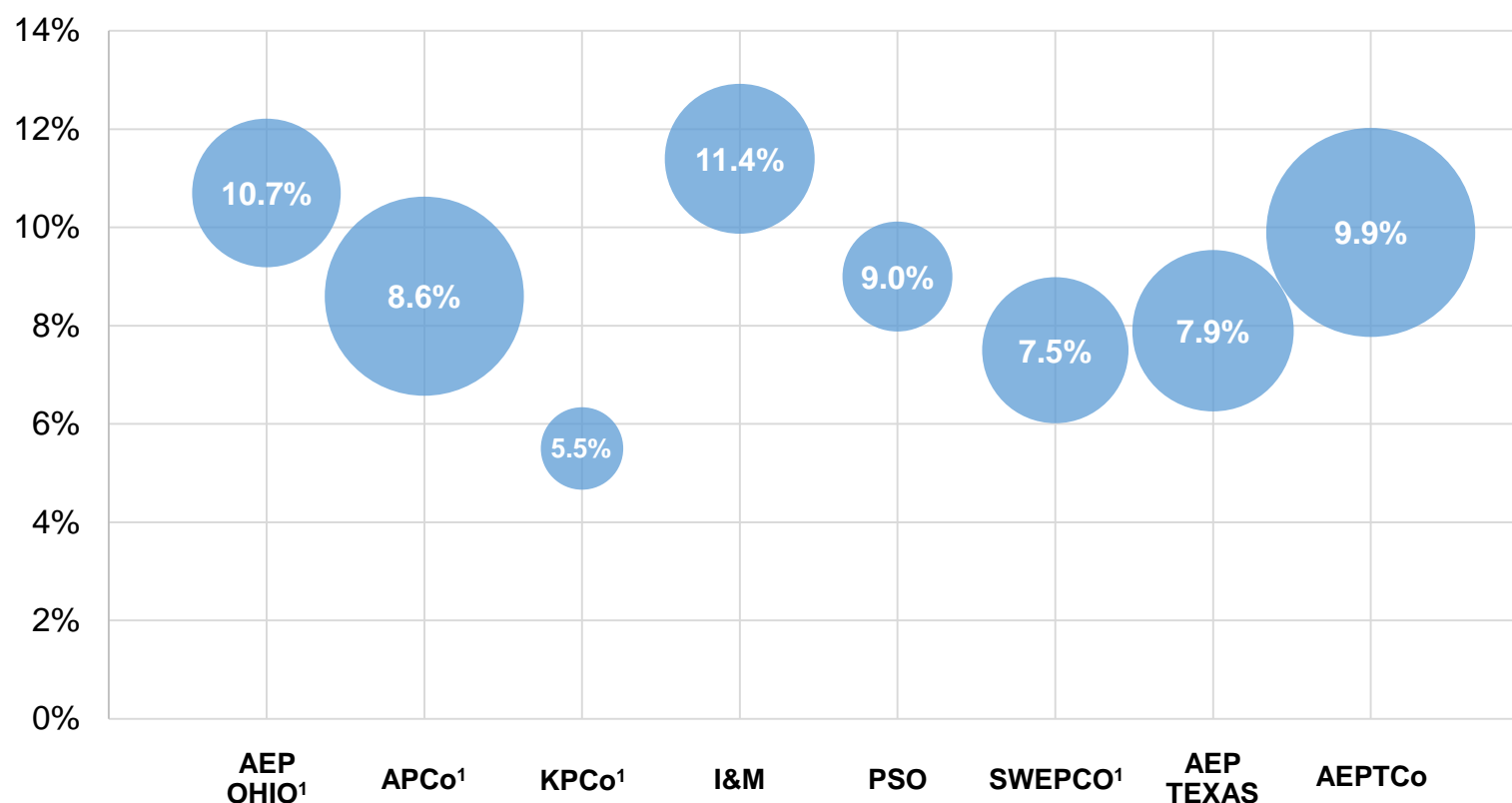
- Regulated Returns and Authorized Equity Layers
- 2021 Operating Earnings Guidance
- Current Rate Case Activity
- Untracked O&M
- Normalized Load Trends
- Capitalization and Liquidity
- 2021 Debt Issuances and Maturities
- Credit Ratings

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Regulated Returns and Authorized Equity Layers

Twelve Months Ended 12/31/2020 Earned ROE's
(non-GAAP operating earnings, not weather normalized)



Regulated Operations ROE of 9.1%
(as of December 31, 2020)

Authorized Equity Layers
(in whole percentages)

Operating Company	12/31/17	12/31/20	Improvement
AEP Ohio ²	48%	54%	6%
APCo – VA ²	43%	50%	7%
APCo – WV	47%	50%	3%
Kentucky Power	42%	43%	1%
PSO	44%	48%	4%
SWEPCO – AR	46%	48%	2%
SWEPCO – LA ²	47%	51%	4%
AEP Texas	40%	43%	3%
AEP Transmission	50%	55%	5%

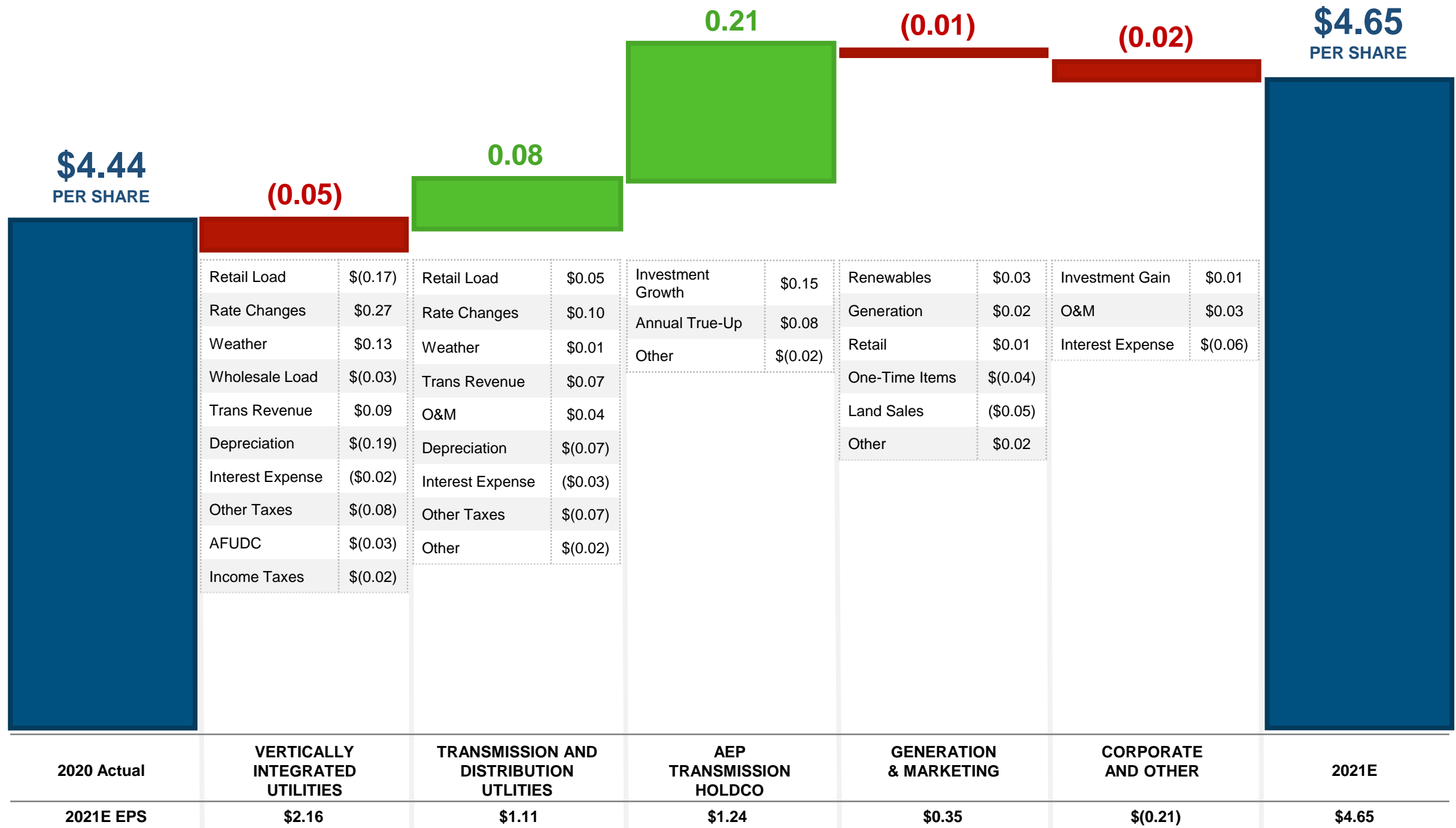
Improving Our Authorized Equity Layers Over Time

¹ Base rate cases pending/order recently received

² 12/31/20 data represents equity layers as requested in pending base rate cases

Sphere size based on each company's relative equity balance

2021 Operating Earnings Segment Detail



Current Rate Case Activity

AEP Ohio

Docket #	20-0585-EL-AIR
Filing Date	06/01/2020
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>	Pending Commission Approval
Settlement Filed	03/12/2021
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	03/31/2020
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	01/23/2021
ROE	9.2%
Cap Structure	50%D / 50%E
Gross Revenue Increase	\$0M (Less \$25.5M D&A)
Net Revenue Decrease	\$25.5M

² On 11/25/2020, APCo filed an appeal of the commission order with the Virginia Supreme Court. On 12/14/2020, APCo filed a petition for reconsideration with the Virginia SCC which was subsequently granted on 12/15/2020. On 03/26/2021, the Virginia SCC issued an order on reconsideration affirming the original final order.



