ANALYST & INVESTOR MEETING

New York, NY | November 1, 2016
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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Director  
Investor Relations  
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Meet the team

Nick Akins
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Robert Powers
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Brian Tierney
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Charles Zebula
EXECUTIVE VICE PRESIDENT ENERGY SUPPLY

Lisa Barton
EXECUTIVE VICE PRESIDENT TRANSMISSION
THE PREMIER REGULATED ENERGY COMPANY
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
<table>
<thead>
<tr>
<th><strong>BEFORE</strong></th>
<th><strong>&amp; AFTER</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor focus on competitive generating assets</td>
<td>Resolved competitive asset concerns</td>
</tr>
<tr>
<td>Questions about use of proceeds</td>
<td>Increased investment in transmission and renewables</td>
</tr>
<tr>
<td>Regulated and unregulated business mix</td>
<td>Regulated business model</td>
</tr>
<tr>
<td>Earnings volatility</td>
<td>Predictable earnings and higher growth rate</td>
</tr>
</tbody>
</table>
ORGANIC INVESTMENT OPPORTUNITY EQUALS INCREASED GROWTH

2017 RESET OF BASE:

- 2016 Original Guidance for Regulated 4%-6% Growth Rate $3.30
- 2017 Regulated Earnings $3.47
- Earnings from remaining G&M business 0.09
- Earnings from assets sold through Q1 2017 0.09
- Midpoint of 2017 guidance $3.65

Operating Earnings Guidance

- 2017: $3.55-$3.75
- 2018: $3.75-$3.95
- 2019: $4.00-$4.20
- Future: 5-7% CAGR
STRONG, CONSISTENT DIVIDEND GROWTH

$1.95
$2.03
$2.15
$2.27
$2.36

2013 2014 2015 2016 2017*

* Subject to Board approval

4.9% Dividend Growth
THE PREMIER REGULATED ENERGY COMPANY

HIGHER growth

HIGHER dividends

MORE regulated

MORE certainty
POSITIONING FOR THE FUTURE

Brian Tierney EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
ASSET IMPAIRMENT IMPACT

- Assets: Ohio (Cardinal, Conesville 4-6, Stuart, Zimmer) and others
- Pre-tax impairment of $2.3 Billion
- After-tax impairment of $1.5 Billion
- GAAP EPS impact of $2.98 per share
- Remaining net book value of $50 Million
THIRD QUARTER RESULTS

Q3 2016 GAAP results driven by asset impairment

Operating earnings results:

- Favorable weather added 7 cents per share
- Rate changes contributed incremental earnings of 9 cents per share
- O&M was favorable by 9 cents per share
- Growth in all regulated segments partially offset by declines in competitive businesses

Refer to appendix for reconciliation between GAAP and Operating EPS
YEAR-TO-DATE RESULTS

Raising and narrowing 2016 operating earnings guidance range to $3.75 - $3.85

YEAR-TO-DATE DRIVERS

- YTD 2016 GAAP results driven by asset impairment

- Operating earnings:
  - Rate changes and decreased O&M added 18 cents and 9 cents per share, respectively, partially offset by 5 cents unfavorable weather
  - Transmission Holdco added 12 cents per share due to increased investment
  - Lower capacity revenues and energy margins contributed decreases of 19 cents and 10 cents per share, respectively
  - Growth in all regulated segments partially offset by declines in competitive businesses

Refer to appendix for reconciliation between GAAP and Operating EPS

<table>
<thead>
<tr>
<th>YEAR-TO-DATE DRIVERS</th>
<th>2015 GAAP EPS</th>
<th>2016 GAAP EPS</th>
<th>2015 OPERATING EPS</th>
<th>2016 OPERATING EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate changes and decreased O&amp;M</td>
<td>$3.22</td>
<td>$3.21</td>
<td>$0.48</td>
<td>$3.27</td>
</tr>
<tr>
<td>Transmission Holdco added 12 cents per share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower capacity revenues and energy margins contributed decreases</td>
<td></td>
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<tr>
<td>Growth in all regulated segments partially offset by declines in competitive businesses</td>
<td></td>
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</tr>
</tbody>
</table>
ASSET SALE DETAILS

