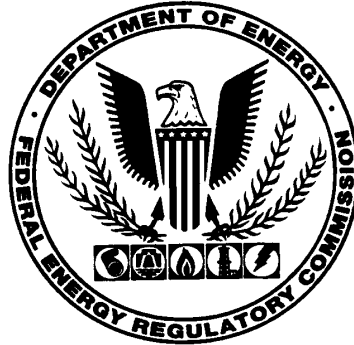


THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 60 Approved
OMB No. 1902-0215
Expires 01/31/2023



FERC FINANCIAL REPORT

FERC FORM No. 60: Annual Report of Centralized Service Companies

This report is mandatory under the Public Utility Holding Company Act of 2005, Section 1270, Section 309 of the Federal Power Act and 18 C.F.R. § 366.23. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

American Electric Power Service Corporation

Year of Report

Dec 31, 2019

**FERC FORM NO. 60
ANNUAL REPORT FOR SERVICE COMPANIES**

IDENTIFICATION

01 Exact Legal Name of Respondent American Electric Power Service Corporation		02 Year of Report Dec 31, <u>2019</u>
03 Previous Name (If name changed during the year)		04 Date of Name Change //
05 Address of Principal Office at End of Year (Street, City, State, Zip Code) 1 Riverside Plaza, Columbus, OH 43215		06 Name of Contact Person Brian T. Lysiak
07 Title of Contact Person Accounting Sr Mgr, Regulated Acctg - AEPSC		08 Address of Contact Person 1 Riverside Plaza, Columbus, OH 43215
09 Telephone Number of Contact Person (614) 716-2666		10 E-mail Address of Contact Person btlysiak@aep.com
11 This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		12 Resubmission Date (Month, Day, Year) //
13 Date of Incorporation 12/17/1937	14 If Not Incorporated, Date of Organization //	
15 State or Sovereign Power Under Which Incorporated or Organized NEW YORK		
16 Name of Principal Holding Company Under Which Reporting Company is Organized: American Electric Power		

CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

17 Name of Signing Officer Jeffrey W. Hoersdig	19 Signature of Signing Officer	20 Date Signed (Month, Day, Year)
18 Title of Signing Officer Assistant Controller	Jeffrey W. Hoersdig	05/29/2020

List of Schedules and Accounts

1. Enter in Column (c) the terms "None" or "Not Applicable" as appropriate, where no information or amounts have been reported for certain pages.

Line No.	Description (a)	Page Reference (b)	Remarks (c)
1	Schedule I - Comparative Balance Sheet	101-102	
2	Schedule II - Service Company Property	103	
3	Schedule III - Accumulated Provision for Depreciation and Amortization of Service Company Property	104	
4	Schedule IV - Investments	105	
5	Schedule V - Accounts Receivable from Associate Companies	106	
6	Schedule VI - Fuel Stock Expenses Undistributed	107	
7	Schedule VII - Stores Expense Undistributed	108	
8	Schedule VIII - Miscellaneous Current and Accrued Assets	109	
9	Schedule IX - Miscellaneous Deferred Debits	110	
10	Schedule X - Research, Development, or Demonstration Expenditures	111	
11	Schedule XI - Proprietary Capital	201	
12	Schedule XII - Long-Term Debt	202	
13	Schedule XIII - Current and Accrued Liabilities	203	
14	Schedule XIV - Notes to Financial Statements	204	
15	Schedule XV - Comparative Income Statement	301-302	
16	Schedule XVI - Analysis of Charges for Service - Associate and Nonassociate Companies	303-306	
17	Schedule XVII - Analysis of Billing - Associate Companies (Account 457)	307	
18	Schedule XVIII - Analysis of Billing - Non-Associate Companies (Account 458)	308	
21	Schedule XIX - Miscellaneous General Expenses - Account 930.2	307	
23	Schedule XX - Organization Chart	401	
24	Schedule XXI - Methods of Allocation	402	

Schedule I - Comparative Balance Sheet

1. Give balance sheet of the Company as of December 31 of the current and prior year.

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
1		Service Company Property			
2	101	Service Company Property	103	266,556,157	237,767,121
3	101.1	Property Under Capital Leases	103	181,243,772	91,474,287
4	106	Completed Construction Not Classified		11,659,478	14,488,684
5	107	Construction Work In Progress	103	22,455,389	15,978,787
6		Total Property (Total Of Lines 2-5)		481,914,796	359,708,879
7	108	Less: Accumulated Provision for Depreciation of Service Company Property	104	131,554,388	128,287,915
8	111	Less: Accumulated Provision for Amortization of Service Company Property		5,295,351	4,792,911
9		Net Service Company Property (Total of Lines 6-8)		345,065,057	226,628,053
10		Investments			
11	123	Investment In Associate Companies	105		
12	124	Other Investments	105	225,151,973	193,109,088
13	128	Other Special Funds	105	157,168,400	98,304,060
14		Total Investments (Total of Lines 11-13)		382,320,373	291,413,148
15		Current And Accrued Assets			
16	131	Cash		14,397,060	29,989,715
17	134	Other Special Deposits		9,768,525	3,134,508
18	135	Working Funds		15,251,932	18,304,500
19	136	Temporary Cash Investments			
20	141	Notes Receivable			
21	142	Customer Accounts Receivable		1,115,080	5,443,854
22	143	Accounts Receivable		2,847,112	3,066,870
23	144	Less: Accumulated Provision for Uncollectible Accounts			
24	146	Accounts Receivable From Associate Companies	106	248,659,164	182,929,169
25	152	Fuel Stock Expenses Undistributed	107		
26	154	Materials And Supplies		461,973	578,042
27	163	Stores Expense Undistributed	108		
28	165	Prepayments		41,206,722	42,171,363
29	171	Interest And Dividends Receivable			
30	172	Rents Receivable			
31	173	Accrued Revenues			
32	174	Miscellaneous Current and Accrued Assets			(3,195)
33	175	Derivative Instrument Assets	109		
34	176	Derivative Instrument Assets - Hedges			
35		Total Current and Accrued Assets (Total of Lines 16-34)		333,707,568	285,614,826
36		Deferred Debits			
37	181	Unamortized Debt Expense			
38	182.3	Other Regulatory Assets		494,407,856	438,413,462
39	183	Preliminary Survey And Investigation Charges			
40	184	Clearing Accounts			
41	185	Temporary Facilities			
42	186	Miscellaneous Deferred Debits		754,150	585,841
43	188	Research, Development, or Demonstration Expenditures	110		
44	189	Unamortized loss on reacquired debt	111		
45	190	Accumulated Deferred Income Taxes		73,927,985	58,788,600
46		Total Deferred Debits (Total of Lines 37-45)		569,089,991	497,787,903
47		TOTAL ASSETS AND OTHER DEBITS (TOTAL OF LINES 9, 14, 35 and 46)		1,630,182,989	1,301,443,930

Schedule I - Comparative Balance Sheet (continued)

Line No.	Account Number (a)	Description (b)	Reference Page No. (c)	As of Dec 31 Current (d)	As of Dec 31 Prior (e)
48		Proprietary Capital			
49	201	Common Stock Issued	201	1,350,000	1,350,000
50	204	Preferred Stock Issued	201		
51	211	Miscellaneous Paid-In-Capital	201	7,052,116	7,052,116
52	215	Appropriated Retained Earnings	201		
53	216	Unappropriated Retained Earnings	201		
54	219	Accumulated Other Comprehensive Income	201		
55		Total Proprietary Capital (Total of Lines 49-54)		8,402,116	8,402,116
56		Long-Term Debt			
57	223	Advances From Associate Companies	202		
58	224	Other Long-Term Debt	202		
59	225	Unamortized Premium on Long-Term Debt			
60	226	Less: Unamortized Discount on Long-Term Debt-Debit			
61		Total Long-Term Debt (Total of Lines 57-60)			
62		Other Non-current Liabilities			
63	227	Obligations Under Capital Leases-Non-current		147,585,132	70,481,031
64	228.2	Accumulated Provision for Injuries and Damages		144,119	301,459
65	228.3	Accumulated Provision For Pensions and Benefits		450,483,914	314,234,940
66	230	Asset Retirement Obligations			
67		Total Other Non-current Liabilities (Total of Lines 63-66)		598,213,165	385,017,430
68		Current and Accrued Liabilities			
69	231	Notes Payable			
70	232	Accounts Payable		113,574,475	124,315,559
71	233	Notes Payable to Associate Companies	203	348,923,979	224,735,513
72	234	Accounts Payable to Associate Companies	203	53,428,295	52,165,446
73	236	Taxes Accrued		9,936,652	6,375,727
74	237	Interest Accrued			632,416
75	241	Tax Collections Payable		904,649	702,314
76	242	Miscellaneous Current and Accrued Liabilities	203	308,186,420	307,999,888
77	243	Obligations Under Capital Leases - Current		34,096,784	20,989,561
78	244	Derivative Instrument Liabilities			
79	245	Derivative Instrument Liabilities - Hedges			
80		Total Current and Accrued Liabilities (Total of Lines 69-79)		869,051,254	737,916,424
81		Deferred Credits			
82	253	Other Deferred Credits		38,207,267	59,985,722
83	254	Other Regulatory Liabilities		13,256,724	19,076,991
84	255	Accumulated Deferred Investment Tax Credits			
85	257	Unamortized Gain on Reacquired Debt			
86	282	Accumulated deferred income taxes-Other property		58,365,832	28,016,922
87	283	Accumulated deferred income taxes-Other		44,686,631	63,028,325
88		Total Deferred Credits (Total of Lines 82-87)		154,516,454	170,107,960
89		TOTAL LIABILITIES AND PROPRIETARY CAPITAL (TOTAL OF LINES 55, 61, 67, 80, AND 88)		1,630,182,989	1,301,443,930

Schedule II - Service Company Property

1. Provide an explanation of Other Changes recorded in Column (f) considered material in a footnote.
2. Describe each construction work in progress on lines 18 through 30 in Column (b).

Line No.	Acct # (a)	Title of Account (b)	Balance at Beginning of Year (c)	Additions (d)	Retirements or Sales (e)	Other Changes (f)	Balance at End of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant	245	132,560			132,805
3	306	Leasehold Improvements	7,253,568	2,207,356			9,460,924
4	389	Land and Land Rights	7,394,806				7,394,806
5	390	Structures and Improvements	214,775,580	46,283,841	421,947		260,637,474
6	391	Office Furniture and Equipment	73,651,492	22,445,630	31,886,808		64,210,314
7	392	Transportation Equipment	31,671,453	98,845,587	17,633,238	336,014	113,219,816
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	26,662,377	2,741,645	337,908		29,066,114
10	395	Laboratory Equipment	8,641,093	465,327	383,760		8,722,660
11	396	Power Operated Equipment					
12	397	Communications Equipment	20,831,848	4,960,379	1,927,042		23,865,185
13	398	Miscellaneous Equipment	3,924,991	348,563			4,273,554
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total Service Company Property (Total of Lines 1-15)	394,807,453	178,430,888	52,590,703	336,014	520,983,652
17	107	Construction Work in Progress:					
18		Capitalized Software	37,335	24,321			61,656
19		General and Misc Equipment	4,476,688	4,212,056			8,688,744
20		Improvements to Office Buildings	11,464,764	2,240,225			13,704,989
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31		Total Account 107 (Total of Lines 18-30)	15,978,787	6,476,602			22,455,389
32		Total (Lines 16 and Line 31)	410,786,240	184,907,490		336,014	543,439,041

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
American Electric Power Service Corporation			
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 32 Column: c

	Balance at Beginning of Year
101 Service Company Property	\$ 237,767,121
101.1 Property Under Capital Lease*	142,551,648
106 Completed Construction Not Classified	14,488,684
107 Construction Work In Progress	15,978,787
	\$ 410,786,240

* Provision for leased assets in the amount of \$(51,077,361) included in FERC Account 101.1 is shown on page 104.

Schedule Page: 103 Line No.: 32 Column: f

	Other Changes
Lease Transfers	\$ 336,014
	\$ 336,014

Schedule Page: 103 Line No.: 32 Column: g

	Balance at End of Year
101 Service Company Property	\$ 266,556,157
101.1 Property Under Capital Lease*	242,768,017
106 Completed Construction Not Classified	11,659,478
107 Construction Work In Progress	22,455,389
	\$ 543,439,041

* Provision for leased assets in the amount of \$(61,524,245) included in FERC Account 101.1 is shown on the footnote for page 104.

	End of Year	Beginning of Year
Reconciliation to Balance Sheet:		
101.1 Property Under Capital Lease per above	\$242,768,017	\$142,551,648
Provision for leased assets per above	(\$61,524,245)	(\$51,077,361)
101.1 Property Under Capital Lease Page 101	\$181,243,772	\$91,474,287

Schedule III – Accumulated Provision for Depreciation and Amortization of Service Company Property

1. Provide an explanation of Other Charges in Column (f) considered material in a footnote.

Line No.	Account Number (a)	Description (b)	Balance at Beginning of Year (c)	Additions Charged To Account 403-403.1 404-405 (d)	Retirements (e)	Other Changes Additions (Deductions) (f)	Balance at Close of Year (g)
1	301	Organization					
2	303	Miscellaneous Intangible Plant	(585)			585	
3	306	Leasehold Improvements	5,066,760	514,372			5,581,132
4	389	Land and Land Rights					
5	390	Structures and Improvements	119,487,855	1,859,481	421,947	3,557,396	124,482,785
6	391	Office Furniture and Equipment	31,091,752	307,912	22,202,192	15,881,245	25,078,717
7	392	Transportation Equipment	9,835,119		7,248,524	18,019,846	20,606,441
8	393	Stores equipment					
9	394	Tools, Shop and Garage Equipment	3,524,114	1,341,810	330,206	343,617	4,879,335
10	395	Laboratory Equipment	4,960,959	121,979	383,760	465,298	5,164,476
11	396	Power Operated Equipment					
12	397	Communications Equipment	9,231,962	445,458	1,866,149	3,683,331	11,494,602
13	398	Miscellaneous Equipment	960,251	86,480		39,765	1,086,496
14	399	Other Tangible Property					
15	399.1	Asset Retirement Costs					
16		Total	184,158,187	4,677,492	32,452,778	41,991,083	198,373,984

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 16 Column: c

	Balance at Beginning of Year
101.1 Property Under Capital Lease*	\$
	51,077,361
108 Accumulated Provision for Depreciation of Service Company Property	128,287,915
111 Accumulated Provision for Amortization of Service Company Property	4,792,911
	\$
	<u>184,158,187</u>

* FERC Account 101.1 includes \$51,077,361 of provision for leased assets.

