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: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting 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, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire renewable generation, transmission lines and facilities (including the 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 generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including coal ash and nuclear fuel, 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, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates 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 coal and other energy-related commodities, particularly changes in the price of natural gas, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.
The Premier Regulated Energy Company

220,000
Miles of Distribution

40,000
Miles of Transmission

5.4M
Customers in 11 States

26GW
Owned Generation

18,000
Employees

114 Years
Leading the Way Forward

$42B
Rate Base

$46B
Current Market Capitalization

$74B
Total Assets

Statistics as of September 30, 2019 except for market capitalization as of December 5, 2019 and rate base as of December 31, 2018
AEP Leading the Way Forward

- Confidence in Steady and Predictable Earnings Growth Rate of 5%-7%
- Commitment to Growing Dividend Consistent with Earnings
- Well Positioned as a Sustainable Regulated Business
- Compelling Portfolio of Premium Investment Opportunities
We are focused on executing our strategy while concurrently improving our operations and keeping rates affordable.
EEI KEY THEMES

- 5%-7% Earnings Growth Rate and 2020 Range
- Proven Track Record of TSR and EPS Performance
- Strong Dividend Growth
- O&M Optimization
- Transforming Our Generation Fleet
Strong Profile for Investors

Incentive Comp Tied to High End of EPS

Investment Pipeline

Steady Growth

TOTAL SHAREHOLDER RETURN

~3%
DIVIDEND YIELD
5%-7% CAGR

Consistent Dividends

5%-7%
EPS GROWTH

2020 Operating Earnings Guidance
$4.25-$4.45 per share

Low Risk, Regulated Assets

Strong Balance Sheet
Proven Track Record of Performance

Favorable Total Shareholder Return\(^1\)

- **1 Year**: 36.6% (AEP), 4.3% (S&P 500), 26.7% (S&P 500 Electric Utilities Index)
- **3 Year**: 51.9% (AEP), 44.2% (S&P 500), 45.8% (S&P 500 Electric Utilities Index)
- **5 Year**: 114.3% (AEP), 81.1% (S&P 500), 67.2% (S&P 500 Electric Utilities Index)

Decade of Meeting or Exceeding Original Guidance

- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019\(^2\)

\(^1\) Data as of September 30, 2019

\(^2\) Expected Operating EPS

Key

- Low-End
- Midpoint
- High-End
Strong Dividend Growth

Targeted payout ratio 60-70% of operating earnings

Over 109 years of consecutive quarterly dividends

Targeted dividend growth in line with earnings

EPS Growth + Dividend Yield = 8% to 10% Annual Return Opportunity

* Subject to Board approval
O&M Optimization – Achieving Excellence Program

Achieving Excellence: A new disciplined O&M optimization process to improve our business

**KEY FEATURES**

- Program will be an ongoing part of our enhanced target setting process
- Catalyst team includes employees with strong analytic, teamwork and project management skills
- Group leaders include heads of business units who will partner with and evaluate ideas from catalyst team
- Steering Committee reviews recommendations and makes implementation decisions
Transforming Our Generation Fleet

As of 09/30/2019. Future includes IRP forecasted additions and retirements through 2030. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.
Retirement Progress and Plans

1 Includes 2012 Turk Plant addition and 40% of Conesville 4 that was acquired in conjunction with the sale of Zimmer Plant
2 MW Capacity as of 9/30/2019
### Projected Resource Additions

#### Solar Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APCo</td>
<td>15</td>
<td>300</td>
<td>750</td>
</tr>
<tr>
<td>I&amp;M</td>
<td>150</td>
<td>600</td>
<td>550</td>
</tr>
<tr>
<td>KPCo</td>
<td>20 ¹</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>PSO</td>
<td>11</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>-</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>596</strong></td>
<td><strong>1,530</strong></td>
<td><strong>2,240</strong></td>
</tr>
</tbody>
</table>

¹ Subject to regulatory filings currently underway

#### Wind Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APCo</td>
<td>-</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>I&amp;M</td>
<td>300</td>
<td>150</td>
<td>300</td>
</tr>
<tr>
<td>KPCo</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PSO</td>
<td>675 ¹</td>
<td>400</td>
<td>200</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>810 ¹</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>2,285</strong></td>
<td><strong>1,450</strong></td>
<td><strong>500</strong></td>
</tr>
</tbody>
</table>

² To replace expiring PPA

#### Natural Gas Additions (MW)

<table>
<thead>
<tr>
<th>Operating Co:</th>
<th>2020-2022</th>
<th>2023-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>I&amp;M</td>
<td>18</td>
<td>18</td>
<td>788</td>
</tr>
<tr>
<td>PSO</td>
<td>373 ²</td>
<td>410 ²</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>391</strong></td>
<td><strong>428</strong></td>
<td><strong>788</strong></td>
</tr>
</tbody>
</table>

**Total Projected Resource Additions (MW)**

<table>
<thead>
<tr>
<th>Resource</th>
<th>2020-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar</td>
<td>4,366</td>
</tr>
<tr>
<td>Wind</td>
<td>4,235</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>1,607</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>10,208</strong></td>
</tr>
</tbody>
</table>

Updated 12/01/2019
North Central Wind Overview

### SWEPCO and PSO Regulated Wind Investment Opportunity

<table>
<thead>
<tr>
<th>Total Rate Base Investment</th>
<th>~$2 billion (1,485 MW)</th>
</tr>
</thead>
</table>

#### North Central Wind

<table>
<thead>
<tr>
<th>Name</th>
<th>MW</th>
<th>Investment</th>
<th>In-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundance</td>
<td>199</td>
<td>$307M</td>
<td>EOY 2020 (100% PTC)</td>
</tr>
<tr>
<td>Traverse</td>
<td>999</td>
<td>$1,287M</td>
<td>EOY 2021 (80% PTC)</td>
</tr>
<tr>
<td>Maverick</td>
<td>287</td>
<td>$402M</td>
<td></td>
</tr>
</tbody>
</table>

#### Net Capacity Factor

44.0%

#### Customer Savings

~$3 billion (30-year nominal $)

<table>
<thead>
<tr>
<th>Developer</th>
<th>Invenergy</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Turbine Supplier</th>
<th>GE</th>
</tr>
</thead>
</table>

- Regulated rate base wind investment opportunity with ability to meaningfully reduce customer rates
  - Acquiring facilities on a fixed cost, turn-key basis at completion
  - Contingent upon satisfactory regulatory approvals

- Investment not included in the Company’s current capital expenditure plan

- Acquisition can be scaled, subject to commercial limitations, to align with individual state resource needs and approvals
North Central Wind Transaction Value

**Customer Benefits**

- Low-cost, clean, renewable long-term energy resource
- Reduces overall customer rates starting in year one
- Takes advantage of expiring federal PTC, which alone offsets nearly 70% of the capital investment
- Insulates customers from fuel price volatility for 30-year period
- Adds fuel diversity to generation mix with efficient high capacity factor wind resource (44%)
- Future asset optionality provides value to customers through repowering, storage coupling opportunities, etc.
- Significant local, state and regional economic benefits due to investment

**Shareholder Benefits**

- ~$2 billion of rate base investment diversified over 5 jurisdictions
- Receives regulated return on equity
- ~$100 million of earnings in 1st full year of operation (2022) (total company earnings will be impacted by equity needs and capital allocation)
- Provides customer headroom to allow for future investment
- Grows rate base and insulates PSO/SWEPCO from future rate case disallowance volatility
  - Grows PSO rate base by 32%
  - Grows SWEPCO rate base by 21%
- Meaningful contribution to clean energy and carbon reduction goals

**Transaction Represents A Unique Win-Win Opportunity For Both Customers And Shareholders**
North Central Wind Key Highlights of Regulatory Filing

- Expiring federal Production Tax Credit (PTC) provides a limited time opportunity to take advantage for benefit of customers

### Project Scalability
- The projects are designed to be scalable with regulatory approvals, subject to commercial limitations
  - Minimum of 810 MWs required to move forward
  - Included “step-up” options in regulatory applications to provide states the ability to take more MWs should another state or state(s) reject applications

### Power and Gas Price Sensitivities
- Wind investment produces net customer benefits across a wide range of production, power, and gas price sensitivities, including the full range of current U.S. Energy Information Administration (EIA) gas price scenarios and other publically available gas price forecasts.

