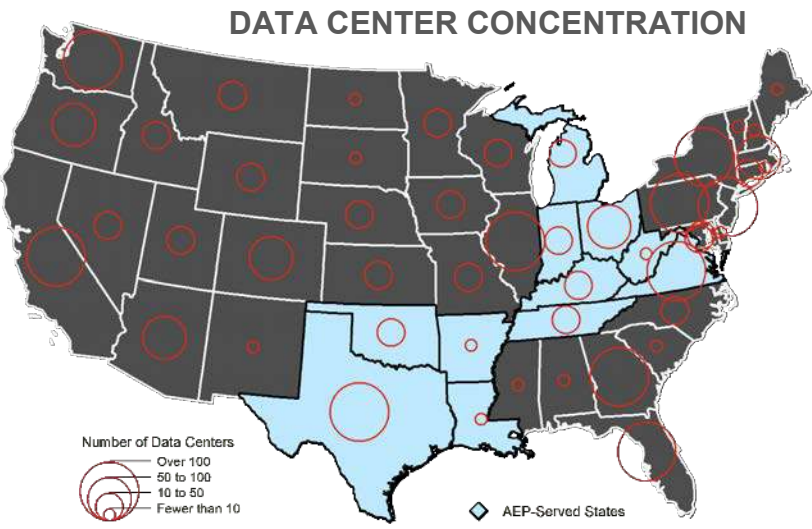




AEP STATES OFFER LOW TOTAL COST OF OWNERSHIP

The eleven-state AEP region offers attractive business locations for technology companies and enterprise data centers. Our region’s major strengths include cost-competitive electric power with excellent reliability and capacity, redundant fiber and pro-business climates. Many active data centers are already enjoying success across the AEP territory, and five sites are available for rapid development through our Qualified Data Center Site program.



TOP 20 STATES BY NUMBER OF DATA CENTER FACILITIES

5 AEP States are on the list.

- | | |
|-----------------------|-------------------------|
| 1. New York (666) | 11. Colorado (76) |
| 2. California (584) | 12. Massachusetts (70) |
| 3. Texas (329) | 13. Ohio (64) |
| 4. Florida (228) | 14. Arizona (63) |
| 5. Washington (207) | 15. Oregon (60) |
| 6. Virginia (178) | 16. Michigan (50) |
| 7. Georgia (156) | 17. Indiana (41) |
| 8. Pennsylvania (121) | 18. Wisconsin (39) |
| 9. Illinois (121) | 19. North Carolina (37) |
| 10. New Jersey (101) | 20. Kansas (33) |

Source: Geotel Communications, US Data Centers, 2017

AEP’s Economic & Business Development Team can be your single source for data center location or expansion services and support.

We provide our customers:

- Confidential and complimentary site selection services
- Diverse location choices across our unmatched 11-state geographic footprint
- Strategic research and analysis on communities and sites
- Introductions to community and business leaders
- Development-ready properties
- Electrical service plan and rate design
- Aftercare services and resources

POWER YOUR DATA CENTER WITH THE ELECTRIC TRANSMISSION LEADER

Power is typically the most dominant factor in locating a data center. AEP can meet your requirements in terms of:

- ✓ Availability
- ✓ Cost
- ✓ Reliability

Your power needs will be backed by our robust transmission network – the largest in the country.

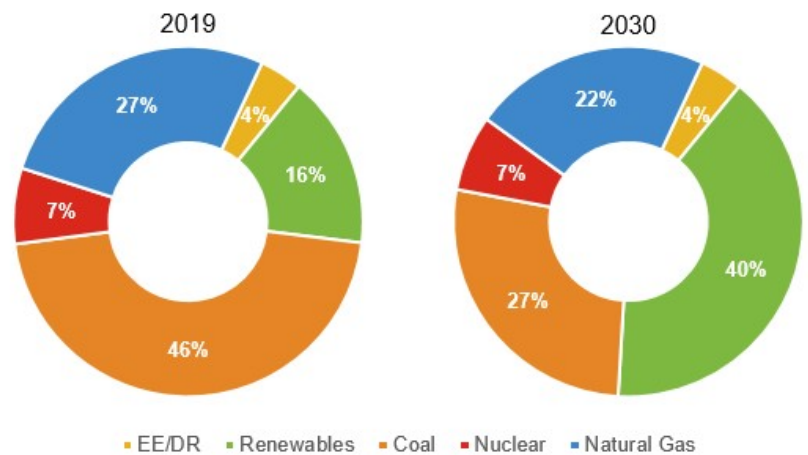
Depending on the size of your facility, we can provide distribution, sub-transmission or transmission service with redundant N+1 supply. Our transmission planning criteria requires N-1-1 reliability.

