

AEP REACHES AGREEMENT TO SELL KENTUCKY OPERATIONS

October 26, 2021

**AMERICAN
ELECTRIC
POWER®**

BOUNDLESS ENERGY™

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Transaction Overview

Transaction Description	<ul style="list-style-type: none"> ▪ Sale of 100% of stock of Kentucky Power Company and AEP Kentucky Transco ▪ Buyer: Liberty Utilities Co., a wholly owned subsidiary of Algonquin Power & Utilities Corp.
Kentucky Operations	<ul style="list-style-type: none"> ▪ Approximately 165,000 customers ▪ Approximately 10,000 distribution and 1,200 transmission miles ▪ 1,075 MW of owned generation <ul style="list-style-type: none"> ▪ Big Sandy Unit 1: 295 MW natural gas fired plant ▪ Mitchell: 780 MW coal fired plant (a 50% undivided interest in the 1,560 MW plant)
Transaction Value	<ul style="list-style-type: none"> ▪ \$2.846 billion enterprise value including estimated debt at closing to be approximately \$1.3 billion (subject to true up), leading to an equity value of \$1.5 billion ▪ AEP expects the sale to have an immaterial, one-time impact to after-tax book earnings ▪ Sale is \$0.01-\$0.02 accretive in 2022 to ongoing earnings ▪ \$1.45 billion approximate cash proceeds after tax and transaction costs utilized to eliminate 2022 forecasted equity needs of \$1.4 billion
Transaction Timing	<ul style="list-style-type: none"> ▪ Expected to close in the second quarter of 2022 ▪ Regulatory approvals include FERC (180 days), Kentucky PSC (120 days), federal clearance pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976 (30-60 days) and clearance from the Committee on Foreign Investment in the United States (90-120 days)

Strengthens AEP's ability to advance our clean energy transformation