Current Rate Case Activity

KPCo

Docket #	2020-00174
Filing Date	06/29/2020
Requested Rate Base	\$1.4B
Requested ROE	10%
Cap Structure	53.7%D / 3.0%AR / 43.3%E
Net Revenue Increase	\$65M
Test Year	03/31/2020
<u>Commission Order Summary</u> ¹	
Order Received	01/13/2021
Effective Date	01/14/2021
ROE	9.3%
Cap Structure	53.7%D / 3.0%AR / 43.3%E
Net Revenue Increase	\$52M

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	\$134M (Less \$41M D&A)
Net Revenue Increase	\$93M
Test Year	12/31/2019 ²

² Includes proposed pro-forma adjustment to plant in-service through 12/31/2020



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 ³ (Less \$17M D&A)
Net Revenue Increase	\$73M
Test Year	03/31/2020
<u>Procedural Schedule</u>	
Intervenor Testimony	03/31/2021
Staff Testimony	04/07/2021
Rebuttal Testimony	04/23/2021
Hearing	05/19/2021
Expected Commission Order	10/27/2021

³ Does not include \$15M of current riders moving to base rates

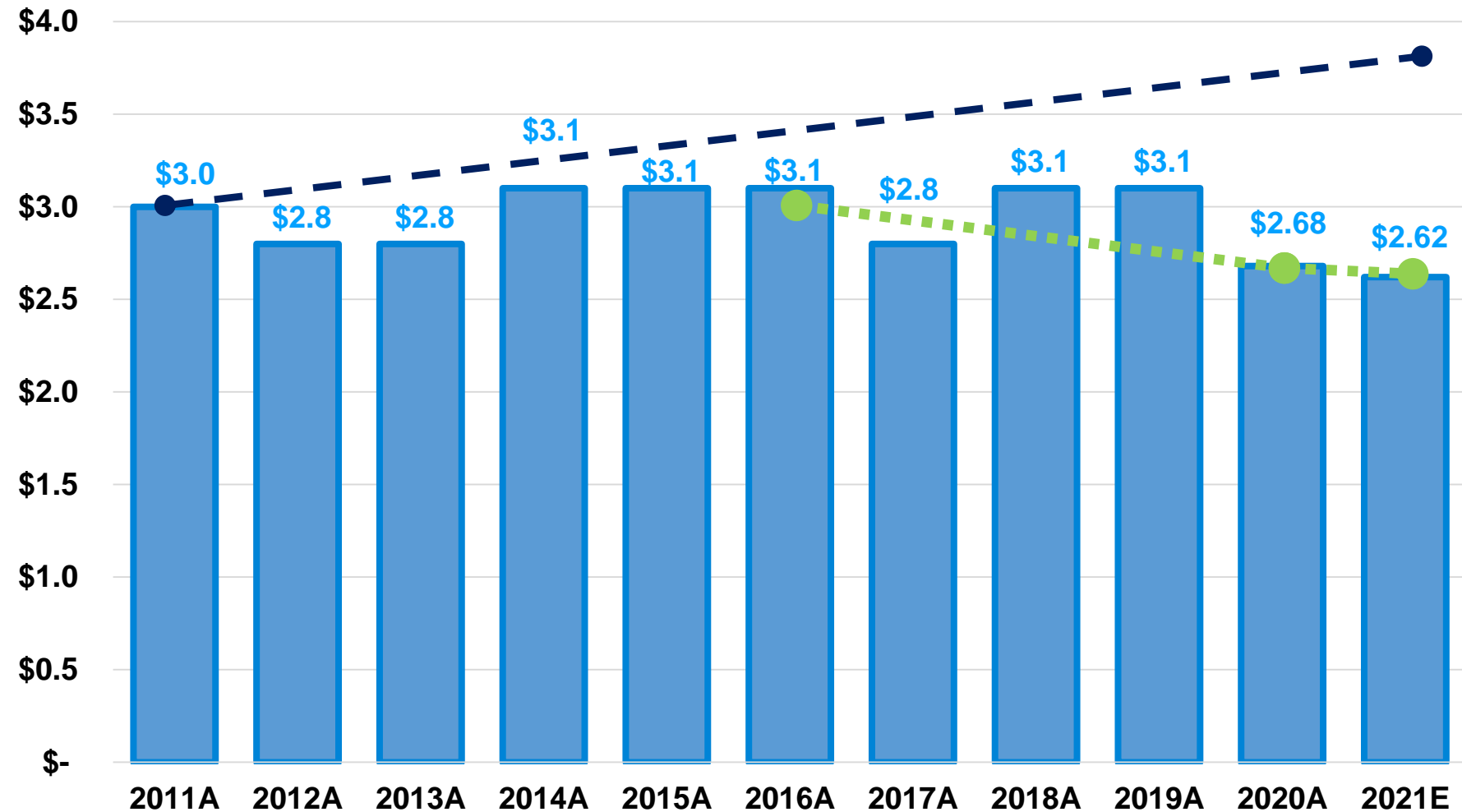


¹ On 03/12/2021, KPCo filed an appeal with the Franklin County Circuit Court, Commonwealth of Kentucky, related to basic rate design items.



Untracked O&M

(in billions)



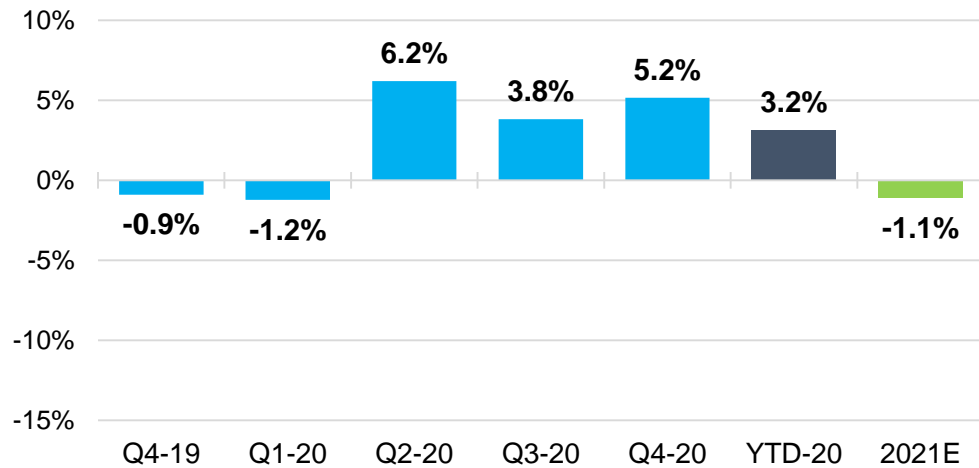
O&M focuses on bending the O&M curve down

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

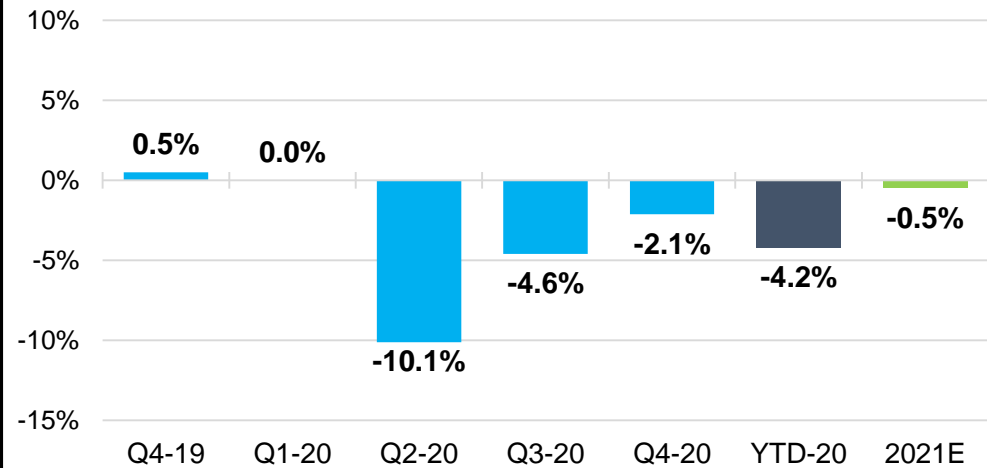
■ Actuals/2021 Estimate ●● Inflation @ 2% ●● Bending the Curve Trajectory

Normalized Load Trends

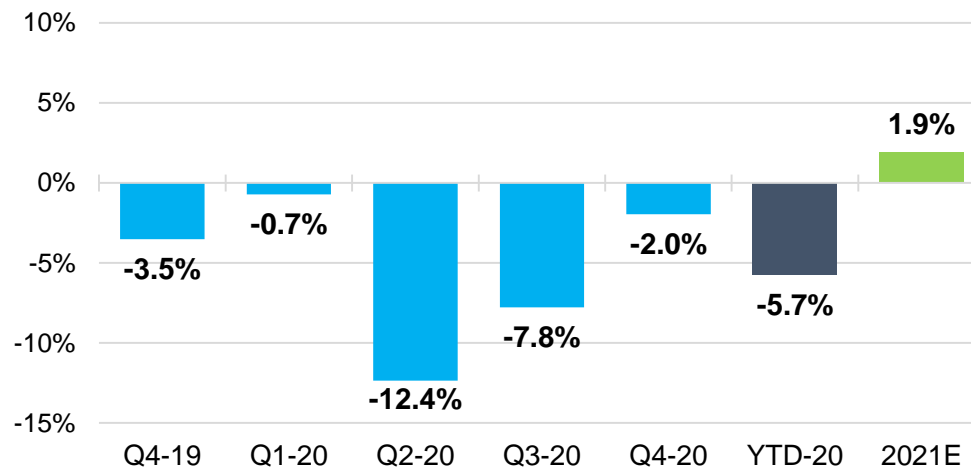
AEP Normalized Residential GWh Sales
% Change vs. Prior Year