### Customer Guarantees Offered
1. **Capital Cost Cap Guarantee** – Cost cap for 100% of aggregated filed capital cost of the wind facilities
2. **Production Tax Credit Eligibility Guarantee** – Facilities will be eligible for the federal PTC
3. **Minimum Production Guarantee** – Guarantees a minimum production level for first 10-years of operation
North Central Wind Procedural Schedules

<table>
<thead>
<tr>
<th>Jurisdiction (Docket #)</th>
<th>Intervenor Testimony</th>
<th>Staff Testimony</th>
<th>Rebuttal Testimony</th>
<th>Settlement Conference</th>
<th>Hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSO (PUD 2019-00048)¹</td>
<td>November 1, 2019</td>
<td>November 1, 2019</td>
<td>December 4, 2019</td>
<td>December 12, 2019</td>
<td>January 13, 2020</td>
</tr>
<tr>
<td>SWEPCO – LA (U-35324)</td>
<td>February 7, 2020</td>
<td>February 7, 2020</td>
<td>March 9, 2020</td>
<td>N/A</td>
<td>March 25, 2020</td>
</tr>
<tr>
<td>SWEPCO – TX (49737)²</td>
<td>January 14, 2020</td>
<td>January 22, 2020</td>
<td>February 12, 2020</td>
<td>N/A</td>
<td>February 24, 2020</td>
</tr>
</tbody>
</table>

¹ Oklahoma has a 240-day statutory timeline for issuing an order, making the requested approval date March 11, 2020

² Texas has a 365-day statutory timeline for issuing an order, making the requested approval date July 15, 2020 (366 days, 2020 is a leap year)
## Robust Organic Capital Opportunities

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transmission</strong></td>
<td>Grid modernization, aging infrastructure, physical/cyber security, reliability, market efficiency and economic development projects</td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td>Grid modernization, reliability improvement projects and distribution station refurbishment</td>
</tr>
<tr>
<td><strong>Renewables</strong></td>
<td>Regulated renewables supported by integrated resource plans and contracted renewables</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>Digitization, automation, cyber security, enterprise-wide applications</td>
</tr>
</tbody>
</table>
2020 - 2024 Capital Forecast of $33B and Net Plant

**2020-2024 Capital Forecast**

- **Regulated Business**: 100%
  - Regulated Environmental Generation $0.9B | 3%
  - Regulated New Generation $0.3B | 1%
  - Regulated Renewables $0.2 B | 0%
  - Contracted Renewables $2.1B | 6%
- **Wires**: 78%
  - Distribution $10.3B | 31%
  - Transmission $7.6B | 23%
- **Other**
  - Nuclear Generation $0.4B | 1%
  - IT/Workplace Services $2.5B | 8%
  - Regulated Fossil/Hydro Generation $0.8B | 3%
  - Regulated New Generation $0.3B | 1%
  - Regulated Renewables $0.2 B | 0%
  - Contracted Renewables $2.1B | 6%

**Focus on wires and renewables**

**Historical Net Plant Profiles**

- **2009**
  - Distribution 50% $10B
  - Generation 32% $15.4B
  - Transmission 18% $5.7B
  - Total $31.1B

- **2019**
  - Distribution 25% $13.6B
  - Generation 33% $17.8B
  - Transmission 42% $22.6B
  - Total $54B

---

1 Does not include North Central Wind
Capital Allocation Shifted to Wires from Generation

2009 Capital
- Distribution: 34%
- Generation: 50%
- Transmission: 16%

2020-2024 Capital Forecast
- Distribution: 37%
- Generation: 8%
- Transmission: 55%
## 2020 - 2024 Capital Forecast by Subsidiary

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
<th>2024E</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power Company</td>
<td>$762</td>
<td>$738</td>
<td>$1,024</td>
<td>$1,027</td>
<td>$950</td>
<td>$4,501</td>
</tr>
<tr>
<td>Wheeling Power Company</td>
<td>$21</td>
<td>$37</td>
<td>$57</td>
<td>$45</td>
<td>$39</td>
<td>$199</td>
</tr>
<tr>
<td>Kingsport Power Company</td>
<td>$15</td>
<td>$21</td>
<td>$19</td>
<td>$25</td>
<td>$19</td>
<td>$99</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>$625</td>
<td>$568</td>
<td>$525</td>
<td>$525</td>
<td>$680</td>
<td>$2,924</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>$200</td>
<td>$184</td>
<td>$170</td>
<td>$170</td>
<td>$161</td>
<td>$886</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>$688</td>
<td>$716</td>
<td>$714</td>
<td>$774</td>
<td>$1,017</td>
<td>$3,909</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>$311</td>
<td>$326</td>
<td>$506</td>
<td>$432</td>
<td>$391</td>
<td>$1,965</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>$375</td>
<td>$437</td>
<td>$442</td>
<td>$517</td>
<td>$592</td>
<td>$2,363</td>
</tr>
<tr>
<td>AEP Texas Company</td>
<td>$1,169</td>
<td>$1,121</td>
<td>$1,092</td>
<td>$1,092</td>
<td>$1,529</td>
<td>$6,003</td>
</tr>
<tr>
<td>AEP Generating Company</td>
<td>$42</td>
<td>$23</td>
<td>$21</td>
<td>$22</td>
<td>$16</td>
<td>$124</td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$1,505</td>
<td>$1,547</td>
<td>$1,441</td>
<td>$1,378</td>
<td>$1,938</td>
<td>$7,809</td>
</tr>
<tr>
<td>Generation and Marketing</td>
<td>$612</td>
<td>$497</td>
<td>$339</td>
<td>$339</td>
<td>$346</td>
<td>$2,133</td>
</tr>
<tr>
<td>Other</td>
<td>$12</td>
<td>$8</td>
<td>$8</td>
<td>$6</td>
<td>$3</td>
<td>$36</td>
</tr>
<tr>
<td><strong>Total Capital and Equity Contributions</strong></td>
<td>$6,339</td>
<td>$6,223</td>
<td>$6,357</td>
<td>$6,353</td>
<td>$7,681</td>
<td>$32,952</td>
</tr>
</tbody>
</table>

Capital plans are continuously optimized which may result in redeployment between functions and companies. Table may not foot due to rounding. Data does not include North Central Wind.
### Cash Flows and Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>2019E</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from Operations</td>
<td>$4,500</td>
<td>$4,900</td>
<td>$4,900</td>
<td>$5,400</td>
</tr>
<tr>
<td>Capital &amp; JV Equity Contributions</td>
<td>(7,800)</td>
<td>(6,300)</td>
<td>(6,200)</td>
<td>(6,400)</td>
</tr>
<tr>
<td>Other Investing Activities</td>
<td>(100)</td>
<td>(500)</td>
<td>(200)</td>
<td>(200)</td>
</tr>
<tr>
<td>Common Dividends</td>
<td>(1,300)</td>
<td>(1,400)</td>
<td>(1,400)</td>
<td>(1,400)</td>
</tr>
<tr>
<td>Excess (Required) Capital</td>
<td>$4,700</td>
<td>$3,300</td>
<td>$2,900</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

#### Financing

<table>
<thead>
<tr>
<th></th>
<th>2019E</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Required) Capital</td>
<td>$4,700</td>
<td>$3,300</td>
<td>$2,900</td>
<td>$2,600</td>
</tr>
<tr>
<td>Debt Maturities (Senior Notes, PCRBs)</td>
<td>(1,200)</td>
<td>(1,000)</td>
<td>(1,900)</td>
<td>(2,700)</td>
</tr>
<tr>
<td>Securitization Amortizations</td>
<td>(300)</td>
<td>(200)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td>Equity Units</td>
<td>805</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity Units Conversion</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>805</td>
</tr>
<tr>
<td>Equity Issuances - Includes DRP</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>600</td>
</tr>
<tr>
<td>Debt Capital Market Needs (New)</td>
<td>$5,295</td>
<td>$4,400</td>
<td>$4,800</td>
<td>$3,995</td>
</tr>
</tbody>
</table>