Schedule Page: 104 Line No.: 16 Column: f

Other Changes:	Amount
Lease Additions and Transfers	42,477,714
Retirement Work In Progress	(207,783)
Cost of Removal for 1RP, AEP Parking Garage, and Arena Building	(376,551)
Expense related to the Aircraft Hangar reclassification	97,703
	\$
	<u>41,991,083</u>

Schedule Page: 104 Line No.: 16 Column: g

	Balance at End of Year
101.1 Property Under Capital Lease*	\$
	61,524,245
108 Accumulated Provision for Depreciation of Service Company Property	131,554,388
111 Accumulated Provision for Amortization of Service Company Property	5,295,351
	\$
	<u>198,373,984</u>

* FERC Account 101.1 includes \$61,524,245 of provision for leased assets.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 105 Line No.: 5 Column: d

ACCOUNT DESCRIPTION	Balance at Beginning of Year	Balance at End of Year
Cash Surrender Value of Deferred Compensation Plan, issued by Northwest Mutual Life and John Hancock.	\$ 18,635,760	\$ 19,140,396
Cash Surrender Value of Umbrella Trust, issued by Prudential Life and Wells Fargo	173,449,789	203,722,368
Cash Surrender Value of Central and South West Supplemental Executive Retirement Plan, issued by The Newport Group	105,352	122,061
Cash Surrender Value of Deferred Compensation Plan, for Central and South West Legacy	25,614	25,611
Umbrella Trust, issued by Wells Fargo - Interest & Dividends	892,573	2,141,537
Total Other Investment	\$ 193,109,088	\$ 225,151,973

ACCOUNT DESCRIPTION	Balance at Beginning of Year	Balance at End of Year
Account 128 - Other Special Funds		
PRW Net Funded Position	\$ 98,304,060	\$ 157,168,400
Total Other Special Funds	\$ 98,304,060	\$ 157,168,400
 Schedule IV - Investments (105) Grand Total	 \$ 291,413,148	 \$ 382,320,373

Schedule V – Accounts Receivable from Associate Companies

1. List the accounts receivable from each associate company.
2. If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	146	Accounts Receivable From Associate Companies		
2		Associate Company:		
3		Total Accounts Receivable from Associated Companies	182,929,169	248,659,164
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total		182,929,169	248,659,164

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 106 Line No.: 3 Column: c

**American Electric Power Service Corporation
146 Accounts Receivable from Associate
Companies**

Associate Company	Balance at Beginning of Year	Balance at Close of Year
Abstract Digital		4,223,278
AEP Amazon	36	
AEP Appalachian Transmission Company, Inc.	416,261	482,546
AEP Clean Energy Resources LLC		106,878
AEP Coal, Inc.	13,259	
AEP Credit, Inc.	53,640	48,216
AEP Energy Partners, Inc.	811,966	925,334
AEP Energy Service Gas Holding Company	83	1,893
AEP Energy Services, Inc.	48,549	61,299
AEP Energy Supply LLC	25,110	83,141
AEP Energy, Inc	288,949	426,584
AEP Generating Company	160,886	190,746
AEP Generation Resources	2,179,941	1,793,521
AEP Indiana Michigan Transmission Company, Inc.	5,646,905	8,815,120
AEP Kentucky Coal, LLC		907
AEP Kentucky Transmission Company, Inc.	500,971	390,558
AEP Nonutility Funding LLC	1,230	3,035
AEP Ohio Transmission Company, Inc.	10,772,272	13,977,211
AEP Oklahoma Transmission Company, Inc.	2,451,322	3,352,719
AEP OnSite Partners, LLC	239,110	313,998
AEP Pro Serv, Inc.	140,033	91,527
AEP Renewables, LLC	121,750	124,727
AEP Retail Energy Partners LLC	27,988	615
AEP Southwestern Transmission Company, Inc.	6,977	9,053
AEP System Pool	205,982	548,107
AEP T&D Services, LLC	84,622	26,954
AEP Texas Company	22,279,617	32,416,542
AEP Transmission Company, LLC		3,053
AEP Transmission Holding Company, LLC	240,616	188,327
AEP Utility Funding LLC	12,374	12,484
AEP West Virginia Transmission Company, Inc.	4,523,551	6,323,518
American Electric Power Company	138,887	6,413,488
Appalachian Power Company	32,159,748	43,981,835
Appalachian Rate Relief Fund	35,132	71,771
Apple Blossom Wind, LLC		70,381
Auwahi Wind Energy, LLC		295
Black Oak Wind, LLC		18
Blackhawk Coal Company	308	1,956
BSE Solutions LLC	121	
Cedar Coal Company	1,422	111
Central Coal Company	13	
Conesville Coal Preparation Company	438	92
CSW Energy, Inc.	124,142	202,074

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
American Electric Power Service Corporation			

FOOTNOTE DATA

Desert Sky Wind Farm LLC	4,297	3,432
Dolet Hills Lignite Co, LLC	612,365	411,651
Electric Transmission TX, LLC	3,462,376	4,987,109
Grid Assurance LLC	219,002	276,258
Indiana Michigan Power Company	23,779,383	28,636,302
Jacumba Solar LLC	102	
Kentucky Power Company	10,926,424	9,914,972
Kingsport Power Company	889,560	1,298,910
Kyte Works, LLC		85,425
NM Renewable Development, LLC		2,599
Ohio Franklin Realty, LLC	12,065	162,060
Ohio Power Company	23,856,593	33,210,753
Oxbow Lignite Company, LLC	4,706	7,961
Public Service Company of Oklahoma	13,154,657	18,063,003
Sempra Renewables, LLC		183,474
Snowcap Coal Company, Inc.	738	1,865
Solar LLCs	7,529	18,843
Southern Appalachian Coal Company	13	
Southwestern Electric Power Company	18,356,812	23,376,657
Transource Energy, LLC	70,676	29,129
Transource Maryland	288,147	143,157
Transource Missouri, LLC	345,329	641,795
Transource Pennsylvania	1,169,214	102,229
Transource West Virginia, LLC	709,976	227,016
Trent Wind Farm LLC	43,199	1,612
United Sciences Testing, Inc.	591,295	282,681
Wheeling Power Company	710,500	906,364
Grand Total	182,929,169	248,659,164

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

**American Electric Power Service Corporation
Summary of Convenience Payments**

Associate Company	Total
AEP Appalachian Transmission Company, Inc.	3,930,816
AEP Clean Energy Resources LLC	85,721
AEP Coal, Inc.	339,550
AEP Credit, Inc.	225
AEP Energy Partners, Inc.	1,154,003
AEP Energy Service Gas Holding Company	225
AEP Energy Services, Inc.	1,832
AEP Energy Supply LLC	300
AEP Energy, Inc	447,573
AEP Generating Company	1,099,391
AEP Generation Resources	2,819,233
AEP Indiana Michigan Transmission Company, Inc.	124,405,192
AEP Kentucky Coal, LLC	53,982
AEP Kentucky Transmission Company, Inc.	2,867,903
AEP Nonutility Funding LLC	300
AEP Ohio Transmission Company, Inc.	137,425,453
AEP Oklahoma Transmission Company, Inc.	33,523,364
AEP OnSite Partners, LLC	99,609
AEP Pro Serv, Inc.	979,010
AEP Properties, L.L.C.	26
AEP Renewables, LLC	730,024
AEP Retail Energy Partners LLC	7,482
AEP Southwestern Transmission Company, Inc.	750
AEP T&D Services, LLC	1,601,579
AEP Texas Company	54,318,604
AEP Transmission Company, LLC	3,251
AEP Transmission Holding Company, LLC	114,737
AEP Transmission Partner LLC	300
AEP Utility Funding LLC	300
AEP West Virginia Transmission Company, Inc.	30,075,050
American Electric Power Company	289,811
Appalachian Power Company	141,738,464
Appalachian Rate Relief Fund	36,639
Apple Blossom Wind, LLC	40,451
Auwahi Wind Energy, LLC	84
Black Oak Wind, LLC	18
Blackhawk Coal Company	664
Bold Transmission, LLC	300
BSE Solutions LLC	577
Cedar Coal Company	7,773
Central Appalachian Coal Company	26
Central Coal Company	26
CSW Energy, Inc.	601
Desert Sky Wind Farm LLC	50,080
Dolet Hills Lignite Co, LLC	129,922
Electric Transmission TX, LLC	2,561,313

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Franklin Real Estate Company	367,794
Grid Assurance LLC	300
Indiana Franklin Realty, Inc.	202,118
Indiana Michigan Power Company	80,982,894
Jacumba Solar LLC	121,826
Kentucky Power Company	7,950,241
Kingsport Power Company	1,446,035
Kyte Works, LLC	247
Mutual Energy SWEPCO L.P	300
NM Renewable Development, LLC	300
Ohio Franklin Realty, LLC	6,063
Ohio Power Company	166,682,971
Oxbow Lignite Company, LLC	35
Public Liability	51,006
Public Service Company of Oklahoma	16,779,592
RITELine Indiana, LLC	32
Sempra Renewables, LLC	5,486
Snowcap Coal Company, Inc.	225
Solar LLCs	832
Southern Appalachian Coal Company	26
Southwestern Electric Power Company	23,313,426
Transource Energy, LLC	118,467
Transource Maryland	37,589
Transource Missouri, LLC	178
Transource Pennsylvania	32,043
Transource West Virginia, LLC	357,437
Trent Wind Farm LLC	69,473
United Sciences Testing, Inc.	454,707
Wheeling Power Company	1,460,783
Grand Total	841,384,961

Schedule VI – Fuel Stock Expenses Undistributed

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company.
2. In a separate footnote, describe in a narrative the fuel functions performed by the service company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	152	Fuel Stock Expenses Undistributed			
2		Associate Company:			
3		AEP Generation Resources	101,553	48,677	150,230
4		AEP Texas Company	5,148	35,839	40,987
5		Appalachian Power Company	1,762,854	798,691	2,561,545
6		Indiana Michigan Power Company	1,019,681	452,378	1,472,059
7		Kentucky Power Company	632,538	252,639	885,177
8		Public Service Company of Oklahoma	733,171	242,242	975,413
9		Southwestern Electric Power Company	1,552,528	606,506	2,159,034
10		Other	21,883	30,953	52,836
11		Less :Amount billed	(5,829,356)	(2,467,925)	(8,297,281)
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total				0

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 107 Line No.: 40 Column: e
Page 107, Footnote Regarding Fuel Functions of AEP Service Company

The fuel functions performed by AEP Service Company include:
The coordination of fuel delivery to fossil fuel power plants which includes responding to power plant tests and monitoring the location of equipment such as barges and railcars that transport the fuel.

The provision of technical and economic analysis and investigation necessary to resolve problems.

The pricing of fuel consumed, the establishment of fuel inventory value, the recording and monitoring of accounting records for fuel purchased and fuel consumed including quantity and cost information.

The performance of laboratory analyses of coal and water samples for quality control purposes.

The production and distribution of specific Fuel filings which includes preparation of schedules, exhibits, and testimony.

Tasks performed to process invoices relating to purchase order and/or non-purchase order transactions for payment. It also includes preparation account/work order classification, verification, and release of disbursement checks.

The procurement of fuel and other combustion products, including all tasks necessary to negotiate, develop and administer fuel supply and pipeline agreements with fuel and pipeline vendors. This includes all processes involved in maintaining a business relationship with fuel vendors and pipeline companies, from establishing contact to approving pricing for payment of fuel delivered.

Tasks associated with the receipt of fuel, storage of fuel, operation and monitoring of the fuel feed system and related components up to and including the bunkers/silo.

Schedule VII – Stores Expense Undistributed

1. List the amount of labor in Column (c) and expenses in Column (d) incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3		AEP Appalachian Transmission Company, Inc.	64,487	24,718	89,205
4		AEP Clean Energy Resources LLC	3,135	80	3,215
5		AEP Credit, Inc.	130	358	488
6		AEP Energy Partners, Inc.	17,116	13,953	31,069
7		AEP Energy Services, Inc.	7,660	4,755	12,415
8		AEP Energy Supply LLC	(2,002)	103	(1,899)
9		AEP Energy, Inc	9,080	9,396	18,476
10		AEP Generating Company	33,398	19,867	53,265
11		AEP Generation Resources	766,505	223,394	989,899
12		AEP Indiana Michigan Transmission Company, Inc.	1,340,149	695,686	2,035,835
13		AEP Investments, Inc.	292	182	474
14		AEP Kentucky Transmission Company, Inc.	44,509	28,931	73,440
15		AEP Nonutility Funding LLC	46	47	93
16		AEP Ohio Transmission Company, Inc.	2,697,507	1,346,733	4,044,240
17		AEP Oklahoma Transmission Company, Inc.	417,092	257,940	675,032
18		AEP OnSite Partners, LLC	14,189	31,995	46,184
19		AEP Pro Serv, Inc.	(416)	549	133
20		AEP Renewables, LLC	9,249	27,274	36,523
21		AEP Retail Energy Partners LLC	22	12	34
22		AEP Southwestern Transmission Company, Inc.	20	50	70
23		AEP T&D Services, LLC	(2,623)	190	(2,433)
24		AEP Texas Company	3,381,729	2,322,558	5,704,287
25		AEP Transmission Company, LLC	(28)	56	28
26		AEP Transmission Holding Company, LLC	(688)	571	(117)
27		AEP Utility Funding LLC	637	133	770
28		AEP West Virginia Transmission Company, Inc.	641,323	650,830	1,292,153
29		American Electric Power Company	7,211	7,045	14,256
30		Appalachian Power Company	6,151,968	3,772,212	9,924,180
31		Apple Blossom Wind, LLC		1	1
32		Bold Transmission, LLC	5	156	161
33		BSE Solutions LLC	2		2
34		CSW Energy, Inc.	19,652	54,208	73,860
35		Desert Sky Wind Farm LLC	1	15	16
36		Dolet Hills Lignite Co, LLC	127,979	101,119	229,098
37		Electric Transmission America	1	11	12
38		Electric Transmission TX, LLC	345,906	111,702	457,608
39		Grid Assurance LLC	62,369	22,099	84,468

Schedule VII – Stores Expense Undistributed (continued)

Line No.	Account Number (a)	Title of Account (b)	Labor (c)	Expenses (d)	Total (e)
1	163	Stores Expense Undistributed			
2		Associate Company:			
3		Indiana Michigan Power Company	3,254,920	2,187,777	5,442,697
4		Kentucky Power Company	1,914,652	949,393	2,864,045
5		Kingsport Power Company	57,940	61,911	119,851
6		Ohio Power Company	4,991,953	2,609,865	7,601,818
7		Public Service Company of Oklahoma	3,127,161	1,548,887	4,676,048
8		RITELine Indiana, LLC		6	6
9		Sempra Renewables, LLC	9,605	25,109	34,714
10		Solar LLCs			
11		Southwestern Electric Power Company	4,278,379	2,256,312	6,534,691
12		Transource Energy, LLC	58	848	906
13		Transource Maryland	279	1,459	1,738
14		Transource Missouri, LLC	8,586	3,433	12,019
15		Transource Pennsylvania	749	2,102	2,851
16		Transource West Virginia, LLC	7,137	6,830	13,967
17		Trent Wind Farm LLC		2	2
18		United Sciences Testing, Inc.	736	1,432	2,168
19		Wheeling Power Company	152,385	89,053	241,438
20		Less Amount Billed	(33,962,152)	(19,473,348)	(53,435,500)
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	Total				

Schedule VIII - Miscellaneous Current and Accrued Assets

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	174	Miscellaneous Current and Accrued Assets		
2		Item List:		
3		Other	(3,195)	
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total		(3,195)	

Schedule IX - Miscellaneous Deferred Debits

1. Provide detail of items in this account. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	186	Miscellaneous Deferred Debits		
2		Items List:		
3		Deferred Employee Expenses	166,839	
4		Deferred Property Taxes	40,920	83,991
5		Deferred Information Technology Expenses	159,755	
6		Deferred Intercompany Expenses	9,966	25,721
7		Deferred Lease Assets - NonTaxable	170,356	624,851
8		IPP Admin Support Cost	10,238	(83,406)
9		Items less than \$50,000 (5 items)	27,767	102,993
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total		585,841	754,150

Schedule X - Research, Development, or Demonstration Expenditures

1. Describe each material research, development, or demonstration project that incurred costs by the service corporation during the year. Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Amount (c)
1	188	Research, Development, or Demonstration Expenditures	
2		Project List:	
3		Electric Power Research Institute EPRI Annual Portfolio	4,662,658
4		Transmission Electric Power Research Institute (EPRI) Annual Portfolio	1,674,663
5		Generation Asset Management - Program Management	695,228
6		Information Technology - Electric Power Research Institute (EPRI) Annual Portfolio	468,860
7		Distribution - Electric Power Research Institute (EPRI) Annual Portfolio	356,207
8		Corporate Technology Program Management	249,161
9		Electric Power Research Institute (EPRI) Environmental Science	230,519
10		Industrial Advisory Cmte	200,000
11		Alarm Management Philosophy	147,830
12		Electric Transportation	137,972
13		National Electric Energy Testing, Research & Applications Center (NEETRAC) Membership	121,753
14		Transmission Research & Development Program Management	103,461
15		PSerc	97,220
16		Strategic Technology Research	92,458
17		FAA UAS IPP Program	79,972
18		CEA (Canadian Electric Association) Membership & Projects	60,916
19		Supercritical CO2 Pilot Test	60,000
20		Substation Equipment Mgmt Sys	59,104
21		CEA(Canadian Electric Association) TLAMIG	54,268
22		CEA(Canadian Electric Association) LCMSEA	53,547
23		Advanced Generation Program Management	53,006
24		Albedo Test	52,357
25		28 items under \$50,000	393,867
26		Less Amount Billed	(10,105,027)
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40	Total		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 201 Line No.: 9 Column: d

The Miscellaneous Paid-In Capital for \$7,052,116 is made up of three capital contributions.

The first capital contribution of \$99,500 represents the net investment of Central and South West Services, LP with AEPSC when the two service corporations combined as a result of the merger of Central and South West Corporation and American Electric Power in June of 2000.