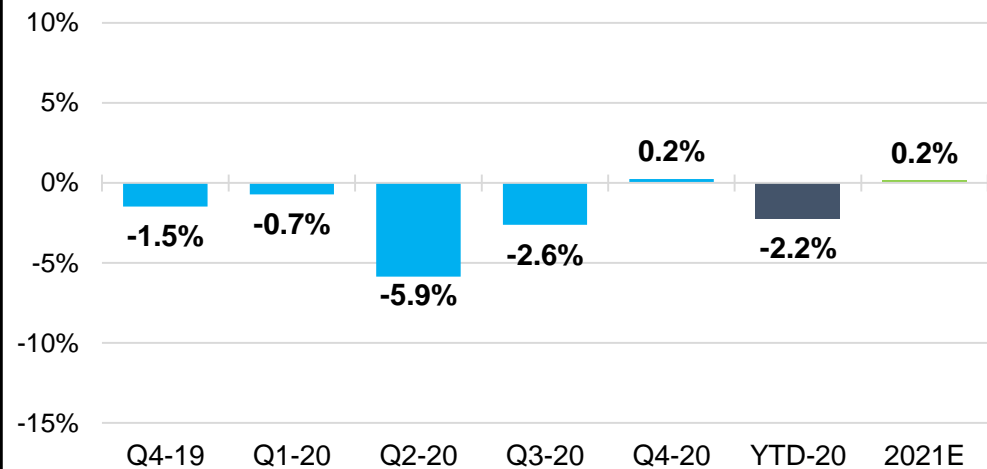
AEP Normalized Commercial GWh Sales
% Change vs. Prior Year



AEP Normalized Industrial GWh Sales
% Change vs. Prior Year



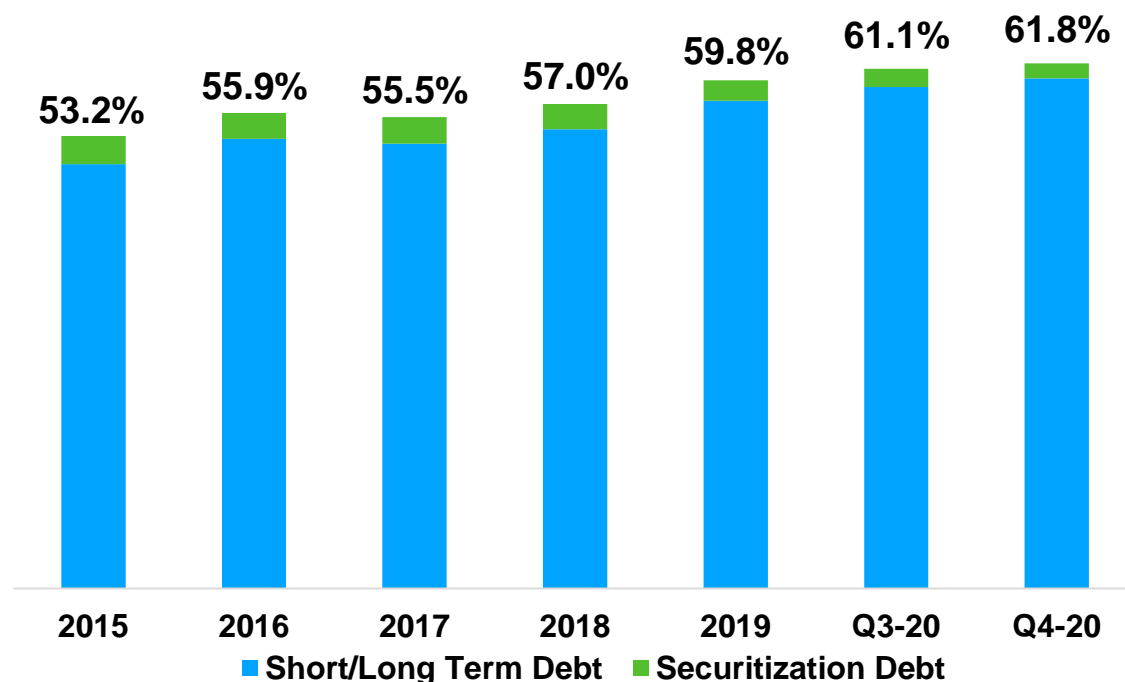
AEP Total Normalized GWh Sales
% Change vs. Prior Year



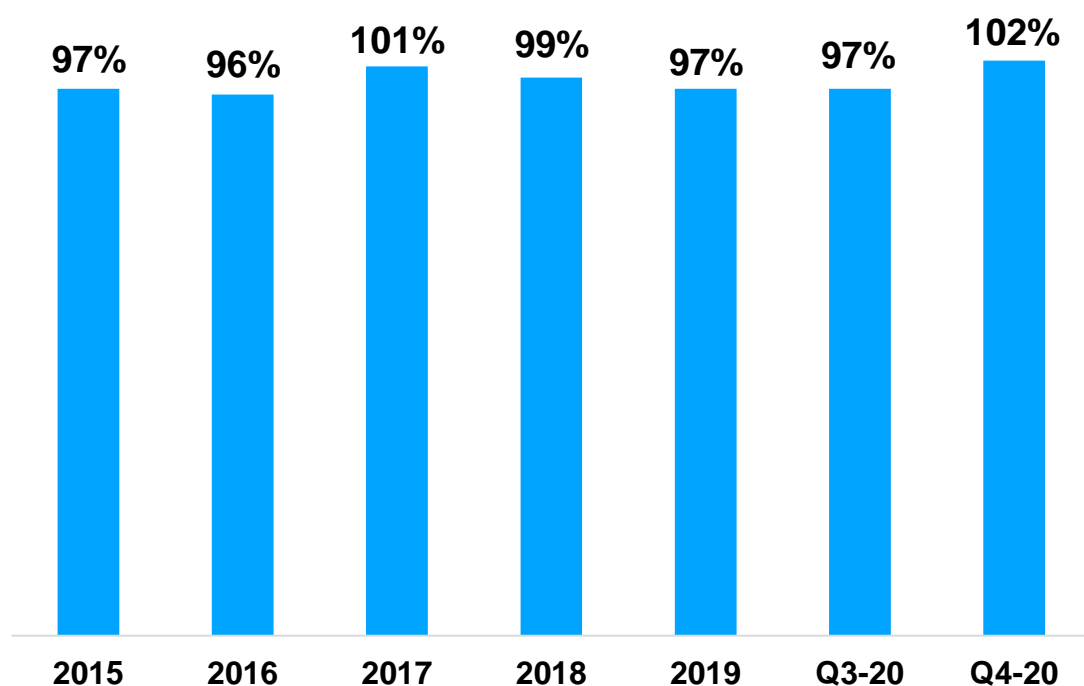
Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale load. 2021 estimates based on forecast provided at 2020 EEI Financial Conference and adjusted to reflect 2020 actual results.

Capitalization & Liquidity

Total Debt/Total Capitalization



Qualified Pension Funding



Credit Statistics

	ACTUAL		TARGET
	Moody's	GAAP	
FFO to Total Debt	13.0%	12.7%	Low to Mid Teens

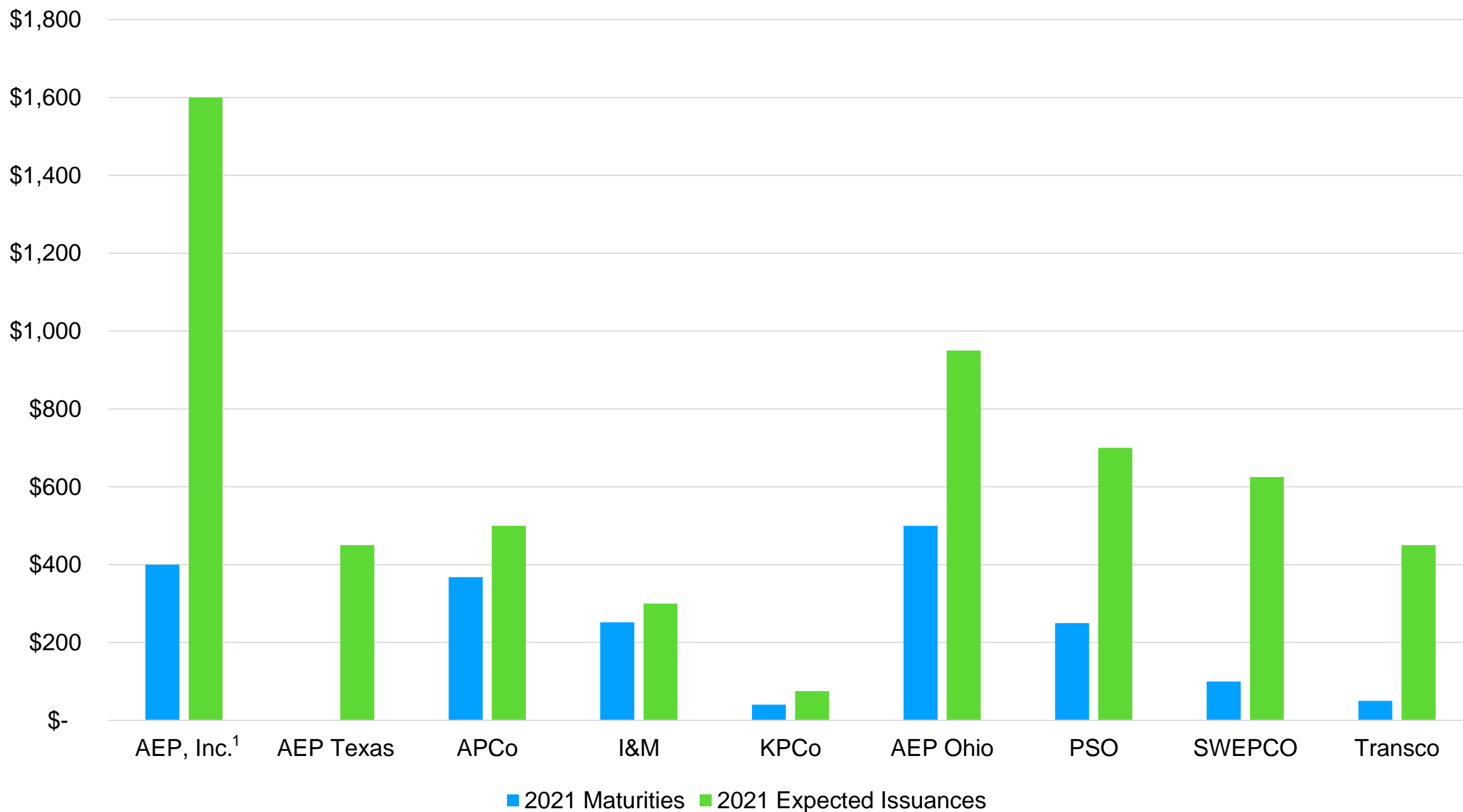
Represents the trailing 12 months as of 12/31/2020

