

Rate Base & ROEs

VERTICALLY INTEGRATED UTILITIES

JURISDICTION	RATE BASE PROXY AS OF 12/31/2020 ¹ (\$ MILLIONS)	OPERATING EARNED ROE ² AS OF 3/31/2021	APPROVED ROE	APPROVED DEBT/EQUITY	EFFECTIVE DATE OF LAST APPROVED RATE CASE
APCo – Virginia ³			9.2%	50/50	1/23/2021
APCo – West Virginia/WPCo			9.75%	49.84/50.16	3/6/2019
APCo – FERC			9.82%	52/48	01/01/2017
APCo/WPCo Total	\$ 9,763	8.6%			
Kingsport Power – Tennessee			9.85%	58/42	08/09/2016
KgPCo – Tennessee Total	\$ 166	4.8%			
KPCo – Distribution/Generation			9.30%	53.7/3.0/43.3 ⁴	1/14/2021
KPCo – FERC			10.07%	56.5/43.5	1/1/2017
KPCo – Kentucky Total	\$ 1,916	4.8%			
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	\$ 5,977	10.4%			
PSO – Distribution/Generation			9.40%	51.86/48.14	4/1/2019
PSO – Oklahoma Total	\$ 3,314	9.1%			
SWEPCO – Louisiana			9.80% ⁵	52.8/47.2	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	\$ 5,542	9.1%			

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

TRANSMISSION AND DISTRIBUTION UTILITIES

JURISDICTION	RATE BASE PROXY AS OF 3/31/2020 ¹ (\$ MILLIONS)	OPERATING EARNED ROE ² AS OF 3/31/2021	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	\$ 5,944	10.3%			
AEP Texas – Transmission/Distribution			9.40%	57.5/42.5	4/6/2020
AEP Texas Total	\$ 7,910	7.7%			

TRANSCOS

COMPANY	RATE BASE PROXY AS OF 12/31/2020 ¹ (\$ MILLIONS)	OPERATING EARNED ROE ² AS OF 3/31/2021	APPROVED ROE	APPROVED DEBT/EQUITY	EFFECTIVE DATE OF LAST APPROVED FORMULA RATE FILING
AEP Appalachian Transco	\$ 96	6.3%	10.35% ⁷	45/55	1/1/2018
AEP Ohio Transco	\$ 3,905	10.6%	10.35% ⁷	45/55	1/1/2018
AEP Kentucky Transco	\$ 131	11.1%	10.35% ⁷	45/55	1/1/2018
AEP Indiana Michigan Transco	\$ 2,622	9.4%	10.35% ⁷	45/55	1/1/2018
AEP West Virginia Transco	\$ 1,551	11.2%	10.35% ⁷	45/55	1/1/2018
AEP Oklahoma Transco	\$ 996	7.7%	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 On 11/25/2020, APCo filed an appeal of the commission order with the Virginia Supreme Court.

⁴ Approved Debt/AR/Equity.

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

⁶ Per February 2015 ESP III Order for base distribution. Per April 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 10.0% base ROE plus 50 BPS RTO adder.