“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 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 retail competition, 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 or acquire generation capacity and 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 or additional regulation of fly ash and similar combustion products 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 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, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, the transition to market for generation in Ohio, including the implementation of ESPs, our ability to successfully and profitably manage our separate competitive generation assets, 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.

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Analyst
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American Electric Power Company Overview

$61B TOTAL ASSETS

5.4M CUSTOMERS IN 11 STATES

32GW OWNED GENERATION

$27B CURRENT MARKET CAPITALIZATION

40,000+ LINE MILES OF TRANSMISSION

Note: Statistics as of June 30, 2015, except market capitalization which is as of September 25, 2015
Executing On Plan; Forecasted 4-6% EPS Growth Rate Reaffirmed

Long-term EPS Growth of 4%-6% + Dividend Yield @ 4% = 8% - 10% Annual Return Opportunity
Targeted payout ratio of 60-70% of operating earnings

Supported by earnings from regulated operations

Paid 421 consecutive quarters

Dividend Growth in Line with Earnings

Dividend Growth CAGR = 4.4%

* Subject to approval by Board of Directors
2015-2017 Capital Spending Forecast

**Capital & Equity Contributions**
$ in millions, excluding AFUDC
- 2015: $4.6B; 2016: $3.8B
- 2017: $3.9B

Regulated Generation Investment - $2.6B
Regulated Distribution Investment - $3.5B
Regulated Transmission Investment - $5.2B

96% of capital allocated to regulated businesses; 71% allocated to wires
Transitioning Our Generation Fleet

AEP Owned Generating Capacity by Fuel (actual & projected)

Retiring coal and replacing with natural gas and renewables
Investments Driving Emission Reductions

Historical Environmental Investments (in millions)

2000 $102
2001 $275
2002 $364
2003 $217
2004 $340
2005 $811
2006 $1,366
2007 $994
2008 $887
2009 $457
2010 $304
2011 $187
2012 $241
2013 $424
2014 $540
2015 $566 (est)

Total $8.1 billion
Dramatic Reductions in Emissions

Total AEP System Emissions 1990 - 2014

SO₂: 80%
NOₓ: 80%
Hg: 54%

15% reduction in CO₂ emissions from 2005 levels

Total AEP System - Annual CO₂ Emissions
(in million metric tons)

- 2005: 145.1
- 2006: 143.9
- 2007: 147.7
- 2008: 148.2
- 2009: 129.7
- 2010: 134.0
- 2011: 135.6
- 2012: 122.0
- 2013: 115.3
- 2014: 122.7 (projected)
- 2026: 105.2
Capitalization & Liquidity

**Total Debt / Total Capitalization**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1Q-15</th>
<th>2Q-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short/Long Term Debt</td>
<td>57.0%</td>
<td>55.3%</td>
<td>55.2%</td>
<td>54.3%</td>
<td>54.3%</td>
<td>53.8%</td>
<td>54.3%</td>
</tr>
<tr>
<td>Securitization Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Credit Statistics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO Interest Coverage</td>
<td>5.6x</td>
<td>&gt;3.6x</td>
</tr>
<tr>
<td>FFO to Total Debt</td>
<td>21.5%</td>
<td>15%-20%</td>
</tr>
</tbody>
</table>

*Note: Credit statistics represent the trailing 12 months as of 06/30/2015*

**Liquidity Summary**

<table>
<thead>
<tr>
<th>(unaudited)</th>
<th>6/30/2015 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>($ in millions)</td>
<td>Amount</td>
</tr>
<tr>
<td>Revolving Credit Facility</td>
<td>$1,750</td>
</tr>
<tr>
<td>Revolving Credit Facility</td>
<td>$1,750</td>
</tr>
<tr>
<td>Total Credit Facilities</td>
<td>$3,500</td>
</tr>
<tr>
<td>Plus</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$195</td>
</tr>
<tr>
<td>Less</td>
<td></td>
</tr>
<tr>
<td>Commercial Paper Outstanding</td>
<td>(397)</td>
</tr>
<tr>
<td>Letters of Credit Issued</td>
<td>(61)</td>
</tr>
<tr>
<td>Net Available Liquidity</td>
<td></td>
</tr>
</tbody>
</table>

**Qualified Pension Funding**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1Q-15</th>
<th>2Q-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>82%</td>
<td>88%</td>
<td>92%</td>
<td>99%</td>
<td>97%</td>
<td>96%</td>
<td>101%</td>
</tr>
</tbody>
</table>

**Strong balance sheet, credit metrics, and liquidity**
Why Invest in AEP

Predominantly regulated business focused on cultural transformation, execution, capital allocation, and discipline.