Liquidity Summary

(\$ in millions)	12/31/2020 ACTUAL	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	June 2022
Plus		
Cash & Cash Equivalents	393	
Less		
Commercial Paper Outstanding	(1,852)	
Letters of Credit Issued	-	
Net Available Liquidity	\$ 2,541	

2021 Debt Issuance and Maturities Overview

(\$ in millions)



¹ In November 2020, due to favorable market conditions, AEP Inc. issued \$1.5B senior unsecured notes and subsequently retired \$1B 364-day term loan, both of which were scheduled to occur in 2021. AEP Inc. maturities and expected issuances for 2021 are now \$400M and \$1.6B, respectively.

Credit Ratings

CURRENT RATINGS FOR AEP, INC. & SUBSIDIARIES (as of 12/31/2020)

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	P2	S	A2	S	F2	S
AEP Texas Inc.	Baa2	S	A-	S	A-	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	A-	S	BBB+	S
AEP Ohio	A3	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

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 and Moody's, respectively

² NR stands for Not Rated

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- **Delivering Clean Energy Resources**
- **Emission Reduction Goals**
- **Investment in Environmental Controls**
- **Dramatic Reduction in Emissions**



Delivering Clean Energy Resources

AEP's February 15, 2021 Renewable Portfolio (in MW)

HYDRO, WIND, SOLAR & PUMPED STORAGE	OWNED MW	PPA MW	TOTAL MW
AEP Ohio	-	209	209
Appalachian Power Company	785	575	1,360
Indiana Michigan Power Company	36	450	486
Public Service Company of Oklahoma	-	1,137	1,137
Southwestern Electric Power Company	-	469	469
Competitive Wind, Solar & Hydro	1,597	101	1,698
TOTAL	2,418	2,941	5,359



APPROXIMATELY
16,300 MW
OF RENEWABLE GENERATION INTERCONNECTED
ACROSS THE U.S. VIA AEP'S TRANSMISSION
SYSTEM TODAY

Carbon Emission Reduction Goals

80%

by 2030

Net Zero

by 2050

(both from a 2000 baseline)

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

- Corporate Accountability Report
- Strategic Vision for a Clean Energy Future
- EEI ESG Sustainability Report
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosure (TCFD)
- CDP Survey Responses
- GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics

Strategy to Achieve

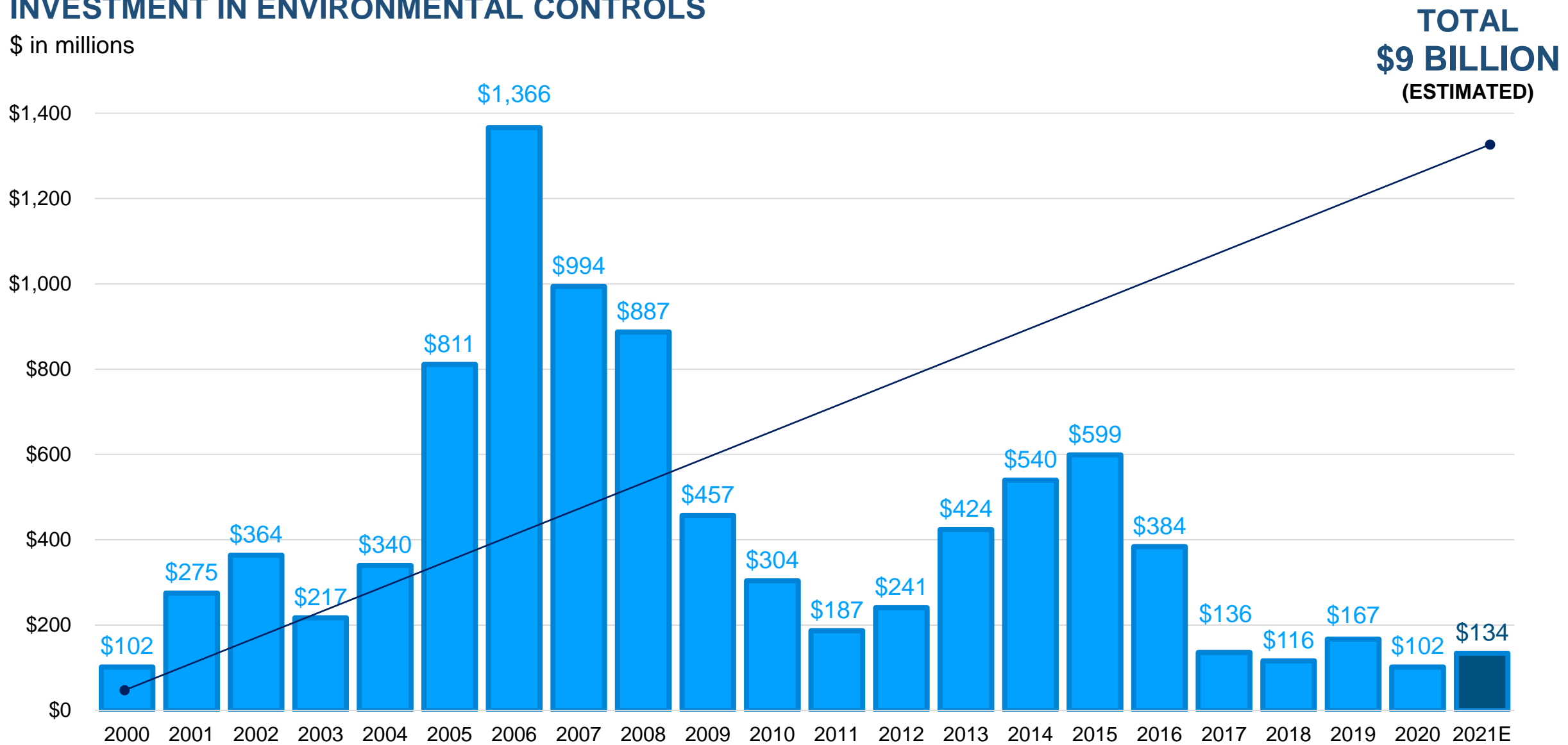
- ☐ Investments in renewable energy within and outside of our traditional service territory
- ☐ Technology deployment (e.g., energy storage)
- ☐ Modernization of the grid with significant investments in transmission and distribution
- ☐ Increased use of natural gas
- ☐ Optimization of our existing generating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



