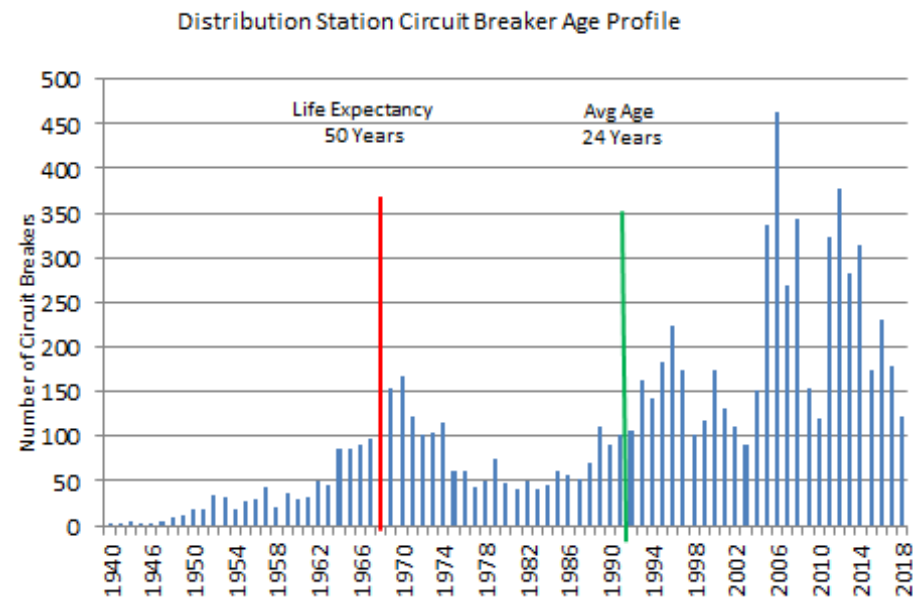
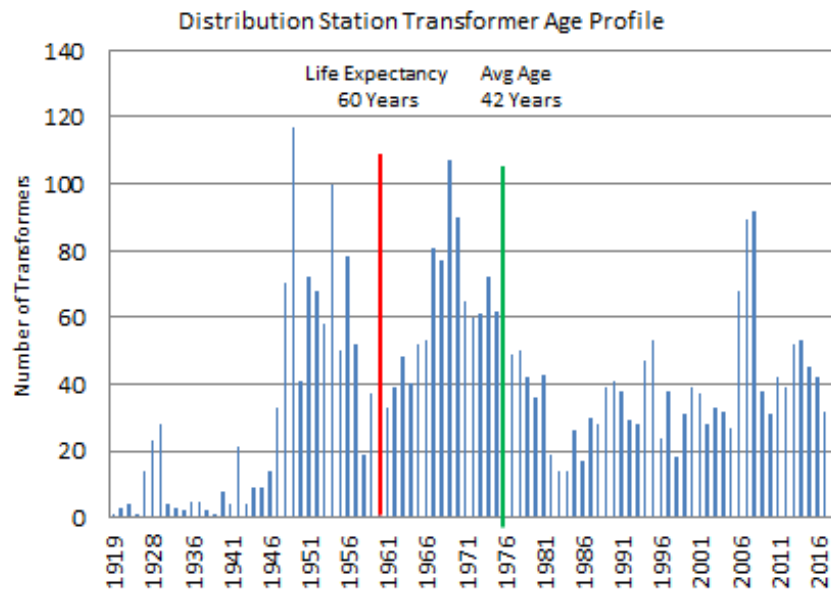


A low-angle shot of a female utility worker wearing a white hard hat, blue safety glasses, and a tan work shirt. She is using a mallet to work on a wooden utility pole. She is also wearing a safety harness and gloves. The background shows green trees and a clear sky.

INVESTING IN DISTRIBUTION

ROBUST DISTRIBUTION CAPITAL EXPENDITURE OPPORTUNITIES



Distribution	Station Transformers	Circuit Breakers
Life Expectancy (years)	60	50
Current Quantity over Life Expectancy	923	993
Quantity that will exceed Life Expectancy in next ten years	514	977
Total Renewal Opportunity over ten years	1,437	1,970



EXAMPLES OF INCREMENTAL DISTRIBUTION INVESTMENT OPPORTUNITIES

- ❖ Grid Modernization
 - Distribution Supervisory Control and Data Acquisition
 - Smart Circuits
- ❖ Distribution Line Re-Conductoring
 - Replace deteriorated small wire
 - Increase capacity to facilitate ties for smart circuits
 - Over 86,000 miles of small wire is in service across the operating companies (age profile at least 40 years)
- ❖ Pole Replacement Programs
- ❖ Obsolete Station Breaker Replacements
- ❖ Capacity/Reliability Projects
- ❖ Distribution Station Transformers

Represents ~ \$500M/year of incremental investment opportunity to improve system reliability and modernize the system



INVESTING IN REGULATED RENEWABLES



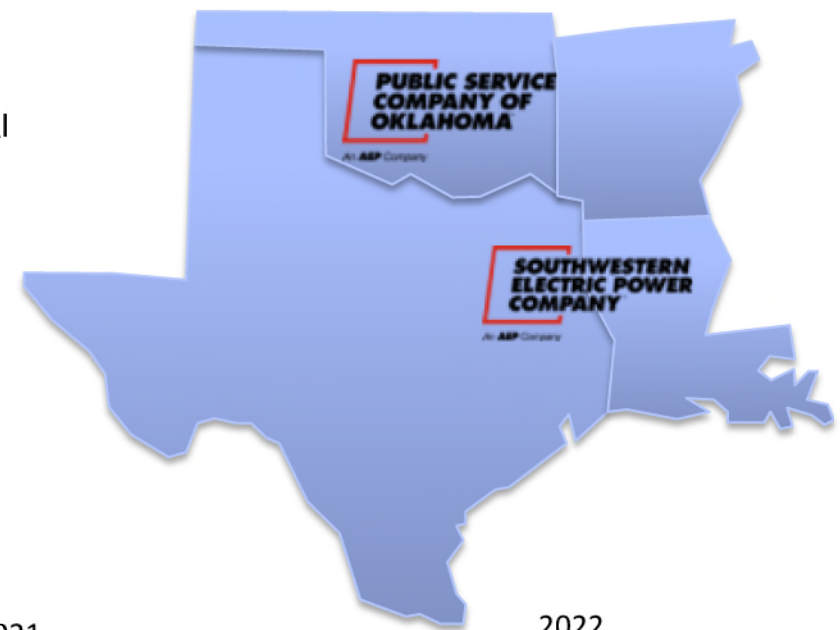
SWEPCO AND PSO CUSTOMER SAVINGS PLAN

- ❑ SWEPCO and PSO draft Integrated Resource Plans (IRP) continue to indicate that customers benefit from additional low-cost wind energy resources
 - Customer benefits realized in part by the federal Production Tax Credit
- ❑ Project opportunity will be scalable to align with regulatory approvals by state
- ❑ SWEPCO and PSO intend to issue requests for proposals in AR, LA, OK and TX in Q1 2019
 - RFPs will seek to acquire and rate-base wind assets
 - Potential to acquire up to the full IRP amounts, depending upon final outcome of IRP processes and RFP results
- ❑ Key considerations in the RFP evaluation process will include cost, performance and long-term deliverability
 - Focused on projects that minimize congestion, which may require a plan to build transmission in the future
 - Approval for any potential future delivery infrastructure would be sought at the time of need
 - Projects must qualify for at least 80% of the federal Production Tax Credit

Current Draft IRP Wind Nameplate Forecast

Wind Procurement *	2021-2023
SWEPCO	Up to 1,200 MW
PSO	Up to 1,000 MW
Total	Up to 2,200 MW

* Outcomes pending applicable state IRP processes





AEP OHIO – SOLAR PROJECT FILING


- ❑ Two solar REPAs with both facilities on line by end of 2021:
 - Highland Solar, 300 MW
 - Willowbrook Solar, 100 MW
- ❑ Debt Equivalency Cost Mechanism to provide recovery for use of Balance Sheet (approximately \$6M annually)
- ❑ Green Tariff that allows all customer classes the opportunity to purchase RECs to cover some or all of their generation supply
- ❑ Analysis resulted in nominal savings of over \$200M over the life of the projects when considering base band pricing



PROJECTED RESOURCE ADDITIONS

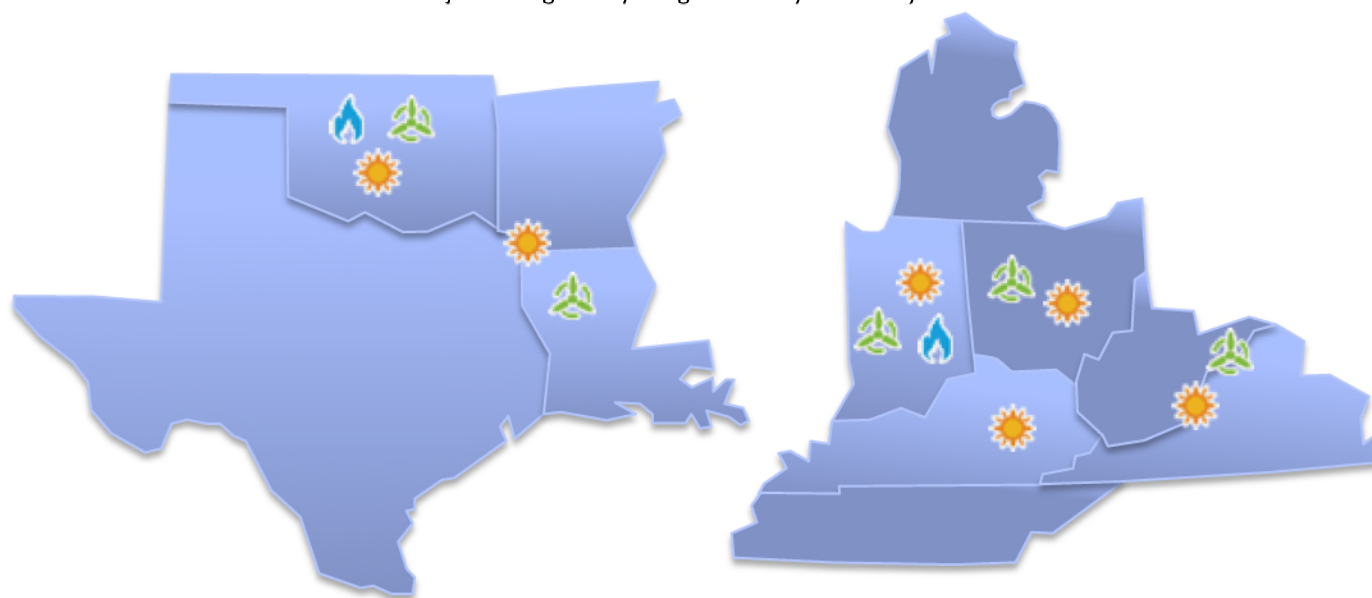
Solar Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
AEP Ohio	Up to 400 *	-	-
APCo	15	300	450
I&M	-	150	150
KPCo	30 *	20	40
PSO	Up to 310	550	450
SWEPCO	-	450	550
Totals	Up to 755	1,470	1,640

Wind Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
AEP Ohio	Up to 500*	-	-
APCo	-	300	-
I&M	-	600	450
KPCo	-	-	-
PSO	Up to 1,000 *	-	200
SWEPCO	Up to 1,200 *	200	-
Totals	Up to 2,700	1,100	650

Natural Gas Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
I&M	-	-	1,500
PSO	780 * ⁽¹⁾	370	-
Totals	780	370	1,500

⁽¹⁾ To replace expiring PPA









* Subject to regulatory filings currently underway



Total Projected Resource Additions (MW)	
Resource	2021-2030
Solar	Up to 3,865
Wind	Up to 4,450
Natural Gas	2,650
Totals	Up to 10,965



INTEGRATED RESOURCE PLAN STATUS

Draft IRPs Underway/Planned					
Previously Approved IRPs	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
 An AEP Company BOUNDLESS ENERGY™	 An AEP Company BOUNDLESS ENERGY™ 12/1/18 (AR)		 An AEP Company BOUNDLESS ENERGY™ 5/1/19 (VA)	 An AEP Company BOUNDLESS ENERGY™ 9/30/19 (LA)	 An AEP Company BOUNDLESS ENERGY™ 12/20/19
 An AEP Company BOUNDLESS ENERGY™	 An AEP Company BOUNDLESS ENERGY™ 12/21/18		 An AEP Company BOUNDLESS ENERGY™ May / June 2019		

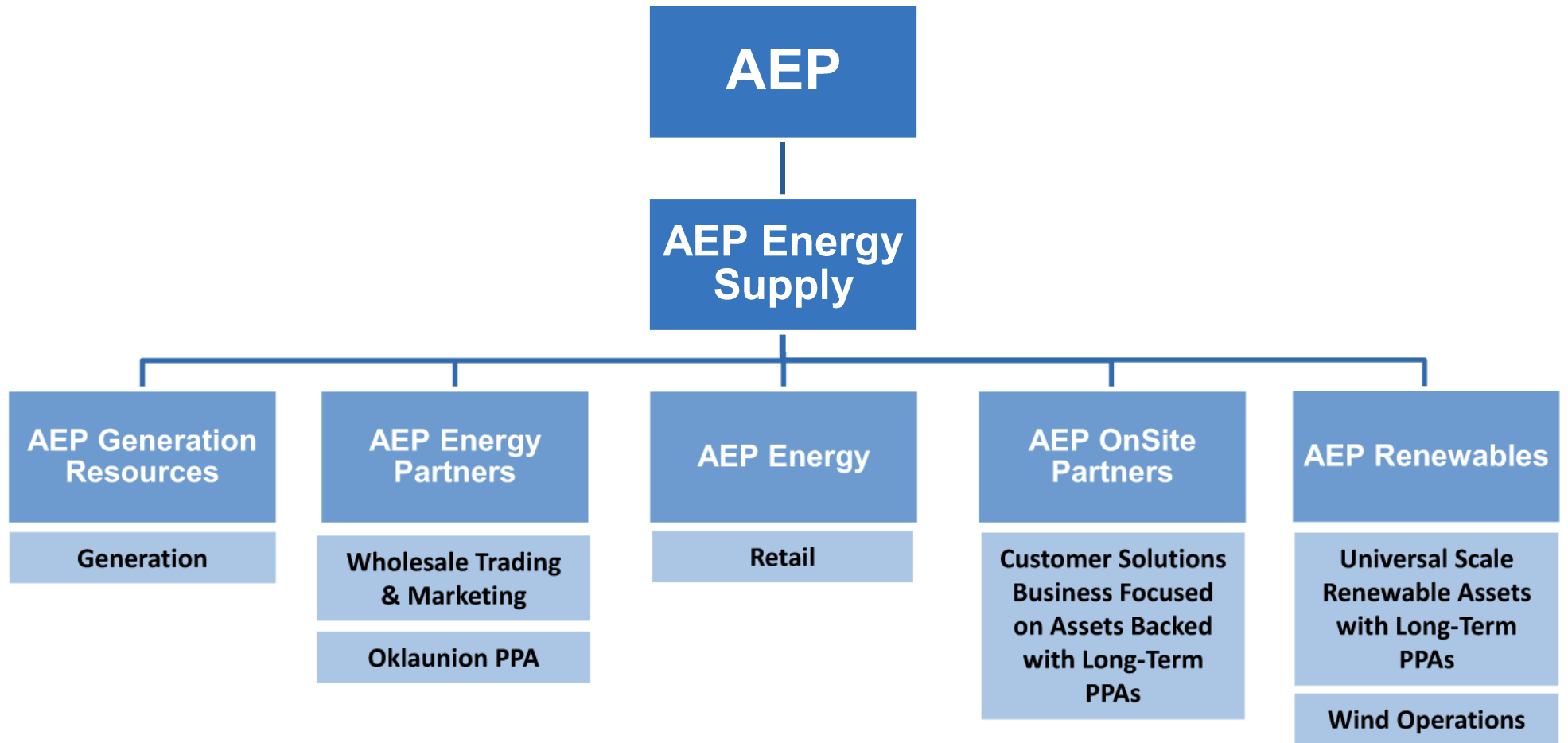
Next IRP filing date for APCo (WV) is January 2021