### Financial Metrics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capitalization (GAAP)</td>
<td>55 - 60%</td>
</tr>
<tr>
<td>FFO/Total Debt (Moody's)</td>
<td>Low to Mid Teens Reflecting Accelerated Flowback of ADFIT</td>
</tr>
</tbody>
</table>

---

1. Includes Sempra/Santa Rita acquisitions in 2019. Excludes AFUDC and removal costs included in Total Spending Limit. (2019 Total Spending Limit = $8.1B)

2. Common dividends increase to $0.70 per share Q4 2019 for total dividends of $2.71/share; $2.80/share 2019-2022. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.
5%-7% EPS growth is predicated on regulated rate base growth
Efficient Cost Recovery Mechanisms

Nearly 70% of 2020-2024 capital plan recovered through reduced lag mechanisms
TRANSMISSION TRANSFORMATION
AEP Transmission Strategy Framework

AEP STRATEGIC VISION: INVEST IN TRANSMISSION NETWORK

Diverse five-year capital investment portfolio of over $15 billion across AEP’s broad footprint

Delivering significant customer benefits:
• Higher reliability
• Lower energy costs
• Economic development
• Public policy goals

Disciplined execution:
• Low cost, high value solutions
• High speed delivery
• Technological innovation

STABLE COST RECOVERY FRAMEWORK

DELIVER VALUE TO CUSTOMERS AND PREDICTABLE EARNINGS GROWTH
AEP’s Broad Transmission System

AEP’s System serves as the backbone in PJM, SPP and ERCOT and is vital to maintaining regional and local reliability, efficient markets and economic development.

AEP TRANSMISSION

- Largest network in the U.S.
- Over 40K circuit miles, across 15 states
- Member of three RTOs and ERCOT
- Over 3,000 transmission employees
AEP Transmission Holdco Legal Entity Structure

AEP INVESTS TRANSMISSION CAPITAL IN BOTH THE INTEGRATED OPERATING COMPANIES AND IN THE AFFILIATES HELD UNDER AEP TRANSMISSION HOLDING COMPANY

AEP PROVIDES A STAND-ALONE EARNINGS FORECAST FOR AEP TRANSMISSION HOLDING COMPANY

American Electric Power Company, Inc. (AEP)

AEP Transmission Holding Co. LLC ("AEP Trans Holdco")

AEP Transmission Company, LLC ("AEP Transco")

- AEP Indiana Michigan Transmission Co., Inc. $2,415M Net Plant
- AEP Appalachian Transmission Co., Inc. $87M Net Plant
- AEP Kentucky Transmission Co., Inc. $130M Net Plant
- AEP Ohio Transmission Co., Inc. $3,766M Net Plant

Total $8,899M Net Plant

Pioneer Transmission, LLC

- $188M Net Plant

Electric Transmission America, LLC

- $141M Net Plant

Prairie Wind Transmission, LLC

- $418M Net Plant

Transource Energy, LLC

- Transource Missouri, LLC
- Transource West Virginia, LLC
- Transource Maryland, LLC
- Transource Pennsylvania, LLC

Electric Transmission Texas, LLC

- $3,003M Net Plant

Grid Assurance

Joint Venture

Joint Venture net plant balances are inclusive of non-affiliate share

Net plant totals are as of September 30, 2019, except Pioneer and Prairie Wind, which are as of August 31, 2019

1 Debt issued at AEP Transco level for transmission companies

2 Does not include Independence Energy Connection Project
Five Year Transmission Capital Plan

2020-2024 INVESTMENT BY RTO ($ MILLIONS)

- PJM: $3,159
- ERCOT: $9,772
- SPP: $2,297

2020-2024 TRANSMISSION INVESTMENT BY CATEGORY ($ MILLIONS)

- Asset Replacement: $6,480
- Local Reliability: $1,414
- RTO Driven: $282
- Customer Service: $4,894
- Telecommunication: $2,158

INVESTMENT CATEGORIES

- **ASSET REPLACEMENT**
  - Asset condition, performance history and risk of failure

- **LOCAL RELIABILITY**
  - Transmission owner reliability planning criteria

- **RTO DRIVEN**
  - RTO reliability planning criteria
  - Market efficiency
  - Public policy needs and goals

- **CUSTOMER SERVICE**
  - Connecting new and enhanced service requests
  - Facilitating local economic development

- **TELECOM**
  - Cyber-security requirements
  - Asset health monitoring
  - Efficient grid operations

1 Does not include $200 million of Transource capital investment
AEPTHC’S 2015 – 2022 EPS GROWTH PROJECTED AT A CAGR OF 19.4%
Stable Cost Recovery Framework

**Stable and Clear Wholesale Cost Recovery for Transmission**

<table>
<thead>
<tr>
<th></th>
<th>PJM</th>
<th>SPP</th>
<th>ERCOT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROE</strong></td>
<td>10.35% (Includes RTO adder)</td>
<td>10.5% (Includes RTO adder)</td>
<td>9.6% - 9.96%</td>
</tr>
<tr>
<td><strong>Forward Looking Rates</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Allowed two updates per year</td>
</tr>
<tr>
<td><strong>Equity Structure</strong></td>
<td>Capped at 55%</td>
<td>No Cap</td>
<td>Capped at 40%</td>
</tr>
<tr>
<td><strong>Rate Effective</strong></td>
<td>January 1, 2018</td>
<td>June 5, 2017</td>
<td>May 29, 2007 and April 4, 2008</td>
</tr>
<tr>
<td><strong>Final Regulatory Approval</strong></td>
<td>May, 2019</td>
<td>June, 2019</td>
<td>N/A</td>
</tr>
</tbody>
</table>

- **Base ROE** – AEP generally supports FERC’s proposed new base ROE methodology which provides more certainty and stability for future base ROE proceedings
- **Transmission Incentives** – AEP supports continuation of the current incentives, particularly the RTO-participation incentive, reflective of the tremendous customer benefits RTO participation provides and additional incentives that provide grid modernization, security and resilience

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1. Pending current rate case
2. Settlement filed for Commission approval
Transmission Investments Deliver Value to Customers

**Public Policy Goals**
- A modernized grid facilitates a broad spectrum of state and federal public policy initiatives (i.e. electrification, increase of renewables, shift in generation profile)

**Lower Energy Cost**
- Reduces congestion to lower delivered energy costs
- Recently completed projects are shown to decrease energy losses by 55% on average, representing a NPV savings, due to lower power consumption, of $108M over the lifetime of investment

**Higher Reliability**
- Recently completed projects are shown to be 85% effective in reducing customer interruptions and 97% effective in cutting duration of customer outages
- Proactively address historical and predicted reliability issues

**Strong Economic Development**
- Robust grid brings new load to AEP territories (data centers, manufacturing, oil and gas facilities)
- From the $9 billion in investment from 2017-2019, significant economic benefits for our states:
  - $12.7 billion in economic activity
  - 34,000 jobs annually
  - Over $600 million in total taxes paid to state and local governments
Significant Need For Asset Replacement

<table>
<thead>
<tr>
<th>Type</th>
<th>Life Expectancy</th>
<th>Current Quantity over Life Expectancy</th>
<th>Quantity that will Exceed Life Expectancy in Next 10 Years</th>
<th>Total Replacement Need</th>
<th>Percent of AEP System Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Rebuilds</td>
<td>70</td>
<td>5,915</td>
<td>4,931</td>
<td>10,846</td>
<td>27%</td>
</tr>
<tr>
<td>Transformers</td>
<td>60</td>
<td>223</td>
<td>124</td>
<td>347</td>
<td>28%</td>
</tr>
<tr>
<td>Circuit Breakers</td>
<td>50</td>
<td>882</td>
<td>583</td>
<td>1,465</td>
<td>16%</td>
</tr>
</tbody>
</table>

$2.3 billion of annual on-system capital investment is required to maintain current age profile

Asset replacement projects are prioritized based on performance, condition and risk
Competitive Transmission -

