BARCLAYS KOHLER MID-WEST UTILITIES CONFERENCE
AUGUST 16, 2017

“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: the economic climate, growth or contraction within and changes in market demand and demographic patterns in our service territory, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinance existing debt at attractive rates, 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, electric load, customer growth and the impact of competition including competition for retail customers, weather conditions, including storms and drought conditions, and our ability to recover significant storm restoration costs, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generation capacity and the performance of our generation plants, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build transmission lines and facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including 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 our generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel, a reduction in the federal statutory tax rate could result in an accelerated return of deferred federal income taxes to customers, 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, our ability to constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity and other energy-related commodities, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, our ability to recover through rates or market prices 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 capacity and electricity, coal, and other energy-related commodities, particularly changes in the price of natural gas and capacity auction returns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, the market for generation in Ohio and PJM and the ability to recover investment in Ohio generation assets, our ability to successfully and profitably manage our competitive generation assets including the evaluation and execution of strategic alternatives for these assets as some of the alternatives could result in a loss, changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of our debt, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting pronouncements periodically issued by accounting standard-setting bodies and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

INVESTOR RELATIONS:

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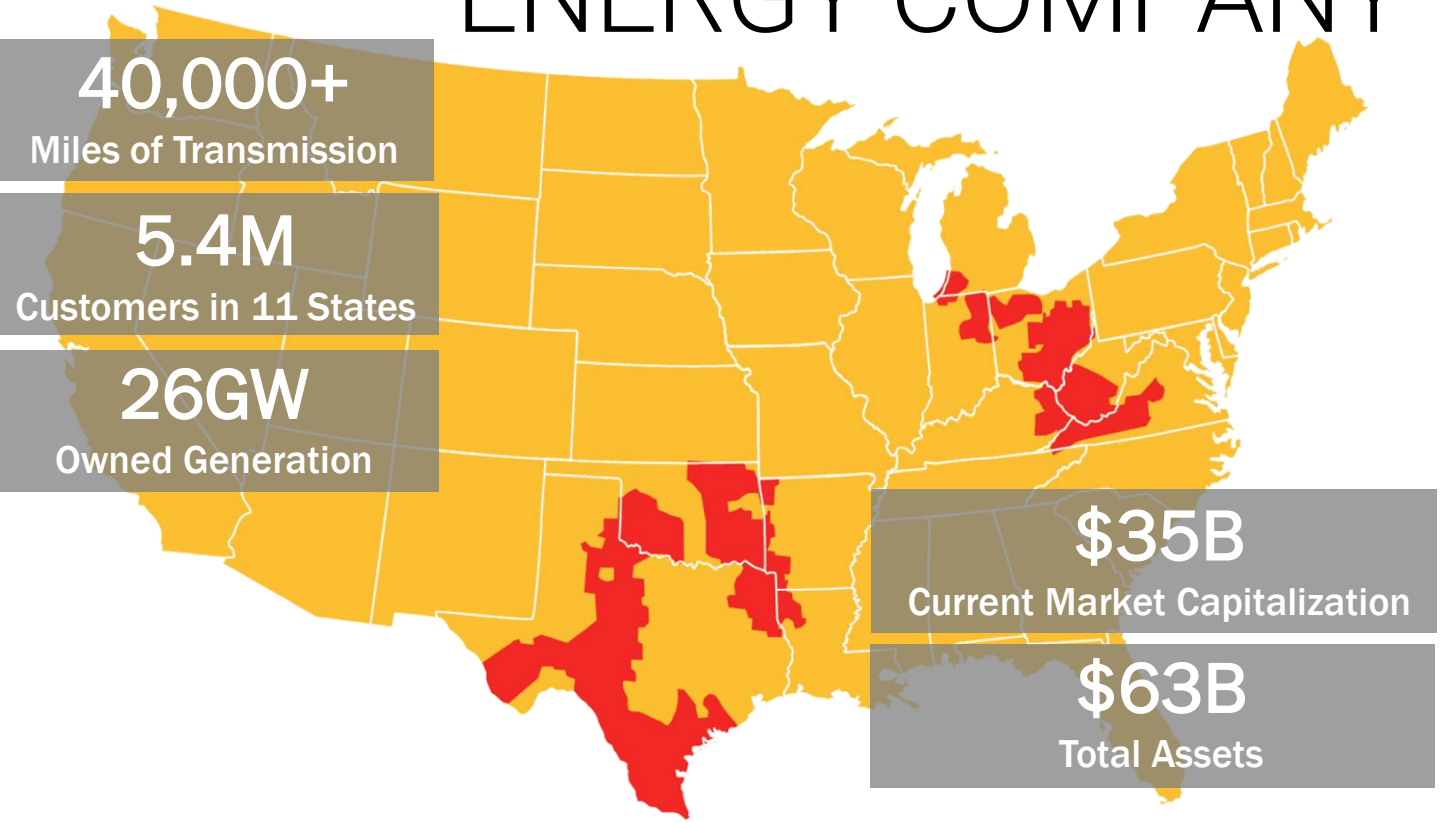
THE PREMIER REGULATED ENERGY COMPANY



40,000+
Miles of Transmission

5.4M
Customers in 11 States

26GW
Owned Generation

$35B
Current Market Capitalization

$63B
Total Assets

Note: Statistics as of June 30, 2017, except market capitalization which is as of August 5, 2017

