



2nd Quarter 2017 Earnings Release Presentation

July 27, 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.

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Non-GAAP Financial Measures

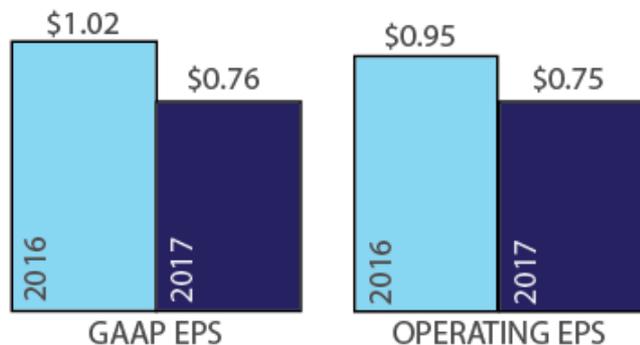
AEP reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). AEP supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including operating earnings (non-GAAP) and FFO to Total Debt. Operating earnings (non-GAAP) excludes certain gains and losses and other specified items, including mark-to-market adjustments from commodity hedging activities and other items as set forth in the reconciliation in the Appendix. FFO to Total Debt is adjusted for the effects of securitization, spent nuclear fuel trust, capital and operating leases, pension, capitalized interest and changes in working capital. Operating earnings could differ from GAAP earnings for matters such as impairments, divestitures, or changes in accounting principles. AEP management is not able to forecast if any of these items will occur or any amounts that may be reported for future periods. Therefore, AEP is not able to provide a corresponding GAAP equivalent for earnings guidance. Reflecting special items recorded through the second quarter of 2017, the estimated earnings per share on a GAAP basis would be \$3.80 to \$4.00 per share.

This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of AEP's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

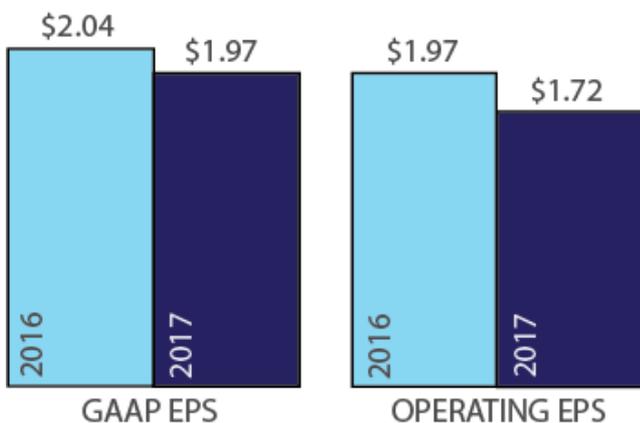
These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations. AEP has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and supplemental schedules to this presentation.

Second Quarter 2017 Highlights

Second Quarter 2017



YTD 2017



Company Update

Earnings Update

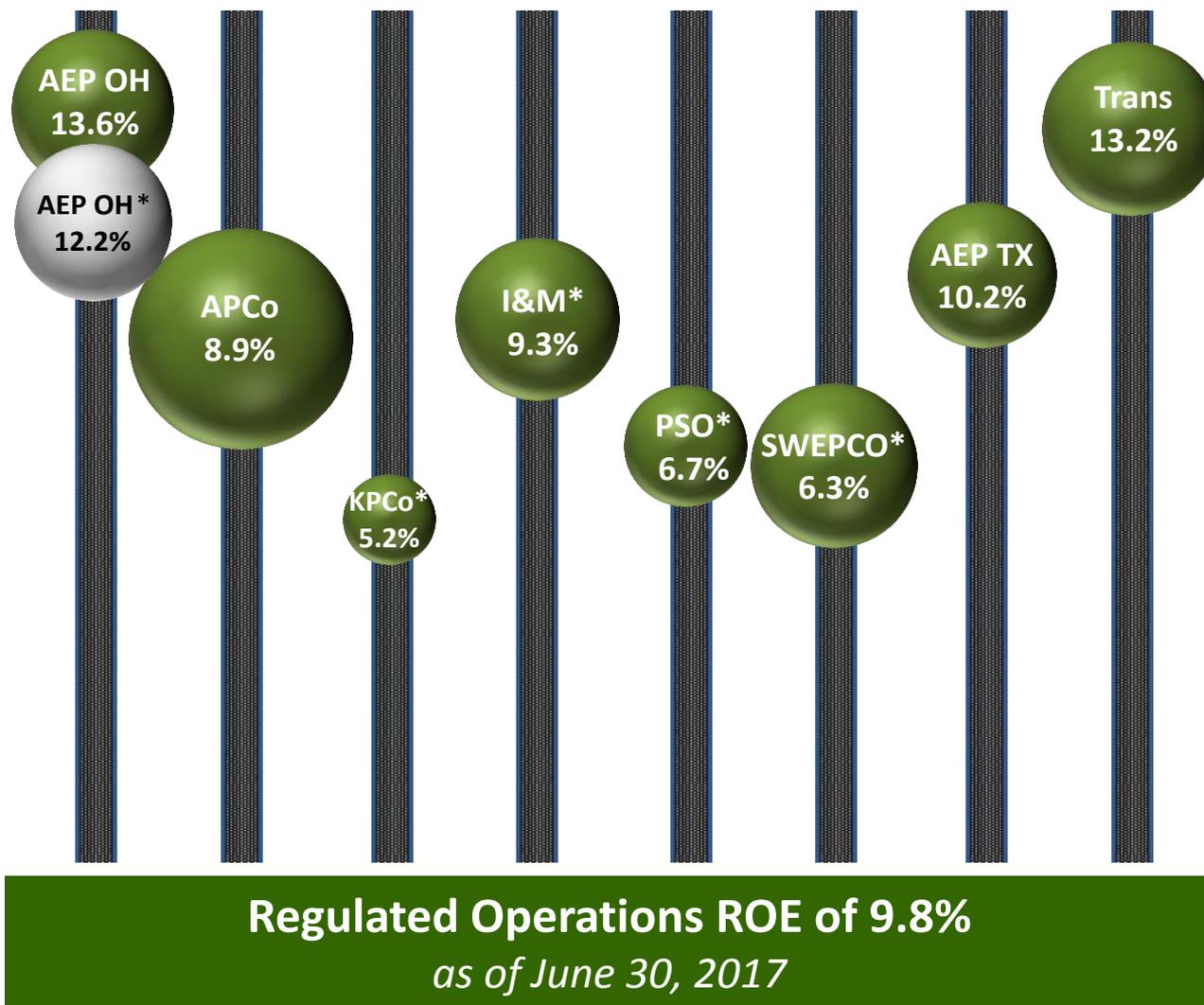
- ✓ Delivered GAAP earnings of \$0.76 per share and operating earnings of \$0.75 per share for the second quarter 2017
- ✓ Delivered GAAP earnings of \$1.97 per share and operating earnings of \$1.72 per share for YTD June 2017
- ✓ Reaffirming operating earnings guidance range of \$3.55 - \$3.75 per share

Regulatory & Strategic Update

- Wind Catcher Energy Connection
- Rate Case update: I&M, KPCo, PSO, SWEPCO
- Complete strategic review of remaining competitive generation assets
- Ohio legislative update