### Transource Missouri

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019 Net PPE Balance</td>
<td>$298 million</td>
</tr>
<tr>
<td>Actual Capital Structure</td>
<td>45% debt 55% equity</td>
</tr>
<tr>
<td>Authorized ROE(^1)</td>
<td>11.15%</td>
</tr>
</tbody>
</table>

### Transource West Virginia

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Estimated Project Size</td>
<td>~$84 million</td>
</tr>
<tr>
<td>Actual Capital Structure</td>
<td>40% debt 60% equity</td>
</tr>
<tr>
<td>Authorized ROE(^2)</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

### Transource Pennsylvania and Maryland

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Estimated Project Size</td>
<td>~$262 million</td>
</tr>
<tr>
<td>Hypothetical Capital Structure</td>
<td>40% debt 60% equity</td>
</tr>
<tr>
<td>Authorized ROE(^3)</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

- Transource is actively involved in pursuing projects in MISO, PJM and SPP competitive processes under FERC Order No. 1000
- Transource is positioned to further participate in new markets such as NYISO and ISO-NE as opportunities unfold

---

\(^1\) Transource Missouri is authorized a 10.3% ROE for Iatan-Nashua and a 11.3% ROE for Sibley-Nebraska City, resulting in a combined authorized ROE of 11.15%

\(^2\) Transource West Virginia is authorized a base ROE of 10.0% with an approved 0.5% adder for RTO participation

\(^3\) Transource Pennsylvania and Maryland are authorized a base ROE of 9.9% with an approved 0.5% adder for RTO participation
Technology and Innovation

**Low Cost, High Value Solutions**
- Drop in Control Module
- Grid Assurance
- Pre-Fabricated Bus/Station (PFBs)

**High Speed Delivery**
- Fiber Optic Substations
- Integrated Design and Construction
- Pre-fabricated Foundations (PFFs)

**Technological Innovation**
- BOLD Transmission Line
- SMART 3D Design
- Augmented/Virtual Reality
- Energy Storage

- Off-Site Assembly
- Flexible Designs
- Built-in Resiliency

- Optimized Construction
- Reduced Labor
- Rapid Engineering

- Future-Ready Solutions
- Digitized Platforms
- Performance Enhancing Tools
Expanded Core and Future Investments

- Increase core investments in system reliability
- Fully advance metering infrastructure (AMI) and distribution automation circuit reconfiguration (DACR) penetration
- LED Street Light Modernization

- Promote an interactive, modern and efficient grid
- Adapt grid to integrate more diverse energy sources
- Broadband and behind the meter technologies to align with changing customer expectations
- Advance electrification

Positioning to align future investments with customer preferences

Advancing policies and regulatory mechanisms that support timely recovery and diversification of investments
### Identified Core Business Investments

**Current State of Distribution Grid**
- $1.8B of annual investment
- $2.7B investment needed to maintain current assets

### 10-Year Incremental Distribution Capital Investment Potential: ~$18B

AEP invests in our customers’ future by focusing on reliability and the customer experience. AEP has a strong track record in securing regulatory support and executing distribution investments.

<table>
<thead>
<tr>
<th>Investment Opportunity</th>
<th>Capital Investment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid Modernization</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>Line Re-conductoring – Asset Renewal</td>
<td>$13.0 billion</td>
</tr>
<tr>
<td>Pole Replacements – Asset Renewal</td>
<td>$0.5 billion</td>
</tr>
<tr>
<td>Distribution Station Transformer and Breaker Replacements – Asset Renewal</td>
<td>$1.4 billion</td>
</tr>
</tbody>
</table>

Known and identified investments that will improve reliability and operability of the grid

Partner with states to help spur economic development

---

1 10-year capital investment potential is above current $1.8B annual spend, 7-10% O&M required to support the capital investment
## Robust Distribution Capital Expenditure Opportunities

<table>
<thead>
<tr>
<th>Type</th>
<th>Life Expectancy</th>
<th>Current Quantity over Life Expectancy</th>
<th>Quantity that will Exceed Life Expectancy in Next 10 Years</th>
<th>Total Replacement Need</th>
<th>Percent of AEP System Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformers</td>
<td>60</td>
<td>903</td>
<td>565</td>
<td>1,468</td>
<td>41%</td>
</tr>
<tr>
<td>Circuit Breakers</td>
<td>50</td>
<td>1,030</td>
<td>842</td>
<td>1,872</td>
<td>21%</td>
</tr>
</tbody>
</table>

$2.7 billion of annual on-system capital investment is required to maintain current age profile
New Legislative Initiatives

- **Ohio Bilateral Contracts Bill (HB6)**
  - Recovery of existing renewable contracts entered into to comply with existing legislation
  - Recovery of OVEC collected on a state-wide basis until 2030
  - Provides opportunity for AEP Ohio to enter into bilateral contracts with certain customers
  - Provides $20 million of clean air funds for approved solar projects, including 400MW at AEP

- **Ohio Smart Grid Bill (HB247)** – Would allow for inclusion of smart grid technologies in electric security plans and allows AEP Ohio to pursue behind the meter technologies

- **Ohio Broadband Deployment (HB13)** – Promotes broadband investment through establishment of residential broadband expansion program

- **Indiana TDSIC Bill** - Broadens definition of grid improvements included in energy delivery tracker

- **West Virginia Broadband (SB3)** – Promotes broadband investment

- **Virginia Broadband (HB2691)** – Establishes pilot program for broadband capacity to unserved areas

- **Oklahoma EV Bill** – Extends tax credits for EV infrastructure

- **Texas Generation Rider** – Recovery of new power generation facilities outside ERCOT

- **Texas AMI Bill** – Adds recovery of advanced meter deployment outside ERCOT
Technology and Innovation

Innovative Reliability and Operation

- Remote Line Sensors
- Distribution Automation
- ADMS

- Reliability-focused Innovation
- Customer Experience
- Operational Visibility
- Economic Operation
- Enhances Safety

Energy Storage
- Fault Interruption Technology
- Microgrids

Engineering Innovation

- LIDAR
- Drones
- Augmented Reality

- Design Excellence
- Reduced Labor
- Rapid Engineering
- Digitized Platforms
INVESTING IN COMPETITIVE BUSINESS
Competitive Operations Organizational Structure

AEP

AEP Energy Supply

- AEP Energy Partners
- AEP Energy
- AEP OnSite Partners
- AEP Renewables
- AEP Generation Resources
Competitive Businesses Strategy and Operations

Commodity Businesses
- Transacts commodity hedges for the retail portfolio and engages in wholesale marketing and trading
- Majority of activity is in PJM with a smaller presence in ERCOT, MISO and SPP
- Active Customers: 81
- Utility Load Auctions: 8

Retail Businesses
- Provides electricity, natural gas, and demand response to residential, commercial and industrial customers in six states
- Customers: 463,000
- Electricity: 21 TWh
- Gas: 13 Bcf

Asset Businesses
- Build, own, operate and maintain customer solutions utilizing existing and emerging distributed technologies
- Asset Base: Over $280 million
- 54 projects in 16 states

Wholesale Businesses
- Develop and/or acquire large scale renewable projects that are backed with long-term contracts with credit-worthy counterparties
- Asset Base: Over $1.8 billion
- 13 projects in 11 states

$2.1B Capital Allocated 2020-2024
Competitive Businesses Presence

AEP Competitive Businesses
Active in 31 States (7 State overlap with AEP Utilities)

As of September 30, 2019
Customer Energy Solutions

- Committed to nearly $370 million in energy assets
- Portfolio of 63 operating and under construction projects in 18 different states
- Projects include customer sited solar projects, behind the meter energy storage assets, customer sited substations, peaking generation, energy efficiency projects and fuel cell projects
Universal Scale Renewable Projects

- Asset base over $1.8 billion
- Portfolio of 13 operating projects in 11 different states
- Projects include large scale wind, solar, and storage

1 AEP’s 50% share
### Development Pipeline

- Progress continues in our development portfolio across four geographically dispersed areas.

- In late October 2019, the 128 MW Flat Ridge 3 wind project in Kansas was announced to be placed in service in 2020 using all of our PTC Safe Harbor equipment (qualifying the plant for 100% PTCs) and has an offtake agreement with an investment grade utility.