DOING **WHAT WE SAID**

Completed strategic review of competitive assets

Reinvesting proceeds wisely

Growing regulated businesses

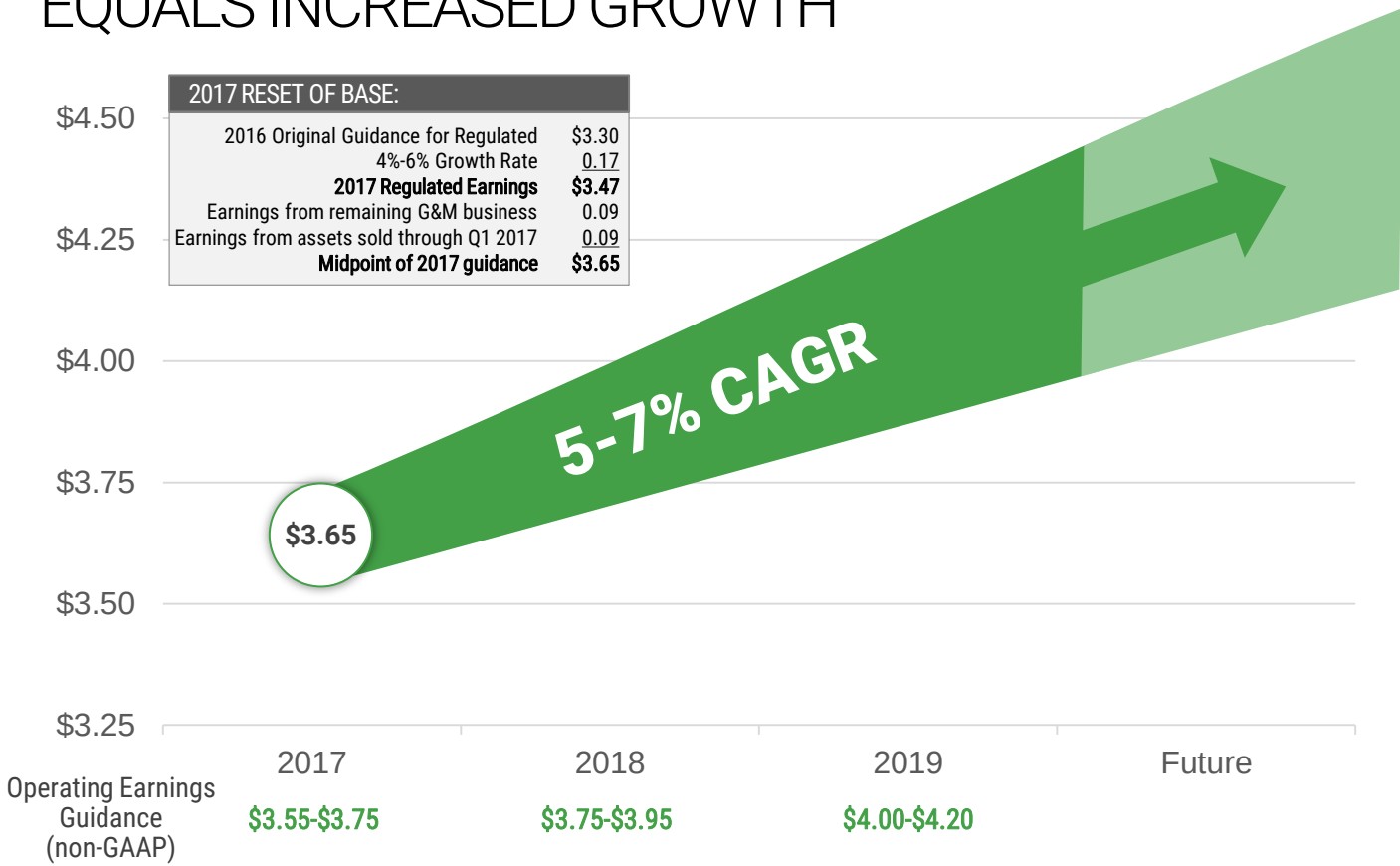
AEP **GOING FORWARD**

Well positioned as a regulated business

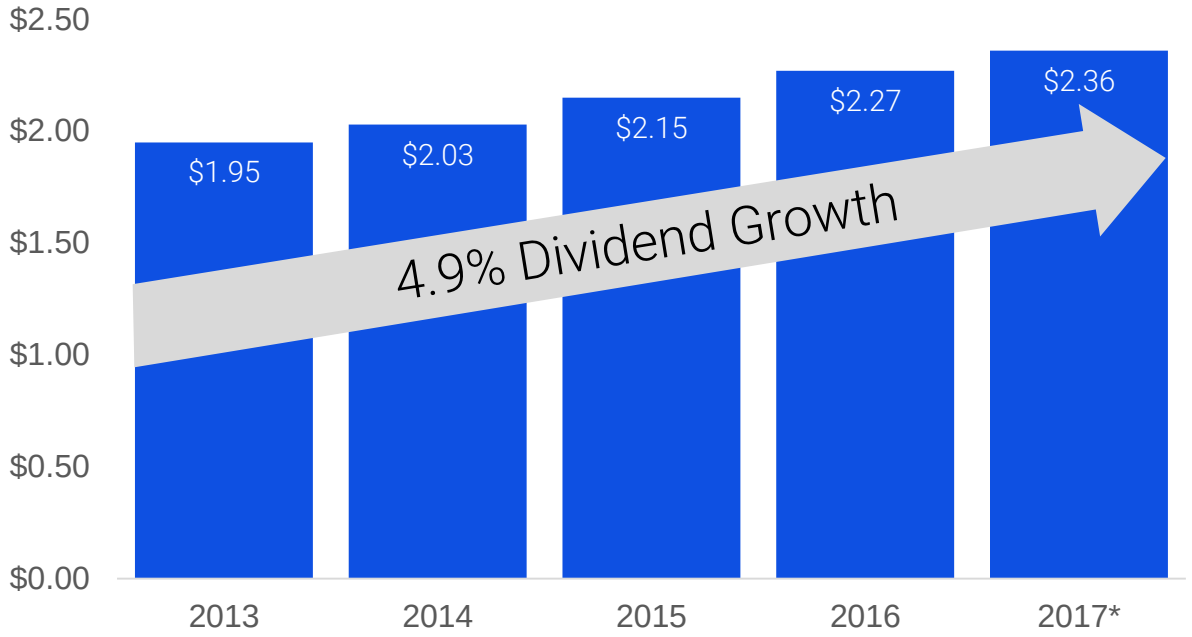
Earnings growth rate 5-7%

Growing dividend consistent with earnings

ORGANIC INVESTMENT OPPORTUNITY
EQUALS INCREASED GROWTH



STRONG, CONSISTENT
DIVIDEND GROWTH

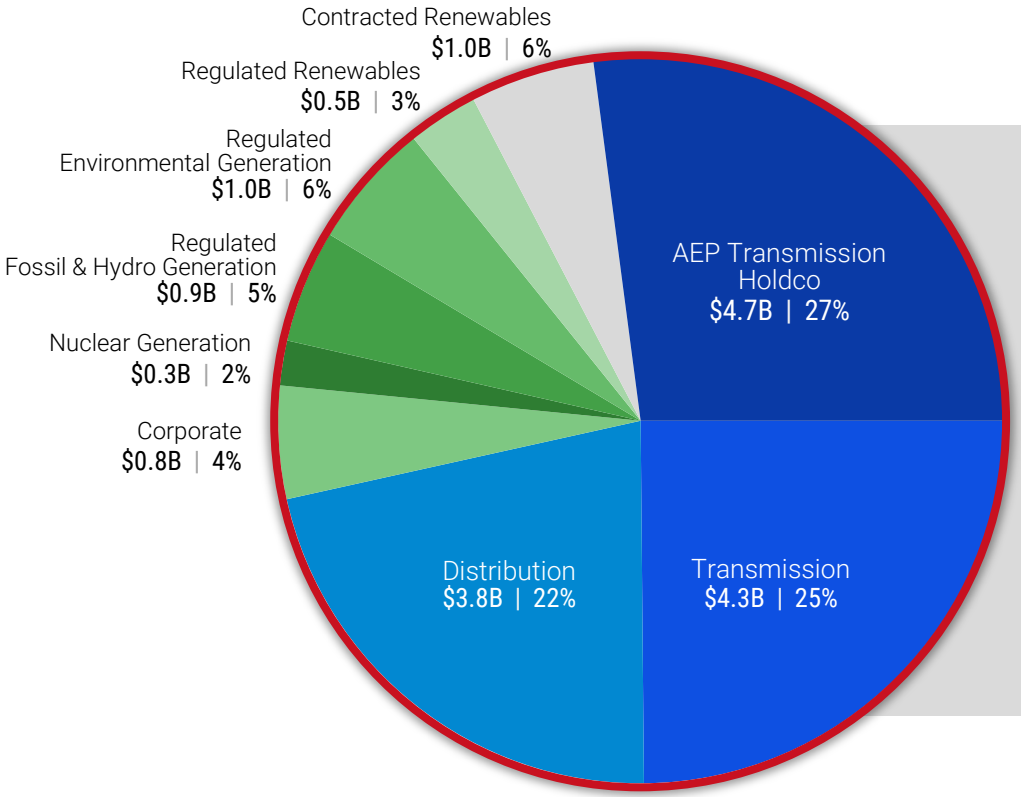


EPS Growth + Dividend Yield =
9% to 11% Annual Return Opportunity

* Subject to Board approval

CAPITAL FORECAST

$17.3B Cap-ex from 2017-2019



100%

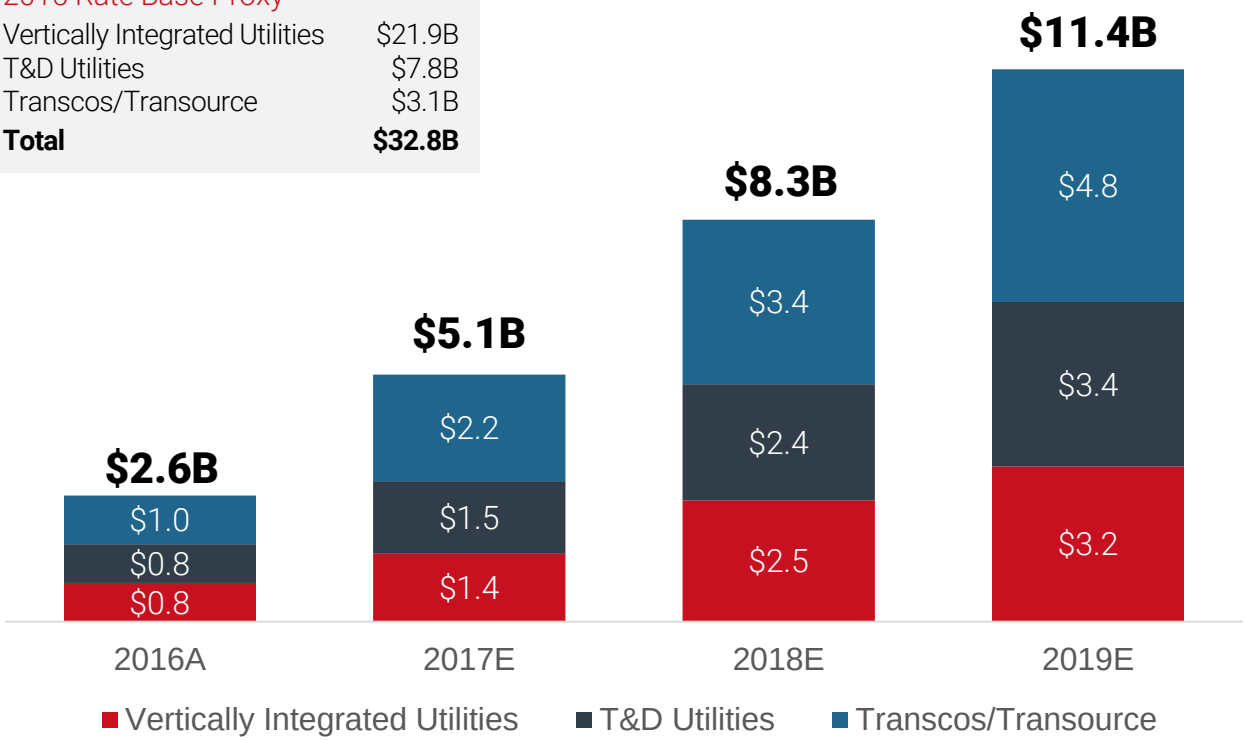
of capital allocated to regulated businesses and contracted renewables

74%

allocated to wires

7.7% CAGR IN RATE BASE