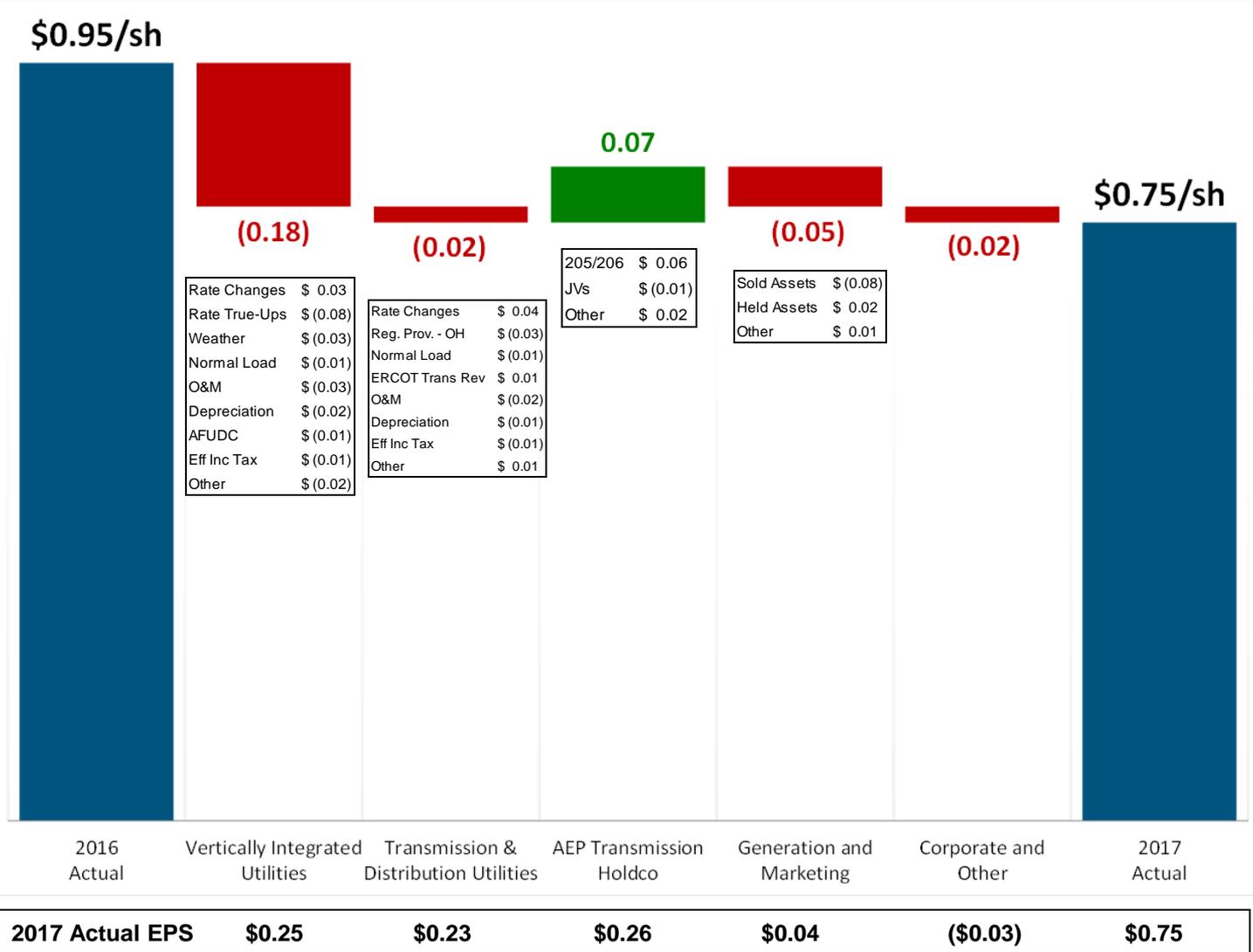
Regulated Returns

Twelve Months Ended 6/30/2017 Earned ROE's (non-GAAP Operating Earnings)



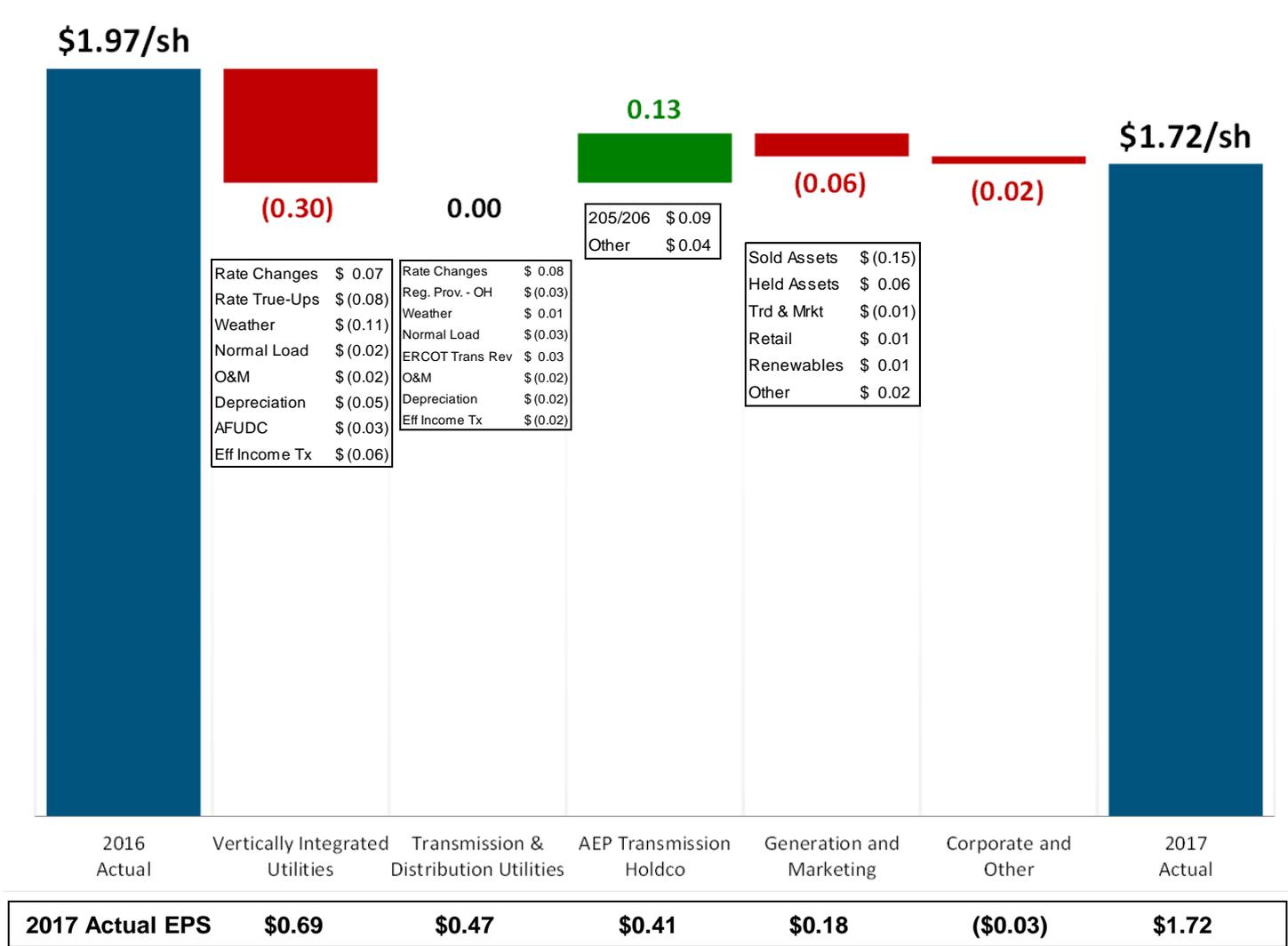
*AEP Ohio adjusted for SEET items. Base rate cases pending at other operating companies.