The second capital contribution of \$8,123,156 was due to an American Electric Power Company Inc. board resolution in April 2009 which transferred a parking garage to AEPSC. The resolution approved the contribution of the Marconi Street Unassigned Parking Garage to AEPSC as a capital contribution in the amount of the net book value of the property. The contribution of the unassigned garage to AEPSC was proposed to align its ownership with its primary user i.e. AEPSC.

In association with the AEP Texas Inc. merger and pursuant to a December 2016 American Electric Power Company Inc. board resolution, the liabilities associated with the Central and South West's Corporate Directors Compensation Plan and its Deferred Compensation Plan were transferred to AEPSC. This transaction was treated as a distribution of paid-in capital because AEPSC assumed the liabilities with these plans.

Schedule XII – Long Term Debt

1. For the advances from associate companies (Account 223), describe in a footnote the advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation in Column (c).
2. For the deductions in Column (h), please give an explanation in a footnote.
3. For other long-term debt (Account 224), list the name of the creditor company or organization in Column (b).

Line No.	Account Number	Title of Account	Term of Obligation Class & Series of Obligation (c)	Date of Maturity (d)	Interest Rate (e)	Amount Authorized (f)	Balance at Beginning of Year (g)	Additions Deductions (h)	Balance at Close of Year (i)
1	223	Advances from Associate Companies							
2		Associate Company:							
3		-- NONE TO REPORT --							
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		TOTAL							
14	224	Other Long-Term Debt							
15		List Creditor:							
16		-- NONE TO REPORT --							
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28		TOTAL							

Schedule XIII – Current and Accrued Liabilities

1. Provide the balance of notes and accounts payable to each associate company (Accounts 233 and 234).
2. Give description and amount of miscellaneous current and accrued liabilities (Account 242). Items less than \$50,000 may be grouped, showing the number of items in each group.

Line No.	Account Number (a)	Title of Account (b)	Balance at Beginning of Year (c)	Balance at Close of Year (d)
1	233	Notes Payable to Associates Companies	224,735,513	348,923,979
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24	234	Accounts Payable to Associate Companies	52,165,446	53,428,295
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41	242	Miscellaneous Current and Accrued Liabilities	307,999,888	308,186,420
42				
43				
44				
45				
46				
47				
48				
49				
50		(Total)	584,900,847	710,538,694

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 203 Line No.: 1 Column: d

AEP has a direct financing relationship with AEPSC to meet its short term borrowing needs.

Schedule Page: 203 Line No.: 24 Column: d

Account 234 - Accounts Payable to Associate Companies	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
AEP Energy Supply LLC	0	53
AEP Energy, Inc	0	38
AEP Energy Partners, Inc.	390	28,728
AEP Generating Company	320	722,010
AEP Generation Resources	2,919	6,573
AEP Indiana Michigan Transmission Company, Inc.	87,622	386
AEP Investments, Inc.	336,986	349,158
AEP Kentucky Transmission Company, Inc.	14	0
AEP Ohio Transmission Company, Inc.	628,316	44,756
AEP Oklahoma Transmission Company, Inc.	188,140	3,381
AEP OnSite Partners, LLC	8,827	33,614
AEP Renewables, LLC	146,292	134,939
AEP Texas Company	1,293,856	1,091,769
AEP Transmission Company, LLC	163,449	2,808
AEP Transmission Holding Company, LLC	18	0
AEP West Virginia Transmission Company, Inc.	76,157	17,294
American Electric Power Company	1,131,654	5,770,586
Appalachian Power Company	10,143,275	7,242,721
Dolet Hills Lignite Co, LLC	0	2
Appalachian Rate Relief Fund	5,063	5,063
Apple Blossom Wind, LLC	0	2,795
Black Oak Wind, LLC	0	127,473
Indiana Michigan Power Company	7,029,085	3,011,111
Jacumba Solar LLC	193,341	137,574
Kentucky Power Company	1,670,669	1,735,058
Kingsport Power Company	533,405	831,641
Kyte Works, LLC	29,706	0
NM Renewable Development, LLC	0	96,627
NMRD Data Center II, LLC	0	2,074
Ohio Franklin Realty, LLC	79,022	6,933
Ohio Power Company	15,357,591	16,022,253
Oxbow Lignite Company, LLC	0	100,957
Public Liability	51,006	0
Public Service Company of Oklahoma	3,064,966	5,463,753
Solar LLCs	36,374	49,257
Southwestern Electric Power Company	6,744,703	8,759,003
Transource Energy, LLC	2,823,366	353,438
Transource West Virginia, LLC	44	0
United Sciences Testing, Inc.	0	437
Wheeling Power Company	338,870	1,275,032
Grand Total	<u>\$ 52,165,446</u>	<u>\$ 53,429,295</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 203 Line No.: 41 Column: d

<u>ACCOUNT DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
Account 242 - Miscellaneous Current and Accrued Liabilities		
Accrued Audit Fees	0	112,000
Accrued Payroll	25,535,066	29,269,390
Banking Fees	230,000	220,000
Control Cash Disburse Account	5,182,609	8,436,487
Deferred Compensation Benefits	371,072	207,804
Employee Benefits	20,175,276	21,927,751
Incentive Pay	172,640,065	156,239,688
Lease Expense	0	164,060
Lease Rent Holidays	253,076	0
Real and Personal Property Taxes	32,139	698,106
Severance Pay	5,459,040	3,745,956
Software Contract Liabilities	17,810,669	24,287,275
Unclaimed Funds	20,738	37,138
Vacation Pay	58,722,976	61,602,777
Worker's Compensation	1,567,162	1,237,988
	<u>\$ 307,999,888</u>	<u>\$ 308,186,420</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

1. Use the space below for important notes regarding the financial statements or any account thereof.
2. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year.
3. Furnish particulars as to any significant increase in services rendered or expenses incurred during the year.
4. Furnish particulars as to any amounts recorded in Account 434, Extraordinary Income, or Account 435, Extraordinary Deductions.
5. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.
6. Describe the annual statement supplied to each associate service company in support of the amount of interest on borrowed capital and compensation for use of capital billed during the calendar year. State the basis for billing of interest to each associate company. If a ratio, describe in detail how ratio is computed. If more than one ratio explain the calculation. Report the amount of interest borrowed and/or compensation for use of capital billed to each associate company.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

AEPSC is a wholly-owned subsidiary of AEP. AEPSC provides certain managerial and professional services, including administrative and engineering services, to affiliated companies in the AEP System and periodically to nonaffiliated companies. AEPSC also acts as an agent on behalf of affiliated companies in the AEP System for certain contractual arrangements, such as purchases and sales of risk management assets and liabilities. The activity associated with the agency relationship is excluded from AEPSC's financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rates and Service Regulation

AEPSC's intercompany service billings, which are AEPSC's fully allocated cost, including taxes, are regulated by the FERC under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over the issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. In addition, both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

Accounting for the Effects of Cost-Based Regulation

As a cost-based regulated entity, AEPSC's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," AEPSC records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) in accordance with regulatory actions to match expenses and revenues in cost-based rates. Regulatory assets are expected to be recovered in future periods through billings to affiliated companies and regulatory liabilities are expected to reduce future billings to affiliated companies. In the event that a portion of AEPSC's business no longer met those requirements, all amounts would be recoverable from affiliated companies. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. Costs charged to capitalized projects of AEPSC customers are included in the financial statements of AEPSC.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include, but are not limited to, the effects of regulation, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

Cash and Cash Equivalents

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

Accounts Receivable

Accounts Receivable primarily includes receivables from affiliated companies for professional services rendered. AEPSC bills affiliated companies for services rendered on a monthly basis based on a work order system that is in accordance with the 2005 Public Utility Holding Company Act. The affiliated companies generally remit these payments within 30 days.

Property and Equipment

Property is stated at original cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the property. The annual composite depreciation rate was 1.8% and 1.5% for the years ended December 31, 2019 and 2018, respectively.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the held-for-sale criteria under the accounting guidance for "Impairment or Disposal of Long-Lived Assets."

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

Deferred Compensation

Investments include the cash surrender value of trust-owned life insurance policies held under a grantor trust to provide funds for nonqualified deferred compensation plans that AEPSC sponsors.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Valuation of Nonderivative Financial Instruments

The book values of Cash and Cash Equivalents, Advances from Affiliates, Accounts Receivable and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

Fair Value Measurements of Assets and Liabilities

The accounting guidance for “Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

AEP utilizes its trustee’s external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP’s investment managers review and validate the prices utilized by the trustee to determine fair value. AEP’s management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee’s operating controls and valuation processes.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, private equity, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

Name of Respondent	This Report is:	Resubmission Date	Year of Report
American Electric Power Service Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2019
Schedule XIV- Notes to Financial Statements			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Revenues and Expenses

AEPSC provides certain managerial and professional services to both affiliated and nonaffiliated companies. The costs of the services are billed on a direct-charge basis, whenever possible. Costs incurred to perform services that benefit more than one company are allocated to the benefiting companies using one of 80 FERC accepted allocation factors. The allocation factors used to bill for services performed by AEPSC are based upon formulae that consider factors such as number of customers, number of employees, number of transmission pole miles, number of invoices and other factors. The data upon which these formulae are based are updated monthly, quarterly, semi-annually or annually, depending on the particular factor and its volatility. The billings for services are made at cost and include no compensation for a return on investment.

Income Taxes and Investment Tax Credits

AEPSC uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost of service for determining regulated rates), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

AEPSC applies the deferral methodology for the recognition of ITC. Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed into service, except where regulatory commissions reflect ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.

AEPSC accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." AEPSC classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Other Operation expense.

Pension and OPEB Plans

AEPSC participates in an AEP sponsored qualified pension plan and two unfunded nonqualified pension plans. Substantially all of AEPSC's employees are covered by the qualified plan or both the qualified and nonqualified pension plans. AEPSC also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. AEPSC accounts for its participation in the AEP sponsored pension and OPEB plans using multiple-employer accounting. See Note 5 - Benefit Plans for additional information including significant accounting policies associated with the plans.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Investments Held in Trust for Future Liabilities

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.

Benefit Plans

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

Pension Plan Assets	Target
Equity	30%
Fixed Income	54%
Other Investments	15%
Cash and Cash Equivalents	1%

OPEB Plans Assets	Target
Equity	48%
Fixed Income	50%
Cash and Cash Equivalents	2%

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies or certain commingled funds). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships and commingled funds to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investments.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is to provide modest incremental income with a limited increase in risk. As of December 31, 2019 and 2018, the fair value of securities on loan as part of the program was \$246.3 million and \$240.7 million, respectively. Cash and securities obtained as collateral exceeded the fair value of the securities loaned as of December 31, 2019 and 2018.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Stock-Based Compensation Plans

As of December 31, 2019, AEPSC had performance shares and restricted stock units outstanding under the American Electric Power System 2015 Long-Term Incentive Plan (2015 LTIP). Upon vesting, performance units awarded prior to 2017 are settled in cash and restricted stock units are settled in AEP common shares, except for restricted stock units granted after January 1, 2013 and prior to January 1, 2017 that vest to executive officers, which are settled in cash. All performance shares and restricted stock units awarded after January 1, 2017 will be settled in AEP common shares.

AEPSC maintains a variety of tax qualified and nonqualified deferred compensation plans for employees that include, among other options, an investment in or an investment return equivalent to that of AEP common stock. This includes AEP career shares maintained under the American Electric Power System Stock Ownership Requirement Plan (SORP), which facilitates executives in meeting minimum stock ownership requirements assigned to them by the Human Resources Committee of AEP's Board of Directors. AEP career shares are derived from vested performance shares granted to employees under the 2015 LTIP. AEP career shares accrue additional dividend shares in an amount equal to dividends paid on AEP common shares at the closing market price on the dividend payments date. All AEP career shares are paid out in AEP common stock after the executive's service with AEP ends.

Performance shares awarded after January 1, 2017 are classified as temporary equity in the Mezzanine Equity section on the Parent's balance sheets. These awards may be settled in cash upon an employee's qualifying termination due to a change in control. Because such event is not solely within the control of the company, these awards are classed outside of permanent equity.

AEPSC measures and recognizes compensation expense for all share-based payment awards to employees based on estimated fair values. For share-based payment awards with service only vesting conditions, AEPSC recognizes compensation expense on a straight-line basis. Stock-based compensation expense recognized on AEPSC's statements of operations for the years ended December 31, 2019 and 2018 is based on the number of outstanding awards at the end of each period without a reduction for estimated forfeitures. AEPSC accounts for forfeitures in the period in which they occur.

For the years ended December 31, 2019 and 2018, compensation cost is included in Net Income for the performance shares, career shares and restricted stock units. Compensation cost may also be capitalized. See Note 9 - Stock-Based Compensation for additional information.

Contract Software Liabilities

On May 31, 2017, AEPSC entered into a 10-year strategic agreement with Oracle. The agreement provides perpetual unlimited deployment rights to Oracle's catalog of on premise licenses, as long as support payments continue to be made in accordance with the contract terms. In total, \$255 million (excluding sales tax) will be paid over the 10-year term for licenses and technical support. A capitalized software asset of \$110 million, including sales tax, was recorded in June 2017 for the value of the licenses, and will depreciate over the 10-year term.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Subsequent Events

Management reviewed subsequent events through March 26, 2020, the date that AEPSC's 2019 Annual Report was available to be issued.

2. NEW ACCOUNTING STANDARDS

During FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature to determine its relevance, if any, to AEPSC's business. The following standards will impact the financial statements.

ASU 2016-02 "Accounting for Leases" (ASU 2016-02)

In February 2016, the FASB issued ASU 2016-02 increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheets and disclosing key information about leasing arrangements. Under the new standard, an entity must recognize an asset and liability for operating leases on the balance sheets. Additionally, capital leases are known as finance leases going forward. Leases with terms of 12 months or longer are also subject to the new requirements. Fundamentally, the criteria used to determine lease classification remains the same, but is more subjective under the new standard.

New leasing standard implementation activities included the identification of the lease population within the AEP System as well as the sampling of representative lease contracts to analyze accounting treatment under the new accounting guidance. Based upon the completed assessments, management also prepared a gap analysis to outline new disclosure compliance requirements.

Management adopted ASU 2016-02 effective January 1, 2019 by means of a cumulative-effect adjustment to the balance sheets. Management elected the following practical expedients upon adoption:

Practical Expedient	Description
Overall Expedients (for leases commenced prior to adoption date and must be adopted as a package)	Do not need to reassess whether any expired or existing contracts are/or contain leases, do not need to reassess the lease classification for any expired or existing leases and do not need to reassess initial direct costs for any existing leases.
Lease and Non-lease Components (elect by class of underlying asset)	Elect as an accounting policy to not separate non-lease components from lease components and instead account for each lease and associated non-lease component as a single lease component.
Short-term Lease (elect by class of underlying asset)	Elect as an accounting policy to not apply the recognition requirements to short-term leases.
Existing and expired land easements not previously accounted for as leases	Elect optional transition practical expedient to not evaluate under Topic 842 existing or expired land easements that were not previously accounted for as leases under the current leases guidance in Topic 840.
Cumulative-effect adjustment in the period of adoption	Elect the optional transition practical expedient to adopt the new lease requirements through a cumulative-effect adjustment on the balance sheet in the period of

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

adoption.

Management concluded that the result of adoption would not materially change the volume of contracts that qualify as leases going forward. The adoption of the new standard did not materially impact results of operations or cash flows, but did have a material impact on the balance sheets. See Note 7 - Leases for additional disclosures required by the new standard.

ASU 2016-13 “Measurement of Credit Losses on Financial Instruments” (ASU 2016-13)

In June 2016, the FASB issued ASU 2016-13 requiring the recognition of an allowance for expected credit losses for financial instruments within its scope. Examples of financial instruments that are in scope include trade receivables, certain financial guarantees, and held-to-maturity debt securities. The allowance for expected credit losses should be based on historical information, current conditions and reasonable and supportable forecasts. Entities are required to evaluate, and if necessary, recognize expected credit losses at the inception or initial acquisition of a financial instrument (or pool of financial instruments that share similar risk characteristics) subject to ASU 2016-13, and subsequently as of each reporting date. The new standard also revises the other-than-temporary impairment model for available-for-sale debt securities.

Management adopted ASU 2016-13 and its related implementation guidance effective January 1, 2020, by means of a cumulative-effect adjustment to the balance sheet. The adoption of the new standard did not have a material impact to financial position, and had no impact on the results of operations or cash flows. Additionally, the adoption of the new standard did not result in any changes to current accounting systems.