Data center customers can benefit from these programs and services:

- Energy efficiency programs to reduce upfront capital costs
- Substation design, construction and maintenance services
- Energy services through our deregulated affiliate, AEP Energy
- Renewables options
- An assigned single point of contact for your national business, along with local account management

AEP'S GENERATION PORTFOLIO

We are focused on meeting the renewables needs of our customers and are transitioning from a historically coal-heavy generation mix to a more balanced resource portfolio.



Our plan is to invest \$33 billion in capital between 2019 and 2023, with most targeted for transmission and distribution to update infrastructure, increase reliability and enable growth.



About AEP

American Electric Power is one of the largest electric utilities in the United States, delivering electricity and custom energy solutions to nearly 5.4 million customers in 11 states.

AEP owns the nation's largest electricity transmission system, a more than 40,000-mile network that includes more 765-kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined.

AEP also operates 224,000 miles of distribution lines. AEP ranks among the nation's largest generators of electricity, owning approximately 26,000 megawatts of generating capacity in the U.S. AEP supplies over 6,700 megawatts of renewable energy to customers.

AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and east Texas).

AEP's headquarters are in Columbus, Ohio.

AEP'S GROWTH IN RENEWABLES

AEP is moving from a historically coal-heavy generation mix to a balanced, reliable and cost-effective resource portfolio. In addition to our standard generation mix, in some states we offer special customer programs for the purchase renewable energy (RECs). Beyond our standard offerings, we can also customize a renewable delivery plan specific to your needs.

AEP's 2019 Renewable Portfolio

Hydro, Wind, Solar and Pumped Storage	Owned MW	PPA MW	Total MW
AEP Ohio	-	209	209
Appalachian Power	785	575	1,360
Indiana Michigan Power	36	450	486
Public Service Co. of Oklahoma	-	1,137	1,137
Southwestern Electric Power Co.	-	469	469
Competitive Operations	1,436	175	1,611
Total	2,257	3,015	5,272

For over 100 years, AEP has led the energy industry. Here are a few recent examples:

- “Station in a box” that provides temporary mobile substations to serve customers with aggressive power needs and production timelines.
- BOLD™, or Breakthrough Overhead Line Design, a modern transmission line design that provides lower tower heights, more appealing profile and increased capacity in the same right-of-way.
- OnSite Partners, an AEP competitive business, offers energy solutions for customers to reduce emissions or lower their cost or energy profile, including behind-the-meter solar, substations, batteries and a fuel cell.



COST-COMPETITIVE RATES

AEP customers benefit from low to moderate electric costs.

Average Utility Costs for Industrial Customers

State	AEP ¢/KWH
Arkansas	6.10
Indiana	6.85
Kentucky	6.66
Louisiana	7.12
Michigan	8.94
Oklahoma	5.01
Tennessee	6.11
Texas (SPP)	6.41
Virginia	6.57
West Virginia	6.54

Source: Total Electric Industrial Average Retail Price 2018 Average in regulated states, U.S. Energy Information Administration

AEP operates in three states with varying levels of electric deregulation – Texas, Ohio and Michigan. Deregulation drives competition in the market, and in these “Electric Choice” states, businesses can choose their generation service supplier.

Note: In Texas, we operate in both the ERCOT and SPP markets. ERCOT is deregulated, SPP is regulated.



◆ Deregulated States

STRONG ACCESS TO BANDWIDTH AND FIBER ACROSS THE AEP REGION

Multiple major fiber providers serve AEP markets with both long and short haul fiber needed for mission critical facilities.