2nd Quarter Operating Earnings Segment Detail



Refer to appendix for additional explanation of variances by segment

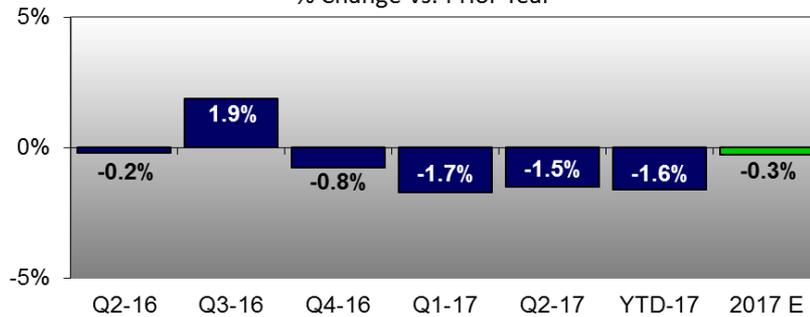
2017 YTD Operating Earnings Segment Detail



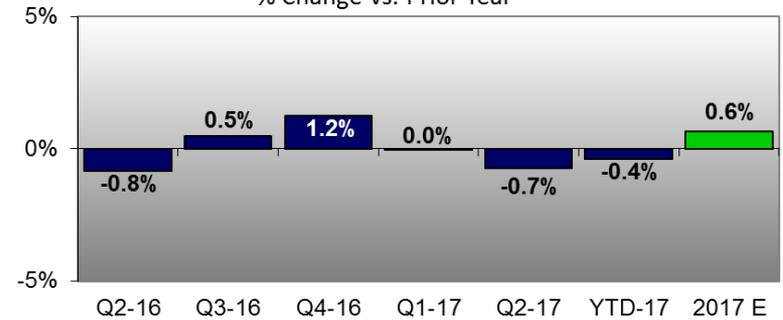
Refer to appendix for additional explanation of variances by segment

Weather Normalized Billed Retail Load Trends

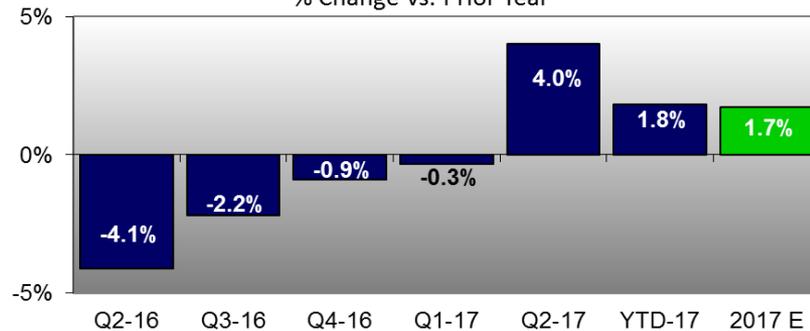
AEP Residential Normalized GWh Sales
% Change vs. Prior Year



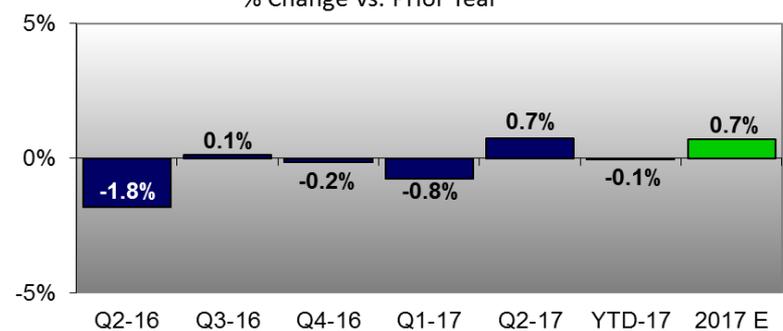
AEP Commercial Normalized GWh Sales
% Change vs. Prior Year



AEP Industrial GWh Sales
% Change vs. Prior Year

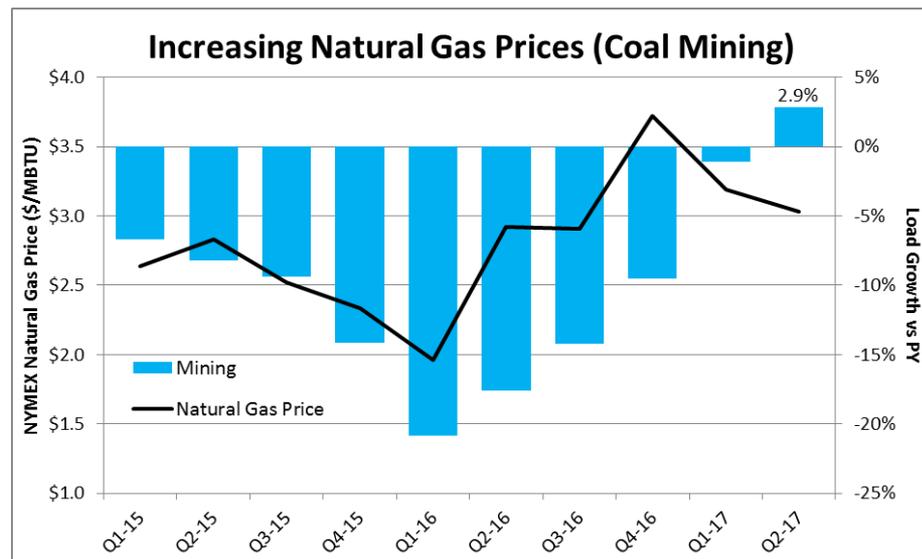
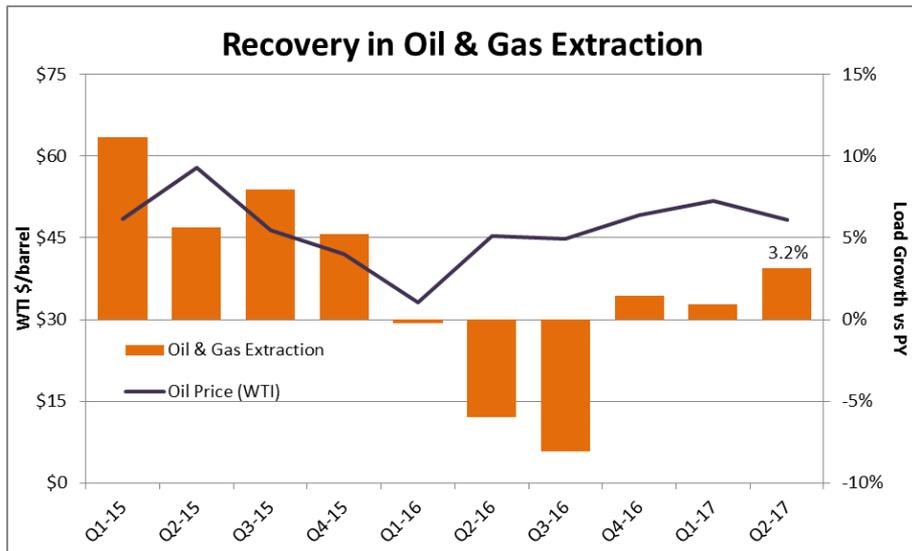