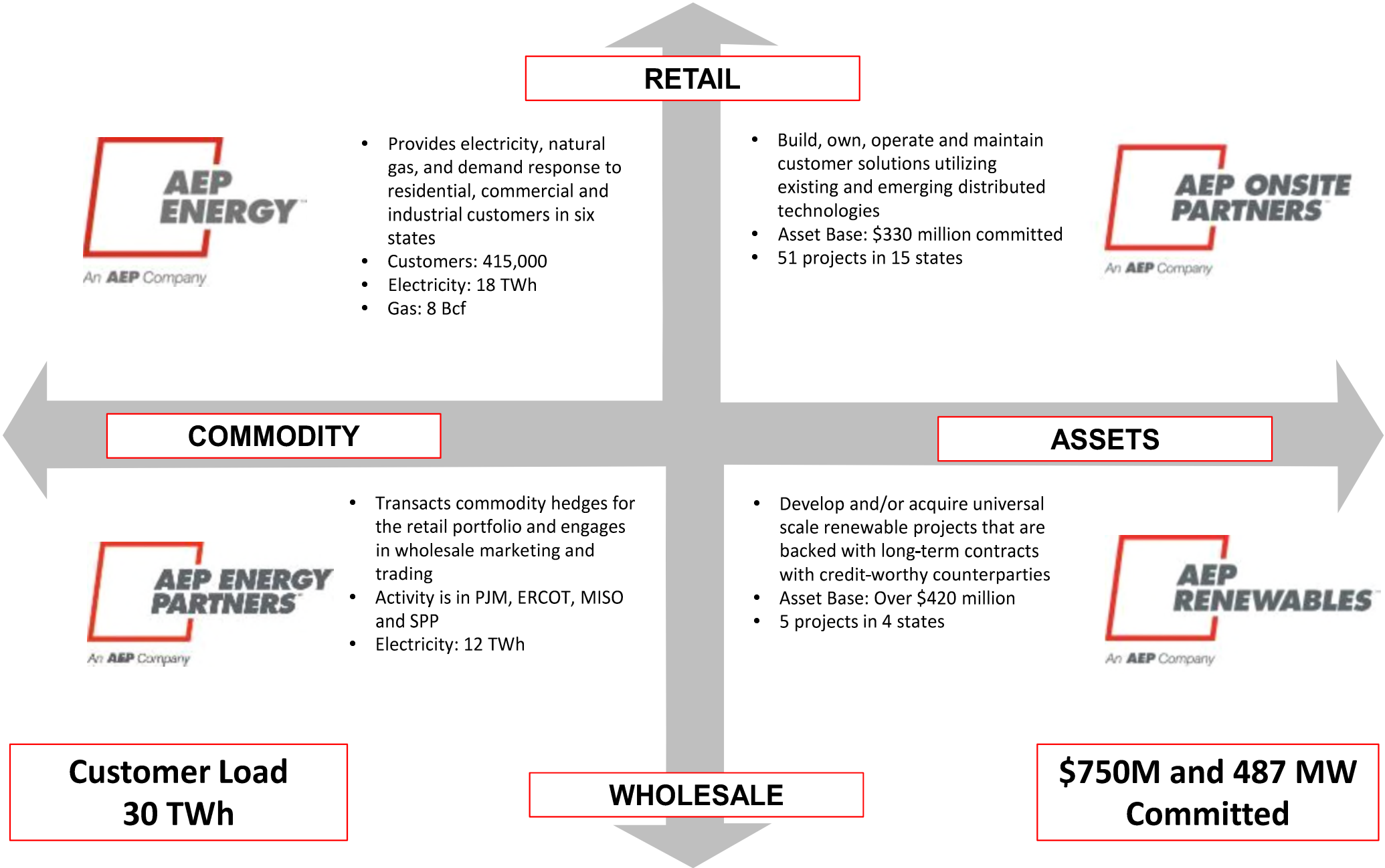
INVESTING IN COMPETITIVE BUSINESS



COMPETITIVE OPERATIONS ORGANIZATIONAL STRUCTURE



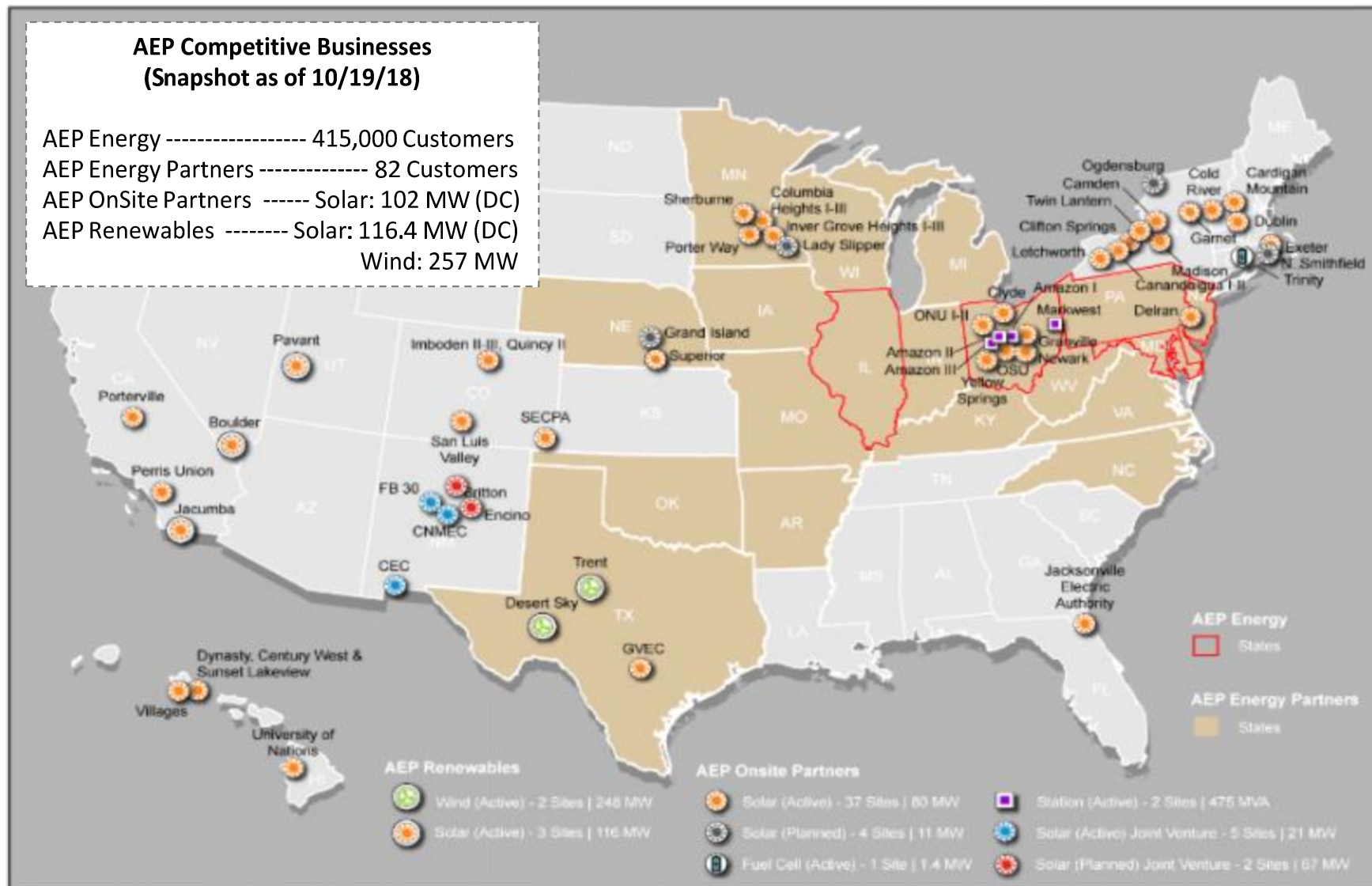
INTEGRATED PLATFORM OF COMMODITY AND CLEAN ENERGY SOLUTIONS



COMPETITIVE BUSINESS PRESENCE

AEP Competitive Businesses (Snapshot as of 10/19/18)

AEP Energy ----- 415,000 Customers
 AEP Energy Partners ----- 82 Customers
 AEP OnSite Partners ----- Solar: 102 MW (DC)
 AEP Renewables ----- Solar: 116.4 MW (DC)
 Wind: 257 MW



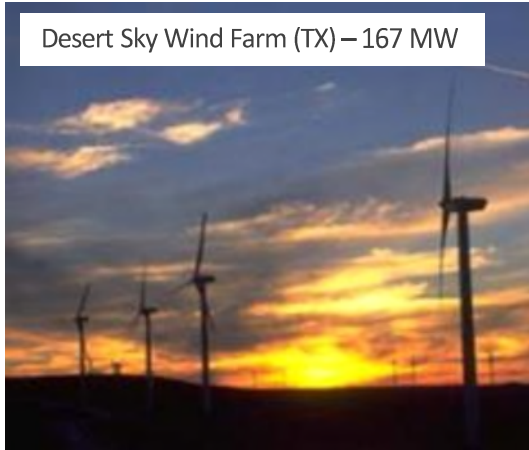
American Electric Power | October 18, 2018



UNIVERSAL SCALE RENEWABLE PROJECTS



Desert Sky Wind Farm (TX) – 167 MW



- PPA with City Public Service San Antonio
- Joint Venture with Invenergy
- Repowered in 2018 by GE
- AEP owns 79.9% (134 MW)

Trent Wind Farm (TX) – 154 MW



- PPAs with various Cooperatives
- Joint Venture with Invenergy
- Repowered in 2018 by GE
- AEP owns 79.9% (123 MW)

Pavant Solar III (UT) – 26 MW-DC



- PPA with PacifiCorp
- COD on December 30, 2016
- Constructed by JSI Construction

Boulder Solar II (NV) – 62 MW-DC



- PPA with NV Energy
- COD on January 27, 2017
- Constructed by SunPower

Jacumba Solar (CA) – 28 MW-DC



- PPA with Southern California Edison
- COD on July 25, 2017
- Constructed by BayWa



CUSTOMER ENERGY SOLUTIONS



Trinity College Fuel Cell (CT) – 1.4 MW



Paloma High School (CA) – 1.1 MW-DC



City of Superior (NE) – 1.2 MW-DC



MarkWest (OH) – 25 MVA



- Committed to nearly \$330 million in energy assets
- Portfolio of 51 operating and under construction projects in 15 different states
- Projects include customer sited solar projects, behind the meter energy storage assets, customer sited substations, and fuel cell projects



CONTRACTED CLEAN ENERGY INVESTMENTS

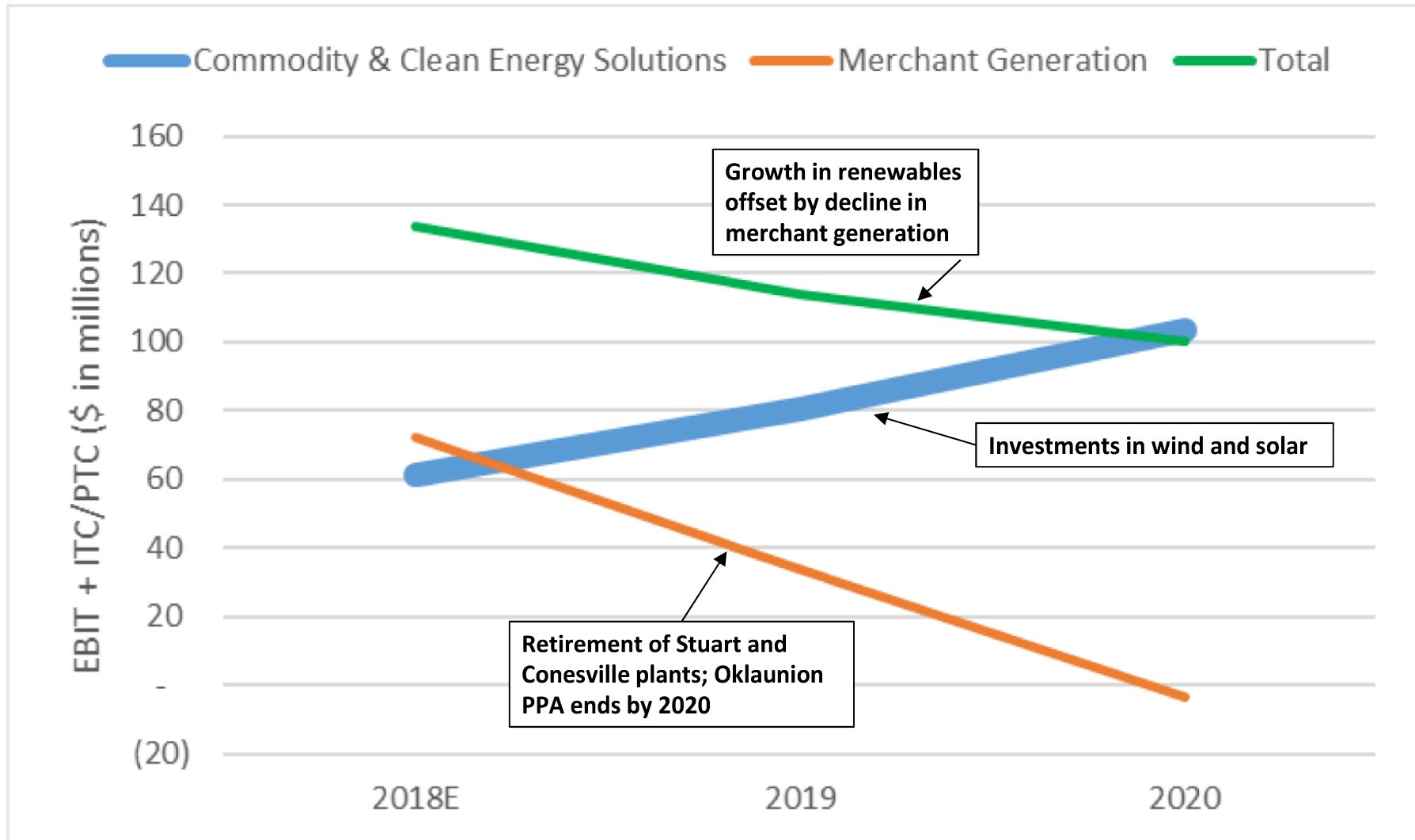
\$2.2B CAPITAL ALLOCATED 2019-2023



Renewable Generation Asset Owner	✓	✓
"Behind-the-Meter" Energy Assets	✓	
Universal Scale Energy Assets		✓
Key Customers	Schools, Cities, Hospitals and Commercial / Industrial Accounts	Utilities, Municipalities, Corporations and Cooperative Accounts
Key Technologies	Distributed Generation, Fuel Cells, Renewables, Storage, Substations and Combined Heat and Power	Wind and Solar



