



BOUNDLESS ENERGY™

North Central Wind Energy Facilities

**SWEPCO & PSO
Regulated Wind Investment Opportunity**

July 15, 2019

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



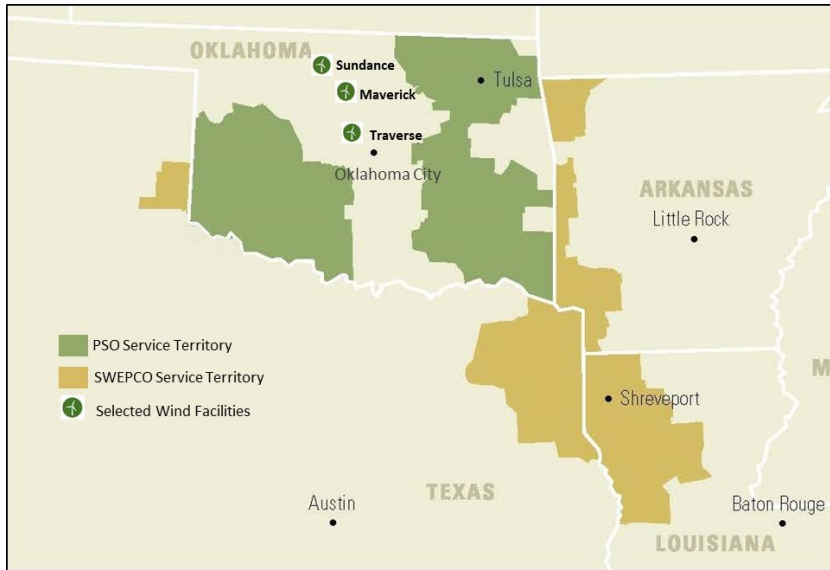
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North Central Wind Energy Facilities Transaction Overview



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

| Jurisdiction | MW | % of Project |
|---------------|--------------|--------------|
| PSO | 675 | 45.5% |
| SWEPCO - AR | 155 | 10.4% |
| SWEPCO - LA | 268 | 18.1% |
| SWEPCO - TX | 309 | 20.8% |
| SWEPCO - FERC | 78 | 5.2% |
| Total: | 1,485 | 100% |

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

Customer Benefits



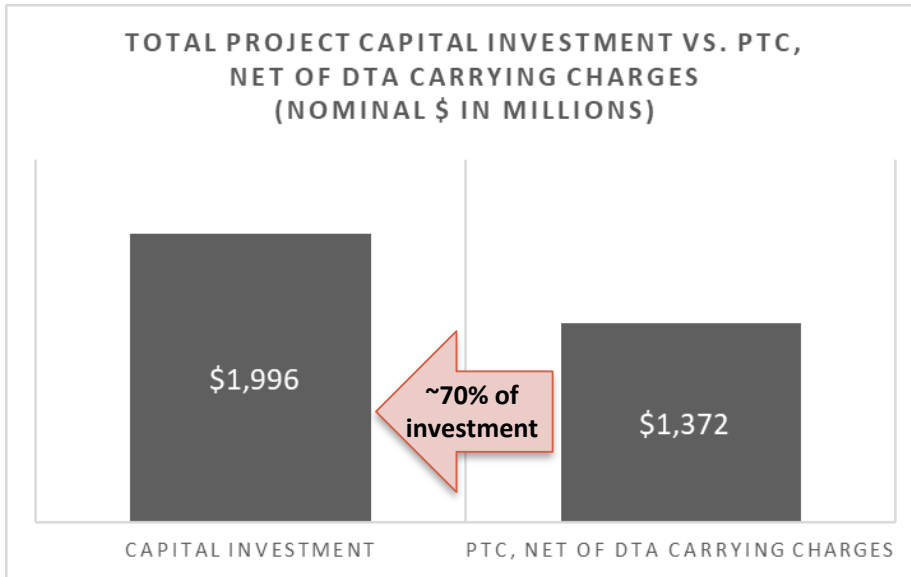
Shareholder Benefits

- Low-cost, clean, renewable long-term energy resource
 - Reduces overall customer rates starting in year 1
 - Takes advantage of expiring federal PTC, which alone offsets nearly 70% of the capital investment
 - Insulates customers from fuel price volatility for 30-year period
 - Adds fuel diversity to generation mix with efficient high capacity factor wind resource (44%)
 - Future asset optionality provides value to customers through repowering, storage coupling opportunities, etc.
 - Significant local, state & regional economic benefits due to investment
- ~\$2 billion of rate base investment diversified over 5 jurisdictions
 - Receives regulated return on equity
 - Near-term earnings contribution beginning in 2021 and 2022 (total company earnings will be impacted by equity needs and capital allocation)
 - Earnings accretive and credit supportive on an immediate basis
 - Provides customer headroom to allow for future investment
 - Grows rate base
 - Grows PSO rate base by 32%
 - Grows SWEPCO rate base by 21%
 - Meaningful contribution to clean energy and carbon reduction goals

Transaction Represents A Unique Win-Win Opportunity For Both Customers And Shareholders

Key Highlights of Regulatory Filings

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



Project Scalability

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

Power & Gas Price Sensitivities

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

Customer Guarantees Offered

1. **Capital Cost Cap Guarantee** – Cost cap for 100% of aggregated filed capital cost of the wind facilities
 - No exceptions, including for Force Majeure
2. **Production Tax Credit Eligibility Guarantee** – Facilities will be eligible for the federal PTC (Sundance - 100% value, Maverick and Traverse – 80% value)
 - Exclusion for changes in law that impact the federal PTC
3. **Minimum Production Guarantee** – Guarantees a minimum production level (P95), in aggregate from the wind facilities over each 5-year period for first 10-years of operation
 - Exclusion for force majeure and curtailment in SPP

Timeline



| Date | Key Event |
|-------------------------|--------------------------------------------------------------------------------------------------------|
| July 15, 2019 | Filed state regulatory applications in AR, LA, OK & TX seeking approval of the wind facility purchases |
| Q3 2019 | FERC Section 203 transaction approval application |
| Q3 2019 – July 14, 2020 | Regulatory activity |
| December 15, 2020 | Required in-service and purchase date for Sundance wind facility |
| December 15, 2021 | Required in-service and purchase date for Traverse & Maverick wind facilities |