AEP Total Normalized GWh Sales
% Change vs. Prior Year

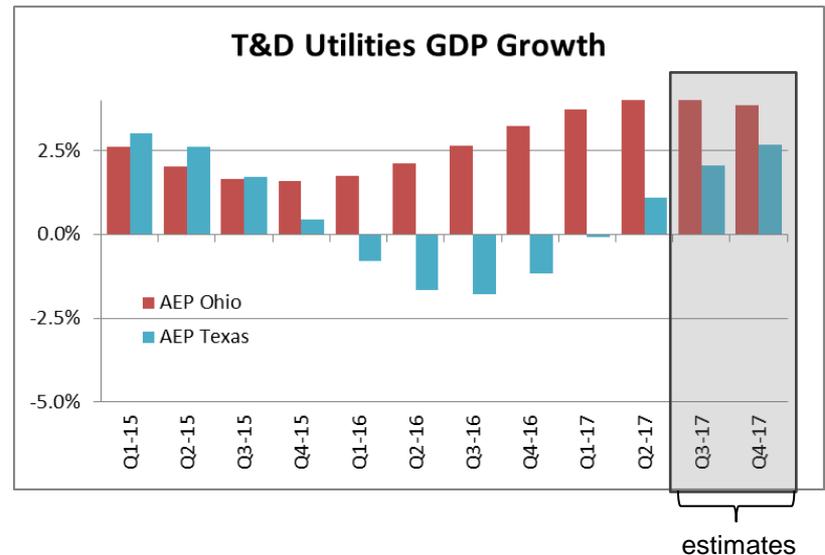
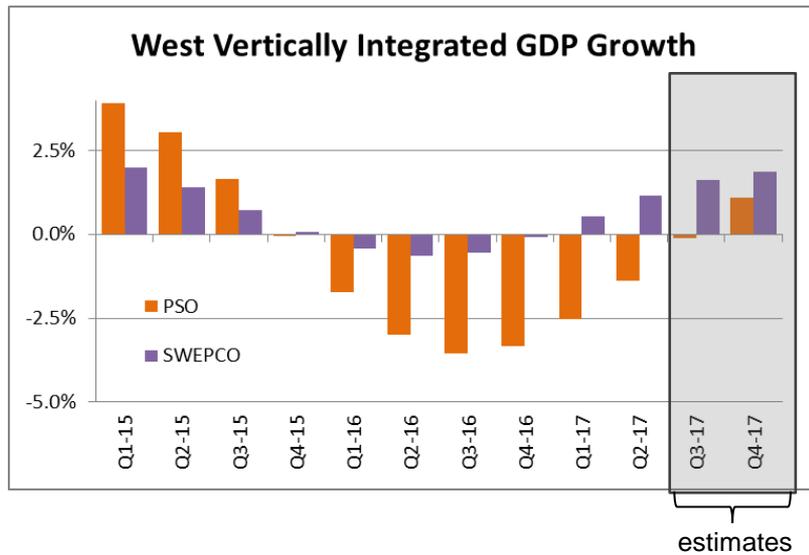
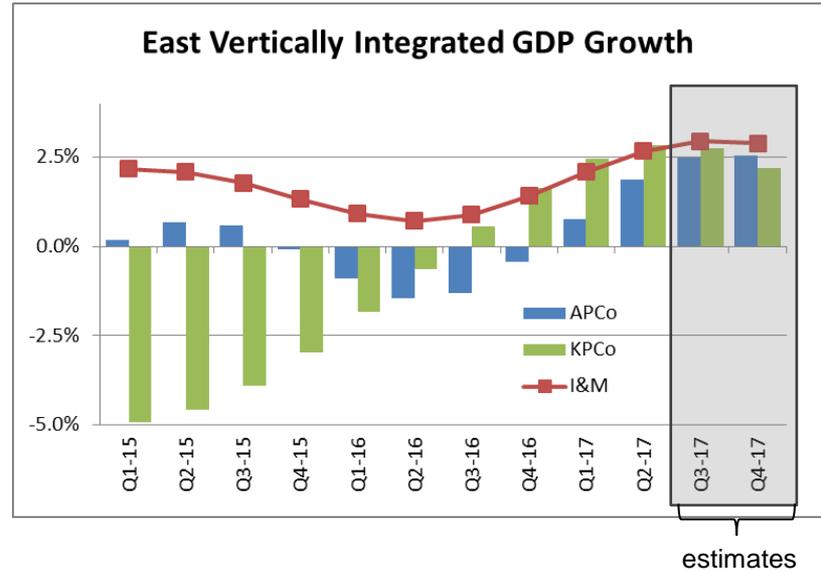
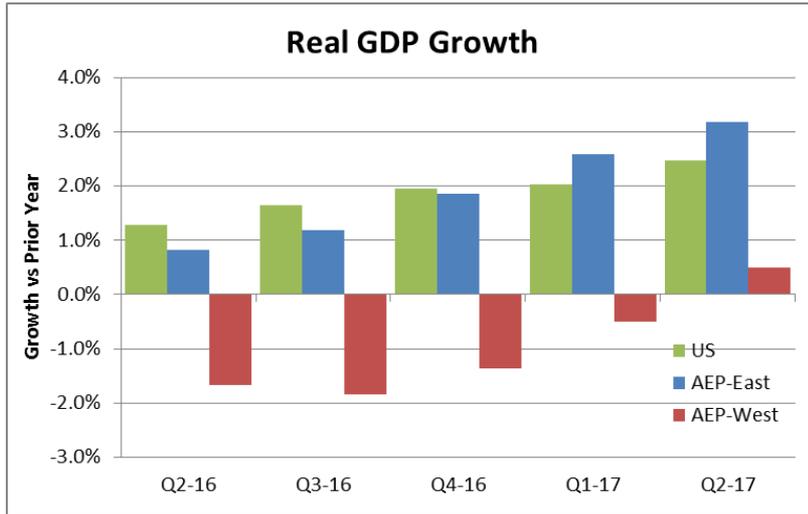


Note: Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale and Buckeye Power backup load. See Appendix for load figures on a billed plus accrued basis.