AEP ENERGY SUPPLY EARNINGS



AEP GENERATION RESOURCES

Plant/Unit	MW	Status
Stuart Unit 1	150	Retired September 2017
Stuart Units 2, 3 and 4	450	Retired May 2018
Conesville Units 5 and 6 *	820	Retire May 2019 or May 2020
Conesville Unit 4 *	651	Retire May 2020
Cardinal Unit 1	595	Continued operations
Racine Hydro	48	Restart operation by year-end 2018
Total	2,714	

* Retirement announced on October 5, 2018

Note: The Oklaunion PPA is not included above; PPA is effective until the plant's planned closure by September 2020



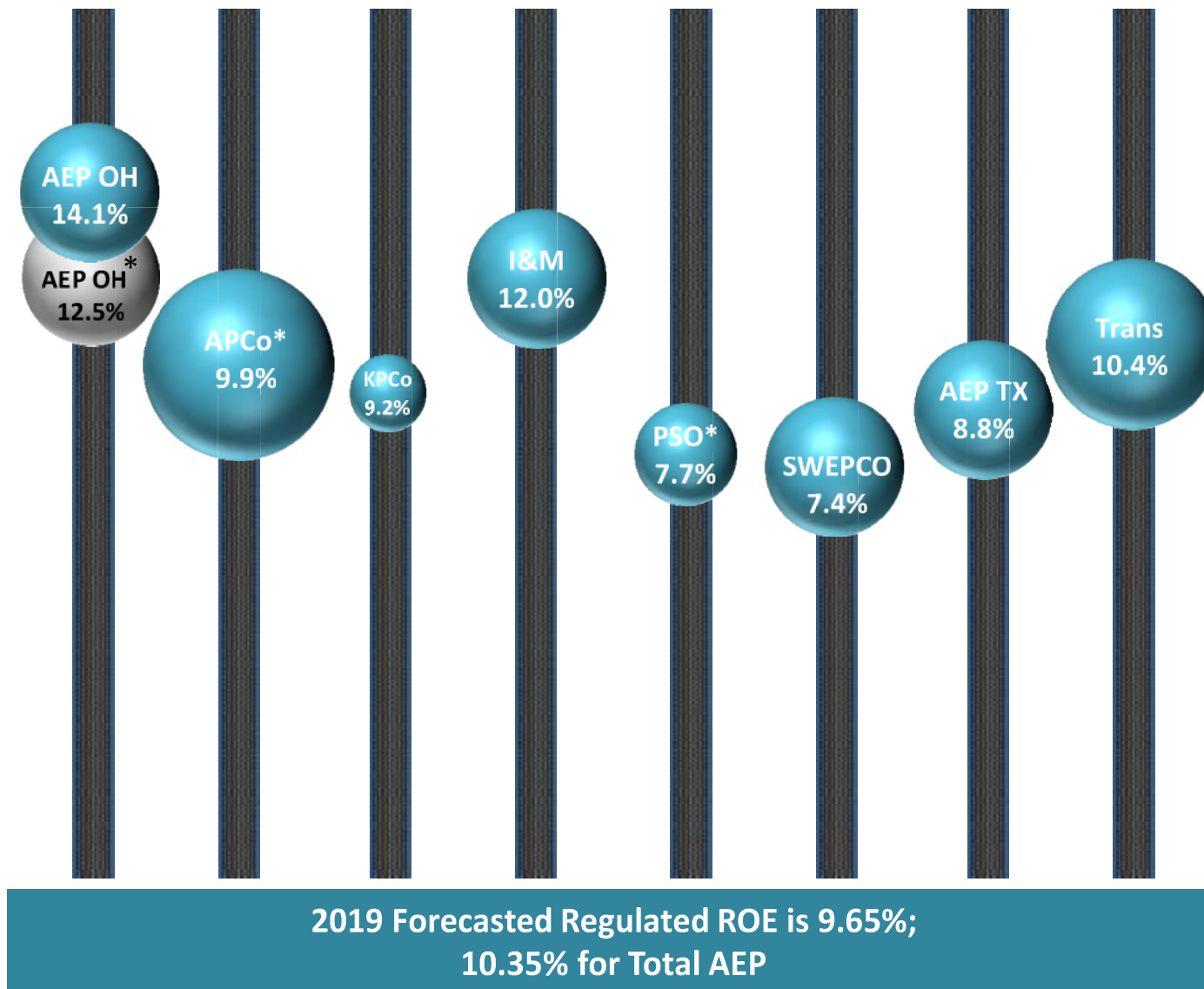


POSITIONING FOR THE FUTURE

FINANCIAL INFORMATION

REGULATED RETURNS

Twelve Months Ended 9/30/2018 Earned ROE's (non-GAAP operating earnings, not weather normalized)



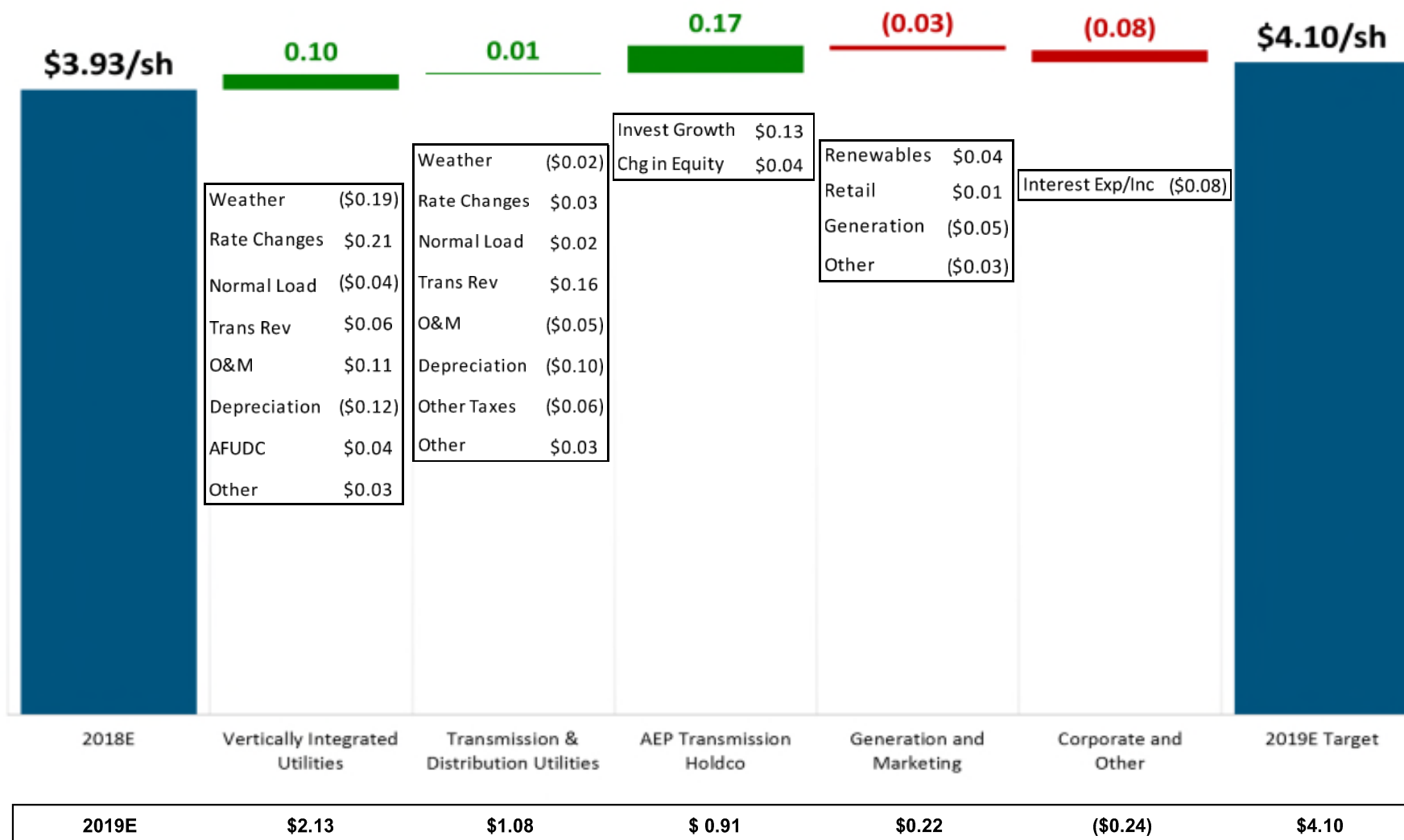
*AEP Ohio adjusted for SEET items. Base rate cases pending at other operating companies.

Sphere size based on each company's relative equity balance



2019 OPERATING EARNINGS GUIDANCE

Range of \$4.00 - \$4.20/share



Note: Will maintain midpoint of 2019 range. Waterfall components may change based on actual 2018 results.



2019 KEY GUIDANCE

Sensitivities & Assumptions

Sensitivities

Sensitivity			EPS	
Retail Sales:			VIU	T&D
Residential	0.5%	+/-	0.014	0.005
Commercial	0.5%	+/-	0.007	0.001
Industrial	0.5%	+/-	0.007	0.001
O&M Expense (excludes O&M with offsets)	1.0%	+/-	0.05	
Interest Expense (floating debt)	25 basis points	+/-	0.02	
Interest Expense (new issuances)	25 basis points	+/-	0.01	
Regulated ROE	10 basis points	+/-	0.04	
A \$6.3M change in pretax earnings equals \$0.01 per share				

Note: AFUDC earnings move inversely to interest expense from rate changes

Assumptions

Rate Changes: \$150M; \$93M secured

2019 Regulated Connected Load (Billed and Accrued):

Residential	57,755 GWh
Commercial	50,181 GWh
Industrial	60,299 GWh

Average Shares Outstanding: 493.9M



CURRENT RATE CASE ACTIVITY

APCo – West Virginia

Docket #: 18-0646-E-42T
Filing Date: 05/09/2018
Requested Rate Base: \$4.1B
Requested ROE: 10.22%
Cap Structure: 49.84%D / 50.16%E
Gross Revenue Increase: \$95M
(Less \$32M Depr)
Net Revenue Increase: \$63M
Test Year: 12/31/2017

Procedural Schedule

Hearing: 11/13/2018
Brief: 12/13/2018
Reply Brief: 12/28/2018



PSO – Oklahoma

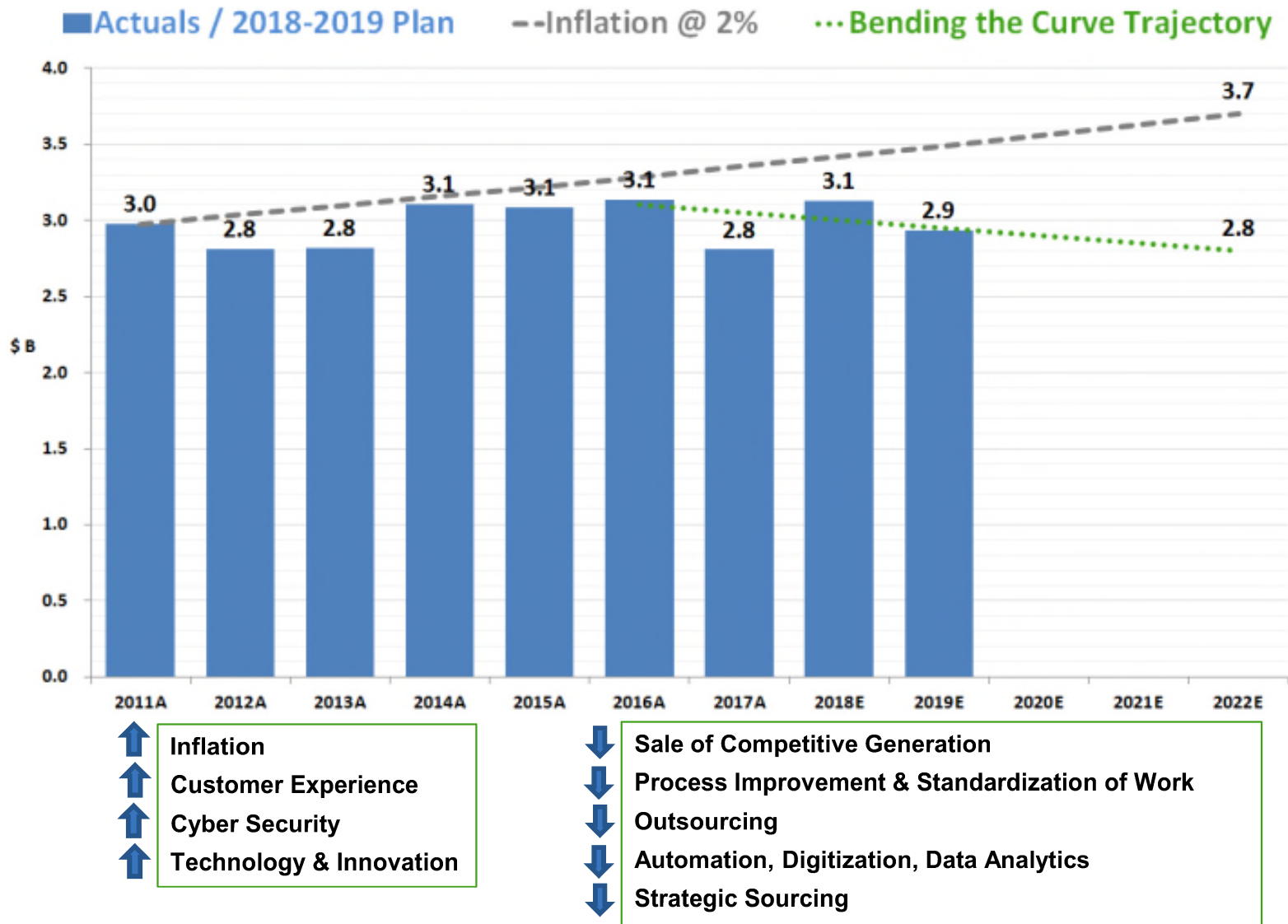
Docket #: 201800097
Filing Date: 09/26/2018
Requested Rate Base: \$2.5B
Requested ROE: 10.3%
Cap Structure: 51.86%D / 48.14%E
Gross Revenue Increase: \$88M
(Less \$20M D&A)
Net Revenue Increase: \$68M
Test Year: 03/31/2018

Procedural Schedule

Intervenor Testimony: 01/11/2019
Rebuttal Testimony: 02/08/2019
Hearing Commences: 03/04/2019
ALJ Report: April 2019



BENDING THE O&M CURVE WHILE ACHIEVING OUR STRATEGIC GOALS



- O&M targets focus on bending the O&M curve down to create rate headroom
- O&M actual spend represents adjusting spend throughout the year as needed (e.g., 2017 unfavorable weather resulted in need to pull-back on spend; 2018 favorable weather has created incremental/shifting opportunities)

Our initiatives will help reduce the cost of the current ~4,000+ employees retiring or leaving over the next 5 years, thereby reducing O&M and allowing us to focus on more value added activities for our customers



BENDING THE O&M CURVE (INITIATIVES)

AEP Transmission Spacer Replacement Capital Program



- ❖ The replacement program avoids approximately \$80M in O&M expenditures over time
- ❖ ~150k spacers that are near or at end of life will be replaced as part of a capital program on nearly 1800 miles of 765kV lines over the next 10 years

AEP Station Check In/Check Out Application



- ❖ The first true mobile application of its kind saves valuable time for field technicians and dispatchers by eliminating nearly 90% of calls into the TDC from field staff entering or exiting secure facilities
- ❖ On average since implementation ~\$500K in labor savings on this activity have been realized



AEP Asset Health Centers

- ❖ Analytical software platform and fleet-wide asset monitoring device that provides instantaneous data through a robust communications infrastructure
- ❖ Real-time data helps in making data-driven operating decisions. Improves safety, reduces unplanned equipment outages, helps in planning and optimizing maintenance, and prioritizes renewal decisions about the condition of assets
- ❖ In use since 2014, AHC has provided performance data on equipment that has allowed Transmission to avoid \$36M and Generation over \$25M in costs related to equipment failure



BENDING THE O&M CURVE (INITIATIVES)

Charge Initiative

~\$200M in digital and process-enabled savings over five years through O&M reductions/cost avoidance (50%), Capital Reduction/Efficiency (25%), Revenues (10%) & Operational Efficiency (15%)

- ☐ Distribution/Transmission Field Time Reporting App – Mobile app/web that enables contractors to enter time digitally rather than through paper timesheets. Improves efficiency and reduces rework (e.g., audits and audit outcomes).
- ☐ Contract Digitization – Digital tools & associated analytics that reduce administrative, repetitive work performed by the contract support function.
- ☐ Digitized Inspections – Combined use of drones, sensors, and digital user tools to minimize the physical labor associated with distribution, transmission, and generation inspections.
- ☐ Transmission Capital Commissioning Checklist – Mobile app/web that enables employees and contractors to perform and complete commissioning tasks using handheld technology rather than through a paper process. Improves accuracy, increases operational efficiency, reduces rework, and accelerates time to place projects in service.