- The other mid- to late-stage opportunities in our development portfolio possess solid project and market fundamentals, and continue to attract strong interest from utilities, municipalities, cooperatives and corporates.

### Repower Initiative

- Fowler Ridge 2, Cedar Creek 2, Flat Ridge 2 and Mehoopany are all ending their PTC lives by year end 2021.

- All 4 wind farms are being evaluated as potential repower candidates.

- If the repowers were to take place, it would most likely be at 80% or 60% PTC level.
Return on Equity
Twelve Months Ended 9/30/2019 Earned ROE’s (non-GAAP operating earnings, not weather normalized)

2020 Forecasted Regulated ROE is 9.1%

1 Adjusted to reflect ROE after roll-off of legacy items | 2 Current base rate cases

Sphere size based on each company’s relative equity balance
## 2020 Operating Earnings Guidance

### Range of $4.25 - $4.45/share

**2019E**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Load</td>
<td>$(0.10)</td>
</tr>
<tr>
<td>Rate Changes</td>
<td>$0.25</td>
</tr>
<tr>
<td>Weather</td>
<td>$(0.08)</td>
</tr>
<tr>
<td>Trans Revenue</td>
<td>$0.08</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>$0.19</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(0.14)</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$(0.05)</td>
</tr>
<tr>
<td>Invest Growth</td>
<td>$0.14</td>
</tr>
<tr>
<td>True-Up</td>
<td>$(0.09)</td>
</tr>
<tr>
<td>Renewables</td>
<td>$0.05</td>
</tr>
<tr>
<td>Retail</td>
<td>$(0.02)</td>
</tr>
<tr>
<td>Other</td>
<td>$0.02</td>
</tr>
<tr>
<td>Interest Exp/Inc</td>
<td>$(0.13)</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>$0.01</td>
</tr>
<tr>
<td>Other</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

**2020E**

<table>
<thead>
<tr>
<th>Category</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertically Integrated</td>
<td>$2.19</td>
</tr>
<tr>
<td>Transmission &amp;</td>
<td>$1.03</td>
</tr>
<tr>
<td>Distribution Utilities</td>
<td></td>
</tr>
<tr>
<td>AEP Transmission Holdco</td>
<td>$1.08</td>
</tr>
<tr>
<td>Generation and</td>
<td>$0.35</td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
</tr>
<tr>
<td>Corporate and Other</td>
<td>$(0.30)</td>
</tr>
<tr>
<td><strong>2020E Target</strong></td>
<td>$4.35</td>
</tr>
</tbody>
</table>

Note: Will maintain midpoint of 2020 range. Waterfall components may change based on actual 2019 results.
## 2020 Key Guidance Sensitivities and Assumptions

### Sensitivities

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>EPS</th>
<th>VIU</th>
<th>T&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.030</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.013</td>
</tr>
<tr>
<td>Industrial</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.014</td>
</tr>
<tr>
<td>O&amp;M Expense (excludes O&amp;M with offsets)</td>
<td>1.0%</td>
<td>+/-</td>
<td>0.04</td>
</tr>
<tr>
<td>Interest Expense (floating debt)</td>
<td>25 basis points</td>
<td>+/-</td>
<td>0.02</td>
</tr>
<tr>
<td>Interest Expense (new issuances)</td>
<td>25 basis points</td>
<td>+/-</td>
<td>0.01</td>
</tr>
<tr>
<td>Regulated ROE</td>
<td>10 basis points</td>
<td>+/-</td>
<td>0.05</td>
</tr>
</tbody>
</table>

A $6.3M change in pretax earnings equals $0.01 per share

### Assumptions

Rate Changes: $216M; $107M secured

2020 Regulated Connected Load (Billed and Accrued):

<table>
<thead>
<tr>
<th>Segment</th>
<th>GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>57,112</td>
</tr>
<tr>
<td>Commercial</td>
<td>48,258</td>
</tr>
<tr>
<td>Industrial</td>
<td>60,505</td>
</tr>
</tbody>
</table>

Average Shares Outstanding: 494.8M

Note: AFUDC earnings move inversely to interest expense from rate changes
## Current Rate Case Activity

**AEP Texas**

<table>
<thead>
<tr>
<th>Docket #:</th>
<th>49494</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Date:</td>
<td>05/01/2019</td>
</tr>
<tr>
<td>Requested Rate Base:</td>
<td>$5.0B</td>
</tr>
<tr>
<td>Requested ROE:</td>
<td>10.5%</td>
</tr>
<tr>
<td>Cap Structure:</td>
<td>55%D / 45%E</td>
</tr>
<tr>
<td>Revenue Increase:</td>
<td>$35M</td>
</tr>
<tr>
<td>Test Year:</td>
<td>12/31/2018</td>
</tr>
</tbody>
</table>

**Procedural Schedule:**
- **Expected Effective Date:** First quarter 2020
- (Awaiting Order)

**I&M – Indiana**

<table>
<thead>
<tr>
<th>Docket #:</th>
<th>45235</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Date:</td>
<td>05/14/2019</td>
</tr>
<tr>
<td>Requested Rate Base:</td>
<td>$4.9B</td>
</tr>
<tr>
<td>Requested ROE:</td>
<td>10.5%</td>
</tr>
<tr>
<td>Cap Structure:</td>
<td>53.2%D / 46.8%E</td>
</tr>
<tr>
<td>Gross Revenue Increase:</td>
<td>$172M</td>
</tr>
<tr>
<td>Net Revenue Increase:</td>
<td>$94M</td>
</tr>
<tr>
<td>Test Year:</td>
<td>2020 Forecasted</td>
</tr>
</tbody>
</table>

**Procedural Schedule:**
- **Expected Effective Date:** March 2020
- (Awaiting Order)
Current Rate Case Activity

I&M – Michigan

- Docket #: U-20359
- Filing Date: 06/24/2019
- Requested Rate Base: $1.2B
- Requested ROE: 10.5%
- Cap Structure: 53.6%D / 46.4%E
- Gross Revenue Increase: $58M (Less $6M D&A)
- Net Revenue Increase: $52M
- Test Year: 2020 Forecasted
- Procedural Schedule: Expected Commission Order 04/24/2020

SWEPCO – Arkansas

- Docket #: 19-008-U
- Filing Date: 02/28/2019
- Requested Rate Base: $1.2B
- Requested ROE: 10.5%
- Cap Structure: 49.5%D / 50.5%E
- Gross Revenue Increase: $46M¹ (Less $12M D&A)
- Net Revenue Increase: $34M
- Test Year: 12/31/2018
- Settlement Summary
  - Unanimous Settlement Filed: 10/15/2019 (Awaiting Order)
  - ROE: 9.45%
  - Cap Structure: 52.1%D / 47.9%E
  - Gross Revenue Increase: $24M¹ (Less $6M D&A)
  - Net Revenue Increase: $18M
  - Expected Effective Date: January 2020

¹ Does not include $29M of current riders moving to base rates
Bending the O&M Curve