CUMULATIVE CHANGE FROM 2015 BASE

2015 Rate Base Proxy	
Vertically Integrated Utilities	$21.9B
T&D Utilities	$7.8B
Transcos/Transource	$3.1B
Total	**$32.8B**



REGULATED RETURNS

12 MONTHS ENDED 6/30/2017 EARNED ROE (NON-GAAP OPERATING EARNINGS)

*AEP Ohio adjusted for SEET items. Base rate cases pending at other operating companies.

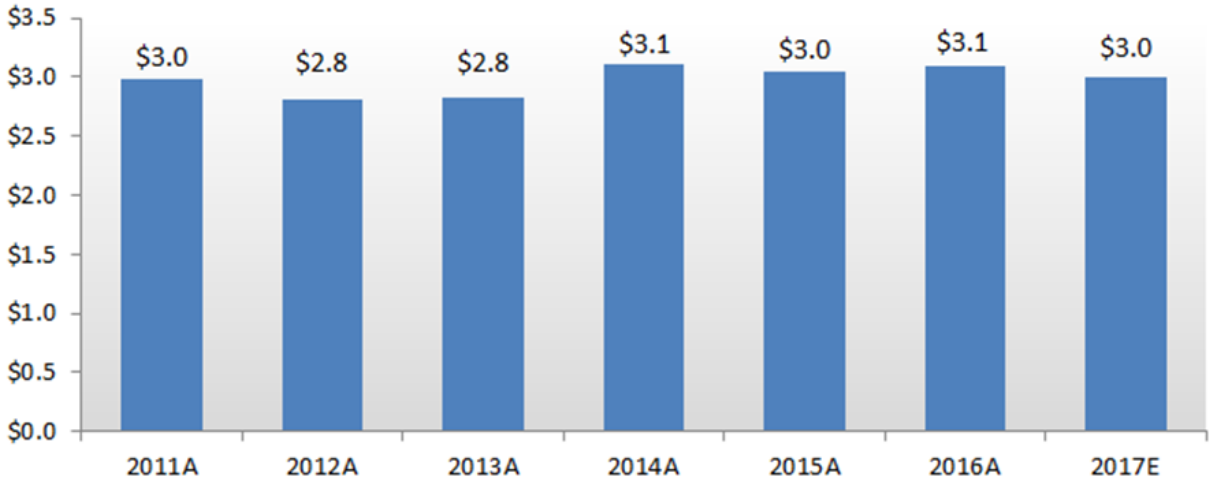
Sphere size based on each company's relative equity balance

Regulated Totals	
2014-2016 Avg:	9.8%
2017 Forecast:	9.9%
2017-2019 Avg:	10.0%

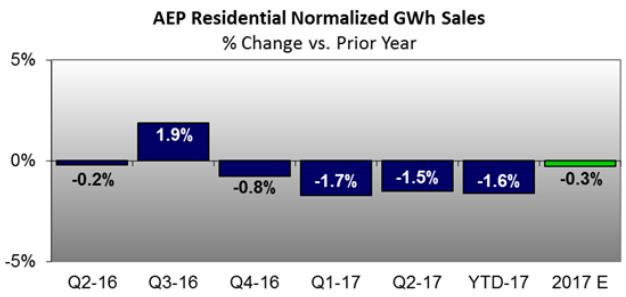
CONTINUOUS IMPROVEMENT
ENABLES O&M DISCIPLINE

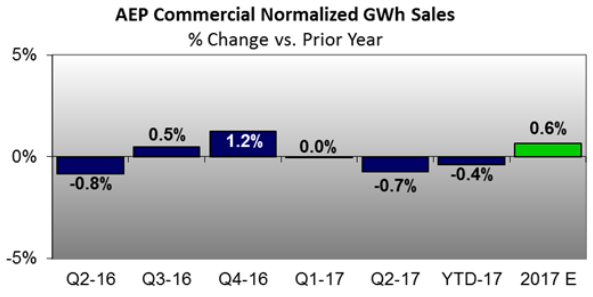
Proven Track Record of O&M Discipline

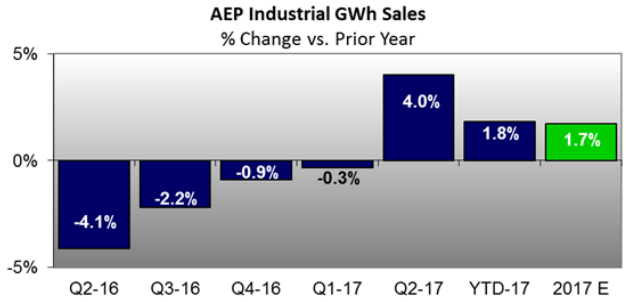
(Amounts exclude River Operations and items recovered in riders/trackers)
$ in billions