Assets: Gavin, Lawrenceburg, Waterford, Darby [5,200 MW]

<table>
<thead>
<tr>
<th>Sales Price</th>
<th>$2.2 Billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGR debt</td>
<td>-0.3</td>
</tr>
<tr>
<td>Lawrenceburg debt</td>
<td>-0.2</td>
</tr>
<tr>
<td>Taxes</td>
<td>-0.5</td>
</tr>
<tr>
<td>Net Proceeds</td>
<td>$1.2 Billion</td>
</tr>
</tbody>
</table>

@ 55% debt leverage

After-tax gain: Approximately $150 Million to be recorded at close

Transaction expected to close Q1 2017
USE OF SALES PROCEEDS
WISELY INVESTING IN TRANSMISSION & RENEWABLES

Use of $2.2 Billion Levered Sales Proceeds

Without Proceeds

- Reduction in Generation ($0.8B)
- Regulated Transmission $1.6B
- Regulated Distribution $0.4B
- Regulated Generation $0.1B
- Corporate $0.9B
- Contracted Renewables $0.7B
- Generation & Marketing $0.6B

With Proceeds

- Regulated Transmission $9.0B
- Regulated Distribution $3.8B
- Regulated Generation $2.7B
- Corporate $0.8B
- Contracted Renewables $1.0B

Total: $17.3B
CAPITAL FORECAST
$17.3B Cap-ex from 2017-2019

- AEP Transmission Holdco: $4.7B (27%)
- Distribution: $3.8B (22%)
- Transmission: $4.3B (25%)
- Regulated Renewables: $1.0B (6%)
- Regulated Environmental Generation: $0.7B (6%)
- Regulated Fossil & Hydro Generation: $0.9B (5%)
- Nuclear Generation: $0.3B (2%)
- Corporate: $0.8B (4%)

100% of capital allocated to regulated businesses and contracted renewables
74% allocated to wires
## AEP Consolidated Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash from Operations</strong></td>
<td>4,500</td>
<td>4,400</td>
<td>4,800</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Capital &amp; JV Equity Contributions</strong></td>
<td>(5,000)</td>
<td>(5,700)</td>
<td>(6,000)</td>
<td>(5,600)</td>
</tr>
<tr>
<td><strong>Other Investing Activities</strong></td>
<td>(300)</td>
<td>1,800</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td><strong>Common Dividends</strong></td>
<td>(1,100)</td>
<td>(1,200)</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
<tr>
<td><strong>Excess (Required) Capital</strong></td>
<td>(1,900)</td>
<td>(700)</td>
<td>(2,600)</td>
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### Financing ($ in millions)

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<td>(2,000)</td>
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<tr>
<td><strong>Debt Maturities (Senior Notes, PCRBs)</strong></td>
<td>(1,100)</td>
<td>(2,600)</td>
<td>(1,400)</td>
<td>(1,900)</td>
</tr>
<tr>
<td><strong>Securitization Amortizations</strong></td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
<td>(300)</td>
</tr>
<tr>
<td><strong>Equity Issuances (DRP/401K)</strong></td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Debt Capital Market Needs (New)</strong></td>
<td>(3,270)</td>
<td>(3,600)</td>
<td>(4,300)</td>
<td>(4,200)</td>
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### Financial Metrics

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<tr>
<td><strong>Debt to Capitalization Target</strong></td>
<td>55-60%</td>
</tr>
<tr>
<td><strong>FFO/Total Debt</strong> ***</td>
<td>Mid to Upper Teens</td>
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* 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 Consolidated Cash Flows and Financial Metrics

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<th>$ in millions</th>
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<th>2018E</th>
<th>2019E</th>
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## Financial Metrics

- **Debt to Capitalization Target**: 55-60%
- **FFO/Total Debt**: Mid-to-upper teens

### Notes:
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- ** Dividend increased to $.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

### SOLID CREDIT METRICS

- No planned equity issuance
- Maintain credit metrics
- Access to debt capital markets
- No share buybacks in plan
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

Vertically Integrated Utilities $2.3B $5.1B $8.3B $11.4B
T&D Utilities $0.9B $1.5B $2.4B $3.4B
Transcos/Transource $0.5B $1.4B $2.5B $3.2B
Total $1.4B $6.6B $10.7B $14.8B

