

Vertically Integrated Utilities

Jurisdiction	Rate Base Proxy as of 12/31/2019 ¹ (\$ millions)	Operating Earned ROE ² as of 6/30/2020	Approved ROE	Approved Debt/Equity	Effective Date of Last Approved Rate Case
APCo - Virginia			10.12% ³	57/43	2/2/2015
APCo - West Virginia/WPCo			9.75%	49.84/50.16	3/6/2019
APCo - FERC			9.82%	52/48	1/1/2017
APCo/WPCo Total	\$ 9,272	9.3%			
Kingsport Power - Tennessee			9.85%	58/42	8/9/2016
KgPCo - TN Total	\$ 162	6.8%			
KPCo - Distribution/Generation			9.70%	54.4/3.9/41.7 ⁴	1/19/2018
KPCo - FERC			10.07%	56.5/43.5	1/1/2017
KPCo Total	\$ 1,839	5.7%			
I&M - Indiana			9.70%	53.2/46.8	3/11/2020
I&M - Michigan			9.86%	53.44/46.56	2/1/2020
I&M - FERC			9.57%	49/51	1/1/2017
I&M Total	\$ 5,974	10.6%			
PSO - Distribution/Generation			9.40%	51.86/48.14	4/1/2019
PSO - Oklahoma Total	\$ 3,025	9.4%			
SWEPCO - Louisiana			9.80% ⁵	48/52	5/1/2017
SWEPCO - Arkansas			9.45%	52.1/47.9	12/31/2019
SWEPCO - Texas			9.60%	51.5/48.5	5/20/2017
SWEPCO - FERC			10.1%-11.1%	52/48	1/1/2017
SWEPCO Total	\$ 5,413	8.3%			

Transmission and Distribution Companies

Jurisdiction	Rate Base Proxy as of 12/31/2019 ¹ (\$ millions)	Operating Earned ROE ² as of 6/30/2020	Approved ROE	Approved Debt/Equity	Effective Date of Last Approved Rate Case
AEP Ohio - Distribution			10.20% ⁶	52/48	2/25/2015
AEP Ohio - Transmission			10.35% ⁷	45/55	1/1/2018
AEP Ohio Total	\$ 5,372	11.1% ⁹			
AEP Texas - Transmission/Distribution			9.40%	57.5/42.5	4/6/2020
AEP Texas Total	\$ 6,963	7.4%			

Transcos

Company	Rate Base Proxy as of 12/31/2019 ¹ (\$ millions)	Operating Earned ROE ² as of 6/30/2020	Approved ROE	Approved Debt/Equity	Effective Date of Last Approved Formula Rate Filing
AEP Appalachian Transco	\$ 91	9.2%	10.35% ⁷	45/55	1/1/2018
AEP Ohio Transco	\$ 3,409	10.1%	10.35% ⁷	45/55	1/1/2018
AEP Kentucky Transco	\$ 115	6.9%	10.35% ⁷	45/55	1/1/2018
AEP Indiana Michigan Transco	\$ 2,389	9.8%	10.35% ⁷	45/55	1/1/2018
AEP West Virginia Transco	\$ 1,326	10.1%	10.35% ⁷	45/55	1/1/2018
AEP Oklahoma Transco	\$ 917	6.3%	10.50% ⁸	Actuals	1/1/2019

¹ Rate base represents Net Utility Plant plus Regulatory Assets less Net Accumulated Deferred Income Taxes and less Regulatory Liabilities.

² Operating ROE adjusts GAAP results by eliminating any material nonrecurring items and is not weather normalized. 12-month rolling ROE.

³ 10.12% allowed top of band, 70 BPS above authorized 9.42%, as approved in 2017.

⁴ Approved Debt/AR/Equity.

⁵ Represents the midpoint of the ROE range approved in the formula rate case settled in Apr 2017.

⁶ Per Feb 2015 ESP III Order for base distribution. Per Apr 2018 ESP III Extension Order, ROE is 10.0% for riders only.

⁷ For AEP's East Transmission Companies, represents a 9.85% base ROE plus 50 BPS RTO adder.

⁸ For AEP's West Transmission Company, represents a 10.00% base ROE plus 50 BPS RTO adder.

⁹ AEP Ohio ROE at end of year expected to be in the 10% range.

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