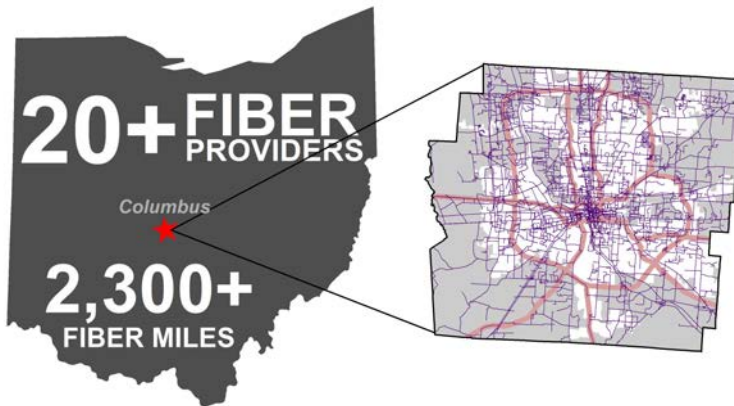
Key AEP-served cities with primary intersection points of long haul routes:

- Fort Wayne, IN
- South Bend, IN
- Columbus, OH
- Tulsa, OK
- Corpus Christi, TX
- Brownsville, TX
- Lynchburg, VA
- Roanoke, VA
- Bluefield, WV

Providers with Routes in AEP's Territory

- ACD
- Allied Fiber
- Centurylink
- Citicom Fiber Networks
- Cogent Communications
- Gapnet
- Indiana Fiber Network
- Loni
- Lumos
- Metronet Zing
- Mid-Atlantic Broadband Cooperative
- Oarnet
- OTA
- Parallel Infrastructure
- Shentel Fiber
- Spread Networks
- UPN
- US Signal Corp
- Windstream
- XO Communications
- Zayo

Fiber Infrastructure for One of Many AEP Cities: Columbus, OH



Source: GeoTel Communications 2018

LOW RISK OF NATURAL DISASTERS

Seismic activity, hurricanes and tornadoes are generally infrequent across the AEP states.



SKILLED, AVAILABLE AND AFFORDABLE WORKFORCE

You can find the technical talent you need across AEP's states.

SELECT IT OCCUPATIONS IN KEY AEP-SERVED LOCATIONS

Occupation	Columbus, OH		Tulsa, OK		South Bend, IN		Roanoke, VA	
	Employment	Hourly Earnings	Employment	Hourly Earnings	Employment	Hourly Earnings	Employment	Hourly Earnings
Computer and Information Systems Managers	4,056	\$70.93	1,001	\$55.17	219	\$46.21	167	\$70.27
Computer Hardware Engineers	92	\$46.96	56	\$49.35	14	\$42.30	22	\$42.30
Computer Programmers	1,468	\$36.31	602	\$37.78	178	\$29.58	172	\$47.67
Computer Systems Analysts	9,130	\$47.25	868	\$38.71	276	\$33.79	324	\$36.19
Database Administrators	1,285	\$44.88	270	\$39.76	55	\$34.62	78	\$33.38
Information Security Analysts	1,074	\$48.86	259	\$37.31	74	\$65.25	54	\$47.99
Network and Computer Systems Administrators	3,277	\$39.43	804	\$37.69	370	\$32.88	359	\$34.51
Computer Network Architects	2,106	\$49.57	375	\$36.96	101	\$39.09	138	\$44.05

Source: EMSI 2019.1

PRO BUSINESS STATES THAT ATTRACT DATA CENTER INVESTMENT



AEP's 11-state service territory offers a variety of "pro-business" tax structures and incentive programs to attract and retain data center investment.

Eight AEP-served states are included in the top 15 of Site Selection Magazine's 2018 Top State Business Climate Rankings.