Vertically Integrated Utilities
T&D Utilities
Transcos/Transource
2017 OPERATING EARNINGS GUIDANCE
RANGE OF $3.55 - $3.75/SHARE

<table>
<thead>
<tr>
<th>Component</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertically Integrated Utilities</td>
<td>$1.85</td>
<td>$1.08</td>
</tr>
<tr>
<td>Transmission &amp; Distribution Utilities</td>
<td>$1.08</td>
<td>$0.59</td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$0.59</td>
<td>$0.59</td>
</tr>
<tr>
<td>Generation &amp; Marketing</td>
<td>$0.19</td>
<td>$0.19</td>
</tr>
<tr>
<td>Corporate &amp; Other</td>
<td>($0.06)</td>
<td>($0.06)</td>
</tr>
<tr>
<td>Total</td>
<td>$3.80</td>
<td>$3.65</td>
</tr>
</tbody>
</table>
NORMALIZED LOAD TRENDS

AEP TOTAL NORMALIZED GWH SALES
% Change vs. Prior Year

*2016 includes 9 months weather normalized actual results plus 3 months forecasted values.
NORMALIZED LOAD TRENDS

AEP Residential GWH Sales
% Change vs Prior Year

<table>
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<tbody>
<tr>
<td>%</td>
<td>0.0%</td>
<td>1.1%</td>
<td>-1.8%</td>
<td>0.4%</td>
<td>-0.3%</td>
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</table>

AEP Commercial GWH Sales
% Change vs Prior Year

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<tr>
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</thead>
<tbody>
<tr>
<td>%</td>
<td>-0.1%</td>
<td>1.7%</td>
<td>-0.2%</td>
<td>1.0%</td>
<td>0.1%</td>
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</table>

AEP Industrial GWH Sales
% Change vs Prior Year

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</thead>
<tbody>
<tr>
<td>%</td>
<td>-4.5%</td>
<td>0.4%</td>
<td>-0.2%</td>
<td>-0.9%</td>
<td>2.0%</td>
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</tbody>
</table>

AEP Total GWH Sales
% Change vs Prior Year

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</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>-1.6%</td>
<td>1.0%</td>
<td>-0.8%</td>
<td>0.2%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

*2016 includes 9 months weather normalized actual results plus 3 months forecasted values.
CONTINUOUS IMPROVEMENT ENABLES O&M DISCIPLINE

Excluding items recovered in riders/trackers

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
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</thead>
<tbody>
<tr>
<td>2011A</td>
<td>$3.0B</td>
</tr>
<tr>
<td>2012A</td>
<td>$2.8B</td>
</tr>
<tr>
<td>2013A</td>
<td>$2.8B</td>
</tr>
<tr>
<td>2014A</td>
<td>$3.1B</td>
</tr>
<tr>
<td>2015A</td>
<td>$3.0B</td>
</tr>
<tr>
<td>2016E</td>
<td>$3.0B</td>
</tr>
<tr>
<td>2017E</td>
<td>$3.0B</td>
</tr>
</tbody>
</table>
INVESTING IN TRANSMISSION

Lisa Barton  EXECUTIVE VICE PRESIDENT AEP TRANSMISSION
AEP TRANSMISSION MANAGES
THE LARGEST TRANSMISSION NETWORK IN NORTH AMERICA

AEP Transmission Business

**Transcos**
- OH Transco $2,070M
- WV Transco $621M
- IM Transco $1,087M
- OK Transco $661M
- KY Transco $70M

**Joint Ventures**
- ETT $2,828M
- Transource $299M
- Pioneer $66M
- Prairie Wind $151M

**Operating Companies**
- APCo $2,328M
- I&M $1,057M
- OPCo $1,533M
- KPCo $389M
- PSO $697M
- SWEPCO $1,250M
- AEP Texas $2,439M

**TRANSMISSION HOLDCO**

$4.5B Net Plant
639 Circuit Miles
43 Substations

$3.3B Net Plant
2,037 Circuit Miles
100 Substations

$9.7B Net Plant
36,743 Circuit Miles
3,344 Substations

Note: Figures represent net plant invested (including CWIP); joint ventures include total net plant invested.
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.
$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
SIGNIFICANT PIPELINE OF INVESTMENT DRIVEN BY AGING INFRASTRUCTURE

