

# Rate Base & ROEs

## VERTICALLY INTEGRATED UTILITIES

JURISDICTION	RATE BASE PROXY AS OF 12/31/2019 <sup>1</sup> (\$ MILLIONS)	OPERATING EARNED ROE <sup>2</sup> AS OF 09/30/2020	APPROVED ROE	APPROVED DEBT/EQUITY	EFFECTIVE DATE OF LAST APPROVED RATE CASE
APCo – Virginia			10.12% <sup>3</sup>	57/43	02/02/2015
APCo – West Virginia/WPCo			9.75%	49.84/50.16	03/06/2019
APCo – FERC			9.82%	52/48	01/01/2017
APCo/WPCo Total	\$ 9,272	9.6%			
Kingsport Power – Tennessee			9.85%	58/42	08/09/2016
KgPCo – Tennessee Total	\$ 162	5.3%			
KPCo – Distribution/Generation			9.70%	54.4/3.9/41.7 <sup>4</sup>	01/19/2018
KPCo – FERC			10.07%	56.5/43.5	01/01/2017
KPCo – Kentucky Total	\$ 1,839	5.3%			
I&M – Indiana			9.70%	53.2/46.8	03/11/2020
I&M – Michigan			9.86%	53.44/46.56	02/01/2020
I&M – FERC			9.57%	49/51	01/01/2017
I&M Total	\$ 5,974	10.4%			
PSO – Distribution/Generation			9.40%	51.86/48.14	04/01/2019
PSO – Oklahoma Total	\$ 3,025	8.0%			
SWEPCO – Louisiana			9.80% <sup>5</sup>	52.8/47.2	05/01/2017
SWEPCO – Arkansas			9.45%	52.1/47.9	12/31/2019
SWEPCO – Texas			9.60%	51.5/48.5	05/20/2017
SWEPCO – FERC			10.1%-11.1%	52/48	01/01/2017
SWEPCO Total	\$ 5,413	7.4%			

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 12/31/2019 <sup>1</sup> (\$ MILLIONS)	OPERATING EARNED ROE <sup>2</sup> AS OF 09/30/2020	APPROVED ROE	APPROVED DEBT/EQUITY	EFFECTIVE DATE OF LAST APPROVED RATE CASE
AEP Ohio – Distribution			10.20% <sup>6</sup>	52/48	02/25/2015
AEP Ohio – Transmission			10.35% <sup>7</sup>	45/55	01/01/2018
AEP Ohio Total	\$ 5,372	10.6% <sup>9</sup>			
AEP Texas – Transmission/Distribution			9.40%	57.5/42.5	04/06/2020
AEP Texas Total	\$ 6,963	7.5%			

## TRANSCOS

COMPANY	RATE BASE PROXY AS OF 12/31/2019 <sup>1</sup> (\$ MILLIONS)	OPERATING EARNED ROE <sup>2</sup> AS OF 09/30/2020	APPROVED ROE	APPROVED DEBT/EQUITY	EFFECTIVE DATE OF LAST APPROVED FORMULA RATE FILING
AEP Appalachian Transco	\$ 91	6.2%	10.35% <sup>7</sup>	45/55	01/01/2018
AEP Ohio Transco	\$ 3,409	10.3%	10.35% <sup>7</sup>	45/55	01/01/2018
AEP Kentucky Transco	\$ 115	9.3%	10.35% <sup>7</sup>	45/55	01/01/2018
AEP Indiana Michigan Transco	\$ 2,389	9.2%	10.35% <sup>7</sup>	45/55	01/01/2018
AEP West Virginia Transco	\$ 1,326	10.1%	10.35% <sup>7</sup>	45/55	01/01/2018
AEP Oklahoma Transco	\$ 917	6.3%	10.50% <sup>8</sup>	Actuals	01/01/2019

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

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

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

<sup>4</sup> Approved Debt/AR/Equity.

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

<sup>6</sup> Per February 2015 ESP III Order for base distribution. Per April 2018 ESP III Extension Order, ROE is 10.0% for riders only.

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

<sup>8</sup> For AEP's West Transmission Company, represents a 10.0% base ROE plus 50 BPS RTO adder.

<sup>9</sup> AEP Ohio ROE at end of year expected to be in 10% range