Recovering Energy Prices Impact Load Growth

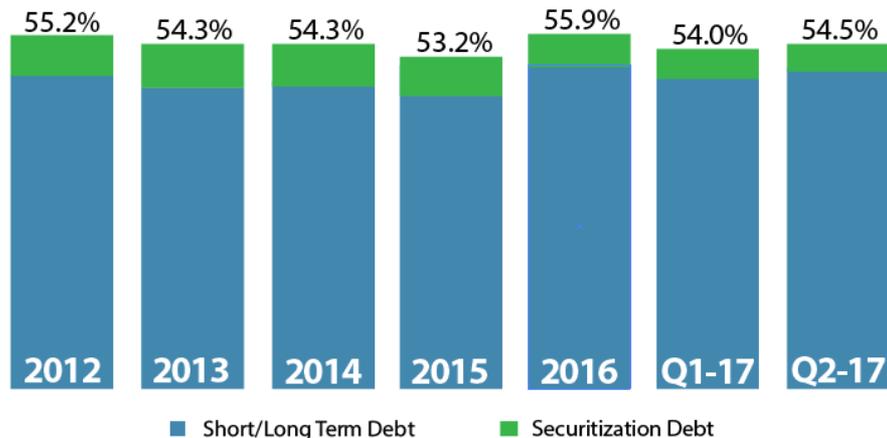


Economic Data – AEP Service Territory



Capitalization & Liquidity

Total Debt / Total Capitalization



Credit Statistics

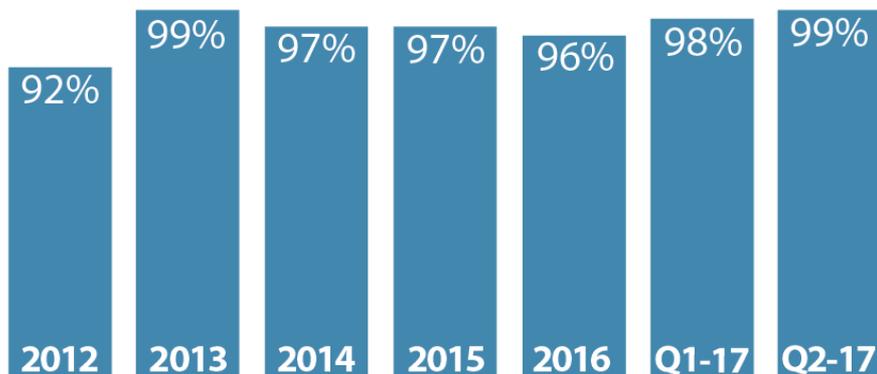
	Actual	Target
FFO to Total Debt	18.1%	15%-20%

*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	

Qualified Pension Funding



- Decrease in Q2 earnings was anticipated
- Reaffirming 2017 operating earnings guidance range of \$3.55 to \$3.75 per share & 5% - 7% growth rate
- Primary driver second half of 2017 will be significantly favorable year over year O&M



Appendix



BOUNDLESS ENERGY™

2nd Quarter Reconciliation of GAAP to Operating Earnings

	\$ millions			Earnings Per Share		
	Q2-16	Q2-17	Change	Q2-16	Q2-17	Change
Reported (GAAP) Earnings	\$502	\$375	(\$127)	\$1.02	\$0.76	(\$0.26)
Non Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities*	(4)	-	4	(0.01)	-	0.01
Gain from Competitive Generation Asset Sale*	-	(2)	(2)	-	-	-
Impairment of Certain Merchant Generation Assets*	-	(3)	(3)	-	(0.01)	(0.01)
Disposition of Commercial Barge Operations**	23	-	(23)	0.05	-	(0.05)
Federal Tax Audit Settlement**	(55)	-	55	(0.11)	-	0.11
AEP Operating Earnings	\$466	\$370	(\$96)	\$0.95	\$0.75	(\$0.20)

* Items recorded in Generation and Marketing segment

** Items recorded in Corporate and Other segment

YTD June Reconciliation of GAAP to Operating Earnings

	\$ millions			Earnings Per Share		
	YTD-16	YTD-17	Change	YTD-16	YTD-17	Change
Reported (GAAP) Earnings	\$1,003	\$967	(\$36)	\$2.04	\$1.97	(\$0.07)
Non Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities*	(4)	3	7	(0.01)	-	0.01
Gain from Competitive Generation Asset Sale*	-	(129)	(129)	-	(0.26)	(0.26)
Impairment of Certain Merchant Generation Assets*	-	4	4	-	0.01	0.01
Disposition of Commercial Barge Operations**	23	-	(23)	0.05	-	(0.05)
Federal Tax Audit Settlement**	(55)	-	55	(0.11)	-	0.11
AEP Operating Earnings	\$967	\$845	(\$122)	\$1.97	\$1.72	(\$0.25)

* Items recorded in Generation and Marketing segment

** Items recorded in Corporate and Other segment

Vertically Integrated Utilities

Second Quarter Summary

	Q2-16	Q2-17
\$ millions (except EPS)		
Operating Revenues	\$2,126	\$2,120
Operating Expenses:		
Energy Costs	(700)	(712)
Operations & Maintenance	(624)	(711)
Depreciation & Amortization	(271)	(278)
Taxes Other Than Income Taxes	(98)	(99)
Operating Income	433	320
Net Interest/AFUDC	(119)	(124)
Income Taxes	(105)	(68)
Other	-	(7)
Operating & GAAP Earnings	\$209	\$121
EPS from Operating Earnings	\$0.43	\$0.25

Key Drivers: Q2-17 vs. Q2-16

- ✓ Rate changes: \$24M of rate increases primarily at SWEPCo, APCo/WPCo and I&M. These increases were offset by wholesale rate decreases of \$37M, driven by formula rate true-ups, and a prior year recognition of deferred WV rate billings of \$25M
- ✓ Weather: \$25M unfavorable vs. prior year; \$15M unfavorable vs. normal
- ✓ Normalized Retail Load: \$6M unfavorable vs. prior year primarily due to decreased commercial and industrial sales
- ✓ O&M: \$18M unfavorable (net of offsets) vs. prior year primarily due to increased transmission services, forestry and a favorable land sale in 2016
- ✓ Income Taxes: effective tax rate of 37.3% Q2-17 vs. 33.2% Q2-16

Vertically Integrated Utilities

YTD Summary

	YTD-16	YTD-17
\$ millions (except EPS)		
Operating Revenues	\$4,372	\$4,411
Operating Expenses:		
Energy Costs	(1,442)	(1,500)
Operations & Maintenance	(1,254)	(1,366)
Depreciation & Amortization	(538)	(556)
Taxes Other Than Income Taxes	(196)	(201)
Operating Income	942	788
Net Interest/AFUDC	(229)	(245)
Income Taxes	(226)	(196)
Other	-	(7)
Operating & GAAP Earnings	\$487	\$340
EPS from Operating Earnings	\$0.99	\$0.69

Key Drivers: YTD-17 vs. YTD-16

- ✓ Rate changes: \$52M of rate increases across multiple jurisdictions offset by wholesale rate decreases of \$36M, driven by formula rate true-ups, and a prior year recognition of deferred WV rate billings of \$25M
- ✓ Weather: \$83M unfavorable vs. prior year; \$95M unfavorable vs. normal
- ✓ Normalized Retail load: \$17M unfavorable vs. prior year primarily due to lower east residential, industrial and commercial sales
- ✓ O&M: \$10M unfavorable (net of offsets) vs. prior year primarily due to increased forestry and transmission services
- ✓ Income Taxes: effective tax rate of 36.9% YTD-17 vs. 31.6% YTD-16