Largest Investment in Environmental Controls

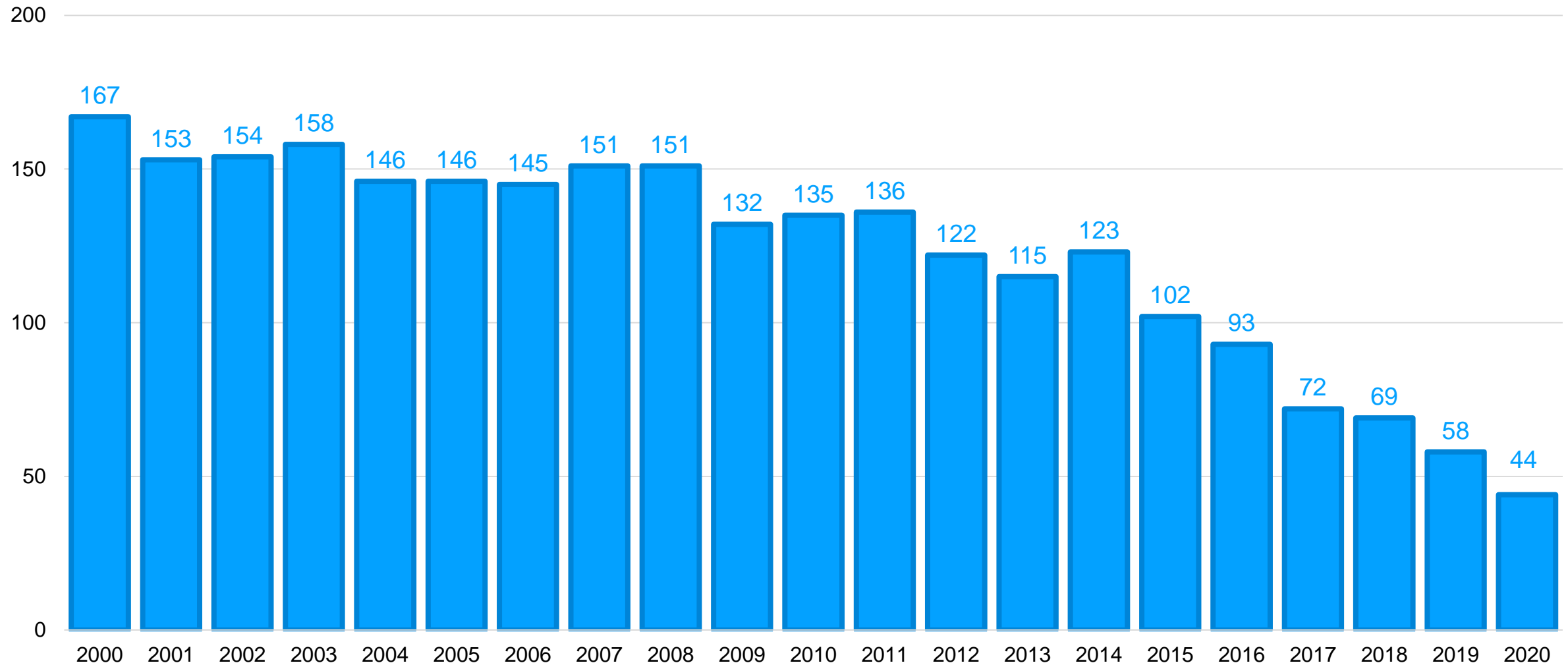
INVESTMENT IN ENVIRONMENTAL CONTROLS

\$ in millions



Dramatic Reductions in Emissions

TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons



CO₂

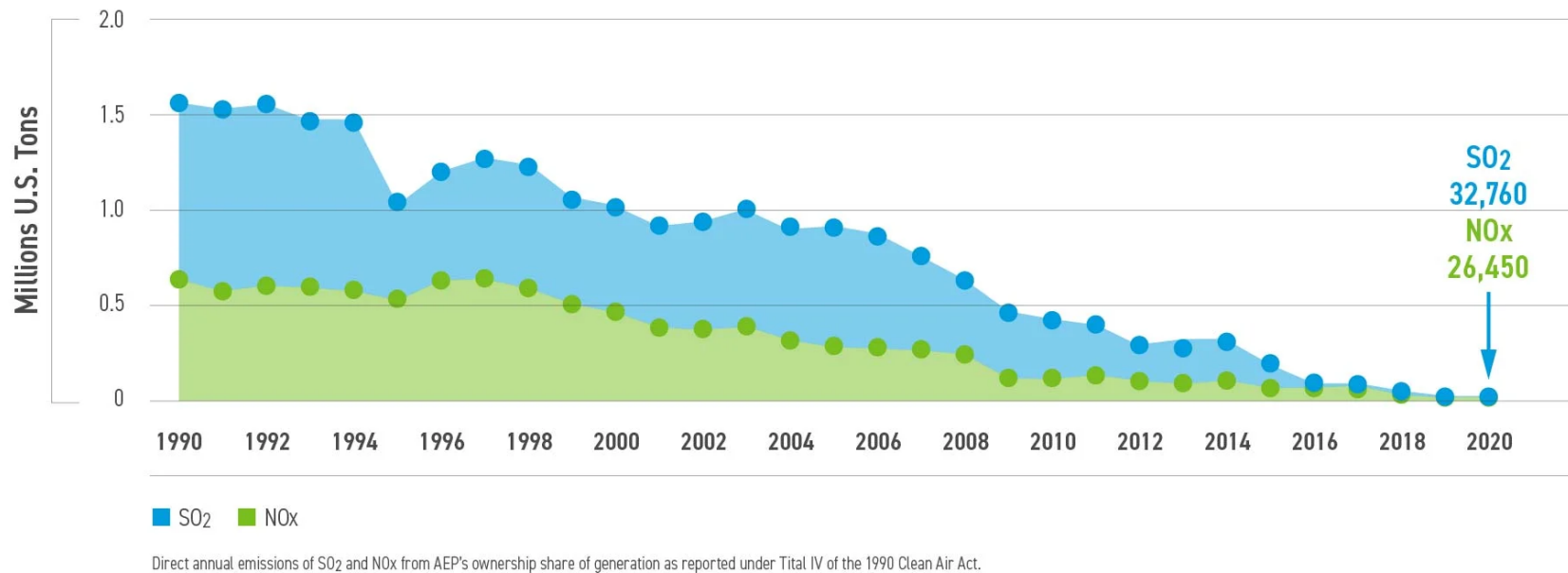
2000-2020
ACTUAL

74%

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

Dramatic Reductions in Emissions

Total AEP System NOx and SO₂ Emissions



1990-2020
ACTUAL

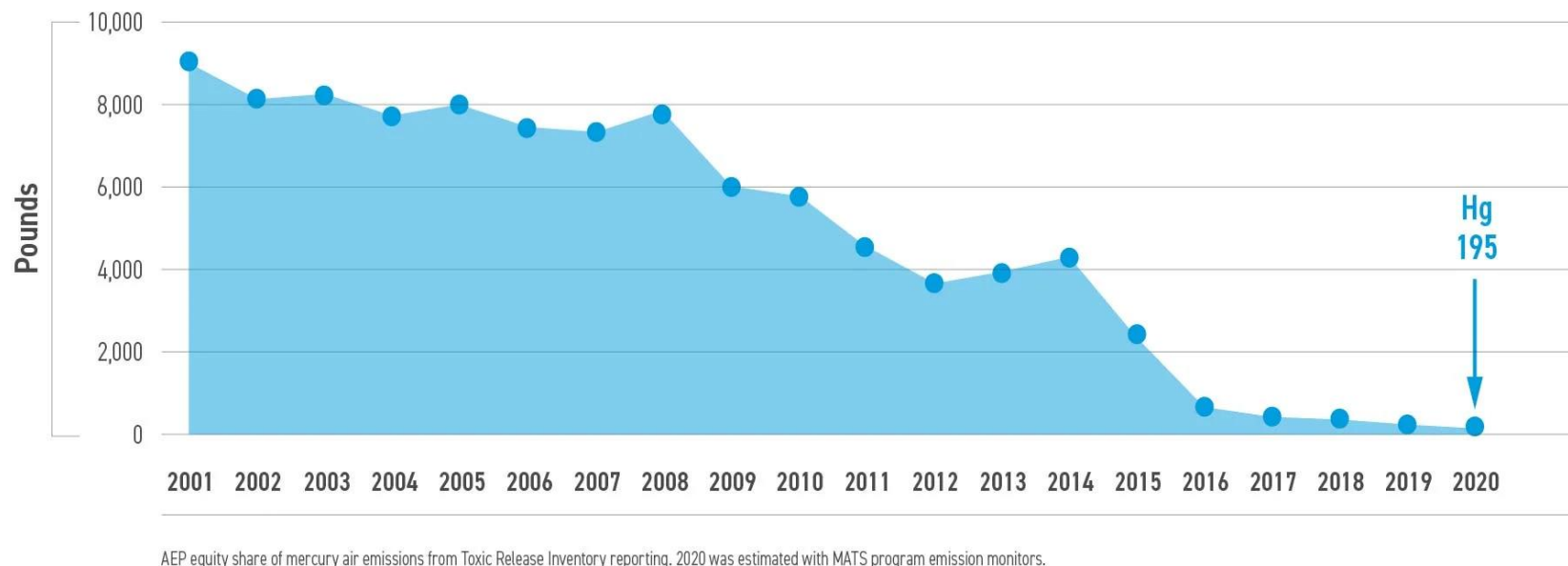
SO₂

98%

NO_x

96%

Total AEP System Mercury Air Emissions



2001-2020
ACTUAL

Hg

98%

TRANSMISSION TRANSFORMATION

- **AEP Transmission Strategy**
- **Five-Year Capital Plan**
- **Investments in Asset Renewal**
- **Stable Cost Recovery Framework**
- **Transmission Customer and Shareholder Value**
- **Holdco Legal Entity Structure**



AEP Transmission Strategy

AEP Transmission's strategy is to modernize and enhance the reliability, security and efficiency of the transmission network to provide our customers the grid of the future

Diverse 5-year capital investment portfolio of \$16 billion across AEP's broad geographic footprint of 15 states and 4 regional energy markets

Delivering significant customer benefits:

- ✓ **Higher reliability & resilience**
- ✓ **Lower energy costs**
- ✓ **Enabling public policies and customer demand for clean energy**
- ✓ **Economic development**

Disciplined execution:

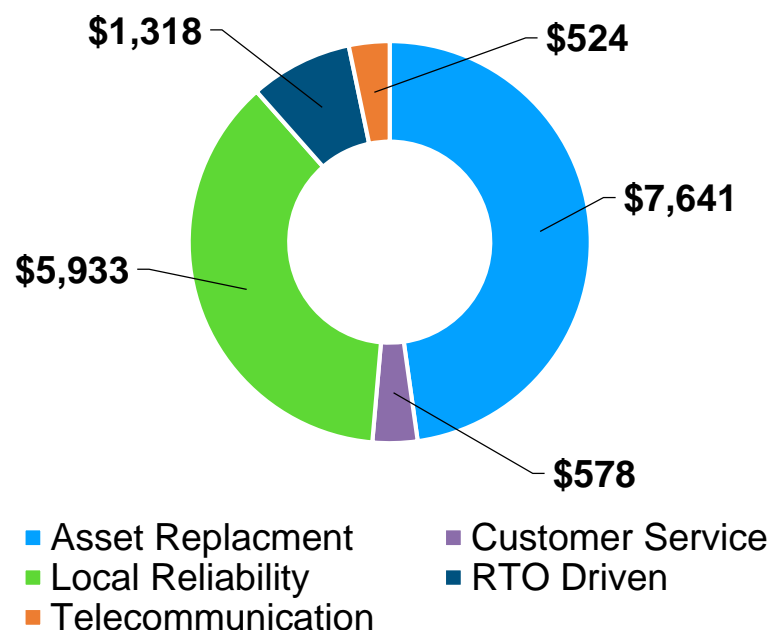
- **Low cost, high value solutions**
- **High speed delivery**
- **Technological innovation**