Dividend growth supported by regulated earnings with a strong balance sheet.

Total Return Proposition:
8 - 10% annualized growth.

Successful Investments in Environmental Improvements.

Significant transmission growth opportunities.
Regulated Rate Base Growth

Cumulative change from 2012 base

VERTICALLY INTEGRATED UTILITIES

WIRES COMPANIES

TRANSCOS/TRANSOURCE

2012 Net Regulated Plant = $33.2B

2013A: $2.5B
- $0.9B
- $0.5B
- $1.1B

2014A: $5.6B
- $1.9B
- $1.3B
- $2.4B

2015E: $9.4B
- $2.9B
- $2.0B
- $4.4B

2016E: $12.0B
- $3.9B
- $2.6B
- $5.5B

2017E: $14.5B
- $4.8B
- $3.3B
- $6.4B

7.5% CAGR in Net Regulated Plant
## 2014-2017 Financing Plan & Credit Metrics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Operations - Excl. Impact of Bonus Depreciation &amp; FIT Payments</td>
<td>4,000</td>
<td>4,000</td>
<td>4,900</td>
<td>4,900</td>
</tr>
<tr>
<td>Impact of Bonus Depreciation</td>
<td>700</td>
<td>600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal Cash Taxes Refunded (Paid)</td>
<td>(100)</td>
<td>(400)</td>
<td>(800)</td>
<td>(800)</td>
</tr>
<tr>
<td>Cash from Securitization *</td>
<td>-</td>
<td>-</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Capital &amp; JV Equity Contributions</td>
<td>(4,200)</td>
<td>(4,400)</td>
<td>(3,800)</td>
<td>(3,900)</td>
</tr>
<tr>
<td>Other Investing Activities</td>
<td>(300)</td>
<td>(200)</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td>Common Dividends @ $2.03/share 2014; $2.12/share</td>
<td>(1,000)</td>
<td>(1,000)</td>
<td>(1,000)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Excess (Required) Capital</td>
<td>(900)</td>
<td>(1,400)</td>
<td>(600)</td>
<td>(1,000)</td>
</tr>
</tbody>
</table>

### Financing ($ in millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Required) Capital</td>
<td>(900)</td>
<td>(1,400)</td>
<td>(600)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Debt Maturities (Senior Notes, PCRBs)</td>
<td>(1,500)</td>
<td>(1,700)</td>
<td>(1,200)</td>
<td>(1,800)</td>
</tr>
<tr>
<td>Securitization Amortizations</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
</tr>
<tr>
<td>AGR Credit Facility ***</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity Issuances (DRP/401K)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Debt Capital Market Needs (New)</td>
<td>(2,600)</td>
<td>(2,800)</td>
<td>(2,000)</td>
<td>(3,000)</td>
</tr>
</tbody>
</table>

### Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capitalization Target</td>
<td></td>
<td></td>
<td></td>
<td>Mid 50s</td>
</tr>
<tr>
<td>FFO/Total Debt ****</td>
<td></td>
<td></td>
<td></td>
<td>Mid -to- Upper teens</td>
</tr>
</tbody>
</table>

---

* $300MM OH deferred fuel securitization (subject to regulatory approval)

** Assumes current quarterly dividend of $0.53 per share; dividend evaluated by board of directors each quarter; stated targeted payout ratio range is 60-70%

*** Interim credit facility matures May 2015, and is assumed to be refinanced for modeling purposes.

**** Excludes securitization debt

---

Anticipated cash flows cover planned capital investment while maintaining solid credit metrics.
### Regulated Returns

**Twelve Months Ended 06/30/2015 Earned ROEs (Operating Earnings*)**

<table>
<thead>
<tr>
<th>Company</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Power</td>
<td>11.2%</td>
</tr>
<tr>
<td>APCo</td>
<td>8.5%</td>
</tr>
<tr>
<td>KPCo</td>
<td>0.6%</td>
</tr>
<tr>
<td>I&amp;M</td>
<td>8.3%</td>
</tr>
<tr>
<td>PSO</td>
<td>9.4%</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>9.1%</td>
</tr>
<tr>
<td>AEP Texas</td>
<td>10.4%</td>
</tr>
<tr>
<td>AEP Trans Holdco</td>
<td>11.9%</td>
</tr>
</tbody>
</table>