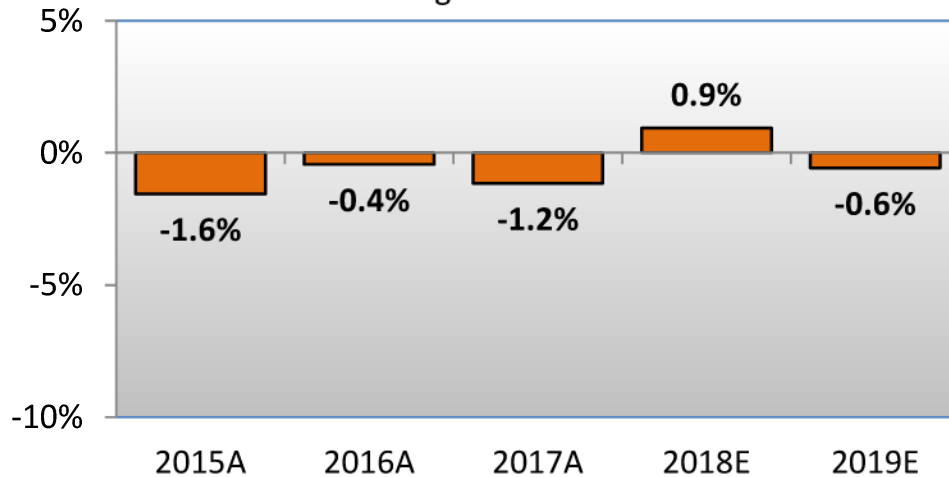
Other Initiatives

- Strategic Work and Workforce Planning
- Outsourcing Activities
- Tactical Sourcing through Procurement Management

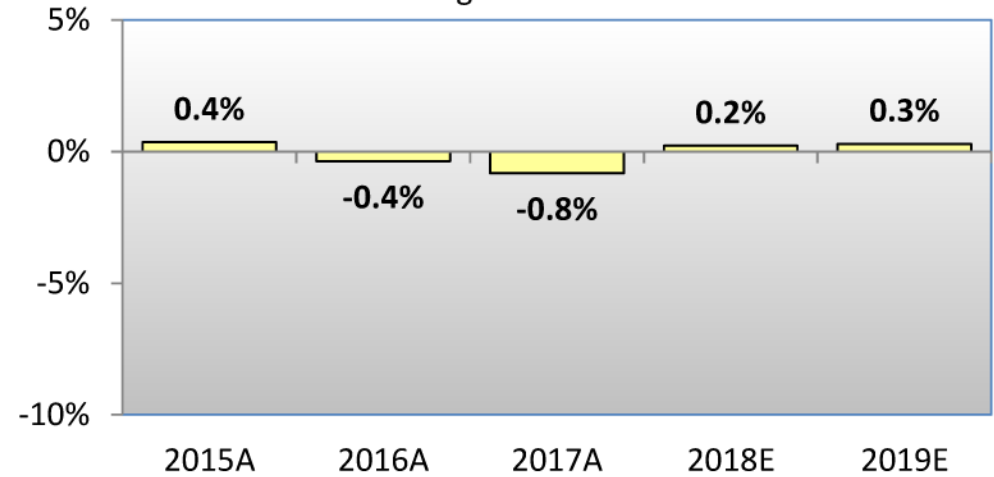


NORMALIZED LOAD TRENDS

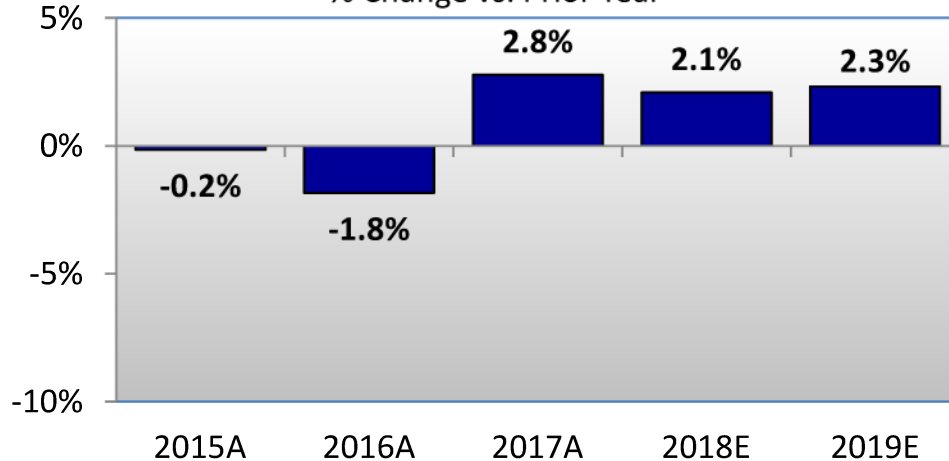
AEP Residential Normalized GWh Sales
% Change vs. Prior Year



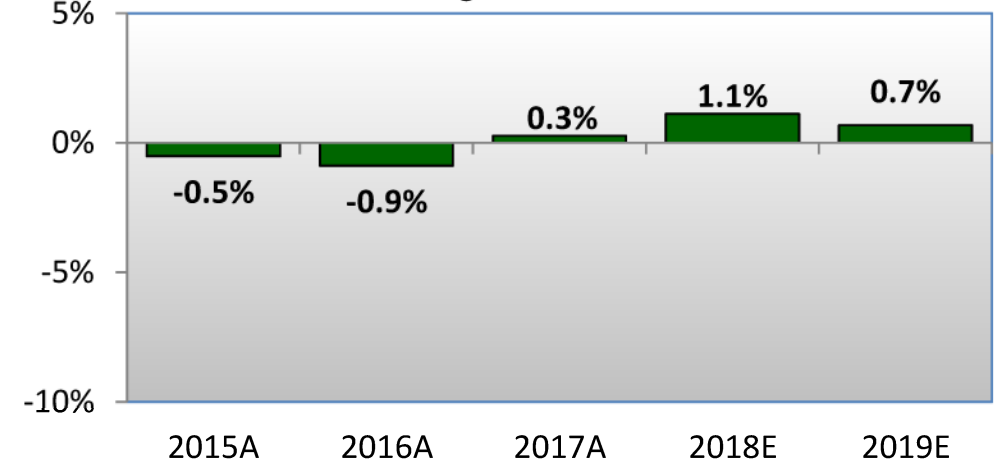
AEP Commercial Normalized GWh Sales
% Change vs. Prior Year



AEP Industrial GWh Sales
% Change vs. Prior Year



AEP Total Normalized GWh Sales
% Change vs. Prior Year



Note: 2018 includes 9 months weather normalized actual results plus 3 months forecasted values. The 2018 and 2019 comparison may change based on actual 2018 results.

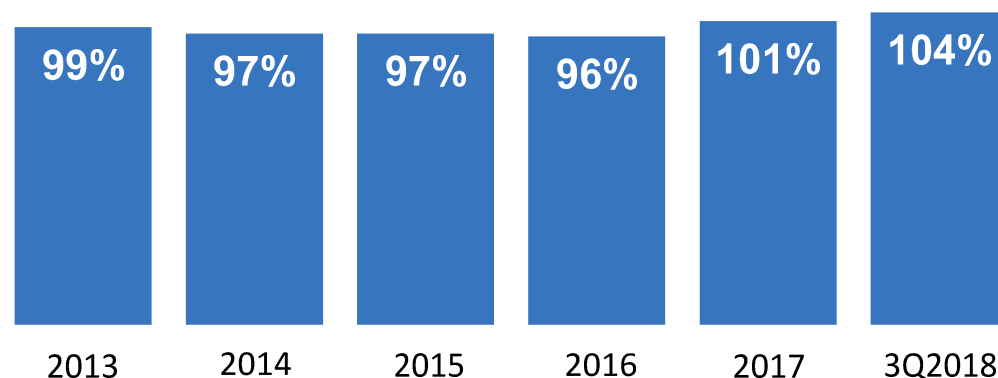


PENSION & OPEB ESTIMATES

Assumptions	2018E	2019E
Pension Discount Rate	3.65%	4.31%
OPEB Discount Rate	3.60%	4.32%
Assumed Long Term Rate of Return on Pension Assets	6.0%	6.0%
Assumed Long Term Rate of Return on OPEB Assets	6.0%	6.0%
Pension/OPEB Funding	\$24M	\$102M
Pension/OPEB Cost *	(\$20M)	(\$33M)
Pension/OPEB Pre-tax Expense	(\$59M)	(\$70M)

* Pre-tax expense and pre-capitalization

Qualified Pension Funding



- YTD pension and OPEB returns were flat at 0.2% and (0.3%) respectively, as modest risk seeking asset returns were offset by fixed income losses attributed to rising yields. Despite these flat returns, the funded status of both plans increased slightly as both plan liabilities decreased more than plan assets due to a rising discount rate.
- We expect combined pension and OPEB pre-tax expense to decrease by \$11M from 2018 to 2019 subject to potential changes in investment results, interest rates and actuarial assumptions.
- Pension expense for regulated subsidiaries is recovered through base rates.



AEP AND TAX REFORM SUMMARY

Regulatory Actions

All jurisdictions opened dockets to defer savings as a regulatory liability and address tax benefit impacts

Options for tax benefits:

- ✓ Decrease rates
- ✓ Increase amortization of regulatory assets
- ✓ Accelerate depreciation
- ✓ Offset other rate increases

Change in Tax Rate from 35% to 21%

- Most jurisdictions have recent rate orders/settlements passing savings to customers
- Remaining jurisdictions are working with regulators to address savings in future rate proceedings using various strategies noted above

Unprotected Excess ADFIT

- Most jurisdictions have recent orders/settlements resolving unprotected portion of excess
- Remaining jurisdictions are working with regulators to address savings in future rate proceedings using various strategies noted above

Normalized portion of excess ADFIT refunded over life of property, over average life of 25 years (40 years for transmission)

Other Tax Implications

- Interest on parent debt expected to be tax deductible
- Generation & Marketing flows to bottom line, but minor

Recap of Excess Deferred Taxes

As of September 30, 2018 (\$ in billions)	21% Tax Rate
Total Regulated Deferred FIT	\$11.1
Total Excess Regulated Deferred FIT	\$4.3
Normalized Portion of Excess DFIT (to be refunded over life of property)	(\$3.4)
Unprotected Portion of Excess	\$0.9

By Operating Company	Percentage of \$0.9 Billion Unprotected Excess DFIT
AEP Ohio	19%
AEP Texas	9%
APCo/WPCo	34%
I&M	16%
KPCo	10%
PSO	7%
SWEPco	5%
TOTAL	100%



AEP AND TAX REFORM BY JURISDICTION

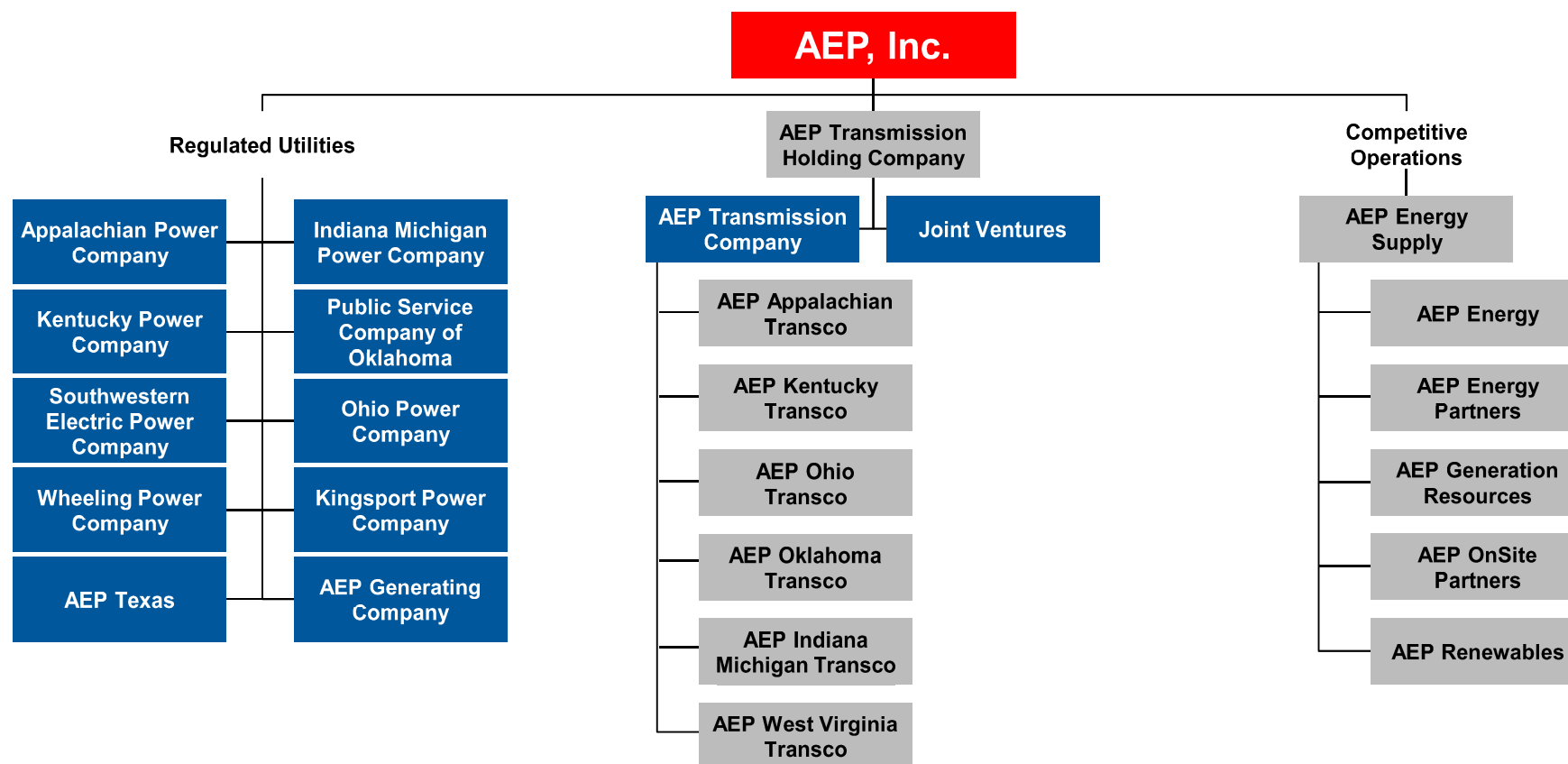
Jurisdiction ¹	Change in Tax Rate	Excess Unprotected ADFIT ²
AEP Ohio	✓ Order to pass on savings	✓ Order to amortize over 6 years
AEP Texas-Distribution	✓ Order to pass on savings	✓ Partial order to amortize over 5 years
AEP Texas-Transmission	✓ Order to pass on savings	Address in later filing
APCo-Virginia	✓ Legislation enacted to pass on savings	Case pending
APCo-West Virginia	✓ Order to pass on savings	✓ Order to amortize over various periods
I&M-Indiana	✓ Order to pass on savings	✓ Order to offset change in depreciation of Rockport Unit 1
I&M-Michigan	✓ Order to pass on savings	Case pending
Kingsport	Case pending	Case pending
KPCo	✓ Order to pass on savings	✓ Order to amortize over 18 years
PSO	✓ Order to pass on savings	✓ Order to amortize over 10 years
SWEPCO-Arkansas	✓ Order to pass on savings	✓ Order to amortize over 2 years
SWEPCO-Louisiana	✓ Order to pass on savings	✓ Order to amortize over 2 years
SWEPCO-Texas	✓ Order to pass on savings	Case pending
East FERC Transmission	✓ Settlement to pass on savings	✓ Settlement to amortize over 10 years
West FERC Transmission	Address in later filing	Address in later filing