STABLE COST RECOVERY FRAMEWORK

DELIVER VALUE TO CUSTOMERS & PREDICTABLE EARNINGS GROWTH

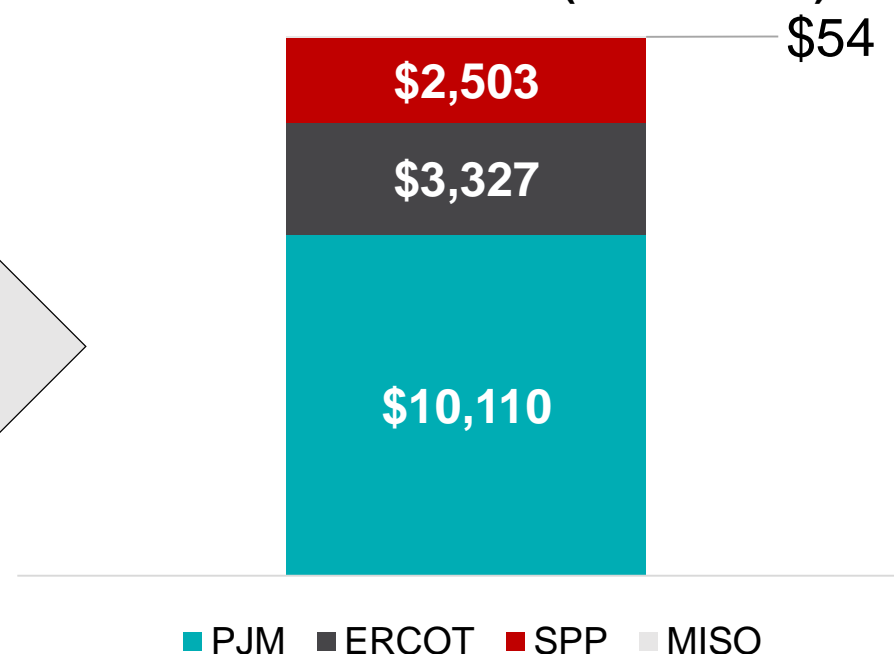
Five-Year Transmission Capital Plan

2021-2025 TRANSMISSION INVESTMENT BY CATEGORY (\$ MILLIONS)



\$16 Billion Investment Diversified In Four RTOs

2021-2025 TRANSMISSION INVESTMENT BY RTO (\$ MILLIONS)



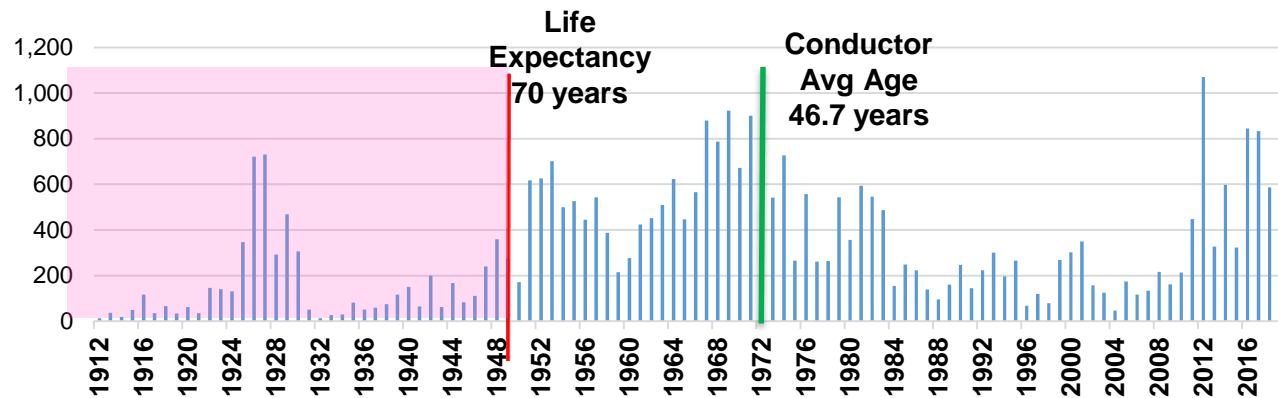
INVESTMENT CATEGORIES

DRIVERS

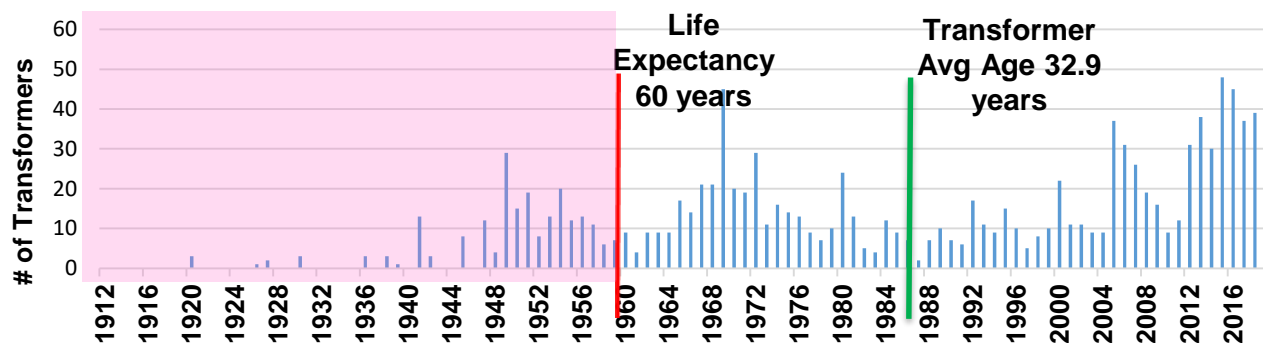
ASSET REPLACEMENT	LOCAL RELIABILITY	RTO DRIVEN	CUSTOMER SERVICE	TELECOM
<ul style="list-style-type: none"> Replacement and rehabilitation investments based on age and performance to reduce customer outages and interruption times 	<ul style="list-style-type: none"> Upgrades based on AEP standards to address thermal and voltage violations, and contingency conditions 	<ul style="list-style-type: none"> Upgrades needed to address RTO standards related to thermal voltage overloads and contingency conditions 	<ul style="list-style-type: none"> Upgrades to connect new customers and enhanced service requests Facilitates local economic development 	<ul style="list-style-type: none"> Upgrades to support equipment monitoring, cyber-security requirements, and efficient grid operations

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

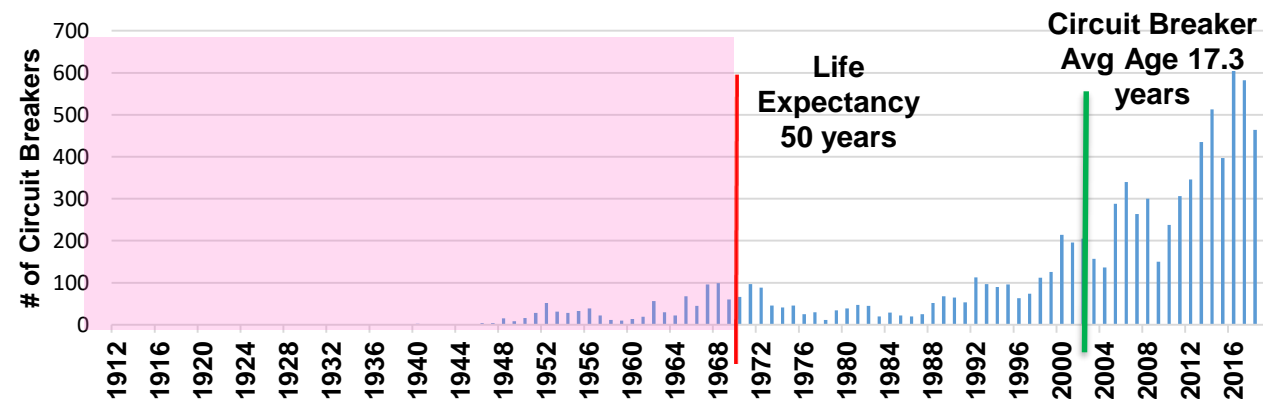
AEP T-Line Age Profile - (Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



AEP Circuit Breaker Age Profile



Beyond Life Expectancy Range

- **\$2.2 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	Line Miles	Transformers	Circuit Breakers
Life Expectancy (Years)	70	60	50
Current Quantity Over Life Expectancy	5,959	209	808
Quantity That Will Exceed Life Expectancy in Next 10 Years	4,732	158	473
Total Replacement Need Over Next 10 Years	10,691	367	1,281
% of AEP System	31%	30%	14%