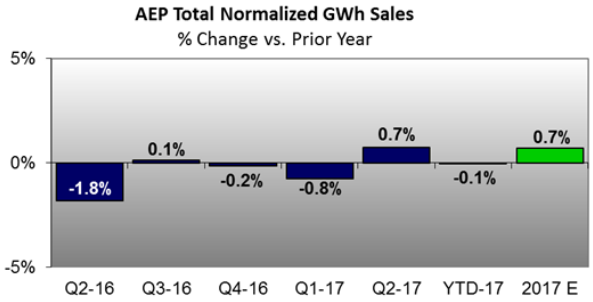


WEATHER NORMALIZED LOAD TRENDS









Note: Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale and Buckeye Power backup load.

PENDING RATE CASE
I&M - INDIANA

Base rate case filed July 26, 2017

- Cause #: 44967
- Requested rate base: $4.185B
- Requested ROE: 10.6%
- Cap Structure: 53.5%D / 46.5%E
- Base Rate Increase: $263M, ($89M increased D&A)
- Test Year: December 31 2018 forecasted test year
- Effective Date: Requested by July 1, 2018

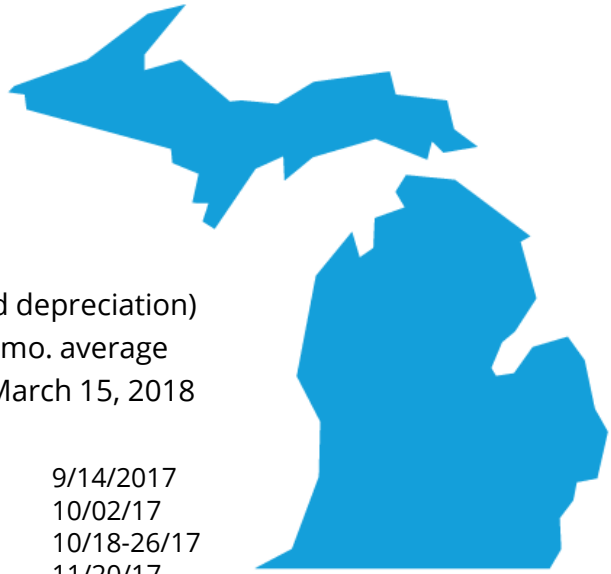
- Timeline: Procedural schedule is pending

PENDING RATE CASE
I&M - MICHIGAN

Base rate case filed May 15, 2017

- Docket #: U-18370
- Requested rate base: $1.015B
- Requested ROE: 10.6%
- Cap Structure: 53.6%D / 46.4%E
- Base Rate Increase: $51.7M, ($23M increased depreciation)
- Test Year: 2018 Fully Projected, 13-mo. average
- Effective Date: 10 months after filing - March 15, 2018
- Procedural Schedule:

Staff/Intervenor Filing	9/14/2017
Rebuttal Testimony	10/02/17
Hearing	10/18-26/17
Initial Briefs	11/20/17
Reply Briefs	12/07/17
Proposal for Decision (PFD)	01/12/18



PENDING RATE CASE
KYP-KENTUCKY

Base rate case filed June 28, 2017

- Docket #: 2017-00179
- Requested rate base: $1.195B
- Requested ROE: 10.0%
- Cap Structure: 54.45%D/3.87%A/41.68%E
- Base Rate Increase: $63.3M
- Test Year: 2/28/17 plus adjustments
- Effective Date: January 18, 2018
- Procedural Schedule:

Staff/Intervenor Filing	10/03/17
KY Rebuttal Testimony	11/03/17
Hearing	12/06/17

PENDING RATE CASE
PSO - OKLAHOMA

Base rate case filed June 30, 2017

- Docket #: PUD 201700151
- Requested rate base: $2.527B
- Requested ROE: 10.0%
- Cap Structure: 51.5%D / 48.5%E
- Base Rate Increase: $156M
- Test Year: December 31, 2016
- Effective Date: interim rates January 13, 2018
- Procedural Schedule:

Intervenor Testimony	9/21/17
Rebuttal Testimony	10/11/17
Hearings	10/30/17
ALJ report	12/04/17

PENDING RATE CASE
SWEPCO - TEXAS

Base rate case filed December 16, 2016

- Docket #: 46449
- Requested rate base: $1.238B
- Requested ROE: 10.0%
- Cap Structure: 51.5%D/48.5%E
- Base Rate Increase: $69M net ($106M less $37M TCRF/DCRF decrease)
- Test Year: June 30, 2016

- Status Waiting on order

SOLID CREDIT METRICS

AEP Consolidated Cash Flows and Financial Metrics

$ in millions	2016A	2017E	2018E	2019E
Cash from Operations	4,500	4,400	4,800	5,000
Capital & JV Equity Contributions	(4,900)	(5,700)	(6,000)	(5,600)
Other Investing Activities *	(100)	1,800	(200)	(200)
Common Dividends **	(1,100)	(1,200)	(1,200)	(1,200)
Excess (Required) Capital	(1,600)	(700)	(2,600)	(2,000)
Financing ($ in millions)				
Excess (Required) Capital	(1,600)	(700)	(2,600)	(2,000)
Debt Maturities (Senior Notes, PCRBs)	(1,500)	(2,600)	(1,400)	(1,900)
Securitization Amortizations	(300)	(300)	(300)	(300)
Equity Issuances (DRP/401K)	30	-	-	-
Debt Capital Market Needs (New)	(3,370)	(3,600)	(4,300)	(4,200)
Financial Metrics				
Debt to Capitalization Target		55-60%		
FFO/Total Debt ***		Mid to Upper Teens		

* Other Investing in 2017 reflects the cash proceeds from sale of assets

** Dividend increased to $0.59 per share Q4 2016 for total dividends of $2.27/share; $2.36/share 2017 - 2019. Dividend evaluated by Board of Directors each quarter; stated target payout ratio range is 60 - 70%

*** Excludes securitization debt

AEP CREDIT RATINGS

	Moody's		S&P	
Company	Senior Unsecured	Outlook	Senior Unsecured	Outlook
American Electric Power Company, Inc.	Baa1	P	BBB+	S
AEP, Inc. Short Term Rating	P2	S	A2	S
AEP Texas	Baa1	S	A-	S
Appalachian Power Company	Baa1	S	A-	S
Indiana Michigan Power Company	Baa1	P	A-	S
Kentucky Power Company	Baa2	S	A-	S
Ohio Power Company	A2	S	A-	S
Public Service Company of Oklahoma	A3	S	A-	S
Southwestern Electric Power Company	Baa2	S	A-	S
AEP Transmission Company, LLC*	A2	S	A-	S
Transource Energy LLC	A2	S	-	-

*AEP Transmission Company, LLC has also received a Senior Unsecured rating of A- from Fitch Ratings, with an outlook of Stable.