¹ All jurisdictions have opened dockets to defer savings as a regulatory liability and address tax benefit impacts

² Normalized portion of excess ADFIT refunded over life of property, over average life of 25 years (40 years for transmission)



OPERATIONAL AND FINANCING STRUCTURE *



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

* Does not represent legal structure



2018 LONG-TERM DEBT FINANCINGS

2018 Long-Term Debt Financings as of September 30, 2018¹

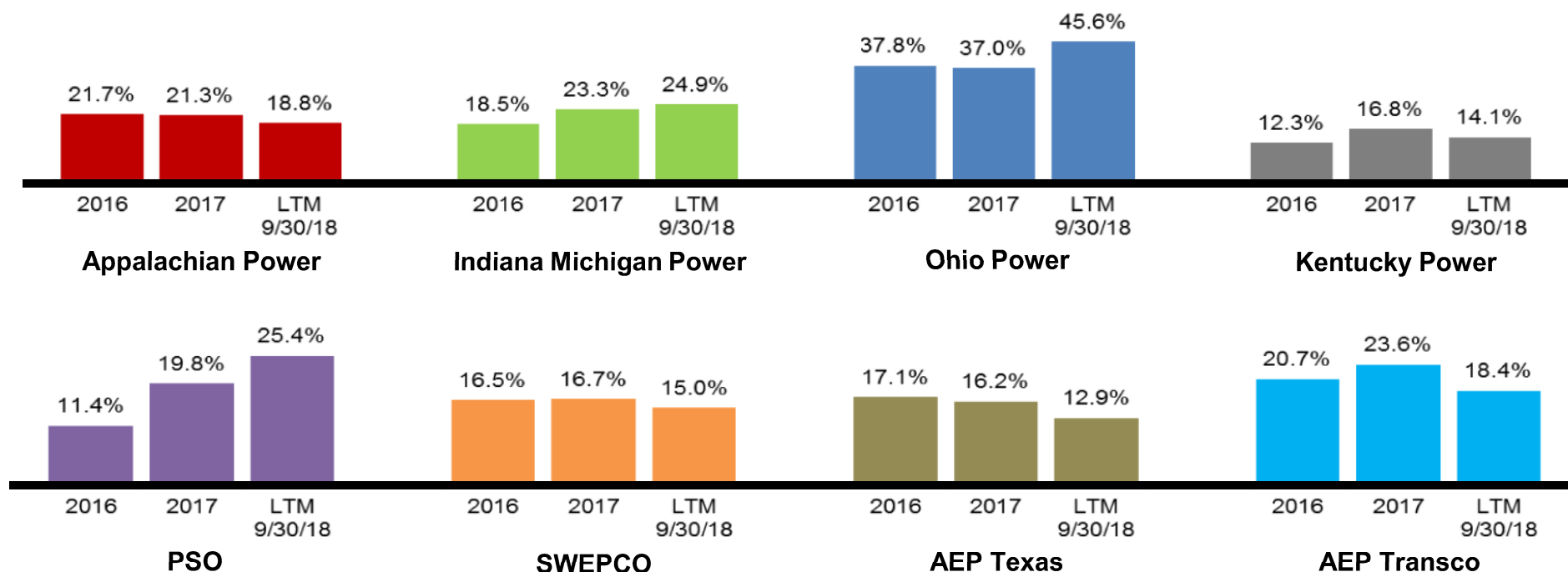
Date	Company	Amount (\$ in millions)	Rate	Term	Credit Ratings (Moody's/S&P)
January 2018	SWEPCO	\$450	3.85%	30-Year	Baa2/A-
March 2018	Ohio Power	\$400	4.15%	30-Year	A2/A-
May 2018	I&M	\$350	3.85%	10-Year	A3/A-
May 2018	I&M	\$200	Variable	3-Year	N/A
May 2018	AEP Texas	\$500	3.95%	10-Year	Baa1/A-
August 2018	I&M	\$475	4.25%	30-Year	A3/A-
September 2018	Transco	\$325	4.25%	30-Year	A2/A-/A- ²
September 2018	SWEPCO	\$575	4.10%	10-Year	Baa2/A-

¹All senior notes except I&M's \$200M local bank facility renewal

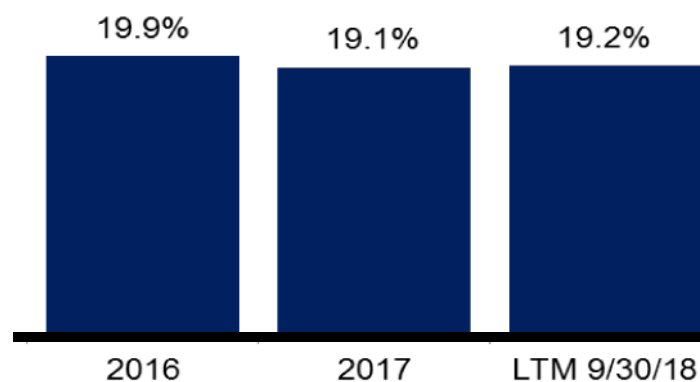
²AEP Transmission Operating Company, LLC is also rated A- by Fitch



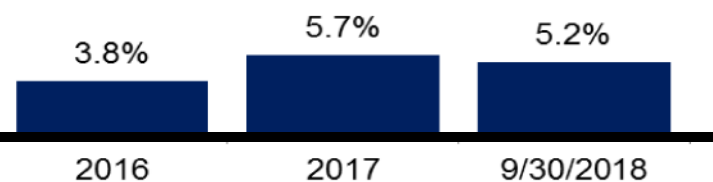
FFO/DEBT¹ BY OPERATING COMPANY



Total AEP FFO/Debt¹



Holdco Debt/Total Debt

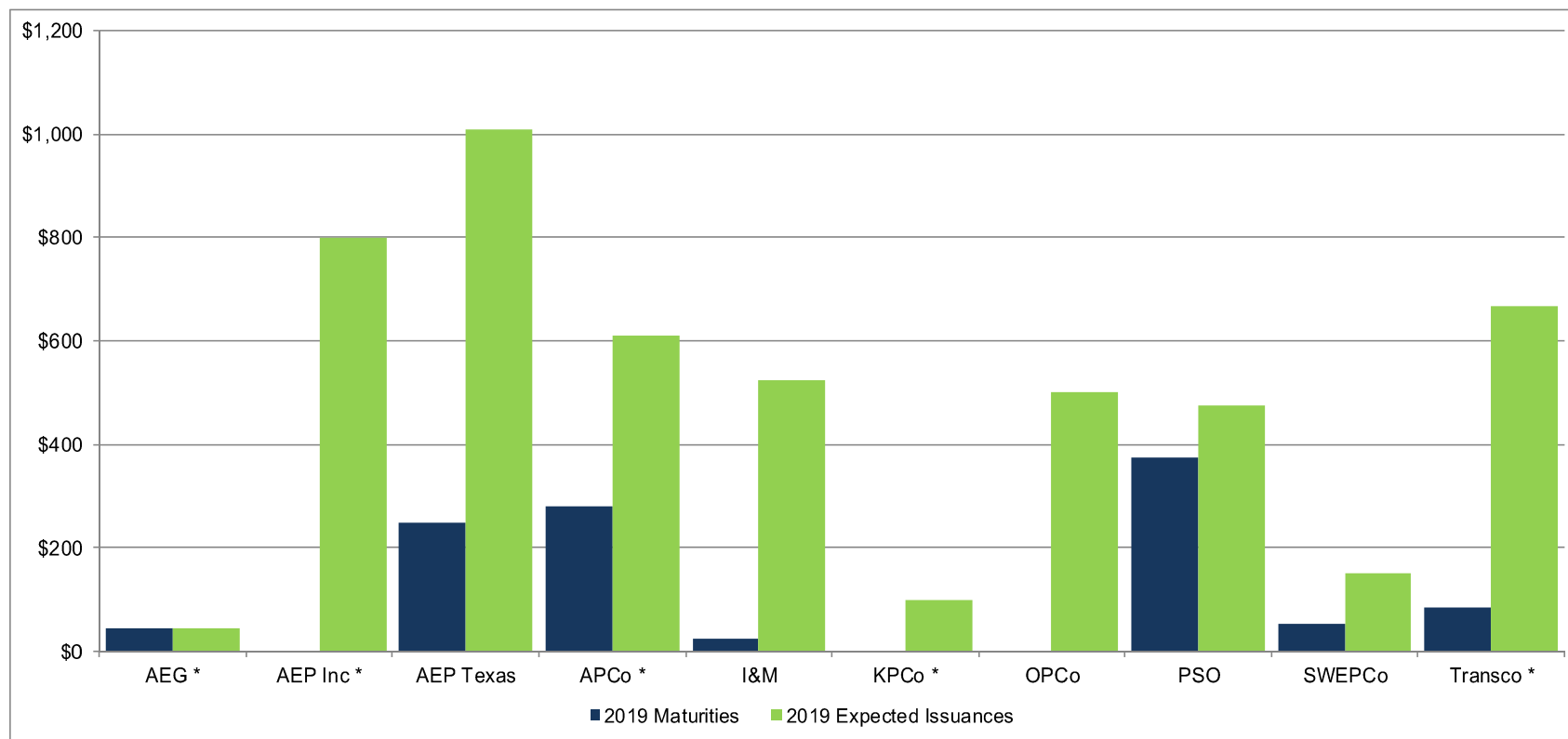


¹ FFO/Debt includes capital and operating leases, but excludes securitization and spent nuclear fuel. Ratios do not reflect all of the adjustments made by the rating agencies.



2019 DEBT ISSUANCE AND MATURITIES OVERVIEW

(\$ in millions)



* (\$ in millions)

	<u>Q4 2018 Maturities</u>	<u>Q4 2018 Issuances</u>
AEG	\$ 125	\$ 150
AEP Inc	\$ -	\$ 1,000
APCo	\$ 100	\$ 100
KPCo	\$ 75	\$ 75
Transco	\$ 50	\$ -
Total	\$ 350	\$ 1,325

APCo, KPCo and Transco Q4 2018 maturities and issuances have already occurred



AEP CREDIT RATINGS

Company	Moody's		S&P	
	Senior Unsecured	Outlook	Senior Unsecured	Outlook
American Electric Power Company Inc.	Baa1	S	BBB+	S
AEP, Inc. Short Term Rating	P2	S	A2	S
AEP Texas Inc.	Baa1	S	A-	S
AEP Transmission Company, LLC ¹	A2	S	A-	S
Appalachian Power Company ²	Baa1	S	A-	S
Indiana Michigan Power Company ²	A3	S	A-	S
Kentucky Power Company	Baa2	N	A-	S
Ohio Power Company	A2	S	A-	S
Public Service Company of Oklahoma	A3	N	A-	S
Southwestern Electric Power Company	Baa2	S	A-	S
Transource Energy ³	A2	S	NR	NR

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

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

³ NR stands for Not Rated.

Ratings current as of September 30, 2018



SUSTAINABLE FUTURE





AEP's CO₂ Emission Reduction Goals

INTERMEDIATE GOAL:

60% reduction
from 2000 CO₂
emission levels
by **2030**

LONG-TERM GOAL:

80% reduction
from 2000 CO₂
emission levels
by **2050**

Strategy to Achieve:

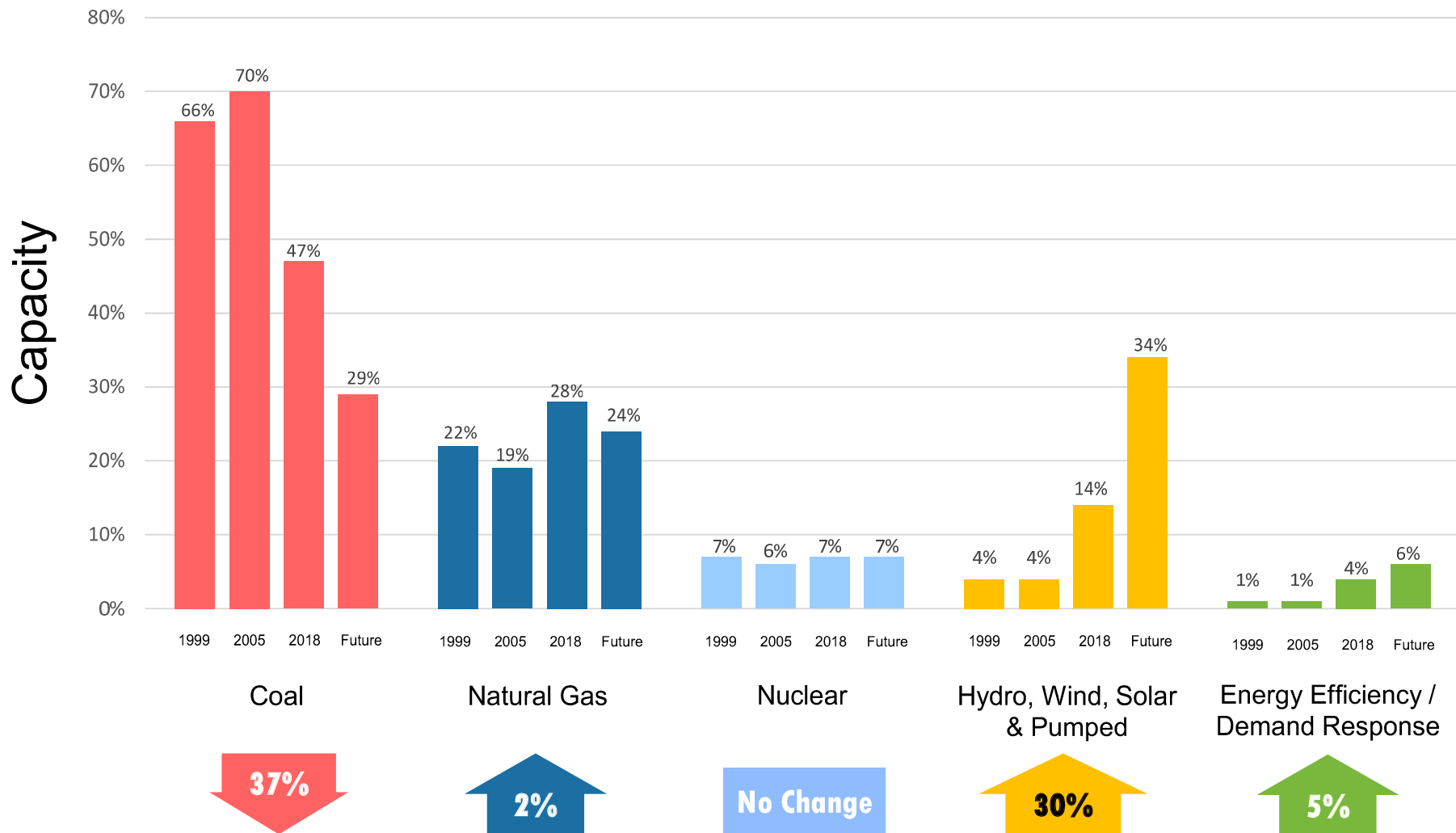
- ☐ Investments in renewable energy within and outside of our traditional service territory
- ☐ Technology deployment (e.g., energy storage)
- ☐ Modernization of the grid with significant investments in transmission & distribution
- ☐ Increased use of natural gas
- ☐ Optimization of our existing generating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