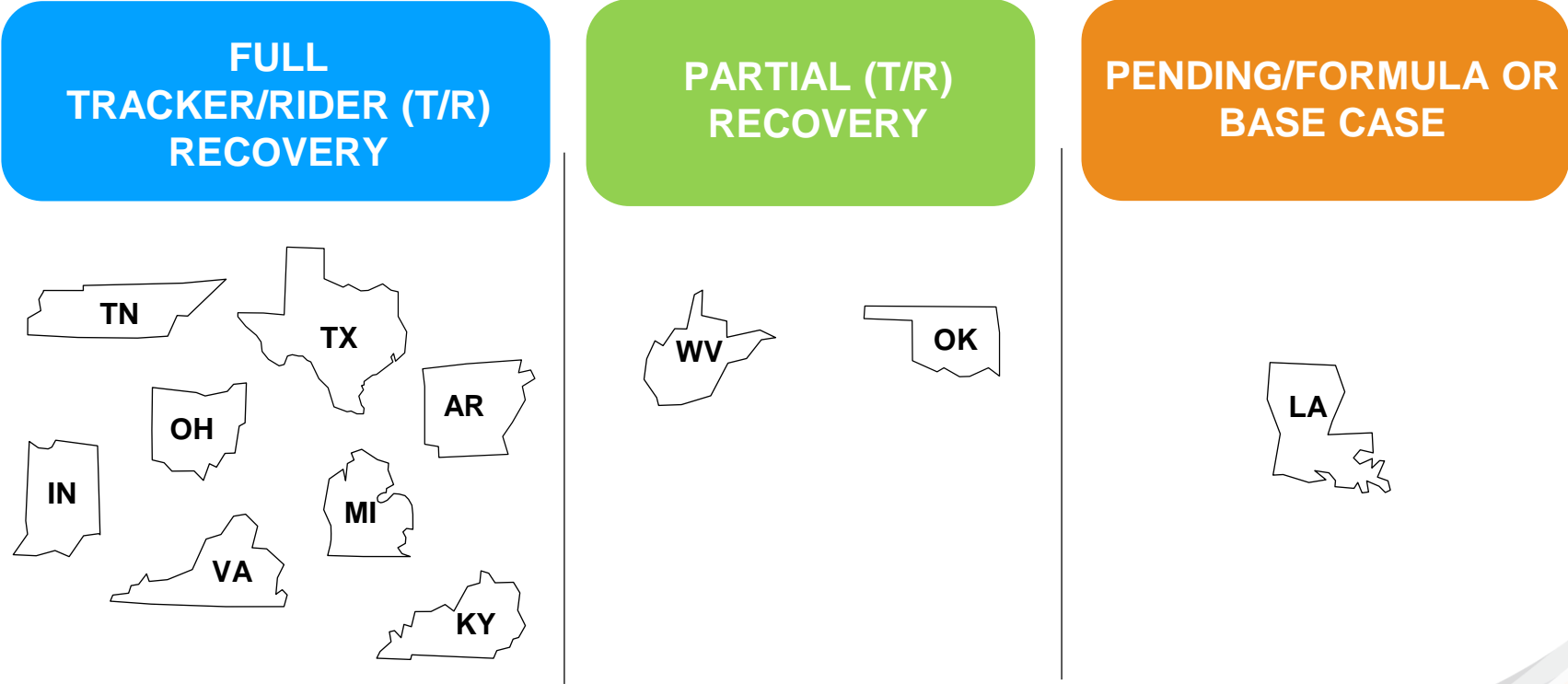
Average Age (years)	Line Miles	Transformers	Circuit Breakers
2016 Year-End	52.5	36.1	22.9
2019 Year-End	46.7	32.9	17.3

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

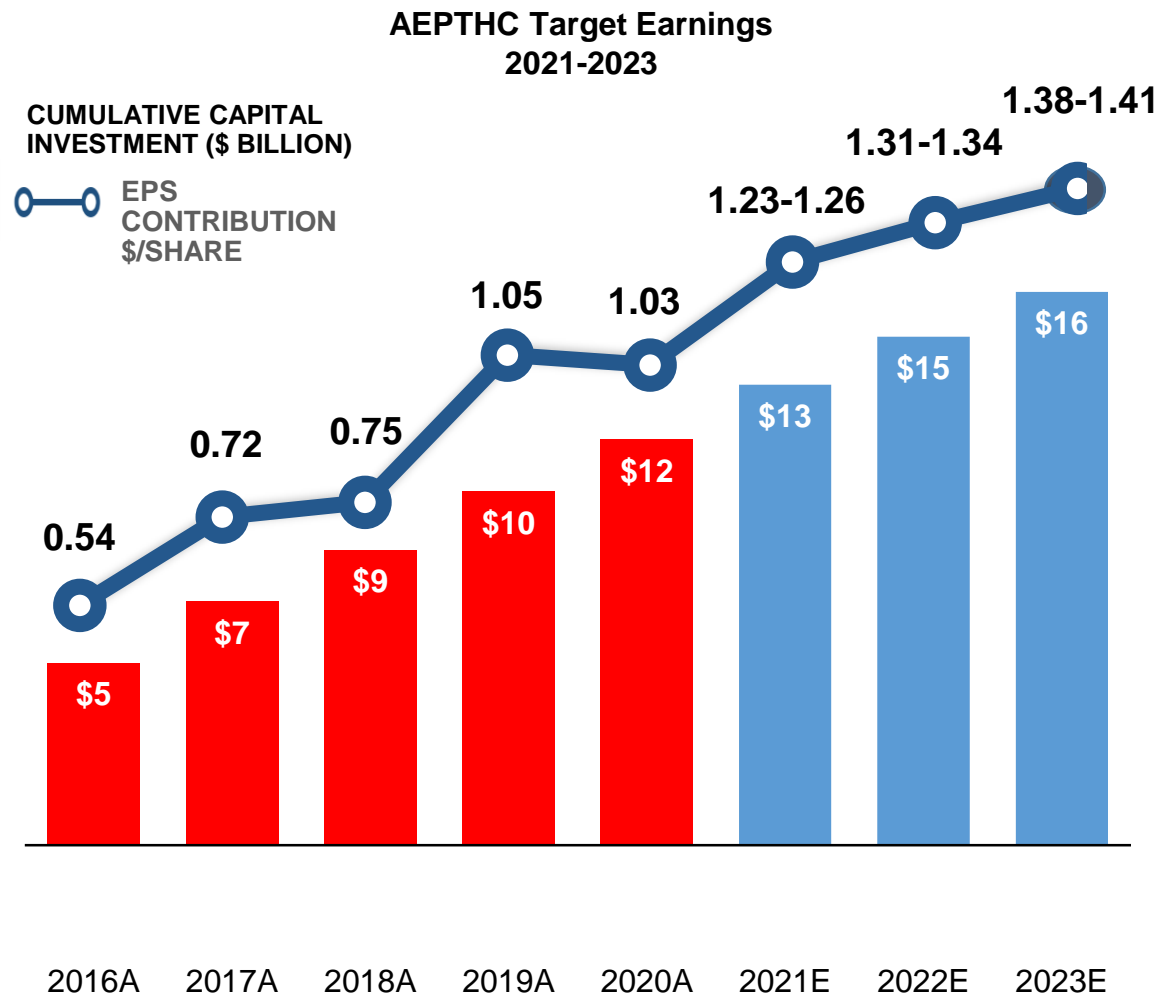
~93% of transmission capital investment is recovered through state tracker/rider mechanisms



Note: Arkansas retail formula not currently being utilized

Delivering Significant Customer and Shareholder Value

Shareholder Benefits



AEPTHC's 2016 – 2023 EPS growth projected at a CAGR of 14.5%

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

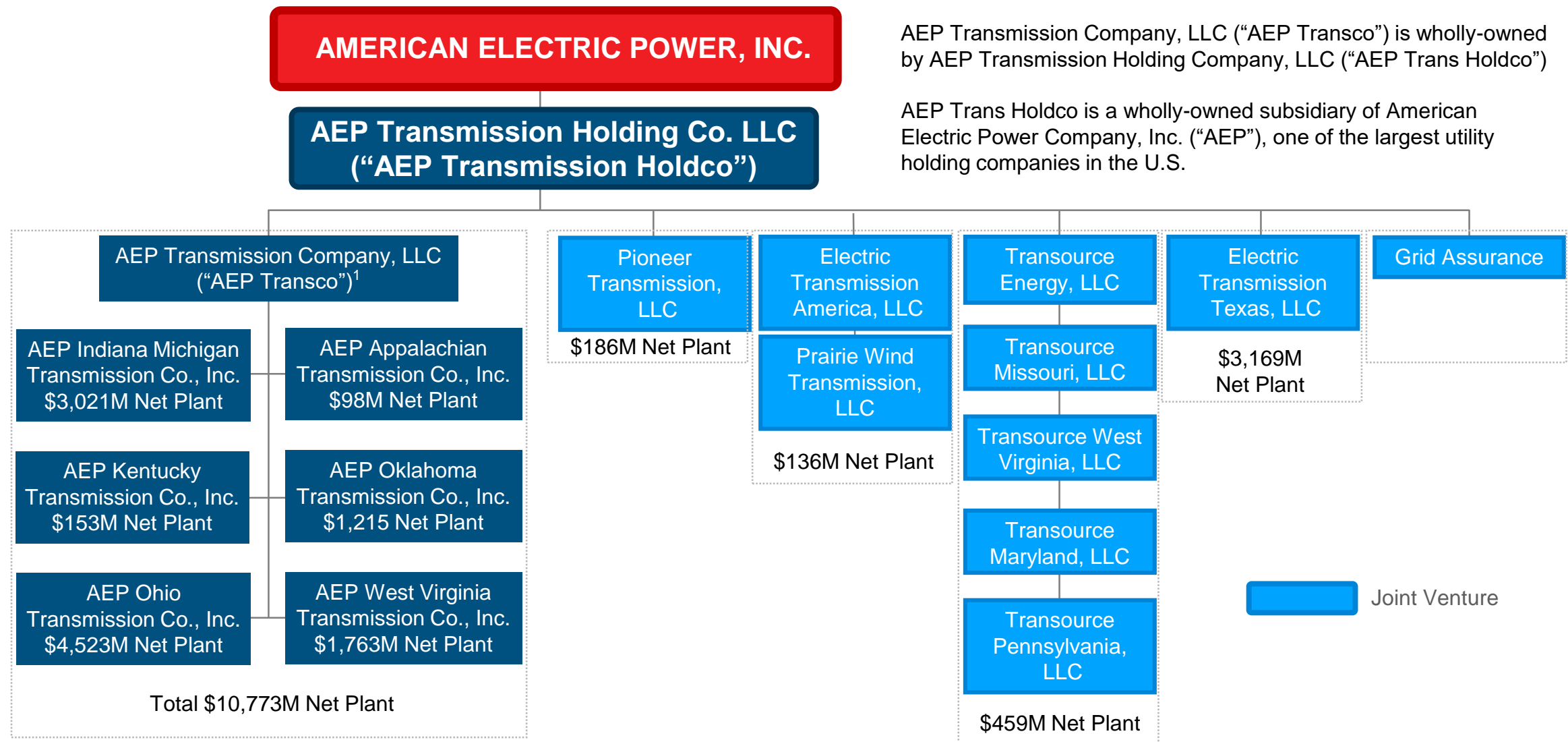
Keeping the economy productive and connected by powering communications networks and electronics with reduced outages and a storm-hardened system