Credit ratings updated June 6, 2017.

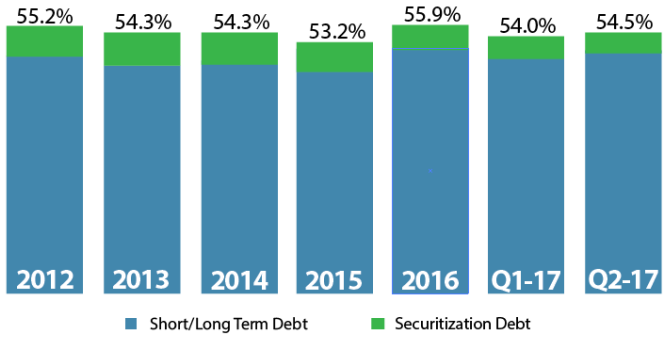
CAPITAL FORECAST
2017-2019 BY SUBSIDIARY

$ in millions (excluding AFUDC)	2017E	2018E	2019E	Total
Appalachian Power Company	$780	$1,130	$693	$2,603
Wheeling Power Company	$44	$63	$68	$175
Indiana Michigan Power Company	$604	$508	$502	$1,614
Kentucky Power Company	$96	$130	$162	$388
AEP Ohio	$515	$503	$481	$1,499
Public Service Company of Oklahoma	$250	$294	$289	$833
Southwestern Electric Power Company	$374	$400	$349	$1,123
AEP Texas	$1,099	$976	$1,030	$3,105
AEP Generating Company	$79	$72	$97	$248
AEP Transmission Holdco	$1,501	$1,573	$1,618	$4,692
AEP Onsite & AEP Renewables	$303	$317	$342	$962
Other	$21	$37	$28	$86
Total Capital and Equity Contributions	$5,666	$6,003	$5,659	$17,328

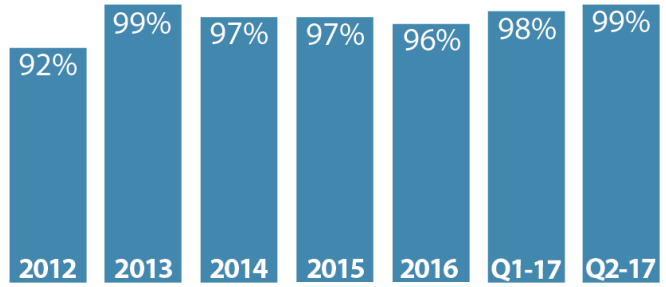
Capital plans are continuously optimized, which may result in redeployment between functions and companies.

CAPITALIZATION & LIQUIDITY

Total Debt / Total Capitalization



Qualified Pension Funding



Credit Statistics

	Actual	Target
FFO to Total Debt	18.1%	15%-20%

Represents the trailing 12 months as of 6/30/2017
See Appendix for reconciliation to GAAP

Liquidity Summary

(unaudited)	6/30/2017 Actual	
($ in millions)	Amount	Maturity
Revolving Credit Facility	$3,000	Jun-21
Plus		
Cash & Cash Equivalents	$172	
Less		
Commercial Paper Outstanding	(1,324)	
Letters of Credit Issued	-	
Net Available Liquidity	**$1,848**	

Strong balance sheet, credit metrics, and liquidity

DEBT MATURITY PROFILE

($ in millions)

Year	2017	2018	2019	2020	2021	2022
AEP, Inc.	$550.0	$0.0	$0.0	$0.0	$0.0	$300.0
AEP Generating Company	$0.0	$125.0	$45.0	$0.0	$0.0	$104.0
AEP Texas*	$40.9	$30.0	$250.0	$50.6	$0.0	$25.0
AEP Transmission Company	$0.0	$50.0	$85.0	$0.0	$50.0	$0.0
Appalachian Power*	$0.0	$100.0	$281.0	$65.4	$367.5	$0.0
Indiana Michigan Power	$2.6	$300.0	$554.4	$57.8	$163.0	$0.0
Kentucky Power	$325.0	$75.0	$0.0	$65.0	$40.0	$0.0
Ohio Power*	$0.0	$350.0	$0.0	$0.0	$500.0	$0.0
Public Service of Oklahoma	$0.0	$0.0	$375.0	$12.7	$250.0	$275.0
Southwestern Electric Power	$0.0	$381.7	$453.5	$115.0	$0.0	$113.0
Wheeling Power Company	$0.0	$65.0	$0.0	$0.0	$0.0	$0.0
Total	$918	$1,477	$2,044	$366	$1,371	$817

* Excludes securitization bonds

Includes mandatory tenders (put bonds)

