

Vertically Integrated Utilities

Jurisdiction	Pro Forma Rate Base ¹ (\$ millions)	Proforma ² Earned ROE as of 12/31/2016	Approved ROE	Approved Debt/Equity	Effective Date of last approved rate case
APCo-Virginia			10.40%*	57/43	2/2/2015
APCo-West Virginia/WPCo			9.75%	53/47	5/27/2015
APCo - FERC			11.06%	54/46	6/1/2016
APCo/WPCo Total	\$ 8,002	10.3%			
Kingsport Power - Tennessee ⁵	\$ 100		9.85%	58/42	8/9/2016
KgPCo- TN Total	\$ 100	0.9%			
KPCo -Distribution/Generation			10.25%	56/44	7/1/2015
KPCo-Kentucky Total	\$ 1,630	7.5%			
I&M-Indiana			10.20%	48/52	2/28/2013
I&M-Michigan			10.20%	49/51	3/29/2012
I&M - FERC			10.81%	44/56	6/1/2016
I&M Total	\$ 4,203	11.7%			
PSO- Distribution/Generation			9.50%	56/44	1/15/2016
PSO-Oklahoma Total	\$ 2,563	8.5%			
SWEPCO-Louisiana			10.00% ³	48/52	8/1/2015
SWEPCO-Arkansas			10.25%	54/46	11/24/2009
SWEPCO-Texas			9.65%	51/49	1/29/2013
SWEPCO - FERC			11.10%	50/50	1/1/2016
SWEPCO Total	\$ 4,812	7.4%			

Transmission and Distribution Companies

Jurisdiction	Proforma Rate Base ¹ (\$ millions)	Proforma ² Earned ROE as of 12/31/2016	Approved ROE	Approved Debt/Equity	Effective Date of last approved rate case
AEP Ohio - Distribution**			10.20%	52/48	2/25/2015
AEP Ohio - Transmission			11.49%	50/50	7/1/2016
AEP Ohio total	\$ 4,227	13.9%			
AEP Texas Central	\$ 2,545		9.96%	60/40	5/29/2007
AEP Texas North	\$ 1,030		9.96%	60/40	3/4/2008
AEP Texas Total	\$ 3,575	11.7%			

Transcos

Company	Actual Rate Base ⁶ (\$ millions)	Proforma ² Earned ROE as of 12/31/2016	Approved ROE	Approved ⁴ Debt/Equity	Effective Date of last approved formula rate filing
AEP Ohio Transco	\$ 1,504	11.3%	11.49%	50/50	7/1/2016
AEP Kentucky Transco	\$ 59	7.0%	11.49%	50/50	7/1/2016
AEP Indiana Michigan Transco	\$ 757	12.1%	11.49%	50/50	7/1/2016
AEP West Virginia Transco	\$ 459	9.7%	11.49%	50/50	7/1/2016
AEP Oklahoma Transco	\$ 433	11.0%	11.20%	50/50	7/1/2016

¹ Rate base represents Net Utility Plant plus Regulatory Assets less Net Accumulated Deferred Income Taxes and less Regulatory Liabilities from 2015 Ferc Form

² Proforma adjusts GAAP results by eliminating any material nonrecurring items and is not weather normalized. 12-month rolling ROE. AEP Ohio ROE reflects adjustment for Ohio SEET (significantly excessive earnings test) purposes.

³ Represents the midpoint of the ROE range approved in the formula rate case settled in February 2014

⁴ Represents approved 50/50 ratio once the company issues debt

⁵ Kingsport has a Commission-approved Settlement Agreement, but as of 10/12/16, a Final Order has not been issued.

⁶ Rate base as specified under the PJM transmission formula rate filing.

* 10.4% Allowed top of band, 70 BPS above authorized 9.7%, as approved in 2014. Base rates subsequently frozen in VA by the Feb. 2015 Rate Freeze Law. A 9.4% ROE was approved in October, 2016 to be applied to Rate Adjustment Clauses (RACs) only.

** Per ESP III Order

Chart above excludes AEG's Rockport plant investment. AEG sells capacity & energy to I&M and KPCo under a PPA.