SITE SELECTION MAGAZINE 2018 Top State Business Climate Rankings

1. Georgia
2. North Carolina
3. Texas
4. Ohio
- T5. South Carolina
- T5. Tennessee
7. Virginia
- T8. Alabama
- T8. Indiana
- T10. Kentucky
- T10. Louisiana
12. Florida
- T13. Utah
- T13. Arizona
15. Oklahoma

BASIC BUSINESS TAXES AND SAMPLE INCENTIVES FOR AEP STATES



Arkansas

- Corporate Income Tax: 6.5% on income >\$100,000
 - Sales Tax: 6.5% + 2.92% (avg local tax) = 9.42%
 - Property Tax as a % of Personal Income = 1.75%
 - Property tax reductions, investment tax credits, TIF agreements and job training incentives are available
-



Indiana

- Corporate Income Tax: 5.5% as of July 1, 2019
 - Sales Tax: 7%
 - Property Tax as a % of Personal Income = 2.26%
 - 100% sales tax exemption on equipment and electricity used to power equipment in qualifying data centers
 - Investment tax credits, TIF agreements and job training incentives are available
 - Property taxes can be abated by local municipalities
 - AEP – Indiana Michigan Power's Economic Development Rider incentive provides reductions in electric rates
-



Kentucky

- Corporate Income Tax: 5%
 - Sales Tax: 6%
 - Property Tax as a % of Personal Income = 2.00%
 - Sales tax refunds, investment tax credits, TIF agreements and job training incentives are available
 - AEP – Kentucky Power's Economic Development Rider incentive provides reductions in electric rates
-



Louisiana

- Corporate Income Tax: 8% on income > \$200,000
 - Sales Tax: 4.45% + 5.00% (avg local tax) = 9.45%
 - Property Tax as a % of Personal Income = 2.05%
 - Property tax abatement available for qualified projects
 - Investment tax credits, TIF agreements and job training incentives are available
 - AEP – SWEPCO's Economic Development Rider incentive provides reductions in electric rates
-



Michigan

- Corporate Income Tax: 6%
- Sales Tax: 6%
- Property Tax as a % of Personal Income = 3.12%
- Investment tax credits, TIF agreements and job training incentives are available
- AEP – Indiana Michigan Power's Economic Development Rider incentive provides reductions in electric rates

Ohio



- Corporate Income Tax: none
 - Commercial Activities Tax: 0.26% of taxable gross receipts of more than \$1M per year
 - Sales Tax: 5.75% + 1.40% (avg local tax) = 7.15%
 - Property Tax as a % of Personal Income = 2.85%
 - Data center operators that meet minimum investment and payroll thresholds may receive a full or partial sales tax exemption on the purchase of eligible equipment.
 - Real property tax abatements available, vary by municipality. Aggressive communities like New Albany outside of Columbus provide a 15-year abatement of up to 75%
-

Oklahoma



- Corporate Income Tax: 6%
 - Sales Tax: 4.5% + 4.43% (avg local tax) = 8.93%
 - Property Tax as a % of Personal Income = 1.58%
 - Sales tax exemptions, personal and real property tax abatements, investment tax credits, TIF agreements, and job training are available
-

Tennessee



- Corporate Income Tax: 6.5%
 - Sales Tax: 7% + 2.46% (avg local tax) = 9.46%
 - Property Tax as a % of Personal Income = 1.98%
 - Sales tax exemptions, reductions in personal property and real property tax, investment tax credits, TIF agreements, and job training are available
-

Texas



- Franchise (Margins) Tax: Generally, 0.75% on gross receipts less certain deductions
 - Sales Tax: 6.25% + 1.92% (avg local tax) = 8.17%
 - Property Tax as a % of Personal Income = 3.69%
 - Sales tax exemptions, personal and real property tax abatements, TIF agreements, and job training are available
 - AEP – SWEPCO's Economic Development Rider incentive provides reductions in electric rates
-

Virginia



- Corporate Income Tax: 6%
 - Gross Receipts Tax: Locally levied, typically between 0.02% - 0.58%
 - Sales Tax: 5.3% + 0.35% (avg local tax) = 5.65%
 - Property Tax as a % of Personal Income = 2.86%
 - 100% sales tax exemption for qualifying projects
 - Personal property tax abatements, TIF agreements, and job training are available
 - AEP – Appalachian Power's Economic Development Rider incentive provides reductions in electric rates
-

West Virginia



- Corporate Income Tax: 6.5%
 - Sales Tax: 6% + 0.38% (avg local tax) = 6.38%
 - Property Tax as a % of Personal Income = 2.44%
 - No sales tax on construction costs, hardware, software and servers for data center projects
 - Personal property tax on data center equipment has been reduced by 95%
-

Do you want faster speed to market and reduced risk in your next data center project? AEP's Qualified Data Center Sites program offers prequalified properties to fast track your development and lower total cost of ownership.