- O&M targets focus on bending the O&M curve down to create rate headroom
- O&M actual spend represents adjusting spend throughout the year as needed (e.g., 2017 and 2018 reflect the cost and benefit of weather that created opportunities to pull-back or shift/spend incremental where appropriate)
## Bending the O&M Curve (Initiatives)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Actions</th>
</tr>
</thead>
</table>
| **Achieving Excellence Program** | • Employee based O&M prioritization and optimization effort  
• Drive down costs in 2020 and beyond  
• Program will leverage the experience of EHS Partners |
| **Lean Management System Implementation/Continuous Process Improvement** | • **Distribution** – Drive enhanced reliability which will lead to reduced O&M cost associated with storm restoration in the long term  
• **Supply chain** – Optimize the material requisition process to improve material lead times, reducing stock outs and increasing crew productivity resulting in reduced O&M cost  
• **Fleet operations** – Focus on reducing the number of vehicle platforms/options acquired and optimizing the acquisition process to reduce acquisition and maintenance costs  
• **Generation (system productivity)** – Fleet wide team-based focus on the reduction of waste associated with targeted plant systems, e.g. coal handling, scrubbers |
| **Data Analytics** | • **Workforce optimization** – Employee/contractor mix  
• **Hot socket model** – Using AMI data to preemptively identify meters at risk  
• **Revenue protection** – Detecting meter tampering  
• **Frequency regulation** – Analysis of PJM bidding strategies |
| **Automation** | • Scrap metal billing and management  
• Service Corp billing allocation factors  
• No-bill workflow assignment process  
• Customer workflow scheduling |
| **Digital Tools** | • “**The Zone**” – Machine learning tool to operate fossil units at optimal level to minimize O&M and capital, while maintaining and improving performance  
• **Generation Monitoring and Diagnostic Center** – Predictive capabilities that save O&M and capital |
| **Use of Drones** | • Storm damage assessment  
• Real estate and land surveys  
• Transmission facility inspections, construction monitoring and documentation  
• Telecommunication tower inspections  
• Cooling tower and boiler inspections |
| **Outsourcing** | • Accounting and tax initiative  
• Rapid application and information support  
• Lockbox for customer payments by check |
| **Workforce Planning** | • Approximately 4,000 employees will retire or leave in the next 5 years |
| **Strategic Sourcing** | • **Reducing cost through procurement category management** – Continuing to mature our Category Management program and aggressively using strategic sourcing opportunities to optimize the value AEP receives from the $6B spent annually on goods and services |
Normalized Load Trends

Note: 2019 includes 9 months weather normalized actual results plus 3 months forecasted values. The 2019 and 2020 comparison may change based on actual 2019 results. Historical data adjusted to reflect the reclass of industrial and commercial industry codes for certain customers; no revenue or earnings impact.
YTD pension and OPEB returns were up at 12.4% and 16.5% respectively, as modest risk seeking asset returns were coupled with strong fixed income gains, attributed to falling yields. Despite these returns, the funded status of both plans decreased as both plan liabilities increased more than plan assets due to a falling discount rate.

We expect combined pension and OPEB costs (pre-tax and including capitalized portion) to increase from 2019 to 2020, due to a lower expected return on assets and a falling discount rate, subject to potential changes in investment results, interest rates and actuarial assumptions.

Pension expense for regulated subsidiaries is recovered through base rates.

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>2019E</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Discount Rate</td>
<td>4.30%</td>
<td>3.45%</td>
</tr>
<tr>
<td>OPEB Discount Rate</td>
<td>4.30%</td>
<td>3.48%</td>
</tr>
<tr>
<td>Assumed Long Term Rate of Return on Pension Assets</td>
<td>6.25%</td>
<td>5.75%</td>
</tr>
<tr>
<td>Assumed Long Term Rate of Return on OPEB Assets</td>
<td>6.25%</td>
<td>5.50%</td>
</tr>
<tr>
<td>Pension/OPEB Funding</td>
<td>$11M</td>
<td>$11M</td>
</tr>
<tr>
<td>Pension/OPEB Cost</td>
<td>($17M)</td>
<td>$33M</td>
</tr>
<tr>
<td>Pension/OPEB Pre-tax Expense</td>
<td>($61M)</td>
<td>($17M)</td>
</tr>
</tbody>
</table>

1 Pre-tax expense and pre-capitalization
2 Recorded in O&M and Non-Service Cost Components of Net Periodic Benefit Cost on the income statement
Operational and Financing Structure

Regulated Utilities

- Appalachian Power Company
- Kentucky Power Company
- Southwestern Electric Power Company
- Wheeling Power Company
- AEP Texas
- Indiana Michigan Power Company
- Public Service Company of Oklahoma
- AEP Ohio
- Kingsport Power Company
- AEP Generating Company
- AEP Transmission Company
- Joint Ventures
  - AEP Appalachian Transco
  - AEP Kentucky Transco
  - AEP Ohio Transco
  - AEP Oklahoma Transco
  - AEP Indiana Michigan Transco
  - AEP West Virginia Transco

Competitive Operations

- AEP Energy
- AEP Energy Partners
- AEP Generation Resources
- AEP OnSite Partners
- AEP Renewables

1 Does not represent legal structure

- Uses a combination of external LT financing and commercial paper program
- Uses a combination of external and internal LT financing and money pool
- Uses internal LT financing and money pool

Dec. 2019 Investor Meetings | aep.com
## 2019 Long-Term Debt Financings

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Type</th>
<th>Amount ($ in millions)</th>
<th>Rate</th>
<th>Term</th>
<th>Credit Ratings (Moody's/S&amp;P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>APCo</td>
<td>Senior Notes</td>
<td>$400</td>
<td>4.50%</td>
<td>30-Year</td>
<td>Baa1/A-</td>
</tr>
<tr>
<td>March</td>
<td>PSO</td>
<td>Senior Notes - Private Placement</td>
<td>$350</td>
<td>4.16%</td>
<td>10-Year, 15-Year, 30-Year</td>
<td>A3/NR</td>
</tr>
<tr>
<td>March</td>
<td>AEP, Inc. 2</td>
<td>Mandatory Convertible Equity Units</td>
<td>$805</td>
<td>6.13%</td>
<td>3-Year</td>
<td>Baa2/BBB</td>
</tr>
<tr>
<td>May</td>
<td>AEP Texas</td>
<td>Senior Notes</td>
<td>$300</td>
<td>4.15%</td>
<td>30-Year</td>
<td>Baa1/A-</td>
</tr>
<tr>
<td>May</td>
<td>OPCo</td>
<td>Senior Notes</td>
<td>$450</td>
<td>4.00%</td>
<td>30-Year</td>
<td>A2/A-</td>
</tr>
<tr>
<td>May</td>
<td>AEP Texas</td>
<td>Term Loan</td>
<td>$200</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>June</td>
<td>APCo</td>
<td>Term Loan</td>
<td>$125</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>June</td>
<td>AEP Transco</td>
<td>Senior Notes</td>
<td>$350</td>
<td>3.80%</td>
<td>30-Year</td>
<td>A2/A-/-A- 3</td>
</tr>
<tr>
<td>September</td>
<td>AEP Transco</td>
<td>Senior Notes</td>
<td>$350</td>
<td>3.15%</td>
<td>30-Year</td>
<td>A2/A-/-A- 3</td>
</tr>
<tr>
<td>September</td>
<td>AEP Texas</td>
<td>Securitization Bonds</td>
<td>$235</td>
<td>2.22%</td>
<td>8-Year, 11-Year</td>
<td>Aaa/AAA</td>
</tr>
<tr>
<td>October</td>
<td>PSO</td>
<td>Term Loan</td>
<td>$125</td>
<td>Variable</td>
<td>3-Year</td>
<td>N/A</td>
</tr>
<tr>
<td>October</td>
<td>AEP, Inc.</td>
<td>Pollution Control Bond</td>
<td>$240</td>
<td>2.51%</td>
<td>10-Year</td>
<td>Baa1/BBB+</td>
</tr>
<tr>
<td>December</td>
<td>AEP, Inc.</td>
<td>Pollution Control Bond</td>
<td>$299</td>
<td>2.07%</td>
<td>5-Year</td>
<td>Baa1/BBB+</td>
</tr>
<tr>
<td>December</td>
<td>AEP Texas</td>
<td>Senior Notes</td>
<td>$450</td>
<td>3.45%</td>
<td>30-Year</td>
<td>Baa1/A-</td>
</tr>
</tbody>
</table>

1 Credit ratings assigned to the bonds at time of issuance

2 Each corporate unit represents a 1/20 undivided beneficial ownership interest in $1,000 principal amount of AEP’s 3.40% Junior Subordinated Notes (notes) due in 2024 and a forward equity purchase contract which settles after three years in 2022. The Junior Subordinated Notes are expected to be remarked in 2022, at which time the interest rate will reset at the then current market rate. The interest rate for the forward equity purchase contract is 2.725% (not tax deductible) which settles in 2022.