Implementation activities included: (1) the identification and evaluation of the population of financial instruments within the AEP system that are subject to the new standard and, (2) the development of supporting valuation models to also contemplate appropriate metrics for current and supportable forecasted information. As required by ASU 2016-13, the financial instruments subject to the new standard were evaluated on a pool-basis to the extent such financial instruments shared similar risk characteristics.

Management continues to develop disclosures to comply with the requirements of ASU 2016-13 that are required in the first quarter of 2020. Management will continue to monitor for any potential industry implementation issues.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

3. EFFECTS OF REGULATION

Recognized regulatory assets and liabilities are comprised of the following items:

	December 31,		Remaining Recovery Period
	2019	2018	
(in thousands)			
Noncurrent Regulatory Assets			
Regulatory assets approved for recovery:			
<u>Regulatory Assets Currently Not Earning a Return</u>			
Amounts Due from Affiliates for Pension and OPEB Funded Status	\$ 494,408	\$ 438,414	11 years
Total Noncurrent Regulatory Assets	\$ 494,408	\$ 438,414	

	December 31,		Remaining Refund Period
	2019	2018	
(in thousands)			
Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits			
Regulatory liabilities approved for payment:			
<u>Income Tax Related Regulatory Liabilities (a)</u>			
Excess ADIT that is Not Subject to Rate Normalization Requirements	\$ 11,732	\$ 16,001	11 years
Excess ADIT Associated with Certain Depreciable Property	6,503	6,563	(b)
Deferred Amounts Due to Affiliates for Income Tax Benefits	(4,978)	(3,487)	15 years
Total Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits	\$ 13,257	\$ 19,077	

- (a) This balance primarily represents regulatory liabilities for excess accumulated deferred income taxes (Excess ADIT) as a result of the reduction in the corporate federal income tax rate from 35% to 21% related to the enactment of Tax Reform. The Excess ADIT will be returned to affiliates using the average rate assumption method or over the remaining life of the underlying temporary differences.
- (b) Refunded using Average Rate Assumption Method.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

4. COMMITMENTS, GUARANTEES AND CONTINGENCIES

AEPSC is subject to certain claims and legal actions arising in its ordinary course of business. The ultimate outcome of such pending or potential litigation cannot be predicted. For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

COMMITMENTS

AEPSC has construction commitments to support its operations. In managing the overall construction program and in the normal course of business, AEPSC contractually commits to third-party construction vendors for certain material purchases and other construction services. AEPSC also purchases materials, supplies, services and property, plant and equipment under contract as part of its normal course of business. Certain supply contracts contain penalty provisions for early termination. In accordance with the accounting guidance for "Commitments", AEPSC had the following contractual commitments as of December 31, 2019 relating to contract software liabilities. See "Contract Software Liabilities" section of Note 1 for additional information.

Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years	Total
(in thousands)				
\$ 40,805	\$ 73,494	\$ 35,863	\$ 35,863	\$ 186,025

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties unless specified below.

Letters of Credit

AEPSC enters into standby letters of credit with third parties. These letters of credit were issued in the ordinary course of business and cover items such as construction contracts, insurance programs, security deposits and debt service reserves. As of December 31, 2019, the maximum future payments of the letters of credit were \$72.7 million with maturities ranging from February 2020 to December 2020.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Indemnifications and Other Guarantees

Contracts

AEPSC enters into certain types of contracts which require indemnifications. Typically, these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2019, there were no material liabilities recorded for any indemnifications.

Lease Agreements

AEPSC leases certain equipment under master lease agreements. See “Master Lease Agreements” section of Note 7 for additional information.

CONTINGENCIES

Insurance and Potential Losses

AEPSC maintains insurance coverage normal and customary for electric utilities, subject to various deductibles. AEPSC also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance includes coverage for all risks of physical loss or damage to AEPSC assets, subject to insurance policy conditions and exclusions. Covered property generally includes AEPSC facilities. The insurance programs also generally provide coverage against loss arising from certain claims made by third parties. Coverage is generally provided by a combination of the protected cell of Energy Insurance Services and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities. Future losses or liabilities, if they occur, which are not completely insured, would be recovered from affiliated companies.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

5. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

AEPSC participates in an AEP sponsored qualified pension plan and two unfunded nonqualified pension plans. Substantially all of AEPSC’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. AEPSC also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

AEPSC recognizes the funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. AEPSC recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status. AEPSC records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that will be billed to affiliated companies.

Actuarial Assumptions for Benefit Obligations

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		OPEB	
	December 31,			
	2019	2018	2019	2018
Discount Rate	3.25%	4.30%	3.30%	4.30%
Interest Crediting Rate	4.00%	4.00%	NA	NA
Rate of Compensation Increase	5.00% (a)	4.90% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2019, the rate of compensation increase assumed varies with the age of the employee, ranging from 3% per year to 11.5% per year, with the average increase shown in the table above.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
American Electric Power Service Corporation			
Schedule XIV- Notes to Financial Statements			

Actuarial Assumptions for Net Periodic Benefit Costs

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans		OPEB	
	Years Ended December 31,			
	2019	2018	2019	2018
Discount Rate	4.30%	3.65%	4.30%	3.60%
Interest Crediting Rate	4.00%	4.00%	NA	NA
Expected Return on Plan Assets	6.25%	6.00%	6.25%	6.00%
Rate of Compensation Increase	4.95% (a)	4.90% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third party forecasts and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	December 31,	
	2019	2018
Initial	6.00%	6.25%
Ultimate	4.50%	5.00%
Year Ultimate Reached	2026	2024

Significant Concentrations of Risk within Plan Assets

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. Management monitors the plans to control security diversification and ensure compliance with the investment policy. As of December 31, 2019, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Benefit Plan Obligations, Plan Assets and Funded Status

For the year ended December 31, 2019, the pension plans had an actuarial loss due to a decrease in the discount rate, partially offset by updates to the mortality table. For the year ended December 31, 2019, the OPEB plans had an actuarial loss due to a decrease in the discount rate and an update to the persistency assumption, partially offset by an update to the projected per capita cost assumption as well as savings resulting from legislation signed in December 2019 which eliminated two Affordable Care Act taxes. For the year ended December 31, 2018, the pension and OPEB plans had an actuarial gain due to an increase in the discount rate as well as updated estimates for future medical expenses in the OPEB plans. The following table provides a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		OPEB	
	2019	2018	2019	2018
Change in Benefit Obligation				
(in thousands)				
Benefit Obligation as of January 1,	\$ 1,682,070	\$ 1,795,879	\$ 277,516	\$ 303,692
Service Cost	35,747	34,391	2,923	3,377
Interest Cost	73,623	65,816	11,872	10,913
Actuarial (Gain) Loss	237,471	(74,070)	32,383	(20,393)
Plan Amendments	211	—	(2,704)	—
Benefit Payments	(136,040)	(139,946)	(24,801)	(28,692)
Participant Contributions	—	—	8,389	8,519
Medicare Subsidy	—	—	83	100
Benefit Obligation as of December 31,	\$ 1,893,082	\$ 1,682,070	\$ 305,661	\$ 277,516
Change in Fair Value of Plan Assets				
Fair Value of Plan Assets as of January 1,	\$ 1,449,575	\$ 1,613,457	\$ 375,820	\$ 417,738
Actual Gain (Loss) on Plan Assets	215,750	(33,315)	102,669	(24,247)
Company Contributions	4,631	9,379	752	2,502
Participant Contributions	—	—	8,389	8,519
Benefit Payments	(136,040)	(139,946)	(24,801)	(28,692)
Fair Value of Plan Assets as of December 31,	\$ 1,533,916	\$ 1,449,575	\$ 462,829	\$ 375,820
Funded (Underfunded) Status as of December 31,	\$ (359,166)	\$ (232,495)	\$ 157,168	\$ 98,304

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Amounts Recognized on the Balance Sheets

	Pension Plans		OPEB	
	December 31,			
	2019	2018	2019	2018
(in thousands)				
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ —	\$ —	\$ 157,168	\$ 98,304
Other Current Liabilities – Accrued Short-term Benefit Liability	(5,249)	(4,718)	—	—
Employee Pension Obligations – Accrued Long-term Benefit Liability	(353,917)	(227,777)	—	—
Funded (Underfunded) Status	<u>\$ (359,166)</u>	<u>\$ (232,495)</u>	<u>\$ 157,168</u>	<u>\$ 98,304</u>

Amounts Included in Regulatory Assets

The following table shows the components of the plans included in Regulatory Assets:

	Pension Plans		OPEB	
	December 31,			
	2019	2018	2019	2018
(in thousands)				
Components				
Net Actuarial Loss	\$ 516,276	\$ 423,913	\$ 55,515	\$ 109,056
Prior Service Cost (Credit)	211	—	(77,594)	(94,555)
Recorded as				
Regulatory Assets	\$ 516,487	\$ 423,913	\$ (22,079)	\$ 14,501

Components of the change in amounts included in Regulatory Assets were as follows:

	Pension Plans		OPEB	
	2019	2018	2019	2018
(in thousands)				
Components				
Actuarial (Gain) Loss During the Year	\$ 113,558	\$ 49,699	\$ (48,150)	\$ 28,542
Amortization of Actuarial Loss	(21,195)	(32,458)	(5,391)	(2,267)
Prior Service (Credit) Cost	211	—	(1,842)	—
Amortization of Prior Service Cost (Credit)	—	(3)	18,803	18,805
Change for the Year Ended December 31,	<u>\$ 92,574</u>	<u>\$ 17,238</u>	<u>\$ (36,580)</u>	<u>\$ 45,080</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Determination of Pension Expense

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

Pension and OPEB Assets

The fair value tables within Pension and OPEB Assets presents the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to AEPSC using the percentages in the table below:

Pension Plan		OPEB	
December 31,			
2019	2018	2019	2018
30.6%	30.9%	26.0%	24.5%

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2019:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 387.8	\$ —	\$ —	\$ —	\$ 387.8	7.8 %
International	609.1	—	—	—	609.1	12.1 %
Common Collective Trusts (c)	—	—	—	547.3	547.3	10.9 %
Subtotal – Equities	996.9	—	—	547.3	1,544.2	30.8 %
Fixed Income (a):						
United States Government and Agency Securities	(5.8)	1,248.6	—	—	1,242.8	24.8 %
Corporate Debt	—	1,143.7	—	—	1,143.7	22.8 %
Foreign Debt	—	211.6	—	—	211.6	4.2 %
State and Local Government	—	55.1	—	—	55.1	1.1 %
Other – Asset Backed	—	3.6	—	—	3.6	0.1 %
Subtotal – Fixed Income	(5.8)	2,662.6	—	—	2,656.8	53.0 %
Infrastructure (c)	—	—	—	85.8	85.8	1.7 %
Real Estate (c)	—	—	—	239.4	239.4	4.8 %
Alternative Investments (c)	—	—	—	448.3	448.3	8.9 %
Cash and Cash Equivalents (c)	—	24.4	—	37.2	61.6	1.2 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	(20.7)	(20.7)	(0.4)%
Total	\$ 991.1	\$ 2,687.0	\$ —	\$ 1,337.3	\$ 5,015.4	100.0 %

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2019:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 312.2	\$ —	\$ —	\$ —	\$ 312.2	17.5%
International	251.5	—	—	—	251.5	14.1%
Common Collective Trusts (b)	—	—	—	260.8	260.8	14.7%
Subtotal – Equities	563.7	—	—	260.8	824.5	46.3%
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	177.6	177.6	10.0%
United States Government and Agency Securities	(0.1)	214.4	—	—	214.3	12.0%
Corporate Debt	—	206.7	—	—	206.7	11.6%
Foreign Debt	—	35.5	—	—	35.5	2.0%
State and Local Government	58.8	14.8	—	—	73.6	4.1%
Other – Asset Backed	—	0.2	—	—	0.2	—%
Subtotal – Fixed Income	58.7	471.6	—	177.6	707.9	39.7%
Trust Owned Life Insurance:						
International Equities	—	60.2	—	—	60.2	3.4%
United States Bonds	—	151.6	—	—	151.6	8.5%
Subtotal – Trust Owned Life Insurance	—	211.8	—	—	211.8	11.9%
Cash and Cash Equivalents (b)	26.7	—	—	6.7	33.4	1.9%
Other – Pending Transactions and Accrued Income (a)	—	—	—	4.2	4.2	0.2%
Total	\$ 649.1	\$ 683.4	\$ —	\$ 449.3	\$ 1,781.8	100.0%

(a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

(b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2018:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities (a):						
Domestic	\$ 277.3	\$ —	\$ —	\$ —	\$ 277.3	5.9%
International	384.1	—	—	—	384.1	8.2%
Options	—	18.3	—	—	18.3	0.4%
Common Collective Trusts (c)	—	—	—	370.1	370.1	7.9%
Subtotal – Equities	661.4	18.3	—	370.1	1,049.8	22.4%
Fixed Income (a):						
United States Government and Agency Securities	0.2	1,512.5	—	—	1,512.7	32.2%
Corporate Debt	—	1,082.9	—	—	1,082.9	23.0%
Foreign Debt	—	221.6	—	—	221.6	4.7%
State and Local Government	—	28.2	—	—	28.2	0.6%
Other – Asset Backed	—	7.4	—	—	7.4	0.2%
Subtotal – Fixed Income	0.2	2,852.6	—	—	2,852.8	60.7%
Infrastructure (c)	—	—	—	72.2	72.2	1.5%
Real Estate (c)	—	—	—	220.4	220.4	4.7%
Alternative Investments (c)	—	—	—	444.6	444.6	9.5%
Cash and Cash Equivalents (c)	(0.4)	36.3	—	11.9	47.8	1.0%
Other – Pending Transactions and Accrued Income (b)	—	—	—	8.3	8.3	0.2%
Total	\$ 661.2	\$ 2,907.2	\$ —	\$ 1,127.5	\$ 4,695.9	100.0%

- (a) Includes investment securities loaned to borrowers under the securities lending program. See the “Investments Held in Trust for Future Liabilities” section of Note 1 for additional information.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2018:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 233.3	\$ —	\$ —	\$ —	\$ 233.3	15.2 %
International	185.9	—	—	—	185.9	12.1 %
Options	—	4.3	—	—	4.3	0.3 %
Common Collective Trusts (b)	—	—	—	226.2	226.2	14.7 %
Subtotal – Equities	419.2	4.3	—	226.2	649.7	42.3 %
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	163.6	163.6	10.7 %
United States Government and Agency Securities	0.2	181.5	—	—	181.7	11.8 %
Corporate Debt	—	188.6	—	—	188.6	12.3 %
Foreign Debt	—	35.0	—	—	35.0	2.3 %
State and Local Government	41.8	11.8	—	—	53.6	3.5 %
Other – Asset Backed	—	0.2	—	—	0.2	— %
Subtotal – Fixed Income	42.0	417.1	—	163.6	622.7	40.6 %
Trust Owned Life Insurance:						
International Equities	—	49.4	—	—	49.4	3.2 %
United States Bonds	—	154.4	—	—	154.4	10.1 %
Subtotal – Trust Owned Life Insurance	—	203.8	—	—	203.8	13.3 %
Cash and Cash Equivalents (b)	54.4	—	—	4.8	59.2	3.9 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(1.2)	(1.2)	(0.1)%
Total	\$ 515.6	\$ 625.2	\$ —	\$ 393.4	\$ 1,534.2	100.0 %

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
(b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share.

Name of Respondent	This Report is:	Resubmission Date	Year of Report
American Electric Power Service Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2019
Schedule XIV- Notes to Financial Statements			

Accumulated Benefit Obligation

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2019	2018
	(in thousands)	
Qualified Pension Plan	\$ 1,741,446	\$ 1,560,450
Nonqualified Pension Plan	56,711	52,063
Total Accumulated Benefit Obligation	\$ 1,798,157	\$ 1,612,513

Obligations in Excess of Fair Values

The tables below show the underfunded pension plans that had obligations in excess of plan assets.