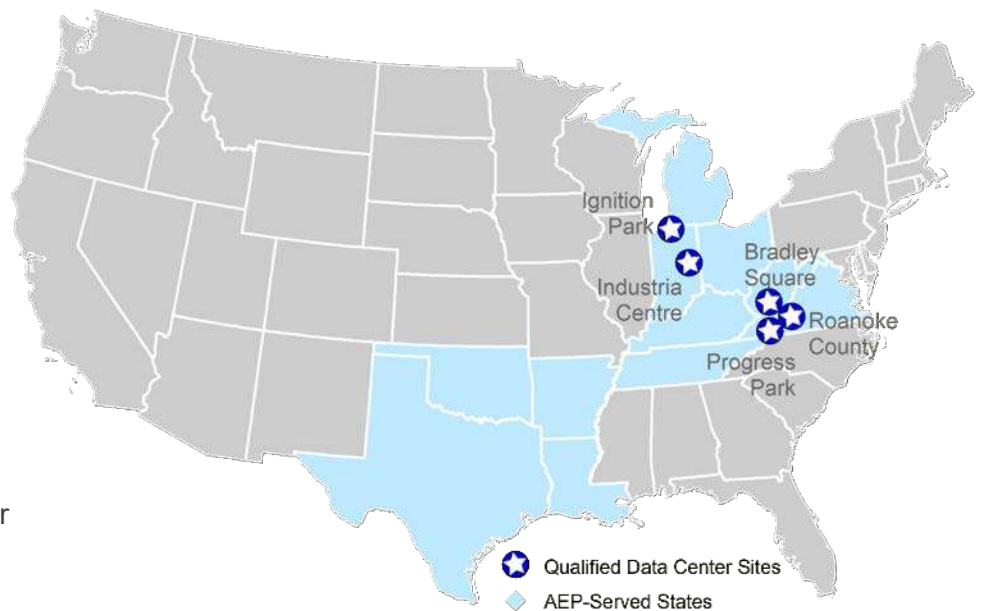


BOUNDLESS ENERGY

AEP QUALIFIED DATA CENTER SITES

These sites offer reliable and redundant power supply, strong fiber networks, low disaster risks and business friendly climates. The prequalification analysis modeled a data center with 100,000 square feet of white space. All sites have been deemed appropriate for colocation and enterprise users by BLS & Co.

For each AEP Qualified Data Center Site, an in-depth site prospectus is available upon request.



The BLS Qualified Data Center Site designation has been provided without any representations or warranties regarding the suitability of the property for a particular project or with respect to the property's compliance with applicable federal, state or local laws including, without limitation, environmental laws, or regarding the presence of infrastructure, including, without limitation, electrical service, fiber availability, and water service.



Ignition Park

28 Acres | Qualified Data Center Site in South Bend, IN (St. Joseph County)
4 miles to Notre Dame University | Opportunity Zone | 5 miles to I-80/90 | 100 miles to Chicago
aeped.com/ignition



Industria Centre Site

97 Acres | Qualified Data Center Site in Muncie, IN (Delaware County)
Part of a 906-acre industrial park | 48 miles to Indianapolis
aeped.com/ics



Roanoke County Center for Research & Technology

483 Acres | Qualified Data Center Site in Salem, VA (Roanoke County)
Newly developed technology park | Local incentives | 7 miles to Roanoke
aeped.com/rcrt



Progress Park

221 Acres | Qualified Data Center Site in Wytheville, VA (Wythe County)
Part of a 1,200+ acre industrial park | 2 miles to I-77/81 | 77 miles to Roanoke
aeped.com/progresspark



Bradley Square

108 Acres | Qualified Data Center Site in Bradley, WV (Raleigh County)
Multiple sites available | 0.5 miles to I-64/77 | 57 miles to Charleston, WV
aeped.com/bradleysquare

FOR MORE INFORMATION, CONTACT:



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