Environmental, Social & Governance (ESG) Reporting:

- AEP's Corporate Accountability Report
- Clean Energy Strategy: American Electric Power: Strategic Vision for a Clean Energy Future
- EEI ESG Sustainability Reporting: AEP's 2018 EEI ESG Report
- AEP's CDP Survey Responses
- AEP's GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics



TRANSFORMING OUR GENERATION FLEET




As of September 30, 2018

Future includes IRP forecasted additions and retirements through 2030


Energy Efficiency / Demand Response represents avoided capacity rather than physical assets



PROJECTED RESOURCE ADDITIONS

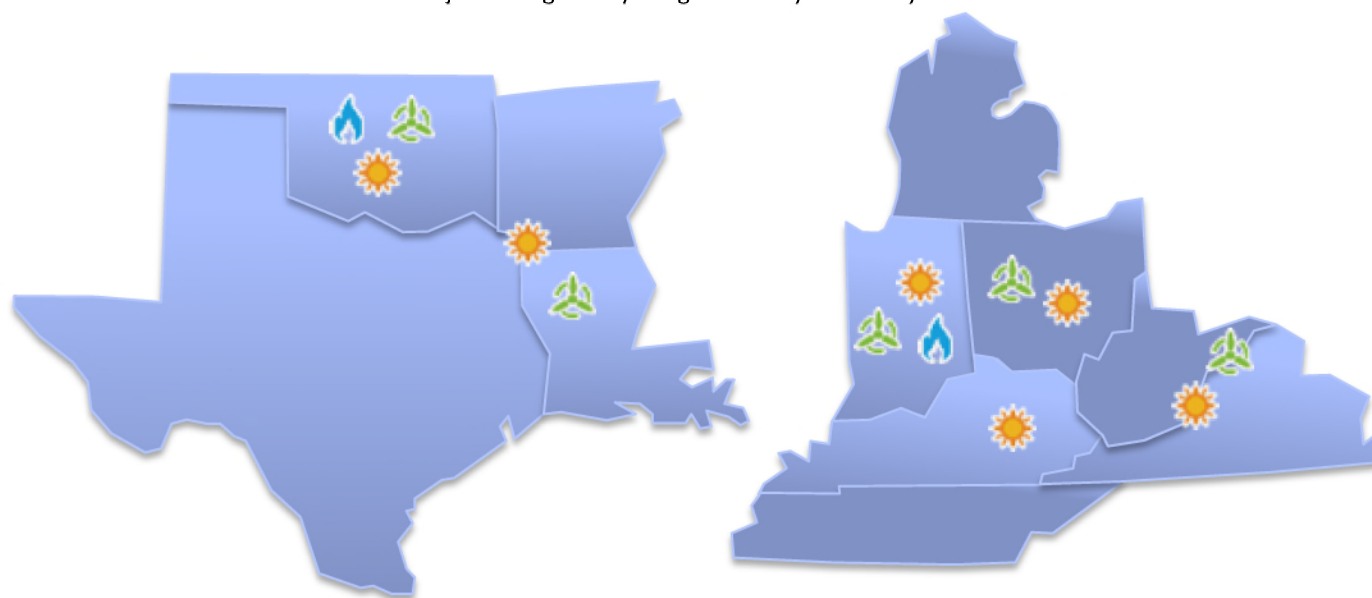
Solar Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
AEP Ohio	Up to 400 *	-	-
APCo	15	300	450
I&M	-	150	150
KPCo	30 *	20	40
PSO	Up to 310	550	450
SWEPCO	-	450	550
Totals	Up to 755	1,470	1,640

Wind Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
AEP Ohio	Up to 500*	-	-
APCo	-	300	-
I&M	-	600	450
KPCo	-	-	-
PSO	Up to 1,000 *	-	200
SWEPCO	Up to 1,200 *	200	-
Totals	Up to 2,700	1,100	650

Natural Gas Additions (MW) 			
Operating Co:	2021-2023	2024-2027	2028-2030
I&M	-	-	1,500
PSO	780 * ⁽¹⁾	370	-
Totals	780	370	1,500

⁽¹⁾ To replace expiring PPA









* Subject to regulatory filings currently underway



Total Projected Resource Additions (MW)	
Resource	2021-2030
Solar	Up to 3,865
Wind	Up to 4,450
Natural Gas	2,650
Totals	Up to 10,965



INTEGRATED RESOURCE PLAN STATUS

Draft IRPs Underway/Planned					
Previously Approved IRPs	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
 An AEP Company BOUNDLESS ENERGY™	 An AEP Company BOUNDLESS ENERGY™ 12/1/18 (AR)		 An AEP Company BOUNDLESS ENERGY™ 5/1/19 (VA)	 An AEP Company BOUNDLESS ENERGY™ 9/30/19 (LA)	 An AEP Company BOUNDLESS ENERGY™ 12/20/19
 An AEP Company BOUNDLESS ENERGY™	 An AEP Company BOUNDLESS ENERGY™ 12/21/18		 An AEP Company BOUNDLESS ENERGY™ May / June 2019		

Next IRP filing date for APCo (WV) is January 2021



COAL RETIREMENT PROGRESS AND PLANS

Operating Company	Plant	MW	Retirement Date
APCo	Glen Lyn 5	95	2015
	Glen Lyn 6	240	2015
	Clinch River 3	235	2015
	Sporn 1	150	2015
	Sporn 3	150	2015
	Kanawha River 1	200	2015
	Kanawha River 2	200	2015
	Total MW	1,270	
I&M	Tanners Creek 1-4	995	2015
	Total MW	995	
KPCo	Big Sandy 2	800	2015
	Total MW	800	
PSO	Northeastern 4	470	2016
	Oklaunion	105	Announced closure by 2020
	Total MW	575	
SWEPCO	Welsh 2	528	2016
	Total MW	528	
AEP Texas	Oklaunion	355	Announced closure by 2020
	Total MW	355	
Total Regulated Retirements		4,523	

Operating Company	Plant	MW	Retirement Date
AEP Generation Resources	Beckjord	53	2014
	Conesville 3	165	2012
	Muskingum River 1-5	1,440	2015
	Picway 5	100	2015
	Sporn 2,4	300	2015
	Sporn 5	450	2011
	Stuart 1-4 *	600	2018
	Kammer 1-3	630	2015
	Conesville 4	651	Announced closure in 2020
	Conesville 5 & 6	820	Announced closure in 2019 or 2020
	Total Competitive Retirements	5,209	
Total Regulated & Competitive		9,732	

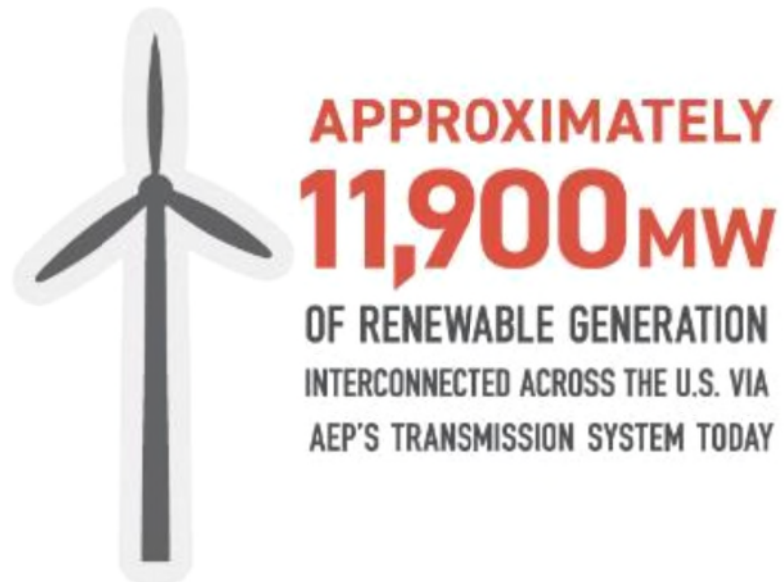
* Includes 150 MW of Stuart Unit
1 mothballed in October 2017



DELIVERING CLEAN ENERGY RESOURCES

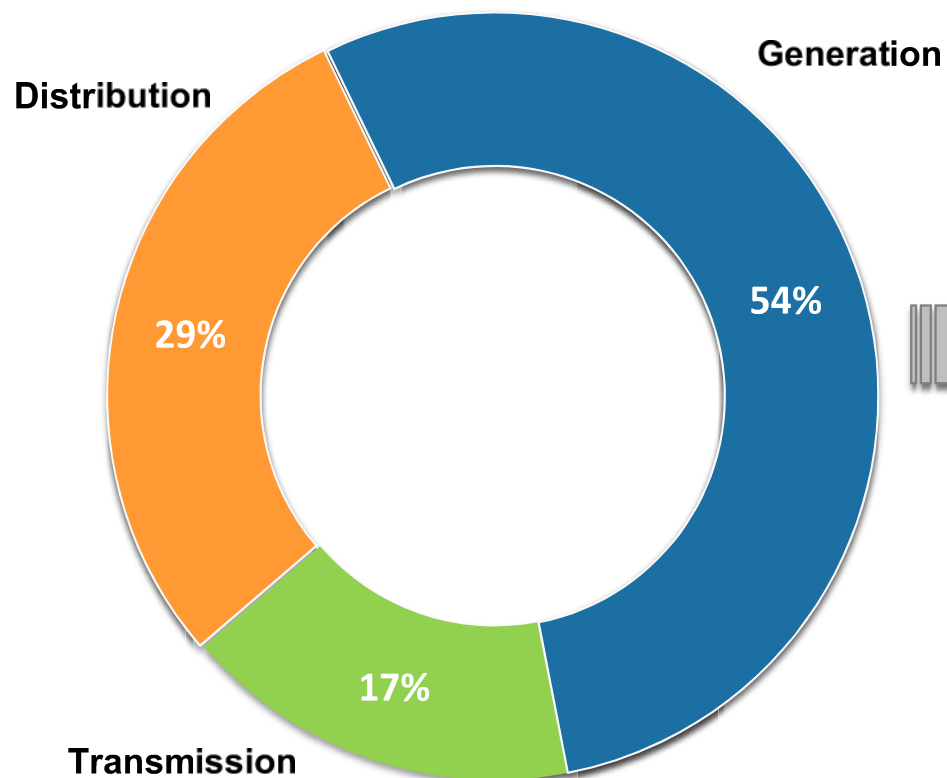
AEP's September 30, 2018 Renewable Portfolio, in MW

Hydro, Wind, Solar & Pumped Storage	Owned MW	PPA MW	Total MW
AEP Ohio		209	209
Appalachian Power Company	816	575	1,391
Indiana Michigan Power Company	36	450	486
Public Service of Oklahoma		1,137	1,137
Southwestern Electric Power Company		469	469
Competitive Wind, Solar & Hydro	473	175	648
Total	1,325	3,015	4,340