Creating economic benefits

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

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

AEP Transmission Holdco Legal Entity Structure



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

AEP Trans 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 are as of December 31, 2020

¹ Debt issued at AEP Transco level for transmission companies

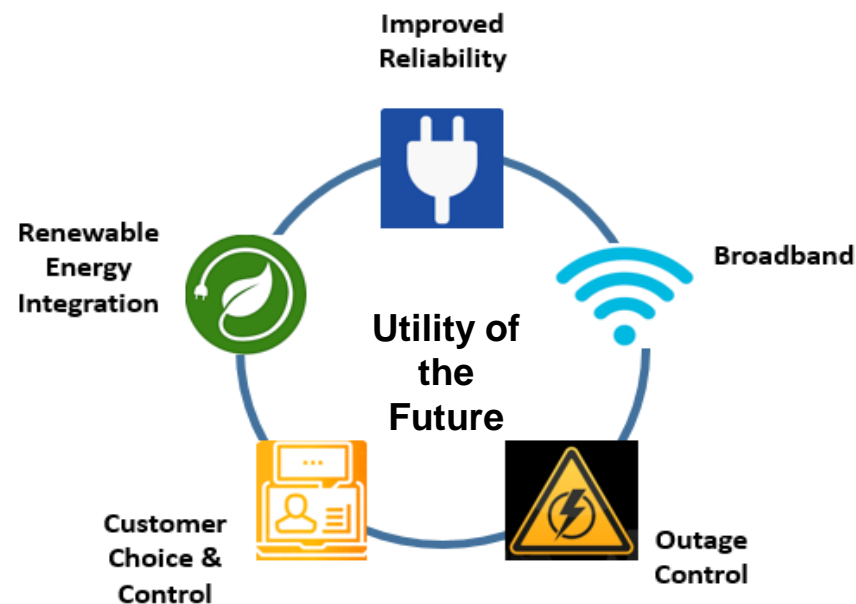
UTILITY TRANSFORMATION

- Expanded Core and Future Investments
- Robust Distribution Capital Expenditure Opportunities



Expanded Core and Future Investments

- INCREASE CORE INVESTMENTS IN SYSTEM RELIABILITY
- FULLY ADVANCE METERING INFRASTRUCTURE (AMI) AND DISTRIBUTION AUTOMATION CIRCUIT RECONFIGURATION (DACR) PENETRATION
- LED STREET LIGHT MODERNIZATION
- PROMOTE AN INTERACTIVE, MODERN AND EFFICIENT GRID
- ADAPT GRID TO INTEGRATE MORE DIVERSE ENERGY SOURCES
- BROADBAND AND BEHIND THE METER TECHNOLOGIES TO ALIGN WITH CHANGING CUSTOMER EXPECTATIONS
- ADVANCE ELECTRIFICATION



Positioning to align future investments with customer preferences

Advancing policies and regulatory mechanisms that support timely recovery and diversification of investments

ASSET RENEWAL



GRID
MODERNIZATION




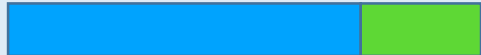





NEW PRODUCT
LINES



DISTRIBUTION
INVESTMENT
OPPORTUNITY

Robust Distribution Capital Expenditure Opportunities

Capital Investments in Distribution Modernization are expected to be \$8 to \$10 billion over the next five years

Distribution Base Investment	 Incremental \$463 million	\$4,207M	Distribution investments for new service, capacity additions, base material and storms
Distribution Grid Resiliency	 Incremental \$604 million	\$3,429M	Asset renewal and reliability investments including pole, conductor, cutout, and station transformer and breaker replacements
Distribution Automation and Technology	 Incremental \$146 million	\$1,124M	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
Advance Metering Infrastructure	 Incremental \$259 million	\$503M	Advanced metering technology for the remaining AEP customers
Distribution – Distributed Energy Resources	 Incremental \$53 million	\$63M	AEP owned energy storage and micro-grid projects connected at distribution voltages
Rural Broadband	 Incremental \$260 million	\$571M	Investment in fiber assets to provide middle mile broadband to rural communities and for company use
Green Technology	 Incremental \$231 million	\$297M	Investments in LED outdoor and streetlights and electric vehicle charging infrastructure, ownership of charging stations if allowed

AEP is committed to making significant grid modernization investments that create win-win solutions for both our customers and our communities

Key:  In budget  Incremental Opportunities

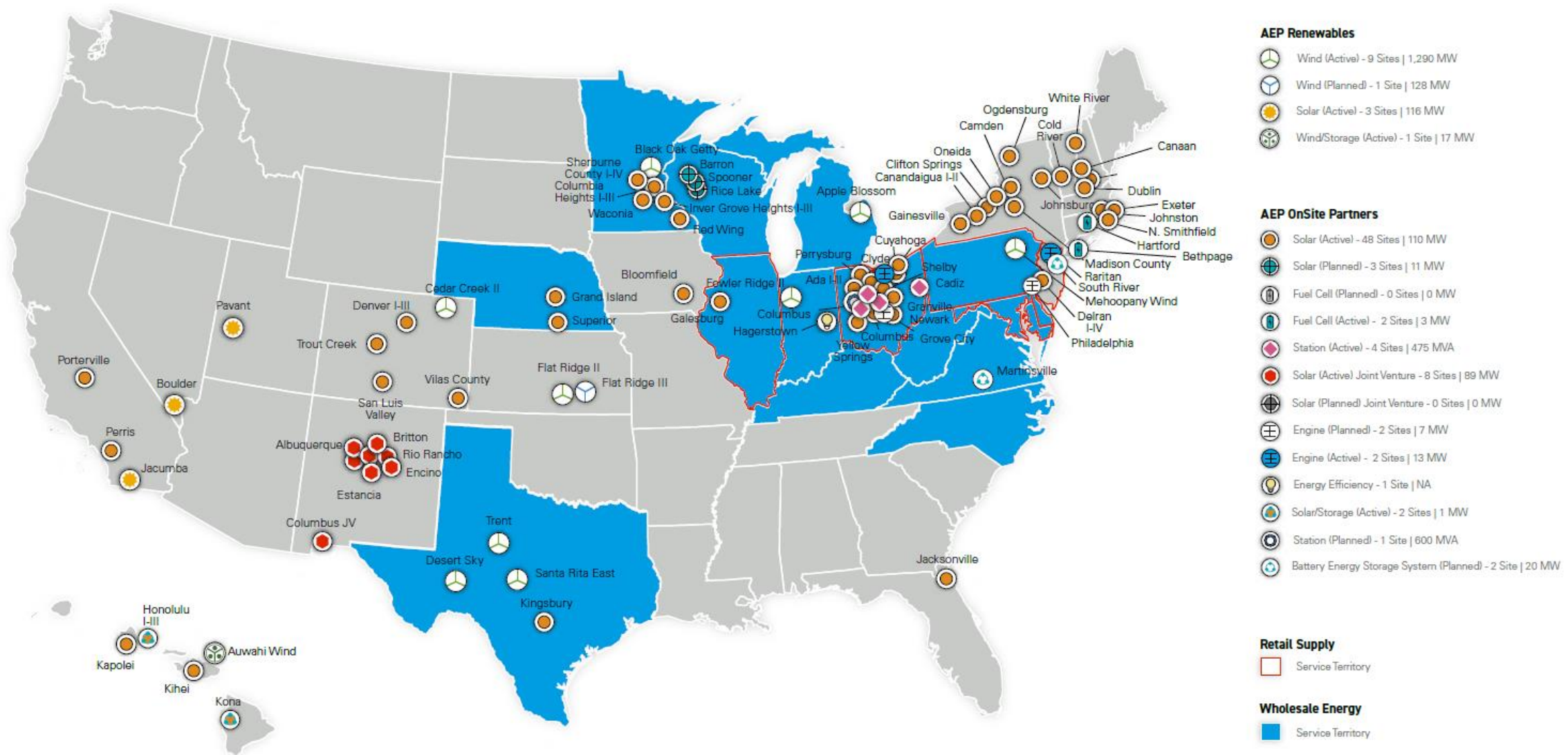
COMPETITIVE BUSINESS

- **Competitive Business Presence**
- **Development Pipeline and Repower Initiatives**



Competitive Business Presence

Active in 31 States (7 states overlap with AEP Utilities)



As of December 31, 2020

Development Pipeline and Repower Initiatives

DEVELOPMENT PIPELINE

Progress continues in our development portfolio across three geographically dispersed areas.

The 128 MW Flat Ridge 3 wind project in Kansas is under construction and expected to be placed in-service in the second quarter of 2021 using all of our PTC Safe Harbor equipment (qualifying the plant for 100% PTCs). The project has a long-term power agreement with Evergy for the entire energy output.

The other mid- to late-stage opportunities in our development portfolio possess solid project and market fundamentals, and continue to attract strong interest from utilities, municipalities, cooperatives and corporates.

REPOWER INITIATIVE

Similar to Trent and Desert Sky Wind Farms, we are evaluating our other existing projects for repower.

Review includes Fowler Ridge 2, Cedar Creek 2, Flat Ridge 2 and Mehoopany.

If the repowers were to take place, it would most likely be at 60% PTC level.