Projected Benefit Obligation

	Underfunded Pension Plans	
	December 31,	
	2019	2018
	(in thousands)	
Projected Benefit Obligation	\$ 1,893,082	\$ 1,682,070
Fair Value of Plan Assets	1,533,916	1,449,575
Underfunded Projected Benefit Obligation	\$ (359,166)	\$ (232,495)

Accumulated Benefit Obligation

	Underfunded Pension Plans	
	December 31,	
	2019	2018
	(in thousands)	
Accumulated Benefit Obligation	\$ 1,798,157	\$ 1,612,513
Fair Value of Plan Assets	1,533,916	1,449,575
Underfunded Accumulated Benefit Obligation	\$ (264,241)	\$ (162,938)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Estimated Future Benefit Payments and Contributions

AEPSC expects contributions and payments for the pension and OPEB plans of \$5.2 million and \$614 thousand, respectively, during 2020. For the pension plans, this amount includes the payment of unfunded nonqualified benefits plus contributions to the qualified trust fund of at least the minimum amount required by the Employee Retirement Income Security Act. For the qualified pension plan, AEPSC may also make additional contributions to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from AEPSC's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	Estimated Payments	
	Pension Plans	OPEB
	(in thousands)	
2020	\$ 133,343	\$ 28,341
2021	136,754	28,110
2022	134,770	28,633
2023	135,499	29,080
2024	136,374	29,461
Years 2025 to 2029, in Total	643,970	148,208

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost (credit):

	Pension Plans		OPEB	
	Years Ended December 31,			
	2019	2018	2019	2018
	(in thousands)			
Service Cost	\$ 35,747	\$ 34,391	\$ 2,923	\$ 3,377
Interest Cost	73,623	65,816	11,872	10,913
Expected Return on Plan Assets	(91,837)	(90,454)	(22,998)	(24,687)
Amortization of Prior Service Cost (Credit)	—	3	(18,803)	(18,805)
Amortization of Net Actuarial Loss	21,195	30,339	5,391	2,267
Settlements	—	2,118	—	—
Net Periodic Benefit Cost (Credit)	38,728	42,213	(21,615)	(26,935)
Capitalized Portion	(15,907)	(15,249)	(1,301)	(1,497)
Net Periodic Benefit Cost (Credit) Recognized in Expense	\$ 22,821	\$ 26,964	\$ (22,916)	\$ (28,432)

American Electric Power System Retirement Savings Plan

AEPSC participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for company matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$30.2 million in 2019 and \$26.9 million in 2018.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

6. INCOME TAXES

Income Tax Expense

The details of AEPSC's income taxes as reported are as follows:

	Years Ended December 31,	
	2019	2018
	(in thousands)	
Federal:		
Current	\$ 5,990	\$ (15,258)
Deferred	(8,254)	16,988
Deferred Investment Tax Credits	—	(38)
Total Federal	<u>(2,264)</u>	<u>1,692</u>
State and Local:		
Current	471	(75)
Deferred	(698)	(284)
Total State and Local	<u>(227)</u>	<u>(359)</u>
Income Tax Expense	<u>\$ (2,491)</u>	<u>\$ 1,333</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	Years Ended December 31,	
	2019	2018
	(in thousands)	
Net Income	\$ —	\$ —
Income Tax Expense	(2,491)	1,333
Pretax Income	\$ (2,491)	\$ 1,333
Income Taxes on Pretax Income at Statutory Rate (21%)	\$ (523)	\$ 280
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Trust Owned Life Insurance	(6,357)	2,208
State and Local Income Taxes, Net	(179)	(284)
Tax Reform Excess ADIT Reversal	(1,043)	(1,342)
Uncertain Tax Position	5,446	(1,050)
Other	165	1,521
Income Tax Expense	\$ (2,491)	\$ 1,333
Effective Income Tax Rate	NM	NM

NM Not meaningful.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following table shows elements of AEPSC's net deferred tax liability and significant temporary differences:

	December 31,	
	2019	2018
	(in thousands)	
Deferred Tax Assets	\$ 73,928	\$ 58,789
Deferred Tax Liabilities	(103,052)	(90,901)
Net Deferred Tax Liabilities	\$ (29,124)	\$ (32,112)
Property Related Temporary Differences	\$ (73,858)	\$ (48,500)
Deferred and Accrued Compensation	54,105	34,647
Accrued Pension	(27,428)	58,678
Accrued Vacation Pay	11,031	10,584
Postretirement Benefits	(7,232)	1,176
Deferred State Income Taxes	(2,676)	559
Amounts Due to Affiliates for Future Income Taxes	4,113	4,655
Regulatory Assets	(2,674)	(94,741)
Tax Credit Carryforward	12,990	3,932
All Other, Net	2,505	(3,102)
Net Deferred Tax Liabilities	\$ (29,124)	\$ (32,112)

AEP System Tax Allocation Agreement

AEPSC joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss and the loss of the Parent and tax credits, the method of allocation reflects a separate return result for each company in the consolidated group.

Federal and State Income Tax Audit Status

AEPSC and other AEP subsidiaries are no longer subject to U.S. federal examination by the IRS for all years through 2015. During the third quarter of 2019, AEP and subsidiaries elected to amend the 2014 and 2015 federal returns and as such the IRS may examine only the amended items on the 2014 and 2015 federal returns.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Net Income Tax Operating Loss Carryforward

As of December 31, 2019 and 2018, AEPSC had a state income tax operating loss carryforwards of \$29.7 million and \$27.2 million, respectively, for Oklahoma. As of December 31, 2019, AEPSC has recorded \$1.8 million of deferred state income tax benefits. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward expires for Oklahoma.

Uncertain Tax Positions

AEPSC recognizes interest accruals related to uncertain tax positions in interest income or expense as applicable and penalties in Operation and Maintenance expense in accordance with the accounting guidance for "Income Taxes."

AEPSC's reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2019</u>	<u>2018</u>
	(in thousands)	
Balance as of January 1,	\$ 566	\$ 1,616
Increase – Tax Positions Taken During a Prior Period	3,249	—
Decrease – Tax Positions Taken During a Prior Period	(566)	—
Increase – Tax Positions Taken During the Current Year	2,763	—
Decrease – Tax Positions Taken During the Current Year	—	—
Increase – Settlements with Taxing Authorities	—	—
Decrease – Lapse of the Applicable Statute of Limitations	—	(1,050)
Balance as of December 31,	<u>\$ 6,012</u>	<u>\$ 566</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$447 thousand for 2018. Management believes there will be no significant net increase or decrease in unrecognized tax benefits within 12 months of the reporting date.

Federal Tax Reform and Legislation

The IRS has issued new regulations that provide guidance regarding the additional first-year depreciation deduction under Section 168(k). The proposed regulations reflect changes as a result of Tax Reform and affect taxpayers with qualified depreciable property acquired and placed in-service after September 27, 2017. Generally, AEPSC will be eligible for any bonus depreciation for property acquired and placed in-service after December 31, 2017.

During the fourth quarter of 2018, the IRS proposed new regulations that reflect changes as a result of Tax Reform concerning potential limitations on the deduction of business interest expense. These regulations require an allocation of net interest expense between regulated and competitive businesses within the consolidated tax return. This allocation is based upon net tax basis, and the proposed regulations provide a de minimis test under which all interest is deductible if less than

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

10% is allocable to the competitive businesses. Management continues to review and evaluate the proposed regulations and at this time expect to be able to deduct materially all business interest expense under this de minimis provision.

7. LEASES

AEPSC leases property, plant and equipment including, but not limited to, fleet, information technology and real estate leases. These leases require payments of non-lease components, including related property taxes, operating and maintenance costs. As of the adoption date of ASU 2016-02, management elected not to separate non-lease components from associated lease components in accordance with the accounting guidance for "Leases." Many of these leases have purchase or renewal options. Leases not renewed are often replaced by other leases. Options to renew or purchase a lease are included in the measurement of lease assets and liabilities if it is reasonably certain that AEPSC will exercise the option.

Lease obligations are measured using the discount rate implicit in the lease when that rate is readily determinable. AEPSC has visibility into the rate implicit in the lease when assets are leased from selected financial institutions under master leasing agreements. When the implicit rate is not readily determinable, AEPSC measures its lease obligation using its estimated secured incremental borrowing rate. Incremental borrowing rates are comprised of an underlying risk free rate and a secured credit spread relative to the lessee on a matched maturity basis.

Operating lease rentals and finance lease amortization costs are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. Effective in 2019, interest on finance lease liabilities is generally charged to Interest Expense. Finance lease interest for periods prior to 2019 were charged to Other Operation and Maintenance expense. Lease costs associated with capital projects are included in Property, Plant and Equipment on the balance sheets. For regulated operations with finance leases, a finance lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. Finance leases for nonregulated property are accounted for as if the assets were owned and financed. The components of rental costs were as follows:

<u>Lease Rental Costs</u>	Years Ended December 31,	
	<u>2019</u>	<u>2018</u>
	(in thousands)	
Operating Lease Cost	\$ 39,215	\$ 18,495
Finance Lease Cost:		
Amortization of Right-of-Use Assets	32,602	21,546
Interest on Lease Liabilities	5,172	2,818
Total Lease Rental Costs (a)	<u>\$ 76,989</u>	<u>\$ 42,859</u>

(a) Excludes variable and short-term lease costs, which were immaterial for the twelve months ended December 31, 2019.

Supplemental information related to leases as of and for the twelve months ended December 31, 2019 are shown in the tables below.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Lease Type	Weighted-Average Remaining Lease Term (years):	Weighted-Average Discount Rate
Operating Leases	8.05	5.31%
Finance Leases	14.54	7.42%

Cash paid for amounts included in the measurement of lease liabilities:

(in thousands)		
Operating Cash Flows from Operating Leases	\$	20,893
Operating Cash Flows from Finance Leases		5,172
Financing Cash Flows from Finance Leases		32,602
Non-cash Acquisitions Under Operating Leases	\$	20,596

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The following tables show the property, plant and equipment under finance leases and noncurrent assets under operating leases and related obligations recorded on AEPSC's balance sheets. Lease obligations are not recognized on the balance sheets for lease agreements with a lease term of less than twelve months.

	December 31,	
	2019	2018
	(in thousands)	
Property, Plant and Equipment Under Finance Leases		
Structures and Improvements	\$ 22,580	\$ 22,580
Office Furniture and Miscellaneous Equipment	111,141	119,972
Total Property, Plant and Equipment Under Finance Leases	133,721	142,552
Accumulated Amortization	45,053	51,077
Net Property, Plant and Equipment Under Finance Leases	\$ 88,668	\$ 91,475
Obligations Under Finance Leases		
Noncurrent Liability	\$ 70,814	\$ 70,481
Liability Due Within One Year	17,850	20,990
Total Obligations Under Finance Leases	\$ 88,664	\$ 91,471

	December 31, 2019
	(in thousands)
Operating Lease Assets	\$ 92,576
Obligations Under Operating Leases	
Noncurrent Liability	\$ 76,771
Liability Due Within One Year	16,247
Total Obligations Under Operating Leases	\$ 93,018

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Future minimum lease payments consisted of the following as of December 31, 2019:

<u>Future Minimum Lease Payments</u>	<u>Finance Leases</u>	<u>Operating Leases</u>
(in thousands)		
2020	\$ 22,529	\$ 21,216
2021	18,979	17,187
2022	15,718	14,440
2023	12,522	13,022
2024	9,278	10,959
Later Years	68,169	41,102
Total Future Minimum Lease Payments	147,195	117,926
Less: Imputed Interest	58,531	24,908
Estimated Present Value of Future Minimum Lease Payments	\$ 88,664	\$ 93,018

Future minimum lease payments consisted of the following as of December 31, 2018:

<u>Future Minimum Lease Payments</u>	<u>Finance Leases</u>	<u>Operating Leases</u>
(in thousands)		
2019	\$ 25,660	\$ 18,439
2020	20,711	17,220
2021	16,402	13,006
2022	12,396	10,285
2023	7,283	8,944
Later Years	67,902	23,393
Total Future Minimum Lease Payments	150,354	\$ 91,287
Less: Imputed Interest	58,883	
Estimated Present Value of Future Minimum Lease Payments	\$ 91,471	

Master Lease Agreements

AEPSC leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, AEPSC is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of December 31, 2019, the maximum potential loss for these lease agreements was \$6.6 million assuming the fair value of the equipment is zero at the end of the lease term.

Lessor Activity

AEPSC's lessor activity was immaterial as of and for the twelve months ended December 31, 2019.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

8. FINANCING ACTIVITIES

Corporate Borrowing Program – AEP System

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. AEP has a direct financing relationship with AEPSC to meet its short-term needs. The amounts of outstanding borrowings from AEP as of December 31, 2019 and 2018 are included in Advances from Affiliates on AEPSC's balance sheets. AEPSC's direct borrowing activity with AEP is described in the following table:

Year Ended December 31,	Maximum Borrowings from AEP	Average Borrowings from AEP	Borrowings from AEP as of December 31,
(in thousands)			
2019	\$ 462,471	\$ 287,501	\$ 348,924
2018	373,405	227,491	224,736

Maximum, minimum and average interest rates for funds borrowed from AEP are summarized in the following table:

Year Ended December 31,	Maximum Interest Rate for Funds Borrowed from AEP	Minimum Interest Rate for Funds Borrowed from AEP	Average Interest Rate for Funds Borrowed from AEP
2019	3.02%	1.91%	2.56%
2018	2.97%	1.76%	2.36%

The amounts of interest expense related to direct borrowing activity with AEP included in Interest Expense on AEPSC's statements of operations are in the following table:

	Years Ended December 31,	
	2019	2018
	(in thousands)	
Interest Expense	\$ 7,457	\$ 5,457

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

9. STOCK-BASED COMPENSATION

AEPSC participates in AEP's long-term incentive plan. The Amended and Restated American Electric Power System Long-Term Incentive Plan (the "Prior Plan"), was replaced prospectively for new grants by the American Electric Power System 2015 Long-Term Incentive Plan (the "2015 LTIP") effective in April 2015. The 2015 LTIP was subsequently amended in September 2016. No new awards may be granted under the Prior Plan. The 2015 LTIP awards may be stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, cash-based awards and other stock-based awards. AEPSC employees comprise the majority of participants and they hold the majority of shares outstanding under AEP's share-based compensation plans. The following sections provide further information regarding each type of stock-based compensation award granted under these plans.

Stock Options

AEP did not grant stock options in 2019 or 2018. As of December 31, 2019, AEP has no outstanding stock options.

Performance Shares

Performance units granted prior to 2017 were settled in cash rather than AEP common stock and did not reduce the number of shares remaining available under the 2015 LTIP. Those performance units had a fair value upon vesting equal to the average closing market price of AEP common stock for the last 20 trading days of the performance period. Performance shares granted in and after 2017 are settled in AEP common stock and will reduce the aggregate share authorization. In all cases the number of performance shares held at the end of the three-year performance period is multiplied by the performance score for such period to determine the actual number of performance shares that participants realize. The performance score can range from 0% to 200% and is determined at the end of the performance period based on performance measures, which include both performance and market conditions, established for each grant at the beginning of the performance period by the Human Resources Committee of AEP's Board of Directors (HR Committee).

Certain employees must satisfy stock ownership requirements. If those employees have not met their stock ownership requirements, a portion or all of their performance shares are mandatorily deferred as AEP career shares to the extent needed to meet their stock ownership requirement. AEP career shares are a form of non-qualified deferred compensation that has a value equivalent to shares of AEP common stock. AEP career shares are settled in AEP common stock after the participant's termination of employment.

Amounts equivalent to cash dividends on both performance shares and AEP career shares accrue as additional units. Management records compensation cost for performance shares over an approximately three-year vesting period. The liability for the pre 2017 performance units is recorded in Employee Benefits and Pension Obligations on the balance sheet and is adjusted for changes in value. Performance shares are recorded as mezzanine equity on the Parent's balance sheets and compensation cost is calculated at fair value using two metrics. The first metric is a total shareholder return measure, which is valued based on a third-party Monte Carlo valuation. The value related to this metric does not change over the three-year vesting period. The second metric is a three-year cumulative earnings per share metric which is adjusted quarterly for changes in performance relative to a target approved by the HR Committee.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The HR Committee awarded performance shares and reinvested dividends on outstanding performance shares and AEP Career Shares to AEPSC employees are as follows:

AEPSC Performance Shares	Years Ended December 31,	
	2019	2018
Awarded Shares (in thousands)	415	443
Weighted Average Share Fair Value at Grant Date	\$ 79.54	\$ 67.26
Vesting Period (years)	3	3

AEPSC Performance Shares and AEP Career Shares (Reinvested Dividends Portion)	Years Ended December 31,	
	2019	2018
Awarded Shares (in thousands) (a)	52	61
Weighted Average Fair Value at Grant Date	\$ 88.78	\$ 70.57
Vesting Period (years)	(b)	(b)

- (a) All awarded dividends in 2019 were equity awards and awarded dividends in 2018 were a mix of equity awards and liability awards.
- (b) The vesting period for the reinvested dividends on performance shares is equal to the remaining life of the related performance shares. Dividends on AEP career shares vest immediately when the dividend is awarded but are not settled in AEP common stock until after the participant's AEP employment ends.