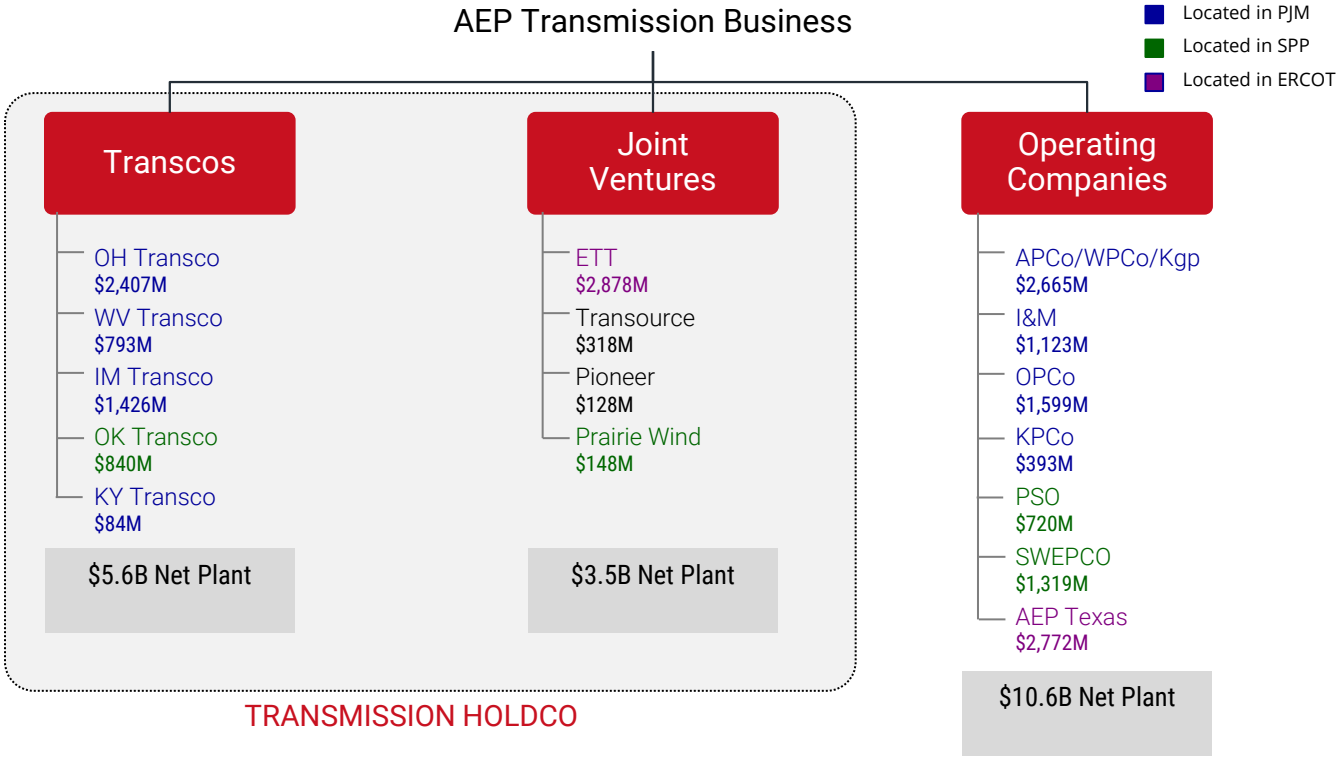
Data as of June 30, 2017

$3 BILLION ANNUAL
TRANSMISSION INVESTMENT

- Improving reliability by replacing aging infrastructure
- Enhancing resiliency to combat extreme weather and increasing physical security
- Integrating renewables and supporting environmental mandates
- Relieving congestion to support an efficient generation market and provide customers with lower power prices
- Supporting economic development

AEP TRANSMISSION MANAGES

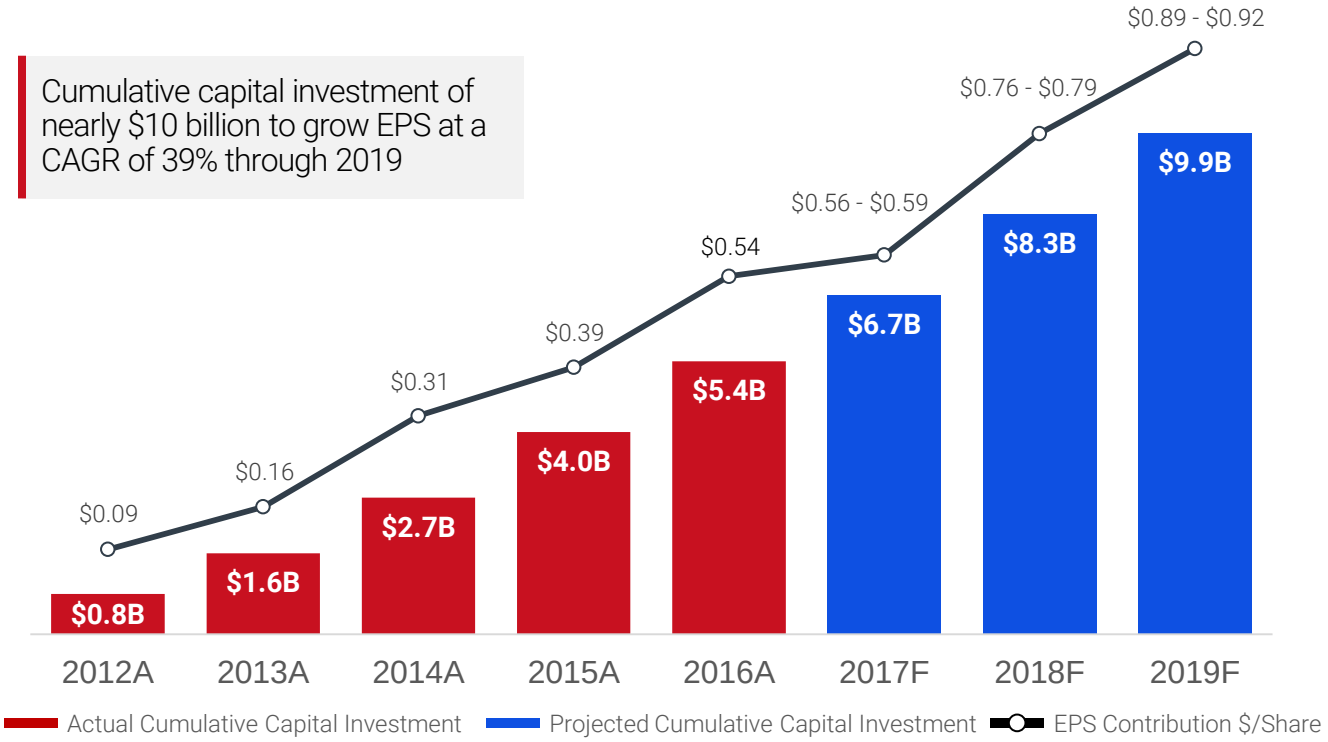
THE LARGEST TRANSMISSION NETWORK IN NORTH AMERICA



Note: Figures represent net plant invested (including CWIP); joint ventures include total net plant invested

AEPTHC CAPITAL AND EPS FORECAST FOR 2017-2019

Cumulative capital investment of nearly $10 billion to grow EPS at a CAGR of 39% through 2019



Note: AEPTHC only. Capital excludes investment in the AEP operating companies, JV equity contributions, and Transource unapproved projects.

CONTRACTED RENEWABLES
$1B CAPITAL ALLOCATED 2017-2019

	AEP ONSITE PARTNERS℠	AEP RENEWABLES℠
Renewable Generation Asset Owner	✓	✓
"Behind-the-Meter" Energy Assets	✓	
Universal Scale Energy Assets		✓
Key Customers	Schools, Cities, Hospitals and Commercial / Industrial Accounts	Utilities, Municipalities, Corporations and Cooperative Accounts
Key Technologies	Solar, energy storage and combined heat and power	Wind and Solar

PREFERRED PROJECT PARTNER

- Strong balance sheet
- Ability to invest
- Tax appetite
- Customer relationship
- Incremental sales channel

AEP IS A WELCOMED STRATEGIC PARTNER

CONTRACTED RENEWABLES OUTLOOK

STRONG PIPELINE OF ADDITIONAL OPPORTUNITIES

DEVELOPMENT PROJECTS

- Fully contracted assets
- Strong credit counterparties
- Long-term predictable cash flows and earnings