Transmission & Distribution Utilities

Second Quarter Summary

	Q2-16	Q2-17
\$ millions (except EPS)		
Operating Revenues	\$1,096	\$1,054
Operating Expenses:		
Energy Costs	(191)	(187)
Amortization of Generation Deferrals	(51)	(53)
Operations & Maintenance	(326)	(294)
Depreciation & Amortization	(167)	(164)
Taxes Other Than Income Taxes	(118)	(127)
Operating Income	243	229
Net Interest/AFUDC	(59)	(59)
Income Taxes	(59)	(59)
Operating & GAAP Earnings	\$125	\$111
EPS from Operating Earnings	\$0.25	\$0.23

Key Drivers: Q2-17 vs. Q2-16

- ✓ Rate changes: \$31M favorable primarily from the Texas Distribution Cost Recovery Factor and the Ohio DIR and RSR
- ✓ OH Regulatory Provision: \$21M unfavorable due to prior year reversal of provision
- ✓ Normalized Retail Load: \$8M unfavorable primarily due to unfavorable prices
- ✓ ERCOT Transmission Revenue: \$9M favorable due to recovery of increased transmission investment
- ✓ O&M: \$19M unfavorable (net of offsets) due to increased transmission service expenses
- ✓ Income Taxes: effective tax rate of 34.7% Q2-17 vs. 32.2% Q2-16

Transmission & Distribution Utilities

YTD Summary

	YTD-16	YTD-17
\$ millions (except EPS)		
Operating Revenues	\$2,193	\$2,140
Operating Expenses:		
Energy Costs	(408)	(410)
Amortization of Generation Deferrals	(107)	(114)
Operations & Maintenance	(650)	(579)
Depreciation & Amortization	(324)	(320)
Taxes Other Than Income Taxes	(241)	(254)
Operating Income	463	463
Net Interest/AFUDC	(118)	(110)
Income Taxes	(112)	(123)
Operating & GAAP Earnings	\$233	\$230
EPS from Operating Earnings	\$0.47	\$0.47

Key Drivers: YTD-17 vs. YTD-16

- ✓ Rate changes: \$63M primarily from the Texas Distribution Cost Recovery Factor and the Ohio PIRR, DIR, RSR
- ✓ OH Regulatory Provision: \$21M unfavorable due to prior year reversal of provision
- ✓ Weather: \$4M favorable vs. prior year. There was no variance compared to normal
- ✓ Normalized Retail Load: \$23M unfavorable primarily due to unfavorable prices and decreased Texas residential sales
- ✓ ERCOT Transmission Revenue: \$18M favorable due to recovery of increased transmission investment
- ✓ O&M: \$16M unfavorable (net of offsets) primarily due to increased transmission service and forestry expenses
- ✓ Income Taxes: effective tax rate of 34.8% YTD-17 vs. 32.6% YTD-16

Second Quarter Summary

	Q2-16	Q2-17
\$ millions (except EPS)		
Operating Revenues	\$162	\$247
Operating Expenses:		
Operations & Maintenance	(9)	(17)
Depreciation & Amortization	(16)	(24)
Taxes Other Than Income Taxes	(22)	(28)
Operating Income	115	178
Net Interest/AFUDC	2	(4)
Income Taxes	(47)	(67)
Equity Earnings	25	22
Other	-	(1)
Operating & GAAP Earnings	\$95	\$128
EPS from Operating Earnings	\$0.19	\$0.26

Key Drivers: Q2-17 vs. Q2-16

- ✓ \$63M favorable operating income primarily due to the impact of the 205/206 filings. Operating Income was also higher due to increased revenues and expenses, driven by increased capital investment in the wholly owned Transcos.

AEP Transmission Holdco

YTD Summary

	YTD-16	YTD-17
\$ millions (except EPS)		
Operating Revenues	\$250	\$403
Operating Expenses:		
Operations & Maintenance	(20)	(31)
Depreciation & Amortization	(31)	(49)
Taxes Other Than Income Taxes	(43)	(56)
Operating Income	156	267
Net Interest/AFUDC	3	(10)
Income Taxes	(68)	(103)
Equity Earnings	50	48
Other	(2)	(2)
Operating & GAAP Earnings	\$139	\$200
EPS from Operating Earnings	\$0.28	\$0.41

Key Drivers: YTD-17 vs. YTD-16

- ✓ \$111M favorable operating income primarily due to the impact of the 205/206 filings. Operating Income was also higher due to increased revenues and expenses, driven by increased capital investment in the wholly owned Transcos.

Generation & Marketing

Second Quarter Summary

	Q2-16	Q2-17
\$ millions (except EPS)		
Operating Revenues	\$678	\$412
Operating Expenses:		
Energy Costs	(444)	(303)
Operations & Maintenance	(101)	(68)
Depreciation & Amortization	(51)	(6)
Taxes Other Than Income Taxes	(10)	(4)
Operating Income	72	31
Net Interest/AFUDC	(8)	(1)
Income Taxes	(18)	(8)
Operating Earnings	46	22
Proforma Adjustments, Net of Tax	4	4
GAAP Earnings	\$50	\$26
EPS from Operating Earnings	\$0.09	\$0.04

Key Drivers: Q2-17 vs. Q2-16

- ✓ Generation decreased 6,914 GWh (78%) Q2-17 vs. Q2-16 due to sale of plants in January
- ✓ AEP Dayton ATC liquidations up 10%: \$28.43/MWh in Q2-17 vs. \$25.78/MWh in Q2-16
- ✓ Depreciation & Amortization: \$45M favorable vs. prior year primarily due to decreased depreciation resulting from the Q3 2016 asset impairment and plants being sold
- ✓ Income Taxes: effective tax rate of 27.1% Q2-17 vs. 28.3% Q2-16.

See slide 14 for items excluded from Net Income to reconcile to Operating Earnings

Generation & Marketing

YTD Summary

	YTD-16	YTD-17
\$ millions (except EPS)		
Operating Revenues	\$1,426	\$1,006
Operating Expenses:		
Energy Costs	(923)	(708)
Operations & Maintenance	(195)	(155)
Depreciation & Amortization	(99)	(11)
Taxes Other Than Income Taxes	(20)	(6)
Operating Income	189	126
Net Interest/AFUDC	(17)	(5)
Income Taxes	(56)	(31)
Operating Earnings	116	90
Proforma Adjustments, Net of Tax	4	123
GAAP Earnings	\$120	\$213
EPS from Operating Earnings	\$0.24	\$0.18

Key Drivers: YTD-17 vs. YTD-16

- ✓ Generation decreased 11,126 GWh (61%) Q2-17 vs. Q2-16 due to sale of plants in January
- ✓ AEP Dayton ATC liquidations up 3%: \$28.62/MWh in Q2-17 vs. \$27.84/MWh in Q2-16
- ✓ Depreciation & Amortization: \$88M favorable vs. prior year primarily due to decreased depreciation resulting from the Q3 2016 asset impairment and plants being sold
- ✓ Income Taxes: effective tax rate of 25.4% Q2-17 vs. 32.2% Q2-16. Current year reflects positive impact of solar investment tax credits being recognized on an amortized basis

See slide 15 for items excluded from Net Income to reconcile to Operating Earnings

2nd Quarter Retail Rate Performance

Vertically Integrated Utilities

	Rate Changes*, net of offsets (in millions)
	Q2-17 vs. Q2-16
APCo/WPCo	(\$17)
I&M	(\$26)
KPCo	\$2
PSO	-
SWEPCO	\$1
Kingsport	\$2
TOTAL	(\$38)
Impact on EPS	\$0.05

Transmission & Distribution Utilities

	Rate Changes, net of offsets (in millions)
	Q2-17 vs. Q2-16
AEP Ohio	\$17
AEP Texas	\$15
TOTAL	\$32
Impact on EPS	\$0.04

* Includes rate true-ups.