$2.5B investment per year is required to maintain the current asset age profile

AEP T-LINE AGE PROFILE

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Life Expectancy</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-2012</td>
<td>70 years</td>
<td>52 years</td>
</tr>
</tbody>
</table>

AEP TRANSFORMER AGE PROFILE

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Life Expectancy</th>
<th>Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-2012</td>
<td>60 years</td>
<td>41 years</td>
</tr>
</tbody>
</table>
## SIGNIFICANT ORGANIC INVESTMENT RUNWAY

<table>
<thead>
<tr>
<th></th>
<th>Life Expectancy</th>
<th>Current quantity over Life Expectancy</th>
<th>Quantity that will exceed Life Expectancy in next ten years</th>
<th>Total Renewal Opportunity over ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Line Miles</strong></td>
<td>70</td>
<td>7,145</td>
<td>5,575</td>
<td>12,720</td>
</tr>
<tr>
<td><strong>Transformers</strong></td>
<td>60</td>
<td>1,396</td>
<td>739</td>
<td>2,135</td>
</tr>
<tr>
<td><strong>Circuit Breakers</strong></td>
<td>50</td>
<td>2,001</td>
<td>2,461</td>
<td>4,462</td>
</tr>
</tbody>
</table>
AGING INFRASTRUCTURE
PROJECTS

- Retirement of 1910s vintage 88kV system serving McDowell County, West Virginia and Tazewell County, Virginia
- Rebuilt as 138kV with 35 miles of new lines and station upgrades
- $143 million project cost
- Corrects thermal overloads and low voltage issues
REGIONAL RELIABILITY PROJECT

- New 28-acre substation and new lines to support regional reliability driven by large-scale generation retirements
- $235 million project cost
- Corrects thermal overloads, voltage problems and improves congestion
LOCAL RELIABILITY PROJECT

- New 138kV loop and two new 138/12kV stations
- $40 million project cost
- Improves reliability in the Marcellus area and addresses low voltage issues
- Supports economic and shale gas development
CUSTOMER LOAD GROWTH PROJECT

- New 156-mile 345kV line from Laredo to North Edinburg, Texas
- $330 million project cost
- Provides a third source to the Rio Grande Valley – one of the fastest growing areas in the U.S. – and connects multiple wind farms in the area
206 complaint against AEP east companies filed

AEP plans to file a 205 application for a modified formula rate that seeks to mitigate regulatory lag

Seeking formula rates consistent with other transmission owners in PJM

Transmission investment strategy unchanged
AEP THC INVESTMENT INITIATIVES
FOR BUSINESS GROWTH

Strong Partnerships

Industry Solutions

Infrastructure Investments
WELL-POSITIONED
REGULATED BUSINESS

Bob Powers
EXECUTIVE VICE PRESIDENT AND
CHIEF OPERATING OFFICER
Regulated Operations ROE of 10.5% as of September 30, 2016

Sphere size based on each company's relative equity balance
* Transco ROE is 11.4%
INVESTING IN A GREENER FUTURE

AEP SYSTEM PLANNED GENERATION RESOURCE ADDITIONS
regulated and AEP Ohio Purchase Power Agreement

Total MW
3,400
5,400
3,000

Source: Current internal Integrated Resource Plans, which largely do not reflect ITC/PTC extension or Bonus Depreciation. Wind and solar represent nameplate MW capacity.
AEP'S GENERATING RESOURCE PORTFOLIO
PAST AND FUTURE

1999 includes AEP and Central and South West generation combined. All periods presented include Purchase Power Agreements. Future excludes Cardinal, Conesville, Stuart and Zimmer plants.

* Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.
DRAMATIC REDUCTIONS IN EMISSIONS

TOTAL AEP SYSTEM NOx & SO2 EMISSIONS

SO2

NOx

1990-2015 ACTUAL
1990-2017* ACTUAL
1990-Future ESTIMATED

SO2

88%
94%
94%

NOx

87%
89%
93%

Hg

73%
87%
89%

* Reflects impact of sale of Lawrenceburg, Waterford, Darby and Gavin plants
Future excludes Cardinal, Conesville, Stuart and Zimmer plants
DRAMATIC REDUCTIONS IN EMISSIONS

TOTAL AEP SYSTEM – ANNUAL CO$_2$ EMISSIONS
in million metric tons

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</thead>
<tbody>
<tr>
<td>CO$_2$ Emissions</td>
<td>167.1</td>
<td>152.7</td>
<td>153.6</td>
<td>158.0</td>
<td>146.0</td>
<td>145.8</td>
<td>145.2</td>
<td>150.7</td>
<td>150.9</td>
<td>132.0</td>
<td>135.1</td>
<td>136.5</td>
<td>121.9</td>
<td>115.3</td>
<td>122.7</td>
<td>102.5</td>
<td>89.8</td>
<td>70.3</td>
<td></td>
</tr>
</tbody>
</table>

* Reflects impact of sale of Lawrenceburg, Waterford, Darby and Gavin plants
* Future excludes Cardinal, Conesville, Stuart and Zimmer plants

2000-2015 actual: 39%
2000-2017* estimated: 46%
2000-future estimated: 58%
FOCUSING ON WIRES
A TALE OF TWO DECADES

2006
2006 CAPITAL

Distribution 23%
Transmission 13%
Generation 64%

Focus on environmental retrofits
Transmission expansion just beginning

2016
2017-2019 CAPITAL FORECAST

Distribution 24%
Generation 18%
Transmission 58%

Focus on wires
$9 billion on transmission over 3-year forecast period
TURNING THE SHIP
A TALE OF TWO DECADES

2006
NET PLANT PROFILE

35%
Distribution

45%
Generation

20%
Transmission

2006
NET PLANT PROFILE

34%
Distribution

32%
Generation

34%
Transmission

2016
NET PLANT PROFILE
INVESTING IN
CONTRACTED RENEWABLES

Chuck Zebula
EXECUTIVE VICE PRESIDENT
ENERGY SUPPLY
## CONTRACTED RENEWABLES
### $1B CAPITAL ALLOCATED 2017-2019

<table>
<thead>
<tr>
<th>Category</th>
<th>AEP ONSITE PARTNERS</th>
<th>AEP RENEWABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewable Generation Asset Owner</strong></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>“Behind-the-Meter” Energy Assets</strong></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td><strong>Universal Scale Energy Assets</strong></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Key Customers</strong></td>
<td>Schools, Cities, Hospitals and Commercial / Industrial Accounts</td>
<td>Utilities, Municipalities, Corporations and Cooperative Accounts</td>
</tr>
<tr>
<td><strong>Key Technologies</strong></td>
<td>Solar, energy storage and combined heat and power</td>
<td>Wind and Solar</td>
</tr>
</tbody>
</table>
CONTRACTED RENEWABLES
2016 ACCOMPLISHMENTS

City of Clyde, Ohio | 3.6MW
- Multiple projects in 8 different states
- 4MW of solar projects in operation
- 31MW of solar projects under construction

Pavant Solar III Utah | 20MW
- 20MW solar project in Utah
- Output fully contracted with PacifiCorp under 20 year PPA
- Expected COD in December 2016
- Constructed by JSI Construction
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
PREFERRED PROJECT PARTNER

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

AEP IS A WELCOMED STRATEGIC PARTNER
EXECUTING THE STRATEGY
REALIZING THE RESULTS

Nick Akins
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER
PREDICTABLE EARNINGS
HIGHER GROWTH RATE

BEFORE:
HYBRID MIX

2014

Regulated Earnings

Vertically Integrated Utilities

T&D Utilities

AEP Transmission Holdco

Generation & Marketing

27%

43%

9%

21%

79%

Regulated Earnings

AFTER:
REGULATED BUSINESS MODEL

2017E

Regulated Earnings

Vertically Integrated Utilities

T&D Utilities

AEP Transmission Holdco

Generation & Marketing

3%

16%

30%

51%

97%
THE PREMIER REGULATED ENERGY COMPANY

HIGHER
growth

HIGHER
dividends

MORE
regulated

MORE
certainty