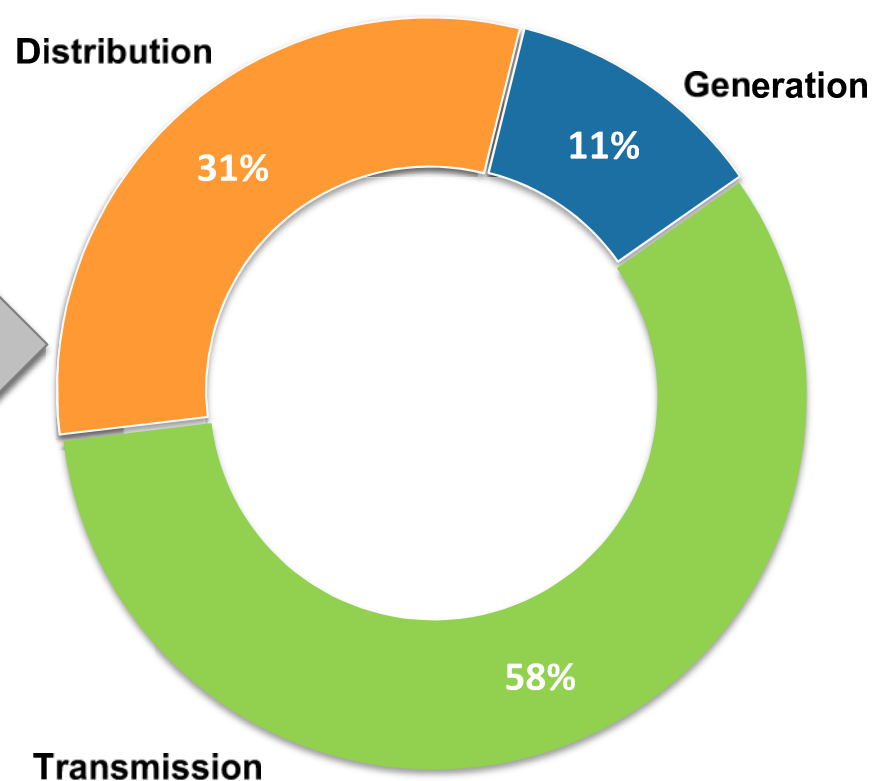


CAPITAL ALLOCATION SHIFTED TO WIRES FROM GENERATION

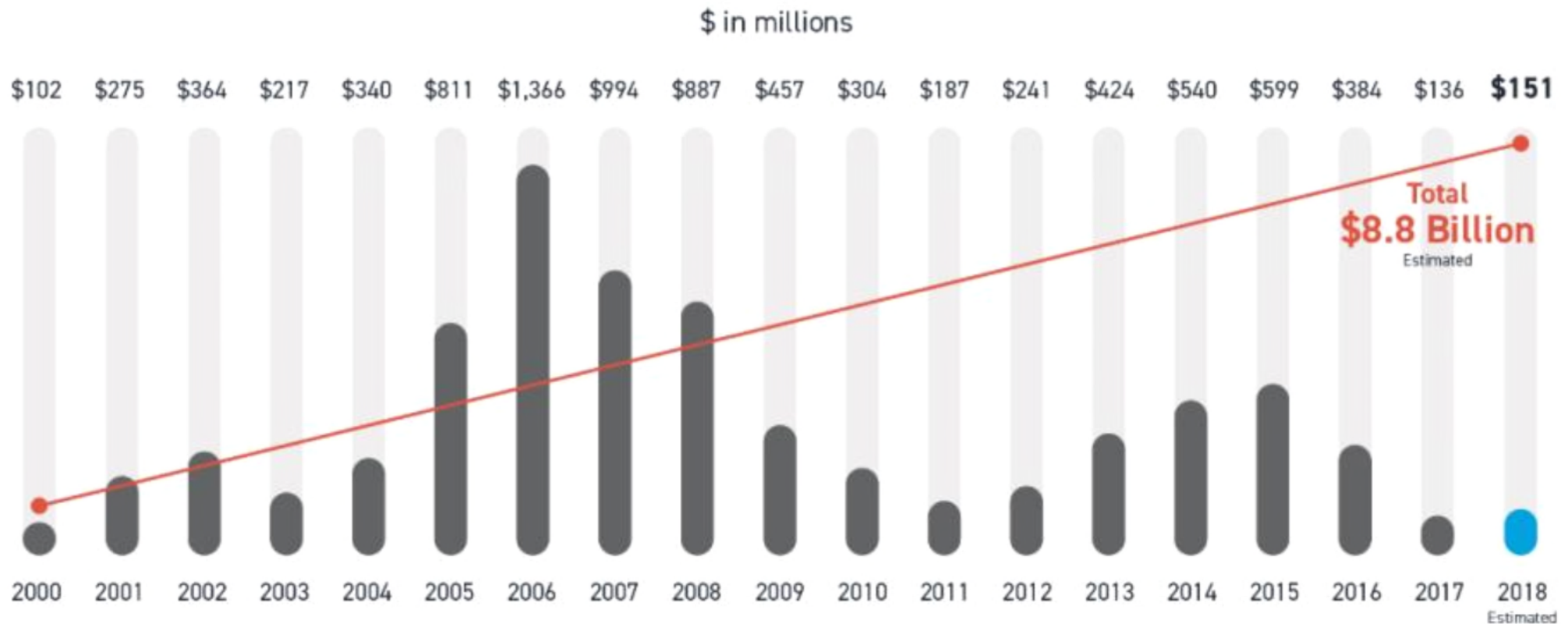
**2008
Capital**



**2018
2019-2023 Capital Forecast**

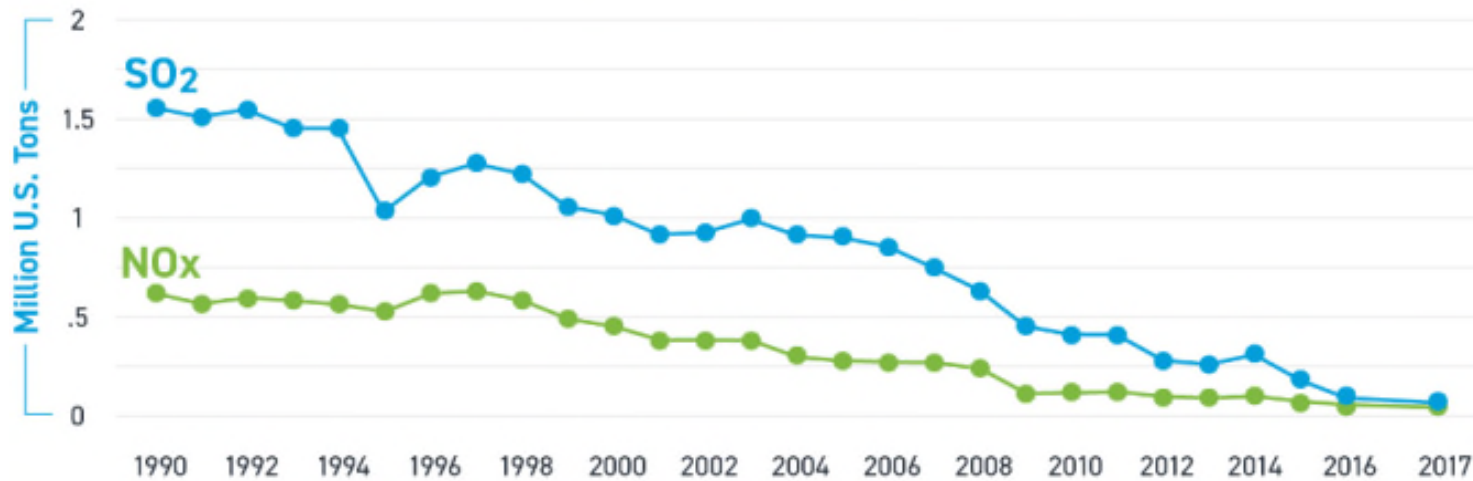


LARGEST INVESTMENT IN ENVIRONMENTAL CONTROLS



DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System NOx & SO₂ Emissions



1990-2017
ACTUAL

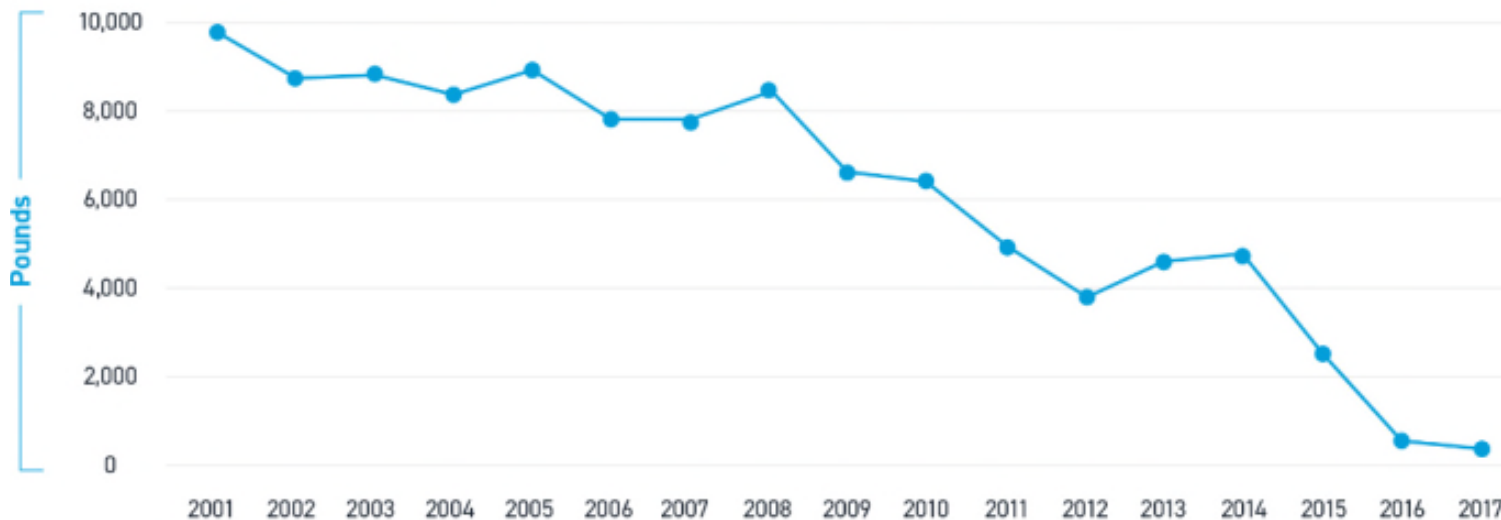
SO₂

95%

NO_x

92%

Total AEP System Mercury Emissions



2001-2017
ACTUAL

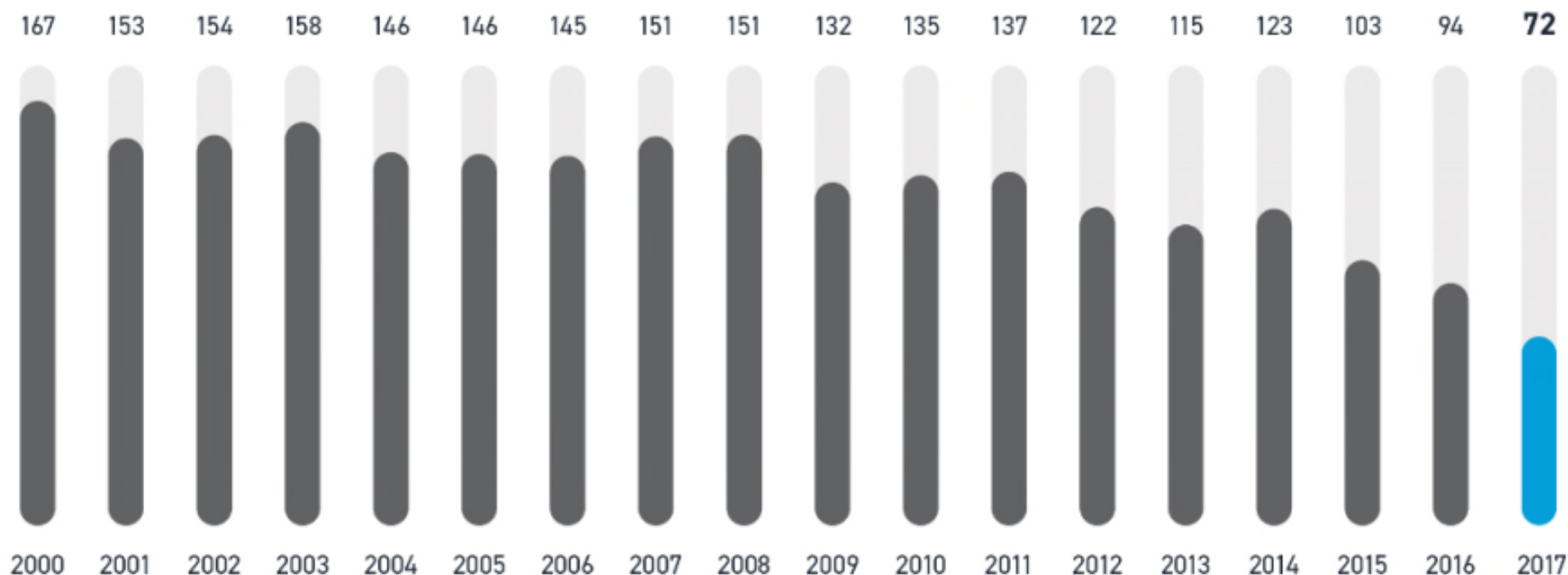
Hg

95%



DRAMATIC REDUCTIONS IN EMISSIONS

Total AEP System – Annual CO₂ Emissions
in million metric tons



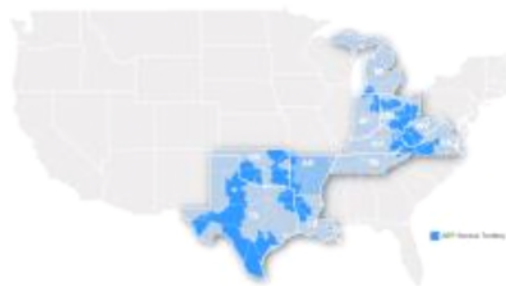
2000-2017
Actual
CO₂ 57%



A photograph of a man and two young boys sitting on a white wooden swing set. The man, in the center, is wearing a grey button-down shirt, khaki pants, and a black and white baseball cap. He has a beard and is smiling broadly. To his left is a young boy in a black t-shirt and dark shorts, also smiling. To his right is an older boy in a black t-shirt with a white Jordan logo and dark shorts, holding the swing chain and smiling. The background is a lush green forest. A semi-transparent blue banner with the text "CUSTOMER INITIATIVES" is overlaid across the bottom half of the image.

CUSTOMER INITIATIVES

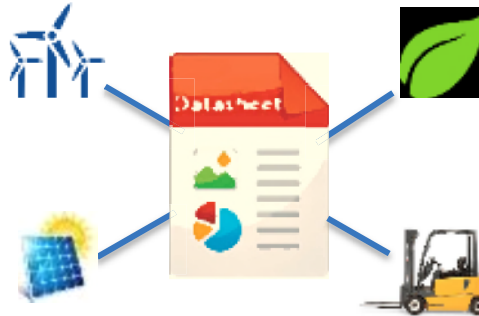
LOAD GROWTH INITIATIVES



Economic Development	Efficient Electrification	Electric Vehicles (EVs)
<p><u>Strategy:</u></p> <ul style="list-style-type: none"> Attract capital investment from new and existing customers to grow revenues, create jobs, and foster community development <p><u>Deliverable:</u></p> <ul style="list-style-type: none"> Identify, pursue, and support new capital investment projects through business attraction targeting Generate business development opportunities through national account relationships 	<p><u>Strategy:</u></p> <ul style="list-style-type: none"> Market electric technologies and solutions that reduce overall customer cost and energy consumption, lead to better productivity, improved safety and comfort, enhanced competitiveness, and greater overall sustainability <p><u>Deliverable:</u></p> <ul style="list-style-type: none"> Build technical capability of employees Educate customers and promote technologies that match their needs Set and achieve operating company load growth targets that increase revenue and customer satisfaction 	<p><u>Strategy:</u></p> <ul style="list-style-type: none"> Reduce total customer energy cost by expanding EV adoption in our service territory (load) and provide customer charging options that optimize the use of the system to benefit all customers (load management) <p><u>Deliverable:</u></p> <ul style="list-style-type: none"> Provide strategic support for infrastructure buildout, customer education and outreach Demonstrate viability by our own use while developing and generally supporting the reduction of friction of EV ownership



CUSTOMER-FOCUSED SOLUTIONS



Microgrid / Distributed Energy Resources

Strategy:

- Deploy solutions that meet customer and community desires for customized distributed energy solutions for resiliency, reliability, and/or economy

Deliverable:

- Seek utility-owned assets located on-site that benefit the customer. Focus on unique opportunities with the military, universities, commercial/industrial customers seeking distributed solutions for expanding their use of renewable energy and/or enhancing reliability and resiliency.