Performance scores and final awards are determined and approved by the HR Committee in accordance with the pre-established performance measures within approximately one month after the end of the performance period. The performance scores for all performance periods were dependent on two equally-weighted performance measures: (a) three-year total shareholder return measured relative to a peer group of similar companies and (b) three-year cumulative earnings per share measured relative to a target approved by the HR Committee.

The certified performance scores and shares earned by AEPSC employees for the three-year periods were as follows:

AEPSC Performance Shares	Years Ended December 31,	
	2019	2018
Certified Performance Score	132.7%	136.7%
Performance Shares Earned	622,121	637,837
Performance Shares Mandatorily Deferred as AEP Career Shares	6,717	7,290
Performance Shares Voluntarily Deferred into the Incentive Compensation Deferral Program	39,168	42,786
Performance Shares to be Settled in Cash	576,236	587,761

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

The settlements to AEPSC employees were as follows:

AEPSC Performance Shares and AEP Career Shares	Years Ended December 31,	
	2019	2018
	(in thousands)	
Cash Settlements for Performance Shares	\$ 45,500	\$ 52,590
AEP Common Stock Settlements for Career Share Distributions	2,221	5,106

A summary of the status of AEP's nonvested Performance Shares as of December 31, 2019 and changes during the year ended December 31, 2019 were as follows:

Nonvested Performance Shares	Shares	Weighted Average Grant Date Fair Value
	(in thousands)	
Nonvested as of January 1, 2019	1,171	\$ 66.01
Granted	583	80.30
Vested (a)	(598)	65.42
Forfeited	(43)	70.32
Nonvested as of December 31, 2019	<u>1,113</u>	73.64

- (a) The vested Performance Shares will be converted to 733 thousand shares based on the closing share price on the day before settlement.

Monte Carlo Valuation

AEP engages a third party for a Monte Carlo valuation to calculate half of the fair value for the performance shares awarded. The valuations use a lattice model and the expected volatility assumptions used were the historical volatilities for AEP and the members of their peer group. The Assumptions used in the Monte Carlo valuations were as follows:

Monte Carlo Valuation	Years Ended December 31,	
	2019	2018
Valuation Period (in years) (a)	2.87	2.87
Expected Volatility Minimum	14.83%	14.77%
Expected Volatility Maximum	25.57%	26.72%
Expected Volatility Average	17.39%	17.90%
Dividend Rate (b)	—%	—%
Risk Free Rate	2.49%	2.34%

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

- (a) Period from award date to vesting date.
- (b) Equivalent to reinvesting dividends.

Restricted Stock Units

The HR Committee grants restricted stock units (RSUs), which generally vest, subject to the participant's continued employment, over at least three years in approximately equal annual increments. The RSUs accrue dividends as additional RSUs. The additional RSUs granted as dividends vest on the same date as the underlying RSUs. RSUs are converted into shares of AEP common stock upon vesting, except that RSUs granted prior to 2017 that vest to AEP's executive officers are settled in cash. Executive officers are those officers who are subject to the disclosure requirements set forth in Section 16 of the Securities Exchange Act of 1934. For RSUs settled in shares, compensation cost is measured at fair value on the grant date and recorded over the vesting period. Fair value is determined by multiplying the number of RSUs granted by the grant date market closing price. For RSUs settled in cash, compensation cost is recorded over the vesting period and adjusted for changes in fair value until vested. The fair value at vesting is determined by multiplying the number of RSUs vested by the 20-day average closing price of AEP common stock. The maximum contractual term of outstanding RSUs is approximately 40 months from the grant date.

The HR Committee awarded RSUs, including additional units awarded as dividends as follows:

AEP Restricted Stock Units	Years Ended December 31,	
	2019	2018
Awarded Units (in thousands)	305	260
Weighted Average Grant Date Fair Value	\$ 81.57	\$ 67.96

The total fair value and total intrinsic value of restricted stock units vested were as follows:

AEP Restricted Stock Units	Years Ended December 31,	
	2019	2018
	(in thousands)	
Fair Value of Restricted Stock Units Vested	\$ 16,348	\$ 16,590
Intrinsic Value of Restricted Stock Units Vested (a)	21,628	19,150

- (a) Intrinsic value is calculated as market price at exercise date.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

A summary of the status of AEP's nonvested RSUs as of December 31, 2019 and changes during the year ended December 31, 2019 were as follows:

Nonvested Restricted Stock Units	Shares/Units (in thousands)	Weighted Average Grant Date Fair Value
Nonvested as of January 1, 2019	489	\$ 66.01
Granted	305	81.57
Vested	(254)	64.44
Forfeited	(23)	70.27
Nonvested as of December 31, 2019	<u>517</u>	<u>75.55</u>

AEP's total aggregate intrinsic value of nonvested RSUs as of December 31, 2019 was \$49 million and the weighted average remaining contractual life was 1.79 years.

Share-based Compensation Plans

For share-based payment arrangements the compensation cost, the actual tax benefit from the tax deductions for compensation cost recognized in income and the total compensation cost capitalized were as follows:

Share-based Compensation Plans	Years Ended December 31,	
	2019	2018
	(in thousands)	
Compensation Cost for Share-based Payment Arrangements (a)	\$ 30,465	\$ 33,532
Actual Tax Benefit	2,660	3,569
Total Compensation Cost Capitalized	16,949	16,258

(a) Compensation cost for share-based payment arrangements is included in Operation and Maintenance expenses on AEPSC's statements of operations.

As of December 31, 2019, AEPSC had \$56 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the 2015 LTIP. Unrecognized compensation cost related to unvested share-based arrangements will change as the fair value of performance shares are adjusted each period and forfeitures for all award types are realized. AEPSC's unrecognized compensation cost will be recognized over a weighted-average period of 1.43 years.

Under the 2015 LTIP, AEP is permitted to use authorized but unissued shares, treasury shares, shares acquired in the open market specifically for distribution under these plans, or any combination thereof to fulfill share commitments. AEP's current practice is to use authorized but unissued shares to fulfill share commitments. The number of shares used to fulfill share commitments is generally reduced to offset AEP's tax withholding obligation.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated Revenues from Contracts with Customers

AEPSC's revenue consists of revenue from providing certain managerial and professional services, including administrative and engineering services, primarily to affiliated companies which represent revenues from contracts with customers. AEPSC did not have alternative revenues for the years ended December 31, 2019 and 2018.

Performance Obligations

AEPSC has performance obligations as part of its normal course of business. A performance obligation is a promise to transfer a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to a customer. The invoice practical expedient within the accounting guidance for "Revenue from Contracts with Customers" allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer.

The purpose of the invoice practical expedient is to depict an entity's measure of progress toward completion of the performance obligation within a contract and can only be applied to performance obligations that are satisfied over time and when the invoice is representative of services provided to date. AEPSC elected to apply the invoice practical expedient to recognize revenue for performance obligations satisfied over time as the invoices from the respective revenue streams are representative of services or goods provided to date to the customer. Performance obligations for AEPSC are summarized as follows:

Sales to AEP Affiliates

AEPSC has performance obligations to provide certain managerial and professional services, including administrative and engineering services, to affiliated companies in the AEP System and periodically to nonaffiliated companies. AEPSC's intercompany service billings, which are AEPSC's fully allocated cost, including taxes, are regulated by the Federal Energy Regulatory Commission under the 2005 Public Utility Holding Company Act and the Federal Power Act.

Fixed Performance Obligations

As of December 31, 2019, there are no fixed performance obligations related to AEPSC.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XIV- Notes to Financial Statements			

Contract Assets and Liabilities

Contract assets are recognized when AEPSC has a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. AEPSC did not have any material contract assets as of December 31, 2019 and 2018.

When AEPSC receives consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. AEPSC did not have any material contract liabilities as of December 31, 2019 and 2018.

Accounts Receivable from Contracts with Customers

Amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on the balance sheets were immaterial as of December 31, 2019 and 2018.

Contract Costs

Contract costs to obtain or fulfill a contract are accounted for under the guidance for "Other Assets and Deferred Costs" and presented as a single asset and are neither bifurcated nor reclassified between current and noncurrent assets on AEPSC's balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Operation and Maintenance on AEPSC's statements of operations. AEPSC did not have material contract costs as of December 31, 2019 and 2018.

Schedule XV- Comparative Income Statement

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
1		SERVICE COMPANY OPERATING REVENUES		
2	400	Service Company Operating Revenues	1,671,919,952	1,571,412,373
3		SERVICE COMPANY OPERATING EXPENSES		
4	401	Operation Expenses	774,959,007	743,195,095
5	402	Maintenance Expenses	125,041,747	115,530,763
6	403	Depreciation Expenses	4,272,755	3,617,128
7	403.1	Depreciation Expense for Asset Retirement Costs		
8	404	Amortization of Limited-Term Property	404,737	68,204
9	405	Amortization of Other Property		
10	407.3	Regulatory Debits		
11	407.4	Regulatory Credits		
12	408.1	Taxes Other Than Income Taxes, Operating Income	57,888,389	53,568,063
13	409.1	Income Taxes, Operating Income	6,461,651	(15,332,865)
14	410.1	Provision for Deferred Income Taxes, Operating Income	219,972,749	295,194,470
15	411.1	Provision for Deferred Income Taxes – Credit , Operating Income	(228,925,184)	(278,490,291)
16	411.4	Investment Tax Credit, Service Company Property		(38,158)
17	411.6	Gains from Disposition of Service Company Plant		
18	411.7	Losses from Disposition of Service Company Plant		
19	411.10	Accretion Expense		
20	412	Costs and Expenses of Construction or Other Services	697,483,722	640,865,261
21	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work		
22		TOTAL SERVICE COMPANY OPERATING EXPENSES (Total of Lines 4-21)	1,657,559,573	1,558,177,670
23		NET SERVICE COMPANY OPERATING INCOME (Total of Lines 2 less 22)	14,360,379	13,234,703
24		OTHER INCOME		
25	418.1	Equity in Earnings of Subsidiary Companies		
26	419	Interest and Dividend Income	445,328	37,557
27	419.1	Allowance for Other Funds Used During Construction		
28	421	Miscellaneous Income or Loss	1,418,265	1,409,016
29	421.1	Gain on Disposition of Property		
30		TOTAL OTHER INCOME (Total of Lines 25-29)	1,863,593	1,446,573
31		OTHER INCOME DEDUCTIONS		
32	421.2	Loss on Disposition of Property		
33	425	Miscellaneous Amortization		
34	426.1	Donations	1,378,229	420,891
35	426.2	Life Insurance		
36	426.3	Penalties	5,170	8,807
37	426.4	Expenditures for Certain Civic, Political and Related Activities	5,401,961	6,030,370
38	426.5	Other Deductions	907,845	760,448
39		TOTAL OTHER INCOME DEDUCTIONS (Total of Lines 32-38)	7,693,205	7,220,516
40		TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
41	408.2	Taxes Other Than Income Taxes, Other Income and Deductions	125	21,053

Schedule XV- Comparative Income Statement (continued)

Line No.	Account Number (a)	Title of Account (b)	Current Year (c)	Prior Year (d)
42	409.2	Income Taxes, Other Income and Deductions		
43	410.2	Provision for Deferred Income Taxes, Other Income and Deductions		
44	411.2	Provision for Deferred Income Taxes – Credit, Other Income and Deductions		
45	411.5	Investment Tax Credit, Other Income Deductions		
46		TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Total of Lines 41-45)	125	21,053
47		INTEREST CHARGES		
48	427	Interest on Long-Term Debt		
49	428	Amortization of Debt Discount and Expense		
50	429	(less) Amortization of Premium on Debt- Credit		
51	430	Interest on Debt to Associate Companies	7,457,381	5,457,237
52	431	Other Interest Expense	1,424,036	2,090,990
53	432	(less) Allowance for Borrowed Funds Used During Construction-Credit	350,775	108,520
54		TOTAL INTEREST CHARGES (Total of Lines 48-53)	8,530,642	7,439,707
55		NET INCOME BEFORE EXTRAORDINARY ITEMS (Total of Lines 23, 30, minus 39, 46, and 54)		
56		EXTRAORDINARY ITEMS		
57	434	Extraordinary Income		
58	435	(less) Extraordinary Deductions		
59		Net Extraordinary Items (Line 57 less Line 58)		
60	409.4	(less) Income Taxes, Extraordinary		
61		Extraordinary Items After Taxes (Line 59 less Line 60)		
62		NET INCOME OR LOSS/COST OF SERVICE (Total of Lines 55-61)		

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies

1. Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
1	403-403.1	Depreciation Expense	4,272,755		4,272,755			
2	404-405	Amortization Expense	422,473	(17,736)	404,737			
3	407.3-407.4	Regulatory Debits/Credits – Net						
4	408.1-408.2	Taxes Other Than Income Taxes	57,842,433	46,081	57,888,514			
5	409.1-409.3	Income Taxes	6,461,404	247	6,461,651			
6	410.1-411.2	Provision for Deferred Taxes	219,972,749		219,972,749			
7	411.1-411.2	Provision for Deferred Taxes – Credit	228,925,184		228,925,184			
8	411.6	Gain from Disposition of Service Company Plant						
9	411.7	Losses from Disposition of Service Company Plant						
10	411.4-411.5	Investment Tax Credit Adjustment						
11	411.10	Accretion Expense						
12	412	Costs and Expenses of Construction or Other Services	591,509,023	105,974,699	697,483,722			
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies						
14	418	Non-operating Rental Income						
15	418.1	Equity in Earnings of Subsidiary Companies						
16	419	Interest and Dividend Income	445,328		445,328			
17	419.1	Allowance for Other Funds Used During Construction						
18	421	Miscellaneous Income or Loss	1,702,918	(284,653)	1,418,265			
19	421.1	Gain on Disposition of Property						
20	421.2	Loss on Disposition Of Property						
21	425	Miscellaneous Amortization						
22	426.1	Donations	1,378,229		1,378,229			
23	426.2	Life Insurance						
24	426.3	Penalties	5,170		5,170			
25	426.4	Expenditures for Certain Civic, Political and Related Activities	4,858,239	543,722	5,401,961			
26	426.5	Other Deductions	772,458	135,387	907,845			
27	427	Interest On Long-Term Debt						
28	428	Amortization of Debt Discount and Expense						
29	429	Amortization of Premium on Debt – Credit						
30	430	Interest on Debt to Associate Companies	7,457,381		7,457,381			
31	431	Other Interest Expense	1,424,036		1,424,036			
32	432	Allowance for Borrowed Funds Used During Construction	(350,775)		(350,775)			
33	500-509	Total Steam Power Generation Operation Expenses	52,902,951	8,411,312	61,314,263			
34	510-515	Total Steam Power Generation Maintenance Expenses	13,988,997	2,590,419	16,579,416			

Name of Respondent American Electric Power Service Corporation		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Resubmission Date (Mo, Da, Yr) / /	Year/Period of Report Dec 31, <u>2019</u>
---	--	---	--	--	--