YTD Retail Rate Performance

Vertically Integrated Utilities

	Rate Changes*, net of offsets (in millions)
	YTD-17 vs. YTD-16
APCo/WPCo	(\$7)
I&M	(\$20)
KPCo	\$4
PSO	\$4
SWEPCO	\$6
Kingsport	\$4
TOTAL	(\$9)
Impact on EPS	\$0.01

Transmission & Distribution Utilities

	Rate Changes, net of offsets (in millions)
	YTD-17 vs. YTD-16
AEP Ohio	\$37
AEP Texas	\$26
TOTAL	\$63
Impact on EPS	\$0.08

* Includes rate true-ups.

2nd Quarter Retail Load Performance

Vertically Integrated Utilities

	Retail Load* (weather normalized)
	Q2-17 vs. Q2-16
APCo/WPCo	-1.1%
I&M	-2.9%
KPCo	-2.8%
PSO	1.0%
SWEPSCO	0.2%
Kingsport	-4.1%
TOTAL	-1.0%
Impact on EPS**	\$0.01

Transmission & Distribution Utilities

	Retail Load* (weather normalized)
	Q2-17 vs. Q2-16
AEP Ohio	0.9%
AEP Texas	5.5%
TOTAL	2.8%
Impact on EPS**	\$0.01

* Includes load on a billed basis only. Excludes Firm Wholesale Load and accrued sales.

** Includes EPS impact of accrued revenues.

YTD Retail Load Performance

Vertically Integrated Utilities

	Retail Load* (weather normalized)
	YTD-17 vs. YTD-16
APCo/WPCo	-1.4%
I&M	-1.1%
KPCo	-2.6%
PSO	1.2%
SWEPCO	-1.0%
Kingsport	-1.9%
TOTAL	-0.9%
Impact on EPS**	\$0.02

Transmission & Distribution Utilities

	Retail Load* (weather normalized)
	YTD-17 vs. YTD-16
AEP Ohio	0.5%
AEP Texas	1.8%
TOTAL	1.0%
Impact on EPS**	\$0.03

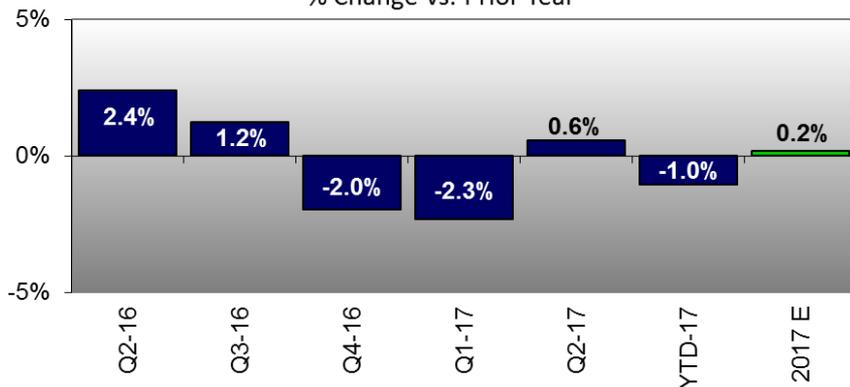
* Includes load on a billed basis only. Excludes Firm Wholesale Load and accrued sales.

** Includes EPS impact of accrued revenues.

Normalized Retail Load Trends (Billed & Accrued)

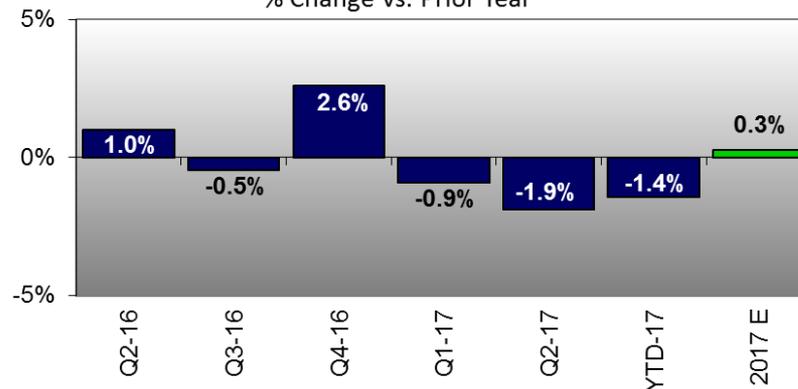
AEP Residential Normalized GWh Sales

% Change vs. Prior Year



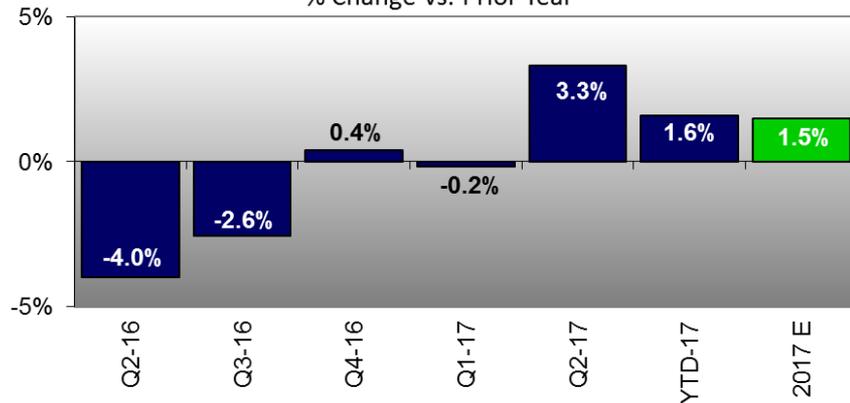
AEP Commercial Normalized GWh Sales

% Change vs. Prior Year



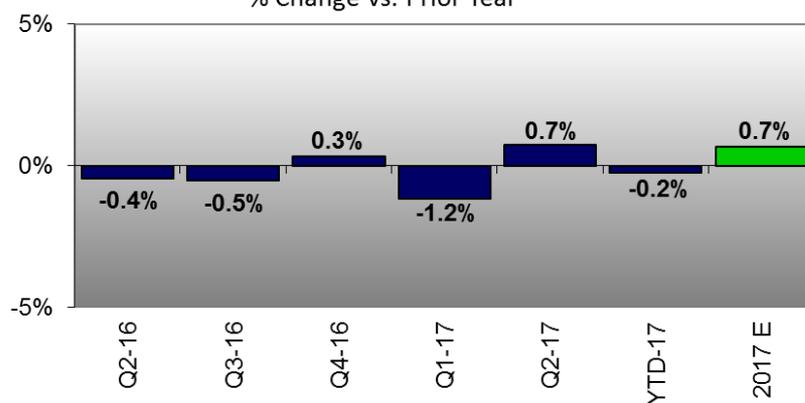
AEP Industrial GWh Sales

% Change vs. Prior Year



AEP Total Normalized GWh Sales

% Change vs. Prior Year



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

2nd Quarter Weather Impact

Vertically Integrated Utilities

	Weather Impact* (in millions)	
	Q2-17 vs. Q2-16	Q2-17 vs. Normal
APCo/WPCo	(\$8)	(\$4)
I&M	(\$3)	(\$2)
KPCo	(\$2)	(\$1)
PSO	(\$4)	(\$2)
SWEPCO	(\$7)	(\$8)
Kingsport	-	-
TOTAL	(\$25)	(\$15)
Impact on EPS	\$0.03	\$0.02