3 AEP Transmission Company, LLC is also rated A- by Fitch
FFO/Debt\(^1\) by Operating Company

<table>
<thead>
<tr>
<th>Operating Company</th>
<th>2017</th>
<th>2018</th>
<th>LTM 9/30/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Power</td>
<td>21.3%</td>
<td>18.4%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Indiana Michigan Power</td>
<td>23.3%</td>
<td>24.9%</td>
<td>22.6%</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>37.0%</td>
<td>47.3%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Kentucky Power</td>
<td>16.8%</td>
<td>10.3%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Company</th>
<th>2017</th>
<th>2018</th>
<th>LTM 9/30/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSO</td>
<td>19.8%</td>
<td>20.3%</td>
<td>21.9%</td>
</tr>
<tr>
<td>SWEPCO</td>
<td>16.7%</td>
<td>14.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>AEP Texas</td>
<td>16.2%</td>
<td>12.0%</td>
<td>15.8%</td>
</tr>
<tr>
<td>AEP Transco</td>
<td>23.6%</td>
<td>15.7%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

Consolidated FFO to Debt is declining due to elevated capital spend and flow back of ADFIT

\(^1\) FFO/Debt includes capital and operating leases, but excludes securitization and spent nuclear fuel. Ratios reflect AEP view and do not reflect all of the adjustments made by the rating agencies.
2020 Debt Issuance and Maturities Overview

($ in millions)

- AEG
- AEP, Inc.
- AEP Texas
- APCo
- I&M
- KPCo
- OPCo
- PSO
- SWEPCo
- Transco

2020 Maturities
2020 Expected Issuances
# AEP Credit Ratings

<table>
<thead>
<tr>
<th>Company</th>
<th>Moody's Senior Unsecured</th>
<th>Moody's Outlook</th>
<th>S&amp;P Senior Unsecured</th>
<th>S&amp;P Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power Company Inc.</td>
<td>Baa1</td>
<td>N</td>
<td>BBB+</td>
<td>S</td>
</tr>
<tr>
<td>AEP Inc. Short Term Rating</td>
<td>P2</td>
<td>S</td>
<td>A2</td>
<td>S</td>
</tr>
<tr>
<td>AEP Texas Inc.</td>
<td>Baa1</td>
<td>N</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>AEP Transmission Company, LLC</td>
<td>A2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>Baa1</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>A3</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Kentucky Power Company</td>
<td>Baa3</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>AEP Ohio</td>
<td>A2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>A3</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>Baa2</td>
<td>S</td>
<td>A-</td>
<td>S</td>
</tr>
<tr>
<td>Transource Energy</td>
<td>A2</td>
<td>S</td>
<td>NR</td>
<td>NR</td>
</tr>
</tbody>
</table>

1. AEP Transmission Co. received a senior unsecured debt rating of A- from Fitch. The rating outlook is Stable.

2. In conjunction with the unenhanced VRDN remarketings, APCo and I&M both received short term credit ratings of A-2/P2 from S&P and Moody’s, respectively.

3. NR stands for Not Rated.

Ratings current as of December 1, 2019
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
### AEP's September 30, 2019 Renewable Portfolio (in MW)

<table>
<thead>
<tr>
<th>Hydro, Wind, Solar and Pumped Storage</th>
<th>Owned MW</th>
<th>PPA MW</th>
<th>Total MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEP Ohio</td>
<td>209</td>
<td></td>
<td>209</td>
</tr>
<tr>
<td>Appalachian Power Company</td>
<td>785</td>
<td>575</td>
<td>1,360</td>
</tr>
<tr>
<td>Indiana Michigan Power Company</td>
<td>36</td>
<td>450</td>
<td>486</td>
</tr>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>1,137</td>
<td></td>
<td>1,137</td>
</tr>
<tr>
<td>Southwestern Electric Power Company</td>
<td>469</td>
<td></td>
<td>469</td>
</tr>
<tr>
<td>Competitive Wind, Solar and Hydro</td>
<td>1,442</td>
<td>101</td>
<td>1,543</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,263</strong></td>
<td><strong>2,941</strong></td>
<td><strong>5,204</strong></td>
</tr>
</tbody>
</table>

**APPROXIMATELY**

11,900 MW of Renewable Generation Interconnected Across the U.S. via AEP’s Transmission System Today
Emission Reduction Goals – Environmental

AEP’s Carbon Emission Reduction Goals

70% by 2030
80% by 2050

(both from a 2000 baseline)

Strategy to Achieve

- Investments in renewable energy within and outside of our traditional service territory
- Technology deployment (e.g., energy storage)
- Modernization of the grid with significant investments in transmission and distribution
- Increased use of natural gas
- Optimization of our existing generating fleet

Environmental, Social and Governance (ESG) Reporting:

- AEP’s Corporate Accountability Report
- EEI ESG Sustainability Reporting: AEP’s 2019 EEI ESG Report
- AEP’s CDP Survey Responses
- AEP’s GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics

1 Aspiration is zero emissions
Largest Investment in Controls – Environmental

INVESTMENT IN ENVIRONMENTAL CONTROLS $ in millions

Total $9 Billion
Estimated


Estimated
Dramatic Reductions in Emissions – Environmental

TOTAL AEP SYSTEM NOx & SO2 EMISSIONS

SO2

NOx

TOTAL AEP SYSTEM MERCURY EMISSIONS

Hg

96%

92%

95%
Dramatic Reductions in Emissions – Environmental

**TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS** in million metric tons

- 2000: 167
- 2001: 153
- 2002: 154
- 2003: 158
- 2004: 146
- 2005: 146
- 2006: 145
- 2007: 151
- 2008: 151
- 2009: 132
- 2010: 135
- 2011: 136
- 2012: 122
- 2013: 115
- 2014: 123
- 2015: 103
- 2016: 94
- 2017: 72
- 2018: 69

**CO₂**

2000-2018 Actual

59%
Our Employees

- Forbes – America’s Best Employers for Diversity in 2019
- Forbes – Inaugural Best Employers for Women in 2018
- Disability Equality Index – Best Places to Work for Disability Inclusion in 2019
- Human Rights Campaign – Best Places to Work for LGBT Equality in 2018
- VIQTORY Media – Top 100 Military-Friendly Employers in 2019

Our Communities (2018 Stats)

- Energy assistance provided to customers ~ $66 million
- New jobs provided through economic development ~ 15,000
- Philanthropic giving to more than 1,800 community organizations ~ $26 million
- Corporate spend to locally-based suppliers ~ 49%
Board Composition – Governance

<table>
<thead>
<tr>
<th>Board Composition</th>
<th>8 Yrs</th>
<th>93%</th>
<th>43%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Tenure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diverse</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 13 of 14 directors are independent
- Annual election of directors by majority vote
- Lead independent director elected annually
- Proxy access adopted
- Annual advisory vote on compensation
- Tenure and overboarding policies
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided to Board at every meeting
WELL-POSITIONED REGULATED BUSINESS
Composition of Rate Base by Operating Company

- APCo/WPCo: 20.9%
- KGPCo: 4.1%
- KPCo: 0.3%
- I&M: 12.5%
- PSO: 14.9%
- SWEPCO: 16.3%
- AEP Ohio: 11.2%
- AEP Texas: 12.9%
- Transcos: 6.9%
2018 Retail Revenue

CUSTOMER PROFILE
AEP’S SERVICE TERRITORY ENCOMPASSES APPROXIMATELY
5.4 MILLION CUSTOMERS IN 11 STATES

Percentage of AEP System Retail Revenues

Percentage Composition by Customer Class

Top 10 Industrial Sectors Across the AEP System
By NAICS Code | % of Total Industrial Sales
---|---
331 Primary Metal Manufacturing | 15.7%
325 Chemical Manufacturing | 11.6%
324 Petroleum and Coal Products Manufacturing | 10.5%
486 Pipeline Transportation | 9.6%
211 Oil and Gas Extraction | 7.4%
322 Paper Manufacturing | 6.0%
212 Mining (except Oil and Gas) | 5.8%
326 Plastics and Rubber Products Manufacturing | 5.4%
311 Food Manufacturing | 4.4%
336 Transportation Equipment Manufacturing | 4.2%