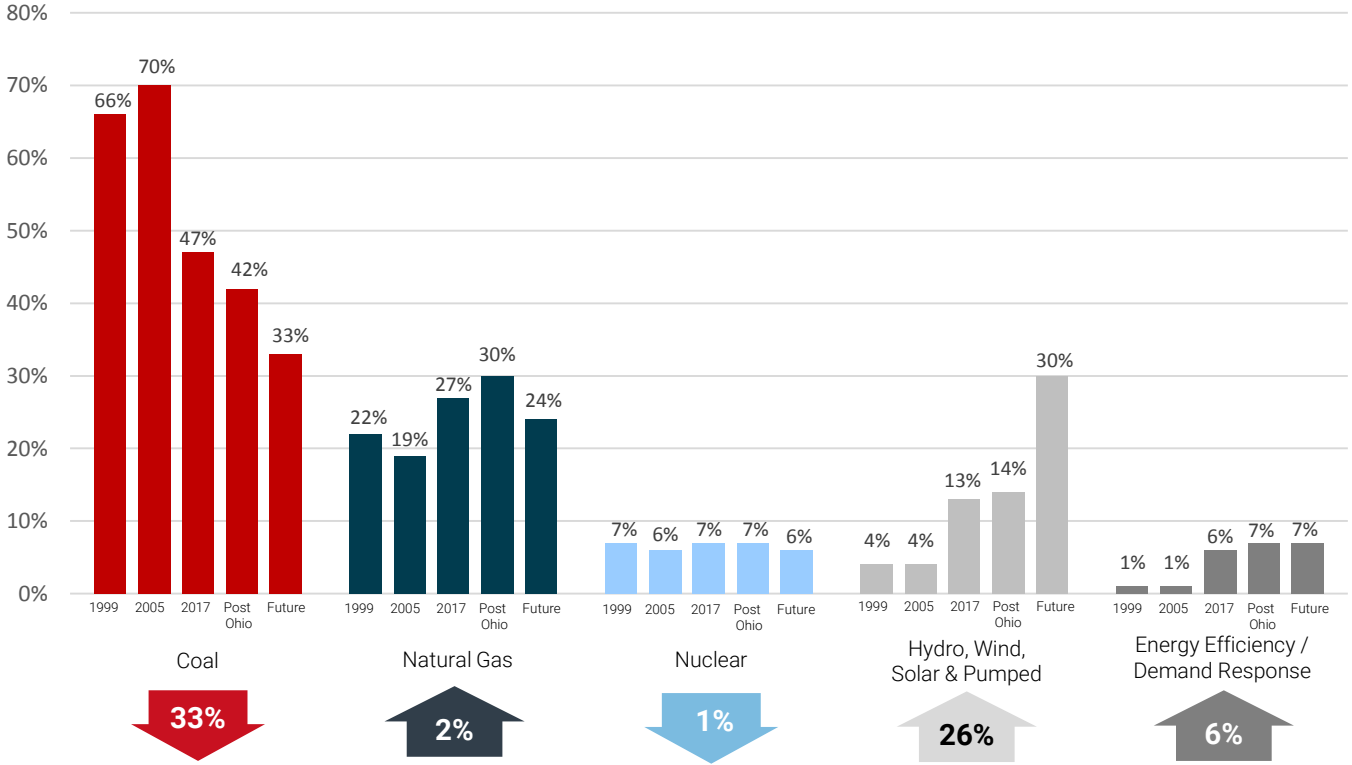
DISCIPLINED INVESTMENT

- Specific return requirements
- Detailed technical reviews
- Measured approach to project risks
- Optimized through skilled asset management

POSITIONING FOR
A SUSTAINABLE FUTURE

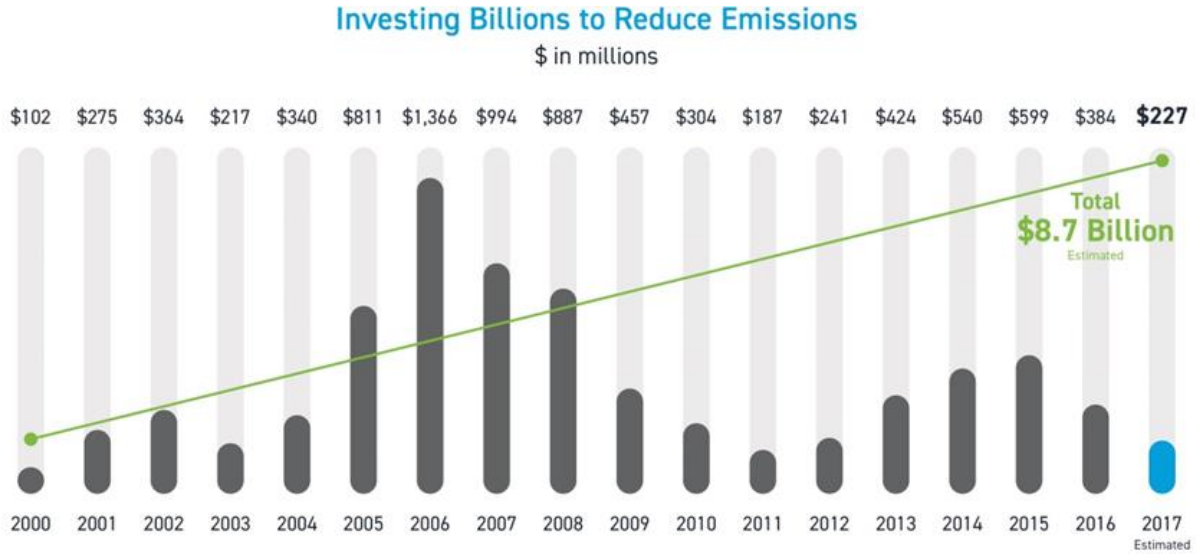
- Transforming our generation fleet
- Dramatically reducing emissions
- Adding more renewable sources
- Integrating renewables through the nation’s largest transmission network

AEP'S GENERATING RESOURCE PORTFOLIO
PAST AND FUTURE CAPACITY

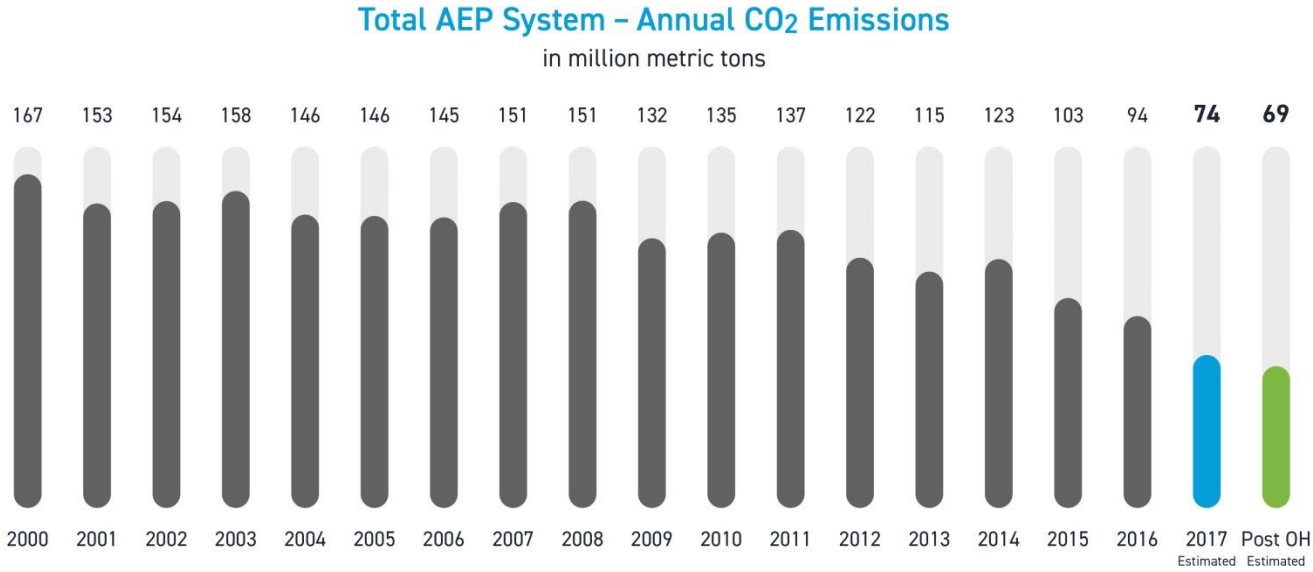


.Future includes IRP forecasted additions and retirements through 2030. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