**Regulated Operations ROE of 9.1%**

as of June 30, 2015

* Operating adjusts GAAP results by eliminating any material non operating items and is not weather normalized.
### AEP’s Renewable Portfolio (nameplate capacity)

<table>
<thead>
<tr>
<th>Contributions by Regulated Operating Companies</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>209.10</td>
</tr>
<tr>
<td>Appalachian Power</td>
<td>375.00</td>
</tr>
<tr>
<td>Indiana Michigan Power</td>
<td>465.70</td>
</tr>
<tr>
<td>Kentucky Power</td>
<td>58.50</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>1,137.30</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>469.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,714.75</strong></td>
</tr>
</tbody>
</table>

**Over 7,500 MW**

of renewable generation interconnected across the U.S. via AEP’s transmission system today
Current 2015 Rate Cases

Oklahoma

Base rate case filed July 1, 2015
- Requested rate base of $2.1 billion
- Requested increase of $172M, consisting of $44M for Northeastern Unit 3 & Comanche Power Plant, $89M of traditional base rate increases, and $39M for compliance related fuel clause changes
- Requested an ROE of 10.50%
- Requested capital structure of 52% debt 48% equity

Procedural Schedule
- October 14th: Staff & Intervenor testimony due on all issues except rate design and cost of service
- October 23rd: Staff & Intervenor testimony due on rate design and cost of service
- November 10th: Rebuttal testimony due
- November 17th: Settlement conference
- December 8th: Hearing commences
Amended Purchase Power Agreement Filing

- Stabilizes retail rates in AEP Ohio’s service area and protects reliability and the economy in Ohio.
- Utilize PPA recovery mechanism approved in ESP III, to include 100% of AEPGR’s share of 4 plants for the remaining life of the units, along with OVEC Entitlement*.
- PPA is FERC jurisdictional, with projected initial ROE of approximately 11.2%
- Estimated rate base for AGR plants is $1.6B, with 50/50 cap structure
- Average remaining life of assets is 20 years

<table>
<thead>
<tr>
<th>Unit/Plant</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardinal Unit 1</td>
<td>592 MW</td>
</tr>
</tbody>
</table>
| Conesville     | Unit 4 (CCD): 339 MW
                | Units 5&6: 810 MW |
| Stuart         | 4 Coal Units: 600 MW |
| Zimmer         | 330 MW      |
| OVEC Entitlement| 423 MW     |
| Total          | 3,094 MW    |

*Plants included in PPA filing:

Procedural Schedule

- September 4th: Discovery requests to be served
- September 11th: Intervenor testimony due
- September 18th: Staff testimony due
- September 28th: Hearing commences
Continue O&M cost discipline through LEAN initiatives while reinvesting as needed to support our operations, customers and employees.
Normalized Load Trends

AEP Residential Normalized GWh Sales
% Change vs. Prior Year

AEP Commercial Normalized GWh Sales
% Change vs. Prior Year

AEP Industrial GWh Sales
% Change vs. Prior Year

AEP Total Normalized GWh Sales
% Change vs. Prior Year

Note: Charts reflect connected load and exclude firm wholesale load & Buckeye Power backup load.

Q2-15: Positive growth in all major retail classes
Transmission Ownership Structure

- **AEP Transmission Holding Company, LLC**
  - 100%
  - **AEP Transmission Company, LLC**
    - “AEP Transco”
      - 100%
        - **AEP Appalachian Transmission Company, Inc.**
          - $639 Net Plant* ($ in millions)
        - **AEP Indiana Michigan Transmission Company, Inc.**
          - $466 Net Plant* ($ in millions)
        - **AEP Oklahoma Transmission Company, Inc.**
          - $372 Net Plant* ($ in millions)
        - **AEP Southwestern Transmission Company, Inc.**
          - $36 Net Plant* ($ in millions)
    - **AEP Ohio Transmission Company, Inc.**
      - $1,591 Net Plant* ($ in millions)
    - **AEP Kentucky Transmission Holding Company, Inc.**
      - $6 Net Plant** ($ in millions)

- **Pioneer Transmission, LLC**
  - $155 Net Plant in PWT* ($ in millions)
- **Electric Transmission America, LLC**
  - $137 Net Plant* ($ in millions)
- **Transource Energy, LLC**
  - 86.5%
- **Electric Transmission Texas, LLC**
  - 50%
  - $2,529 Net Plant* ($ in millions)

Note: Private placement financing has occurred at Electric Transmission Texas, LLC and AEP Transmission Company, LLC