Source: Billing System

1 Figures do not include Other Retail
Appalachian Power and Wheeling Power Companies

Rate Base, Sales and Cap-ex

APCo Projected Rate Base Proxy
in millions

WPCo Projected Rate Base Proxy
in millions

APCo/WPCo Normalized GWh Sales
% Change vs. Prior Year

APCo/WPCo 2020-2024 Capital by Function
in millions, excluding AFUDC

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AEP Ohio

Rate Base, Sales and Cap-ex

AEP Ohio Projected Rate Base Proxy

in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate Base (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$4,658</td>
</tr>
<tr>
<td>2019E</td>
<td>$5,287</td>
</tr>
<tr>
<td>2020E</td>
<td>$5,743</td>
</tr>
<tr>
<td>2021E</td>
<td>$6,215</td>
</tr>
<tr>
<td>2022E</td>
<td>$6,618</td>
</tr>
<tr>
<td>2023E</td>
<td>$7,045</td>
</tr>
<tr>
<td>2024E</td>
<td>$7,703</td>
</tr>
</tbody>
</table>

CAGR = 9%

AEP Ohio Normalized GWh Sales

% Change vs. Prior Year

- 2016A: 0.0%
- 2017A: 0.1%
- 2018A: 0.7%
- 2019E: -0.1%
- 2020E: 0.0%

2019 includes 9 months weather normalized actual results plus 3 months forecast

R: -2.1%
C: +0.0%
I: +2.2%

AEP Ohio 2020-2024 Capital by Function

in millions, excluding AFUDC

- Total: $3.909B
- Distribution: $2,530.4 (65%)
- Transmission: $862.0 (22%)
- Corporate/Other: $517.0 (13%)

Dec. 2019 Investor Meetings | aep.com
Indiana Michigan Power Company

Rate Base, Sales and Cap-ex

I&M Projected Rate Base Proxy
in millions

- 2018A: $5,383
- 2019E: $6,050
- 2020E: $6,382
- 2021E: $6,564
- 2022E: $6,713
- 2023E: $6,872
- 2024E: $7,091

CAGR = 5%

I&M Normalized GWh Sales
% Change vs. Prior Year

- 2016A: 1.3%
- 2017A: 0.1%
- 2018A: -0.7%
- 2019E: -1.8%
- 2020E: -1.3%

R: -2.7%
C: -1.3%
I: -0.6%

2019 includes 9 months weather normalized actual results plus 3 months forecast

I&M 2020-2024
Capital by Function
in millions, excluding AFUDC

- Corporate/Other: $468.8 (16%)
- Environmental Generation: $70.0 (3%)
- Renewables: $157.6 (5%)
- Fossil/Hydro Generation: $61.4 (2%)
- Nuclear Generation: $413.4 (14%)
- Transmission: $455.9 (16%)
- Distribution: $1,296.4 (44%)
- Total: $2,924B
Kentucky Power Company

Rate Base, Sales and Cap-ex

KPCo Projected Rate Base Proxy
in millions

KPCo Normalized GWh Sales
% Change vs. Prior Year

KPCo 2020-2024
Capital by Function
in millions, excluding AFUDC

KPCo 2020-2024

Corporate/Other
$102.3
12%

Environmental Generation
$82.4
9%

Fossil/Hydro Generation
$60.6
7%

Transmission
$376.3
42%

Distribution
$263.9
30%

Total
$886M

2019 includes 9 months weather normalized actual results plus 3 months forecast

R: -3.5%
C: -0.3%
I: -1.3%
Public Service Company of Oklahoma

Rate Base, Sales and Cap-ex

PSO Projected Rate Base Proxy in millions

- 2018A: $2,885
- 2019E: $3,029
- 2020E: $3,205
- 2021E: $3,434
- 2022E: $3,823
- 2023E: $4,111
- 2024E: $4,361

CAGR = 7%

PSO Normalized GWh Sales % Change vs. Prior Year

- 2016A: 0.7%
- 2017A: 0.9%
- 2018A: 0.2%
- 2019E: -0.2%

2019 includes 9 months weather normalized actual results plus 3 months forecast

PSO 2020-2024 Capital by Function¹ in millions, excluding AFUDC

- Distribution: $945.5 (48%)
- Transmission: $329.7 (17%)
- Corporate/Other: $232.3 (12%)
- New Generation: $338.9 (17%)
- Fossil/Hydro Generation: $98.5 (5%)
- Environmental Generation: $20.6 (1%)

¹ Does not include North Central Wind

Total $1.965B
Southwestern Electric Power Company

Rate Base, Sales and Cap-ex

**SWEPCO Projected Rate Base Proxy**
in millions

- 2018A: $5,184
- 2019E: $5,415
- 2020E: $5,554
- 2021E: $5,741
- 2022E: $5,926
- 2023E: $6,172
- 2024E: $6,483

CAGR = 4%

**SWEPCO Normalized GWh Sales**
% Change vs. Prior Year

- 2016A: -3.9%
- 2017A: 0.6%
- 2018A: 0.8%
- 2019E: -0.5%
- 2020E: 0.2%

R: -0.1%
C: +0.0%
I: +0.8%

2019 includes 9 months weather normalized actual results plus 3 months forecast.

**SWEPCO 2020-2024 Capital by Function**
in millions, excluding AFUDC

- Distribution: $724.3 (31%)
- Transmission: $874.4 (37%)
- Corporate/Other: $259.2 (11%)
- Environmental Generation: $297.7 (12%)
- Fossil/Hydro Generation: $207.6 (9%)

Total: $2.363B

1 Does not include North Central Wind
AEP Texas

Rate Base, Sales and Cap-ex

AEP Texas Projected Rate Base Proxy

in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate Base (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018A</td>
<td>$6,201</td>
</tr>
<tr>
<td>2019E</td>
<td>$7,149</td>
</tr>
<tr>
<td>2020E</td>
<td>$8,081</td>
</tr>
<tr>
<td>2021E</td>
<td>$8,954</td>
</tr>
<tr>
<td>2022E</td>
<td>$9,764</td>
</tr>
<tr>
<td>2023E</td>
<td>$10,535</td>
</tr>
<tr>
<td>2024E</td>
<td>$11,706</td>
</tr>
</tbody>
</table>

CAGR = 1.1%

AEP Texas Normalized GWh Sales

% Change vs. Prior Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2017A</td>
<td>1.8%</td>
</tr>
<tr>
<td>2018A</td>
<td>0.9%</td>
</tr>
<tr>
<td>2019E</td>
<td>0.0%</td>
</tr>
<tr>
<td>2020E</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

R: +0.1%
C: -1.7%
I: +11.1%

AEP Texas 2020-2024 Capital by Function

in millions, excluding AFUDC

<table>
<thead>
<tr>
<th>Function</th>
<th>Capital (in millions)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate/Other</td>
<td>$425.4</td>
<td>7%</td>
</tr>
<tr>
<td>Fossil/Hydro</td>
<td>$3,8</td>
<td>0%</td>
</tr>
<tr>
<td>Distribution</td>
<td>$2,415.2</td>
<td>40%</td>
</tr>
<tr>
<td>Transmission</td>
<td>$3,158.9</td>
<td>53%</td>
</tr>
<tr>
<td>Total</td>
<td>$6,003B</td>
<td></td>
</tr>
</tbody>
</table>

2019 includes 9 months weather normalized actual results plus 3 months forecast
Rate Base and Cap-ex

AEP Generating Projected Rate Base Proxy
in millions

- 2018A: $378
- 2019E: $607
- 2020E: $590
- 2021E: $541
- 2022E: $494
- 2023E: $486
- 2024E: $474

CAGR = 4%

Kingsport Projected Rate Base Proxy
in millions

- 2018A: $133
- 2019E: $153
- 2020E: $160
- 2021E: $172
- 2022E: $181
- 2023E: $196
- 2024E: $204

CAGR = 7%

AEP Generating 2020-2024 Capital by Function
in millions, excluding AFUDC

- Total: $124M
  - Corporate/Other: $4.8 (4%)
  - Fossil/Hydro Generation: $54.0 (43%)
  - Environmental Generation: $65.4 (53%)

Kingsport 2020-2024 Capital by Function
in millions, excluding AFUDC

- Total: $99M
  - Corporate/Other: $13.2 (13%)
  - Transmission: $15.5 (16%)
  - Distribution: $70.2 (71%)