INVESTING BILLIONS
TO REDUCE EMISSIONS



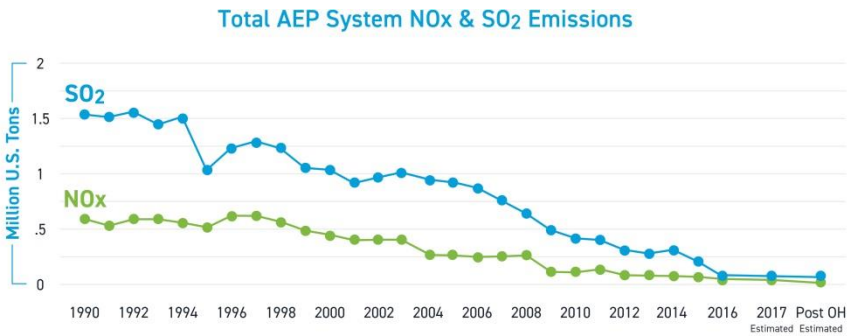
DRAMATIC REDUCTIONS
IN EMISSIONS



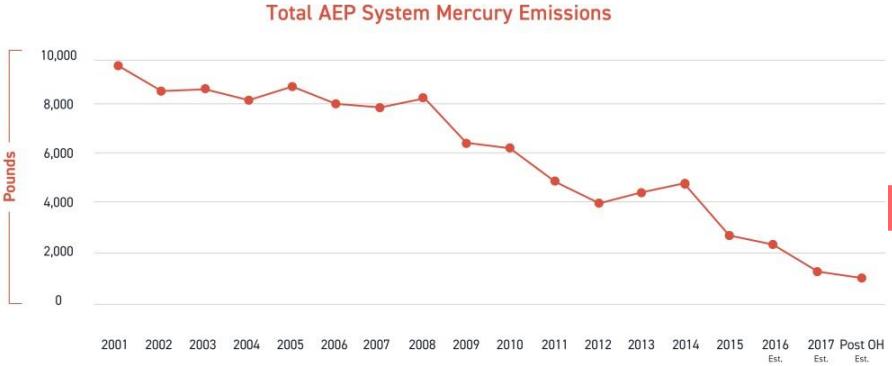
CO_2

2000-2016 actual	2000-2017 estimated	Post-Ohio Disposition estimated
44%	56%	59%

DRAMATIC REDUCTIONS
IN EMISSIONS



	1990-2016 ACTUAL	1990-2017 ESTIMATED	Post-Ohio Disposition ESTIMATED
SO_2	94%	94%	94%
NO_x	90%	91%	93%

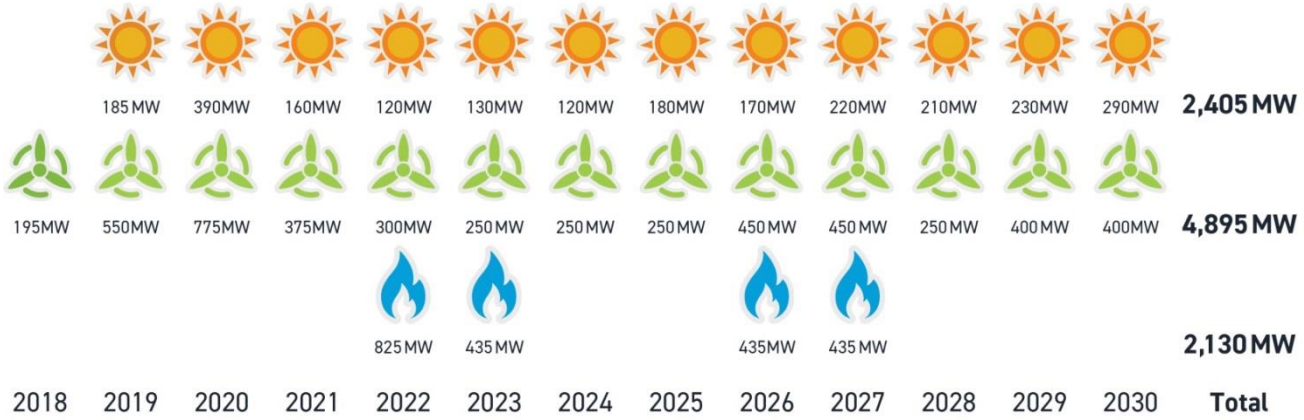


	2001-2015 ACTUAL	2001-2017 ESTIMATED	Post-Ohio Disposition ESTIMATED
Hg	73%	92%	93%

INVESTING IN A GREENER FUTURE

AEP System Planned Generation Resource Additions

Regulated and AEP Ohio Purchase Power Agreement



Source: Current Internal Integrated Resource Plans.

Wind and solar represents nameplate MW capacity.

Note: Actual additions depend on market conditions, regulatory approval, customer demand and other external factors.

DELIVERING CLEAN ENERGY RESOURCES

AEP's 2017 Renewable Portfolio, in MW

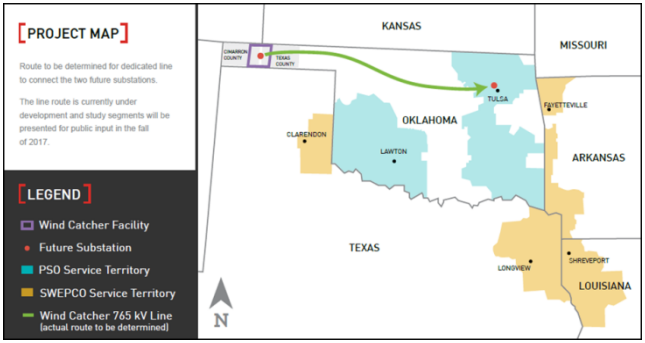
Hydro, Wind, Solar & Pumped Storage	Owned MW	PPA MW	**Total MW**
AEP Ohio		209	**209**
Appalachian Power Company	788	455	**1,243**
Indiana Michigan Power Company	38	450	**488**
Public Service of Oklahoma		1,137	**1,137**
Southwestern Electric Power Company		469	**469**
Competitive Wind, Solar & Hydro	443	177	**620**
Total	1,269	2,897	**4,166**

Approximately
10,000 MW
of renewable generation interconnected across the U.S. via AEP's transmission system today

WIND CATCHER ENERGY CONNECTION

Project is expected to reduce rates for PSO & SWEPCO customers over the life of the project with savings starting year-1 of operation, while providing meaningful capital investment and earnings growth opportunity for shareholders

- **Project Scope:** 2,000 MW (nameplate) wind farm and a dedicated ~350-mile 765kV gen-tie line
- **Regulated Investment Value**: ~$4.5 billion (includes taxes, overheads, AFUDC, and contingency)
- **Total Customer Savings (over 25-years):** $7.6 billion including value of Federal Production Tax Credit : $2.5 billion over first 10-years
- **Requested State Regulatory Approvals:** April 30, 2018; Planning to file at FERC in 4Q 2017
- **Target Completion**: Q4 2020
- **Proposed Ownership**: SWEPCO (70%) & PSO (30%)



Cost Detail	Wind Plant	Gen-Tie
Key Suppliers	Invenergy	QUANTA SERVICES
Estimated Cost	$2.9 billion	$1.6 billion
Total Project Cost	**$4.5 billion**	

THE PREMIER REGULATED ENERGY COMPANY

HIGHER growth

HIGHER dividends

MORE regulated

MORE certainty