* As of 6/30/2015
4 types of projects:
- Regional projects for retirements, renewables, economic and market efficiencies
- Local reliability plans
- Aging infrastructure
- Customer-driven projects

Cumulative Base Case Capital Investment

High Case Incremental Capital Investment

Cumulative Base Case Capital Investment:
- $2.2 B
- $4.6 B
- $3.7 B
- $5.5 B
- $6.6 B
- $5.2 B
- $6.5 B
- $8.2 B

High Case Incremental Capital Investment:
- $0.39
- $0.47
- $0.57
- $0.67
- $0.51
- $0.40
- $0.67
- $0.81

EPS Base Case Contribution:
- $0.16
- $0.31
- $0.39
- $0.40
- $0.47
- $0.51
- $0.67
- $0.81

EPS High Case Contribution:
- $0.7 B
- $1.6 B
- $2.7 B
- $3.8 B
- $4.6 B
- $5.2 B
- $6.6 B
- $8.2 B

Non-firm joint venture projects not included; high case investment is strictly related to the existing Transcos (no assumption for securing competitive opportunities); no projects included above subject to loss due to FERC Order 1000 right of first refusal.
Note: The portfolio also includes AEP Energy Partners’ assets in ERCOT consisting of the Oklaunion Coal Plant PPA (355MW), Wind Farms (311MW) and Renewable PPAs (177MW)
AEP Generation Resources: Expected Generation

Fleet is well-positioned from a cost and operational perspective to participate in the competitive market.

Generation from fleet expected to be in the range of 37-40 million MWh*

* Excludes ~2 million MWh of expected generation from retiring units

Note: post-retirement view of generation stack; includes fuel, emissions and consumables costs
## AEP Energy Supply: Earnings & Cost Management

<table>
<thead>
<tr>
<th>Estimated (in $ millions)</th>
<th>2014A</th>
<th>2015 Range</th>
<th>2016 Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy/Capacity Gross Margin</td>
<td>$1,342</td>
<td>$965 - $1,035</td>
<td>$590 - $790</td>
</tr>
<tr>
<td>Costs</td>
<td>473</td>
<td>410</td>
<td>340</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$869</td>
<td>$555 - $625</td>
<td>$250 - $450</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>150</td>
<td>142</td>
<td>146</td>
</tr>
<tr>
<td>Cash Flow*</td>
<td>$719</td>
<td>$413 - $483</td>
<td>$104 - $304</td>
</tr>
</tbody>
</table>

* Excludes income taxes, interest and changes in working capital

### Cost Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Ongoing</th>
<th>Disposition units &amp; Mitchell</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2013 Average</td>
<td>$490</td>
<td>$90</td>
</tr>
<tr>
<td>2014</td>
<td>$473</td>
<td>$84</td>
</tr>
<tr>
<td>2015</td>
<td>$410</td>
<td>$45</td>
</tr>
<tr>
<td>2016</td>
<td>$340</td>
<td>$5</td>
</tr>
</tbody>
</table>

2011-2013 Average: $490
2014: $473
2015: $410
2016: $340
## Capacity Performance Summary

### Pre-Capacity Performance

<table>
<thead>
<tr>
<th>Planning Year (June-May)</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Residual Auction</td>
<td>7,176 MWs @ $59.37</td>
<td>7,205 MWs @ $120</td>
<td>NA</td>
</tr>
</tbody>
</table>

(Cleared MWs of Unforced Capacity and Auction Clearing Prices in $/MW-day)

### Post-Capacity Performance

<table>
<thead>
<tr>
<th>Planning Year (June-May)</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleared as Capacity Performance</td>
<td>7,169 MWs @ $134</td>
<td>6,495 MWs @ $151.50</td>
<td>7,209 MWs @ $164.77</td>
</tr>
<tr>
<td>Base Capacity</td>
<td>54 MWs @ $59.37</td>
<td>764 MWs @ $120</td>
<td>43 MWs @ $149.98</td>
</tr>
</tbody>
</table>

(Cleared MWs of Unforced Capacity and Auction Clearing Prices in $/MW-day)

### Revenue Impact

<table>
<thead>
<tr>
<th>Calendar Year ($ in millions)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Capacity Revenue</td>
<td>$358</td>
<td>$376</td>
<td>$418</td>
</tr>
<tr>
<td>Initial Capacity Revenue</td>
<td>$242</td>
<td>$250</td>
<td>N/A</td>
</tr>
<tr>
<td>Incremental change</td>
<td>$116</td>
<td>$126</td>
<td>NA</td>
</tr>
</tbody>
</table>