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
35	517-525	Total Nuclear Power Generation Operation Expenses	74,050	802,978	877,028			
36	528-532	Total Nuclear Power Generation Maintenance Expenses	1,686,712	419,478	2,106,190			
37	535-540.1	Total Hydraulic Power Generation Operation Expenses	3,119,570	493,869	3,613,439			
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses	1,279,051	219,708	1,498,759			
39	546-550.1	Total Other Power Generation Operation Expenses	228,844	40,628	269,472			
40	551-554.1	Total Other Power Generation Maintenance Expenses	64,561	12,255	76,816			
41	555-557	Total Other Power Supply Operation Expenses	17,880,027	3,782,657	21,662,684			
42	560	Operation Supervision and Engineering	61,999,397	16,419,115	78,418,512			
43	561.1	Load Dispatch-Reliability						
44	561.2	Load Dispatch-Monitor and Operate Transmission System	5,870,675	2,869,339	8,740,014			
45	561.3	Load Dispatch-Transmission Service and Scheduling	(26,195)		(26,195)			
46	561.4	Scheduling, System Control and Dispatch Services	107,978		107,978			
47	561.5	Reliability Planning and Standards Development	2,357,874	(26,989)	2,330,885			
48	561.6	Transmission Service Studies	2,385		2,385			
49	561.7	Generation Interconnection Studies						
50	561.8	Reliability Planning and Standards Development Services						
51	562	Station Expenses (Major Only)	1,943,214	1,040,389	2,983,603			
52	563	Overhead Line Expenses (Major Only)	2,624,926	(1,816,403)	808,523			
53	564	Underground Line Expenses (Major Only)	84,142		84,142			
54	565	Transmission of Electricity by Others (Major Only)						
55	566	Miscellaneous Transmission Expenses (Major Only)	15,849,290	3,090,520	18,939,810			
56	567	Rents	94,011		94,011			
57	567.1	Operation Supplies and Expenses (Nonmajor Only)						
58		Total Transmission Operation Expenses	90,907,697	21,575,971	112,483,668			
59	568	Maintenance Supervision and Engineering (Major Only)	354,253	124,544	478,797			
60	569	Maintenance of Structures (Major Only)	93,473	25,894	119,367			
61	569.1	Maintenance of Computer Hardware	305,465	50,537	356,002			
62	569.2	Maintenance of Computer Software	2,471,300	448,198	2,919,498			
63	569.3	Maintenance of Communication Equipment	28,943	16,214	45,157			
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant						
65	570	Maintenance of Station Equipment (Major Only)	9,631,973	1,504,706	11,136,679			
66	571	Maintenance of Overhead Lines (Major Only)	2,529,323	2,048,049	4,577,372			
67	572	Maintenance of Underground Lines (Major Only)	151,419	210,578	361,997			
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	1,191,539	(244,298)	947,241			

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
69	574	Maintenance of Transmission Plant (Nonmajor Only)						
70		Total Transmission Maintenance Expenses	16,757,688	4,184,422	20,942,110			
71	575.1-575.8	Total Regional Market Operation Expenses						
72	576.1-576.5	Total Regional Market Maintenance Expenses						
73	580-589	Total Distribution Operation Expenses	24,210,377	5,728,000	29,938,377			
74	590-598	Total Distribution Maintenance Expenses	4,036,762	2,139,997	6,176,759			
75		Total Electric Operation and Maintenance Expenses	892,089,432	157,368,747	1,049,458,179			
76	700-798	Production Expenses (Provide selected accounts in a footnote)						
77	800-813	Total Other Gas Supply Operation Expenses						
78	814-826	Total Underground Storage Operation Expenses						
79	830-837	Total Underground Storage Maintenance Expenses						
80	840-842.3	Total Other Storage Operation Expenses						
81	843.1-843.9	Total Other Storage Maintenance Expenses						
82	844.1-846.2	Total Liquefied Natural Gas Terminaling and Processing Operation Expenses						
83	847.1-847.8	Total Liquefied Natural Gas Terminaling and Processing Maintenance Expenses						
84	850	Operation Supervision and Engineering						
85	851	System Control and Load Dispatching						
86	852	Communication System Expenses						
87	853	Compressor Station Labor and Expenses						
88	854	Gas for Compressor Station Fuel						
89	855	Other Fuel and Power for Compressor Stations						
90	856	Mains Expenses						
91	857	Measuring and Regulating Station Expenses						
92	858	Transmission and Compression of Gas By Others						
93	859	Other Expenses						
94	860	Rents						
95		Total Gas Transmission Operation Expenses						
96	861	Maintenance Supervision and Engineering						
97	862	Maintenance of Structures and Improvements						
98	863	Maintenance of Mains						
99	864	Maintenance of Compressor Station Equipment						
100	865	Maintenance of Measuring And Regulating Station Equipment						
101	866	Maintenance of Communication Equipment						
102	867	Maintenance of Other Equipment						
103		Total Gas Transmission Maintenance Expenses						
104	870-881	Total Distribution Operation Expenses						

Line No.	Account Number (a)	Title of Account (b)	Associate Company Direct Cost (c)	Associate Company Indirect Cost (d)	Associate Company Total Cost (e)	Nonassociate Company Direct Cost (f)	Nonassociate Company Indirect Cost (g)	Nonassociate Company Total Cost (h)
105	885-894	Total Distribution Maintenance Expenses						
106		Total Natural Gas Operation and Maintenance Expenses						
107	901	Supervision	252,234	126,079	378,313			
108	902	Meter reading expenses	616,446	276,257	892,703			
109	903	Customer records and collection expenses	40,990,006	18,696,282	59,686,288			
110	904	Uncollectible accounts	2,254		2,254			
111	905	Miscellaneous customer accounts expenses	129,417	36,018	165,435			
112	906	Total Customer Accounts Operation Expenses	41,990,357	19,134,636	61,124,993			
113	907	Supervision	761,097	234,244	995,341			
114	908	Customer assistance expenses	466,857	76,693	543,550			
115	909	Informational And Instructional Advertising Expenses	737		737			
116	910	Miscellaneous Customer Service And Informational Expenses	623,206	83,836	707,042			
117		Total Service and Informational Operation Accounts	1,851,897	394,773	2,246,670			
118	911	Supervision	32,906	517	33,423			
119	912	Demonstrating and Selling Expenses	1,297,191	385	1,297,576			
120	913	Advertising Expenses						
121	916	Miscellaneous Sales Expenses						
122		Total Sales Operation Expenses	1,330,097	902	1,330,999			
123	920	Administrative and General Salaries	155,427,804	50,677,850	206,105,654			
124	921	Office Supplies and Expenses	18,230,239	7,662,584	25,892,823			
125	923	Outside Services Employed	37,386,303	24,827,818	62,214,121			
126	924	Property Insurance	127,816		127,816			
127	925	Injuries and Damages	1,538,052	18,598	1,556,650			
128	926	Employee Pensions and Benefits	104,902,036	5,561	104,907,597			
129	928	Regulatory Commission Expenses	7,760,121	1,155,649	8,915,770			
130	930.1	General Advertising Expenses	259,756	7,993	267,749			
131	930.2	Miscellaneous General Expenses	4,057,646	1,379,046	5,436,692			
132	931	Rents	58,005,826		58,005,826			
133		Total Administrative and General Operation Expenses	387,695,599	85,735,099	473,430,698			
134	935	Maintenance of Structures and Equipment	76,457,828	1,203,869	77,661,697			
135		Total Administrative and General Maintenance Expenses	509,325,778	106,469,279	615,795,057			
136		Total Cost of Service	1,401,415,210	263,838,026	1,665,253,236			

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
1	403-403.1	Depreciation Expense	4,272,755		4,272,755
2	404-405	Amortization Expense	422,473	(17,736)	404,737
3	407.3-407.4	Regulatory Debits/Credits – Net			
4	408.1-408.2	Taxes Other Than Income Taxes	57,842,433	46,081	57,888,514
5	409.1-409.3	Income Taxes	6,461,404	247	6,461,651
6	410.1-411.2	Provision for Deferred Taxes	219,972,749		219,972,749
7	411.1-411.2	Provision for Deferred Taxes – Credit	228,925,184		228,925,184
8	411.6	Gain from Disposition of Service Company Plant			
9	411.7	Losses from Disposition of Service Company Plant			
10	411.4-411.5	Investment Tax Credit Adjustment			
11	411.10	Accretion Expense			
12	412	Costs and Expenses of Construction or Other Services	591,509,023	105,974,699	697,483,722
13	416	Costs and Expenses of Merchandising, Jobbing, and Contract Work for Associated Companies			
14	418	Non-operating Rental Income			
15	418.1	Equity in Earnings of Subsidiary Companies			
16	419	Interest and Dividend Income	445,328		445,328
17	419.1	Allowance for Other Funds Used During Construction			
18	421	Miscellaneous Income or Loss	1,702,918	(284,653)	1,418,265
19	421.1	Gain on Disposition of Property			
20	421.2	Loss on Disposition Of Property			
21	425	Miscellaneous Amortization			
22	426.1	Donations	1,378,229		1,378,229
23	426.2	Life Insurance			
24	426.3	Penalties	5,170		5,170
25	426.4	Expenditures for Certain Civic, Political and Related Activities	4,858,239	543,722	5,401,961
26	426.5	Other Deductions	772,458	135,387	907,845
27	427	Interest On Long-Term Debt			
28	428	Amortization of Debt Discount and Expense			
29	429	Amortization of Premium on Debt – Credit			
30	430	Interest on Debt to Associate Companies	7,457,381		7,457,381
31	431	Other Interest Expense	1,424,036		1,424,036
32	432	Allowance for Borrowed Funds Used During Construction	(350,775)		(350,775)
33	500-509	Total Steam Power Generation Operation Expenses	52,902,951	8,411,312	61,314,263
34	510-515	Total Steam Power Generation Maintenance Expenses	13,988,997	2,590,419	16,579,416

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
35	517-525	Total Nuclear Power Generation Operation Expenses	74,050	802,978	877,028
36	528-532	Total Nuclear Power Generation Maintenance Expenses	1,686,712	419,478	2,106,190
37	535-540.1	Total Hydraulic Power Generation Operation Expenses	3,119,570	493,869	3,613,439
38	541-545.1	Total Hydraulic Power Generation Maintenance Expenses	1,279,051	219,708	1,498,759
39	546-550.1	Total Other Power Generation Operation Expenses	228,844	40,628	269,472
40	551-554.1	Total Other Power Generation Maintenance Expenses	64,561	12,255	76,816
41	555-557	Total Other Power Supply Operation Expenses	17,880,027	3,782,657	21,662,684
42	560	Operation Supervision and Engineering	61,999,397	16,419,115	78,418,512
43	561.1	Load Dispatch-Reliability			
44	561.2	Load Dispatch-Monitor and Operate Transmission System	5,870,675	2,869,339	8,740,014
45	561.3	Load Dispatch-Transmission Service and Scheduling	(26,195)		(26,195)
46	561.4	Scheduling, System Control and Dispatch Services	107,978		107,978
47	561.5	Reliability Planning and Standards Development	2,357,874	(26,989)	2,330,885
48	561.6	Transmission Service Studies	2,385		2,385
49	561.7	Generation Interconnection Studies			
50	561.8	Reliability Planning and Standards Development Services			
51	562	Station Expenses (Major Only)	1,943,214	1,040,389	2,983,603
52	563	Overhead Line Expenses (Major Only)	2,624,926	(1,816,403)	808,523
53	564	Underground Line Expenses (Major Only)	84,142		84,142
54	565	Transmission of Electricity by Others (Major Only)			
55	566	Miscellaneous Transmission Expenses (Major Only)	15,849,290	3,090,520	18,939,810
56	567	Rents	94,011		94,011
57	567.1	Operation Supplies and Expenses (Nonmajor Only)			
58		Total Transmission Operation Expenses	90,907,697	21,575,971	112,483,668
59	568	Maintenance Supervision and Engineering (Major Only)	354,253	124,544	478,797
60	569	Maintenance of Structures (Major Only)	93,473	25,894	119,367
61	569.1	Maintenance of Computer Hardware	305,465	50,537	356,002
62	569.2	Maintenance of Computer Software	2,471,300	448,198	2,919,498
63	569.3	Maintenance of Communication Equipment	28,943	16,214	45,157
64	569.4	Maintenance of Miscellaneous Regional Transmission Plant			
65	570	Maintenance of Station Equipment (Major Only)	9,631,973	1,504,706	11,136,679
66	571	Maintenance of Overhead Lines (Major Only)	2,529,323	2,048,049	4,577,372
67	572	Maintenance of Underground Lines (Major Only)	151,419	210,578	361,997
68	573	Maintenance of Miscellaneous Transmission Plant (Major Only)	1,191,539	(244,298)	947,241

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
69	574	Maintenance of Transmission Plant (Nonmajor Only)			
70		Total Transmission Maintenance Expenses	16,757,688	4,184,422	20,942,110
71	575.1-575.8	Total Regional Market Operation Expenses			
72	576.1-576.5	Total Regional Market Maintenance Expenses			
73	580-589	Total Distribution Operation Expenses	24,210,377	5,728,000	29,938,377
74	590-598	Total Distribution Maintenance Expenses	4,036,762	2,139,997	6,176,759
75		Total Electric Operation and Maintenance Expenses	892,089,432	157,368,747	1,049,458,179
76	700-798	Production Expenses (Provide selected accounts in a footnote)			
77	800-813	Total Other Gas Supply Operation Expenses			
78	814-826	Total Underground Storage Operation Expenses			
79	830-837	Total Underground Storage Maintenance Expenses			
80	840-842.3	Total Other Storage Operation Expenses			
81	843.1-843.9	Total Other Storage Maintenance Expenses			
82	844.1-846.2	Total Liquefied Natural Gas Terminating and Processing Operation Expenses			
83	847.1-847.8	Total Liquefied Natural Gas Terminating and Processing Maintenance Expenses			
84	850	Operation Supervision and Engineering			
85	851	System Control and Load Dispatching.			
86	852	Communication System Expenses			
87	853	Compressor Station Labor and Expenses			
88	854	Gas for Compressor Station Fuel			
89	855	Other Fuel and Power for Compressor Stations			
90	856	Mains Expenses			
91	857	Measuring and Regulating Station Expenses			
92	858	Transmission and Compression of Gas By Others			
93	859	Other Expenses			
94	860	Rents			
95		Total Gas Transmission Operation Expenses			
96	861	Maintenance Supervision and Engineering			
97	862	Maintenance of Structures and Improvements			
98	863	Maintenance of Mains			
99	864	Maintenance of Compressor Station Equipment			
100	865	Maintenance of Measuring And Regulating Station Equipment			
101	866	Maintenance of Communication Equipment			
102	867	Maintenance of Other Equipment			
103		Total Gas Transmission Maintenance Expenses			
104	870-881	Total Distribution Operation Expenses			

Schedule XVI- Analysis of Charges for Service- Associate and Non-Associate Companies (continued)

Line No.	Account Number (a)	Title of Account (b)	Total Charges for Services Direct Cost (i)	Total Charges for Services Indirect Cost (j)	Total Charges for Services Total Cost (k)
105	885-894	Total Distribution Maintenance Expenses			
106		Total Natural Gas Operation and Maintenance Expenses			
107	901	Supervision	252,234	126,079	378,313
108	902	Meter reading expenses	616,446	276,257	892,703
109	903	Customer records and collection expenses	40,990,006	18,696,282	59,686,288
110	904	Uncollectible accounts	2,254		2,254
111	905	Miscellaneous customer accounts expenses	129,417	36,018	165,435
112	906	Total Customer Accounts Operation Expenses	41,990,357	19,134,636	61,124,993
113	907	Supervision	761,097	234,244	995,341
114	908	Customer assistance expenses	466,857	76,693	543,550
115	909	Informational And Instructional Advertising Expenses	737		737
116	910	Miscellaneous Customer Service And Informational Expenses	623,206	83,836	707,042
117		Total Service and Informational Operation Accounts	1,851,897	394,773	2,246,670
118	911	Supervision	32,906	517	33,423
119	912	Demonstrating and Selling Expenses	1,297,191	385	1,297,576
120	913	Advertising Expenses			
121	916	Miscellaneous Sales Expenses			
122		Total Sales Operation Expenses	1,330,097	902	1,330,999
123	920	Administrative and General Salaries	155,427,804	50,677,850	206,105,654
124	921	Office Supplies and Expenses	18,230,239	7,662,584	25,892,823
125	923	Outside Services Employed	37,386,303	24,827,818	62,214,121
126	924	Property Insurance	127,816		127,816
127	925	Injuries and Damages	1,538,052	18,598	1,556,650
128	926	Employee Pensions and Benefits	104,902,036	5,561	104,907,597
129	928	Regulatory Commission Expenses	7,760,121	1,155,649	8,915,770
130	930.1	General Advertising Expenses	259,756	7,993	267,749
131	930.2	Miscellaneous General Expenses	4,057,646	1,379,046	5,436,692
132	931	Rents	58,005,826		58,005,826
133		Total Administrative and General Operation Expenses	387,695,599	85,735,099	473,430,698
134	935	Maintenance of Structures and Equipment	76,457,828	1,203,869	77,661,697
135		Total Administrative and General Maintenance Expenses	509,325,778	106,469,279	615,795,057
136		Total Cost of Service	1,401,415,210	263,838,026	1,665,253,236

Schedule XVII - Analysis of Billing – Associate Companies (Account 457)