Transmission & Distribution Utilities

	Weather Impact (in millions)	
	Q2-17 vs. Q2-16	Q2-17 vs. Normal
AEP Ohio	-	-
AEP Texas	\$2	\$2
TOTAL	\$2	\$2
Impact on EPS	-	-

* Totals may not foot due to rounding.

YTD Weather Impact

Vertically Integrated Utilities

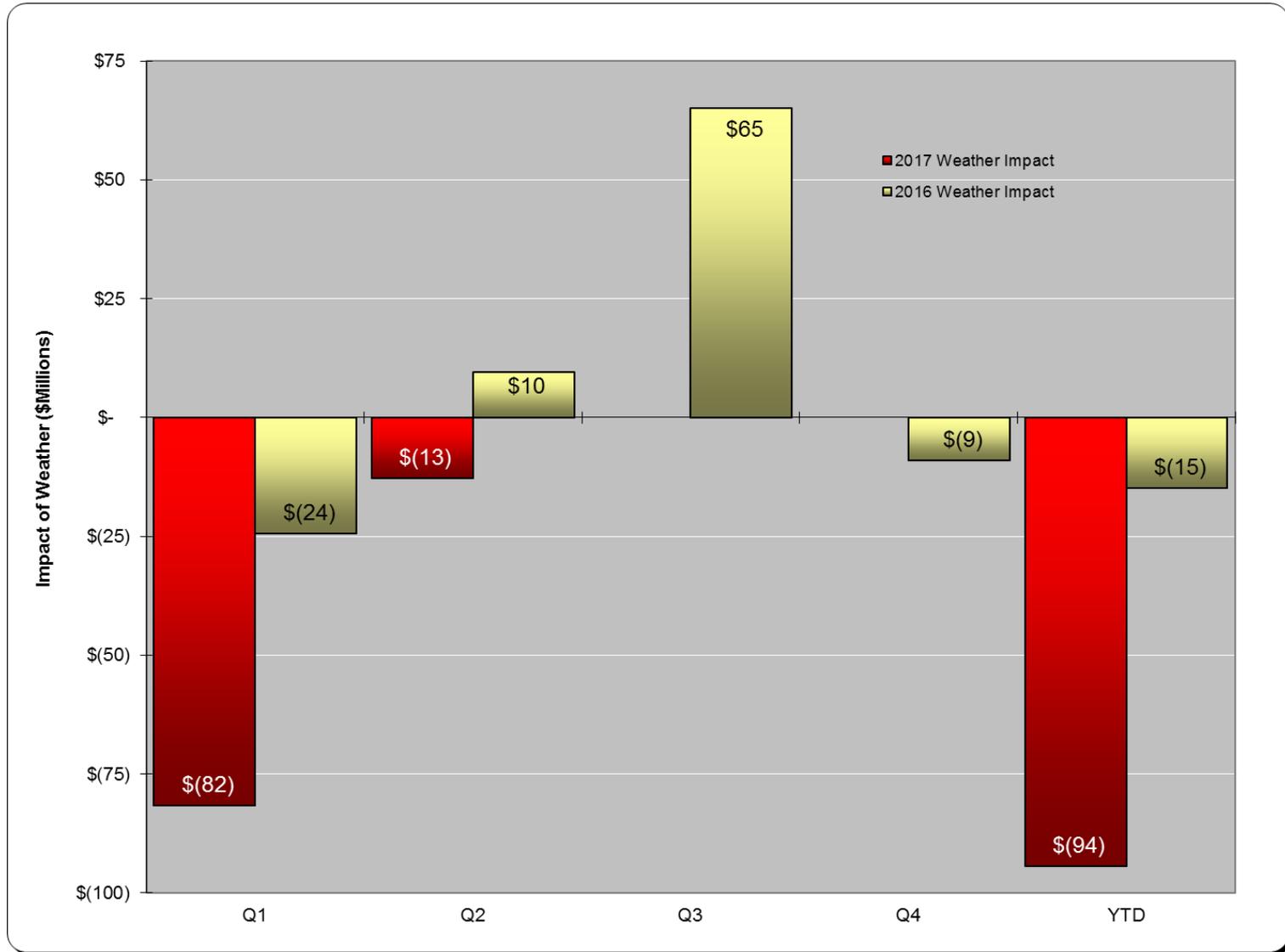
	Weather Impact* (in millions)	
	Q2-17 vs. Q2-16	Q2-17 vs. Normal
APCo/WPCo	(\$47)	(\$44)
I&M	(\$11)	(\$16)
KPCo	(\$10)	(\$10)
PSO	(\$4)	(\$6)
SWEPCO	(\$11)	(\$19)
Kingsport	(\$1)	-
TOTAL	(\$83)	(\$95)
Impact on EPS	\$0.11 	\$0.12 

Transmission & Distribution Utilities

	Weather Impact (in millions)	
	Q2-17 vs. Q2-16	Q2-17 vs. Normal
AEP Ohio	-	-
AEP Texas	\$4	\$1
TOTAL	\$4	\$1
Impact on EPS	 \$0.01	-

* Totals may not foot due to rounding.

Weather Impact 2017 vs 2016



For the quarter, weather was unfavorable to normal by \$13M which is \$23M worse than last year. Year to date the impact of weather is unfavorable to normal by \$94M which is approximately \$79M worse than last year.

GAAP to Non-GAAP Reconciliations & Ratios

Adjusted FFO Calculation

	12 Months Ended 6/30/17
	\$ millions
Cash Flow From Operations	\$4,519
Adjustments:	
Changes in Working Capital	(527)
Capitalized Interest	(45)
Securitization Amortization	(282)
Lease Payments	161
Adjusted Funds from Operations (FFO)	\$3,826

Adjusted Total Debt Calculation

	As of 6/30/17
	\$ millions
GAAP Total Debt (incl. current maturities)	\$21,404
Less:	
Securitization Bonds	(1,565)
Spent Nuclear Fuel Trust	(267)
Add:	
Capital Lease Obligations	295
Pension	259
Off-balance Sheet Leases	1,038
Adjusted Total Debt (Non-GAAP)	\$21,164

FFO to Total Debt Ratio

$$\frac{\text{Adjusted Funds from Operations (FFO)}}{\text{Adjusted Total Debt (Non-GAAP)}} = \frac{\$3,826}{\$21,164} = 18.1\%$$