1. For services rendered to associate companies (Account 457), list all of the associate companies.

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Abstract Digital	3,895,334	327,944		4,223,278
2	AEP Amazon	1,023	187		1,210
3	AEP Appalachian Transmission Company, Inc.	4,078,285	935,102	19,098	5,032,485
4	AEP Clean Energy Resources LLC	2,176,845	744,982		2,921,827
5	AEP Coal, Inc.	14,013	1,469		15,482
6	AEP Credit, Inc.	601,021	49,834	2,129	652,984
7	AEP Energy Partners, Inc.	5,424,790	788,944	23,587	6,237,321
8	AEP Energy Service Gas Holding Company	5,050	795		5,845
9	AEP Energy Services, Inc.	350,230	82,992	1,649	434,871
10	AEP Energy Supply LLC	119,431	12,469	486	132,386
11	AEP Energy, Inc	4,216,140	400,246	17,015	4,633,401
12	AEP Generating Company	2,247,142	328,754	8,084	2,583,980
13	AEP Generation Resources	13,549,242	2,256,377	54,263	15,859,882
14	AEP Indiana Michigan Transmission Company, Inc.	50,080,439	10,297,851	232,081	60,610,371
15	AEP Investments, Inc.	(4,574,506)	10,696		(4,563,810)
16	AEP Kentucky Coal, LLC	13,723	1,073		14,796
17	AEP Kentucky Transmission Company, Inc.	2,616,887	582,029	10,682	3,209,598
18	AEP Nonutility Funding LLC	16,286	2,235	71	18,592
19	AEP Ohio Transmission Company, Inc.	85,699,171	21,444,860	412,255	107,556,286
20	AEP Oklahoma Transmission Company, Inc.	19,163,314	3,670,103	87,189	22,920,606
21	AEP OnSite Partners, LLC	1,815,387	239,449	7,775	2,062,611
22	AEP Pro Serv, Inc.	580,835	79,660	2,165	662,660
23	AEP Renewables, LLC	713,186	95,943	3,451	812,580
24	AEP Retail Energy Partners LLC	(9,662)	1,309	48	(8,305)
25	AEP Southwestern Transmission Company, Inc.	66,475	7,666	299	74,440
26	AEP T&D Services, LLC	264,042	73,914	1,374	339,330
27	AEP Texas Company	175,329,734	30,494,497	749,275	206,573,506
28	AEP Transmission Company, LLC	194,749	5,816	539	201,104
29	AEP Transmission Holding Company, LLC	948,596	97,355	5,869	1,051,820
30	AEP Transmission Partner LLC	142	17		159
31	AEP Utility Funding LLC	79,307	13,031	480	92,818
32	AEP West Virginia Transmission Company, Inc.	34,081,452	8,491,866	158,346	42,731,664
33	American Electric Power Company	5,907,360	4,331,837	39,963	10,279,160
34	Appalachian Power Company	258,441,239	48,755,965	1,137,001	308,334,205
35	Apple Blossom Wind, LLC	24,849	5,082		29,931
36	Auwahi Wind Energy, LLC	218	29		247
37	Blackhawk Coal Company	29,242	4,424		33,666
38	Bold Transmission, LLC	341,318	27,496		368,814
39	BSE Solutions LLC	379	52		431

Schedule XVII - Analysis of Billing – Associate Companies (Account 457) (continued)

Line No.	Name of Associate Company (a)	Account 457.1 Direct Costs Charged (b)	Account 457.2 Indirect Costs Charged (c)	Account 457.3 Compensation For Use of Capital (d)	Total Amount Billed (e)
1	Central Appalachian Coal Company	267	20		287
2	Central Coal Company	3,942	857		4,799
3	Conesville Coal Preparation Company	699	99		798
4	CSW Energy, Inc.	1,280,819	170,065	6,862	1,457,746
5	Desert Sky Wind Farm LLC	167,101	15,998		183,099
6	Dolet Hills Lignite Co, LLC	3,168,270	533,498	12,825	3,714,593
7	Electric Transmission America	27,707	3,851	18	31,576
8	Electric Transmission TX, LLC	28,753,615	4,782,725	128,574	33,664,914
9	Franklin Real Estate Company	1,183	170		1,353
10	Grid Assurance LLC	853,254	147,937		1,001,191
11	Indiana Michigan Power Company	159,405,188	24,675,229	689,491	184,769,908
12	Jacumba Solar LLC	1,102	187		1,289
13	Kentucky Power Company	64,418,083	12,260,091	277,456	76,955,630
14	Kingsport Power Company	7,088,759	1,686,558	32,664	8,807,981
15	Kyte Works, LLC	137,338	7,743		145,081
16	NM Renewable Development, LLC	1,976	323		2,299
17	Ohio Franklin Realty, LLC	927,606	339,565		1,267,171
18	Ohio Power Company	189,516,727	40,058,418	833,072	230,408,217
19	Oxbow Lignite Company, LLC	81,979	7,111		89,090
20	Public Service Company of Oklahoma	108,073,750	17,213,913	448,804	125,736,467
21	RITELine Indiana, LLC	8,826	1,095	36	9,957
22	Sempra Renewables, LLC	712,995	96,538	4,519	814,052
23	Snowcap Coal Company, Inc.	25,006	3,087		28,093
24	Solar LLCs	87,051	9,135		96,186
25	Southern Appalachian Coal Company	267	20		287
26	Southwestern Electric Power Company	144,562,138	24,337,601	613,576	169,513,315
27	Transource Energy, LLC	1,802,558	265,686	8,425	2,076,669
28	Transource Maryland	2,313,965	143,454	6,583	2,464,002
29	Transource Missouri, LLC	1,632,044	182,839	6,809	1,821,692
30	Transource Pennsylvania	1,783,983	203,374	6,867	1,994,224
31	Transource West Virginia, LLC	1,951,858	527,372	10,082	2,489,312
32	Trent Wind Farm LLC	180,916	15,533		196,449
33	United Sciences Testing, Inc.	2,238,300	332,430	8,296	2,579,026
34	Wheeling Power Company	5,609,378	1,151,154	23,719	6,784,251
35					
36					
37					
38					
39					
40	Total	1,395,321,358	263,838,026	6,093,852	1,665,253,236

Schedule XVIII – Analysis of Billing – Non-Associate Companies (Account 458)

1. For services rendered to nonassociate companies (Account 458), list all of the nonassociate companies. In a footnote, describe the services rendered to each respective nonassociate company.

Line No.	Name of Non-associate Company (a)	Account 458.1 Direct Costs Charged (b)	Account 458.2 Indirect Costs Charged (c)	Account 458.3 Compensation For Use of Capital (d)	Account 458.4 Excess or Deficiency on Servicing Non-associate Utility Companies (e)	Total Amount Billed (f)
1	Dynegy	39,960				39,960
2	Indiana Kentucky Electric Co	1,265,180	144,358			1,409,538
3	Ohio Valley Electric Company	4,758,443	458,775			5,217,218
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	Total	6,063,583	603,133			6,666,716

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
FOOTNOTE DATA			

Schedule Page: 308 Line No.: 1 Column: f

Dynegy

The services provided to Dynegy are primarily the result of labor, labor fringes and contract labor for use of the AEP Simulator Learning Center.

Schedule Page: 308 Line No.: 2 Column: f

Indiana Kentucky Electric Corporation

The services provided to Indiana Kentucky Electric Corporation are primarily the result of labor, labor fringes and contract labor for Clifty Creek.

Schedule Page: 308 Line No.: 3 Column: f

Ohio Valley Electric Corporation

The services provided to Ohio Valley Electric Corporation are primarily the result of labor, labor fringes and contract labor for Kyger Creek.

Schedule XIX - Miscellaneous General Expenses - Account 930.2

1. Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Amounts less than \$50,000 may be grouped showing the number of items and the total for the group.
 2. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441(b)(2)) shall be separately classified.

Line No.	Title of Account (a)	Amount (b)
1	Salary, Salary related Expense and Overheads	5,225,451
2	Outside Professional Services	2,624,928
3	Membership Fees and Dues	2,579,866
4	Employee Expenses	631,582
5	Fleet Services	486,698
6	Materials and Supplies	181,586
7	Telephone & Communication Expense	62,042
8	Other - 4 Items	311,255
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	Total	12,103,408

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XX - Organization Chart			

1. Provide a graphical presentation of the relationships and inter relationships within the service company that identifies lines of authority and responsibility in the organization.

Chief Administrative Officer

Charge
 Chief Administrative Officer Administration
 Corporate Human Resources
 Information Technology
 Real Estate & Workplace Svcs

Chief Executive Officer

Audit Services
 Chief Executive Officer Administration
 Legal

Chief Financial Officer

Chief Financial Officer Administration
 Corporate Accounting
 Corporate Planning & Budgeting
 Risk and Strategic Initiatives
 Supply Chain & Fleet Operations
 Treasury

Energy Supply

Commercial Operations

External Affairs

Chief Customer Officer
 Corporate Communications
 External Affairs Administration
 Federal Affairs
 Regulatory Services

Generation

Environmental Services
 Fossil and Hydro Generation
 Generation Administration
 Generation Business Services
 Generation Engineering and Technical Services - Project and Construction
 Regulated Commercial Operations

Transmission

Transmission
 Transmission Administration
 Transmission Grid Development
 Transmission Field Services
 Trans Ventures Strategy&Policy

Utilities

Utility Operations

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

1. Indicate the service department or function and the basis for allocation used when employees render services to more than one department or functional group. If a ratio, include the numerator and denominator.
2. Include any other allocation methods used to allocate costs.

Service Department or Function	Basis of Allocation
Chief Administrative Officer	
Service Department or Function	Basis of Allocation
Charge	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	33 Number of Workstations
	39 100% to One Company
	44 Level of Const-Distribution
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Chief Administrative Officer Administration	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	45 Level of Const-Production
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
Corporate Human Resources	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	20 Number of Remittance Items
	26 Number of Stores Transactions
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
	65 Hydro MW Generating Capability
	67 Number of Banking Transactions
	70 No Nonelectric OAR Invoices
	77 Power Transactn to All Markets
Information Technology	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	20 Number of Remittance Items
	26 Number of Stores Transactions
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	65 Hydro MW Generating Capability
	67 Number of Banking Transactions
	70 No Nonelectric OAR Invoices
	77 Power Transactn to All Markets
Real Estate & Workplace Svcs	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	20 Number of Remittance Items
	26 Number of Stores Transactions
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
	65 Hydro MW Generating Capability
	67 Number of Banking Transactions
	70 No Nonelectric OAR Invoices
	77 Power Transactn to All Markets
Chief Executive Officer	
Service Department or Function	Basis of Allocation
Audit Services	9 Number of Employees
	11 Number of GL Transactions
	17 Number of Purchase Orders
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	53 Past 3 Mo MMBTU (Gas)
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	64 Member/Peak Load
Chief Executive Officer Administration	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	28 Number of Trans Pole Miles
	33 Number of Workstations
	39 100% to One Company
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
Legal	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	26 Number of Stores Transactions
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
	65 Hydro MW Generating Capability
Chief Financial Officer	
Service Department or Function	Basis of Allocation

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

Chief Financial Officer Administration	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	33 Number of Workstations
	39 100% to One Company
	58 Total Assets
	60 AEPSC Bill less Indir and Int
Corporate Accounting	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	17 Number of Purchase Orders
	20 Number of Remittance Items
	26 Number of Stores Transactions
	28 Number of Trans Pole Miles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	48 MW Generating Capability
	51 Past 3 Mo MMBTU's Burned (Tot)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
	70 No Nonelectric OAR Invoices
Corporate Planning & Budgeting	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	28 Number of Trans Pole Miles
	33 Number of Workstations
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	57 Tons of Fuel Acquired
	58 Total Assets

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	64 Member/Peak Load
Risk and Strategic Initiatives	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	31 Number of Vehicles
	33 Number of Workstations
	39 100% to One Company
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Supply Chain & Fleet Operations	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	17 Number of Purchase Orders
	26 Number of Stores Transactions
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	51 Past 3 Mo MMBTU's Burned (Tot)
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Treasury	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	20 Number of Remittance Items
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	48 MW Generating Capability
	52 Past 3 Mo MMBTU Burned (Coal)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
	67 Number of Banking Transactions
Energy Supply	
Service Department or Function	Basis of Allocation
Commercial Operations	33 Number of Workstations
	39 100% to One Company
	48 MW Generating Capability
	49 MWH's Generation
	60 AEPSC Bill less Indir and Int
	64 Member/Peak Load
External Affairs	
Service Department or Function	Basis of Allocation
Chief Customer Officer	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	20 Number of Remittance Items
	26 Number of Stores Transactions
	28 Number of Trans Pole Miles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	39 100% to One Company
	44 Level of Const-Distribution
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	70 No Nonelectric OAR Invoices
Corporate Communications	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	33 Number of Workstations
	39 100% to One Company
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	70 No Nonelectric OAR Invoices
External Affairs Administration	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	39 100% to One Company
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Federal Affairs	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	39 100% to One Company
	58 Total Assets
	60 AEPSC Bill less Indir and Int
Regulatory Services	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	28 Number of Trans Pole Miles
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	48 MW Generating Capability
	52 Past 3 Mo MMBTU Burned (Coal)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	64 Member/Peak Load
Generation	
Service Department or Function	Basis of Allocation
Environmental Services	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	33 Number of Workstations
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	48 MW Generating Capability
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	55 Past 3 MMBTU Burned (Solid)
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Fossil and Hydro Generation	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	31 Number of Vehicles
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	52 Past 3 Mo MMBTU Burned (Coal)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Generation Administration	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load
Generation Business Services	8 Number of Electric Retail Customers
	9 Number of Employees

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

	33 Number of Workstations
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	63 Total Gross Utility Plant
	64 Member/Peak Load
Generation Engineering and Technical Services - Project and Construction	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	33 Number of Workstations
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	49 MWH's Generation
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Regulated Commercial Operations	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	39 100% to One Company
	48 MW Generating Capability
	49 MWH's Generation
	51 Past 3 Mo MMBTU's Burned (Tot)
	52 Past 3 Mo MMBTU Burned (Coal)
	53 Past 3 Mo MMBTU (Gas)
	55 Past 3 MMBTU Burned (Solid)
	57 Tons of Fuel Acquired
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	64 Member/Peak Load

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
Schedule XXI - Methods of Allocation			

Transmission	
Service Department or Function	Basis of Allocation
Transmission	37 AEPSC Past 3 Months Total Bill
Transmission Administration	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	39 100% to One Company
	46 Level of Const-Transmission
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	63 Total Gross Utility Plant
Transmission Grid Development	8 Number of Electric Retail Customers
	9 Number of Employees
	17 Number of Purchase Orders
	26 Number of Stores Transactions
	28 Number of Trans Pole Miles
	33 Number of Workstations
	39 100% to One Company
	40 Equal Share Ratio
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	67 Number of Banking Transactions
Transmission Field Services	8 Number of Electric Retail Customers
	9 Number of Employees
	28 Number of Trans Pole Miles
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
Trans Ventures Strategy&Policy	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	17 Number of Purchase Orders
	28 Number of Trans Pole Miles
	32 Number of Vendor Invoice Pay

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Resubmission Date (Mo, Da, Yr) / /	Year of Report 2019
American Electric Power Service Corporation			
Schedule XXI - Methods of Allocation			

	39 100% to One Company
	40 Equal Share Ratio
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	53 Past 3 Mo MMBTU (Gas)
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	67 Number of Banking Transactions
Utilities	
Service Department or Function	Basis of Allocation
Utility Operations	5 Number of CIS Customers Mail
	6 Number of Commercial Customers
	8 Number of Electric Retail Customers
	9 Number of Employees
	11 Number of GL Transactions
	16 Number of Phone Center Calls
	17 Number of Purchase Orders
	26 Number of Stores Transactions
	27 Number of Telephones
	28 Number of Trans Pole Miles
	31 Number of Vehicles
	32 Number of Vendor Invoice Pay
	33 Number of Workstations
	37 AEPSC Past 3 Months Total Bill
	39 100% to One Company
	44 Level of Const-Distribution
	45 Level of Const-Production
	46 Level of Const-Transmission
	48 MW Generating Capability
	58 Total Assets
	60 AEPSC Bill less Indir and Int
	61 Total Fixed Assets
	63 Total Gross Utility Plant
	70 No Nonelectric OAR Invoices