Commercial and Industrial Sustainability

Strategy:

- Seek solutions to our C&I customer's sustainability initiatives by more aggressively focusing on their respective carbon reduction and reporting goals

Deliverable:

- Share our vision and gain feedback on potential solutions. The solutions, including new and modified tariffs, will be designed to reduce customer friction and allow us to effectively compete in this area.
- Continuous engagement with customers to get feedback so solutions can be refined as circumstances and technology change

Home Energy Management

Strategy:

- Provide customers with relevant information and home energy solutions needed to understand and control energy consumption in a manner consistent with their lifestyle

Deliverable:

- Pursue as many pilots as feasible based on current cost recovery opportunities and resources (financial and people)

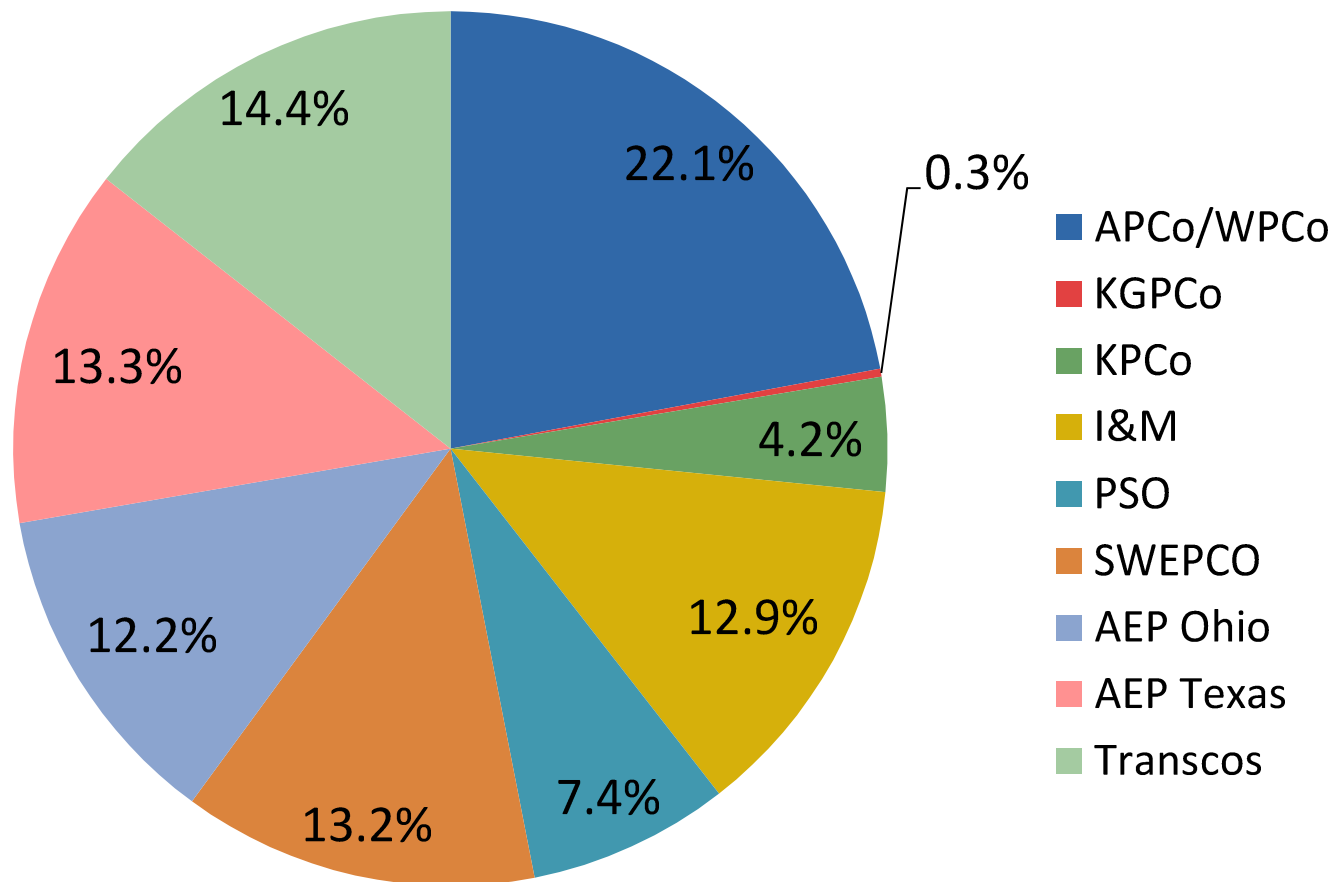




WELL-POSITIONED REGULATED BUSINESS

COMPOSITION OF RATE BASE BY OPERATING COMPANY

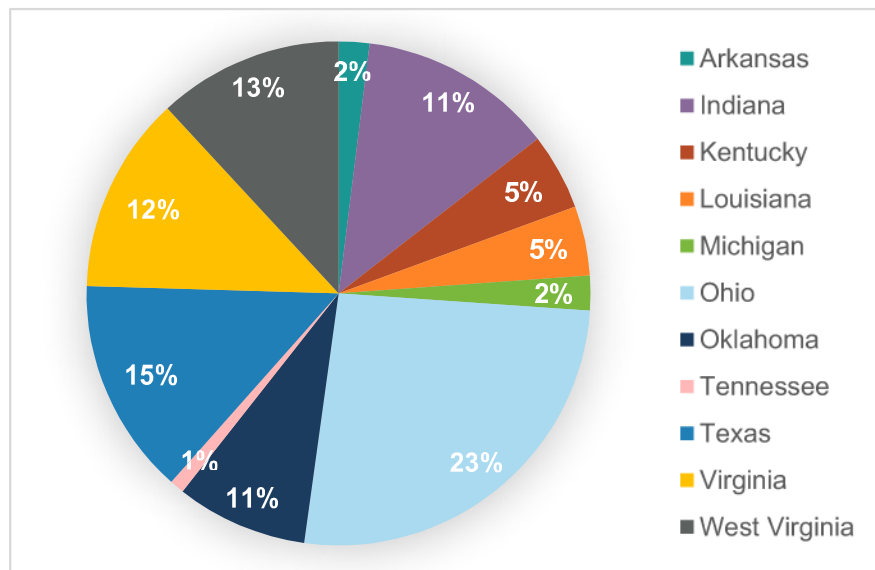
TOTAL 2017 RATE BASE OF \$38B



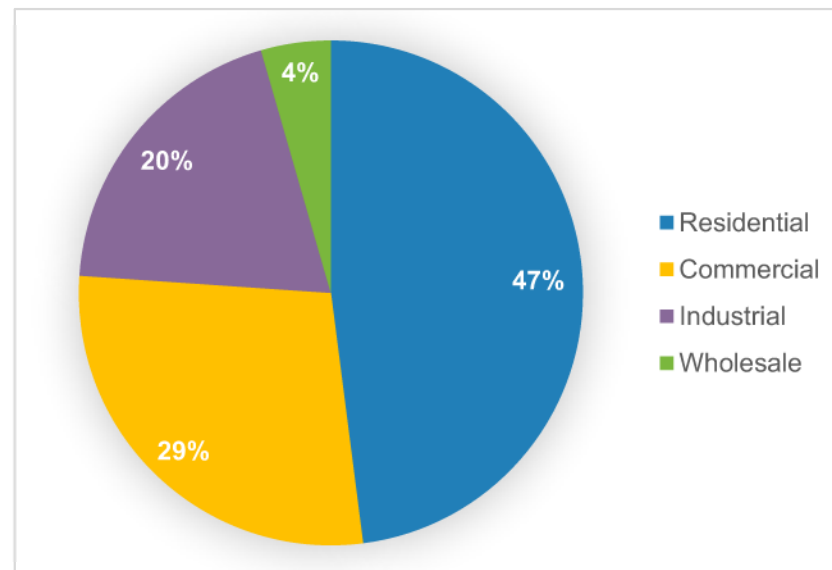
RETAIL REVENUE

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

Percentage of AEP System Retail Revenues



Percentage Composition by Customer Class



Top 10 Industrial Sectors Across the AEP System By NAICS Code	% of Total Industrial Sales
331 Primary Metal Manufacturing	15.5%
325 Chemical Manufacturing	13.5%
324 Petroleum and Coal Products Manufacturing	11.6%
486 Pipeline Transportation	8.1%
322 Paper Manufacturing	6.5%
211 Oil and Gas Extraction	5.7%
212 Mining (except Oil and Gas)	5.6%
326 Plastics and Rubber Products Manufacturing	5.4%
336 Transportation Equipment Manufacturing	4.4%
311 Food Manufacturing	4.4%



CAPITAL FORECAST 2019 - 2023 BY SUBSIDIARY

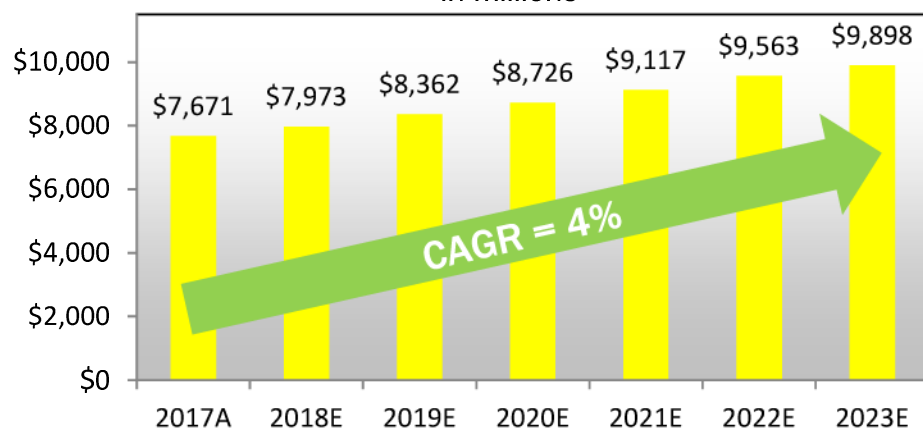
\$ in millions (excluding AFUDC)	2019E	2020E	2021E	2022E	2023E	Total
Appalachian Power Company	\$821	\$786	\$847	\$939	\$875	\$4,267
Wheeling Power Company	\$42	\$43	\$52	\$56	\$33	\$226
Kingsport Power Company	\$17	\$15	\$21	\$19	\$25	\$97
Indiana Michigan Power Company	\$647	\$609	\$611	\$519	\$506	\$2,892
Kentucky Power Company	\$220	\$229	\$227	\$228	\$226	\$1,130
Ohio Power Company	\$720	\$554	\$600	\$640	\$694	\$3,208
Public Service Company of Oklahoma	\$339	\$365	\$338	\$487	\$450	\$1,978
Southwestern Electric Power Company	\$421	\$473	\$523	\$587	\$675	\$2,679
AEP Texas Company	\$1,271	\$1,031	\$1,069	\$1,146	\$1,245	\$5,763
AEP Generating Company	\$72	\$40	\$29	\$24	\$10	\$175
AEP Transmission Holdco	\$1,590	\$1,536	\$1,578	\$1,719	\$1,829	\$8,252
Generation and Marketing	\$332	\$389	\$444	\$494	\$543	\$2,202
Other	\$10	\$6	\$6	\$6	\$4	\$32
Total Capital and Equity Contributions	\$6,500	\$6,077	\$6,345	\$6,865	\$7,115	\$32,902

Capital plans are continuously optimized which may result in redeployment between functions and companies. Table may not foot due to rounding.

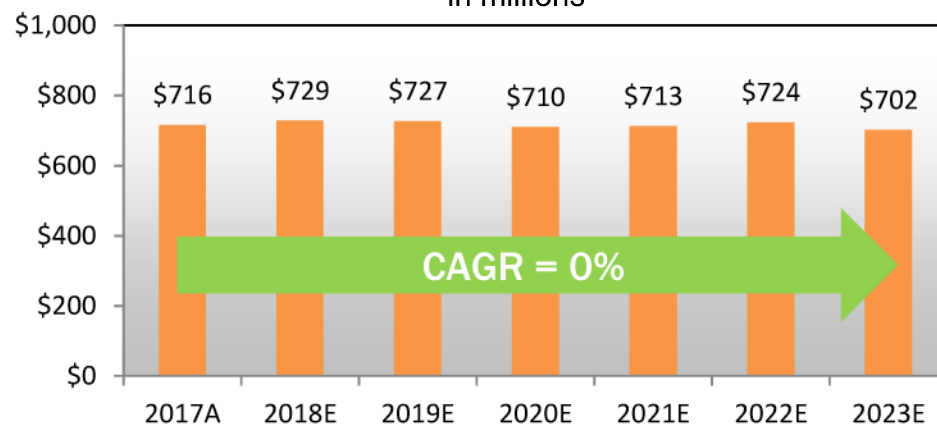


APPALACHIAN POWER & WHEELING POWER RATE BASE, SALES & CAP-EX

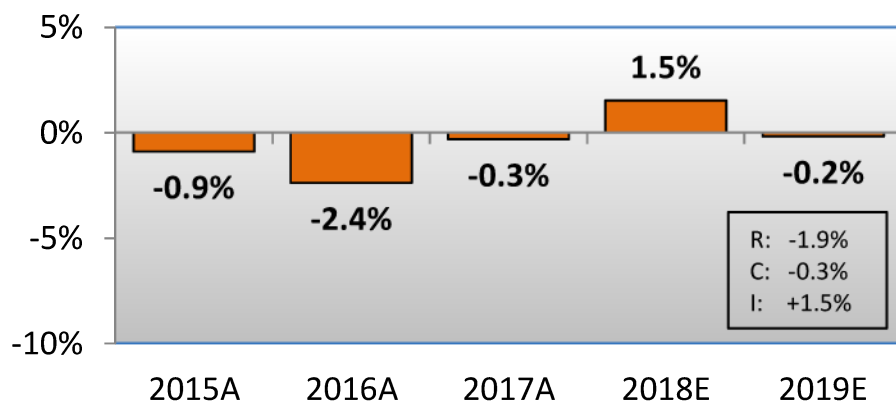
APCo Projected Rate Base Proxy
in millions



WPCo Projected Rate Base Proxy
in millions

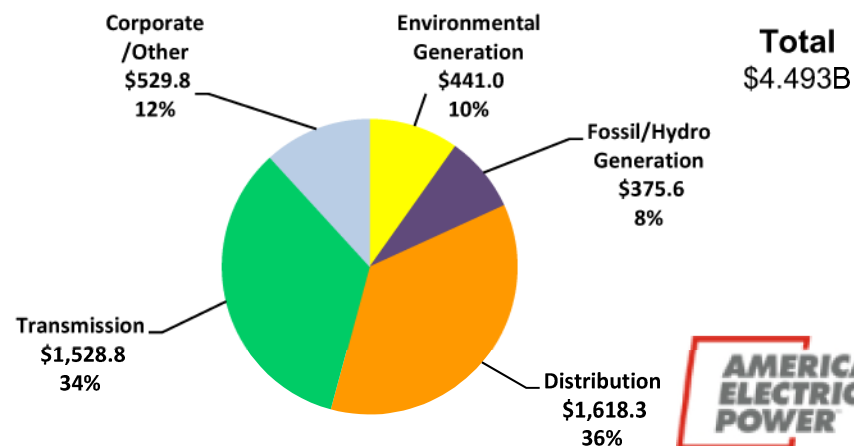


APCo/WPCo Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

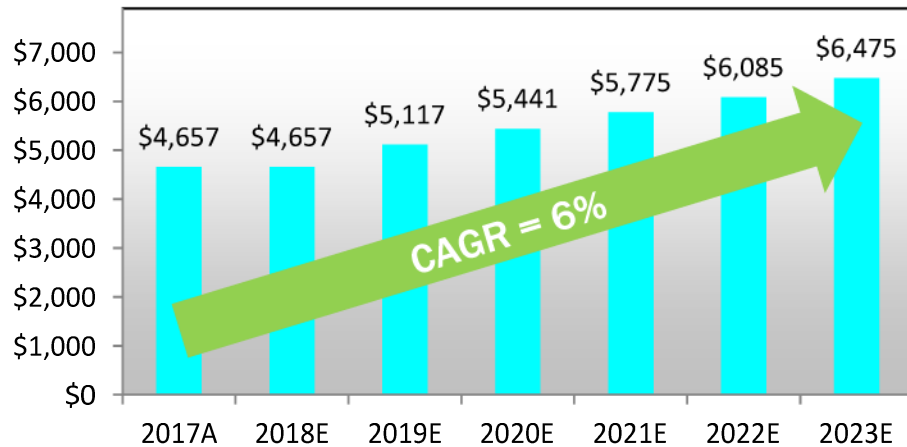
APCo/WPCo 2019-2023 Capital by Function
in millions, excluding AFUDC



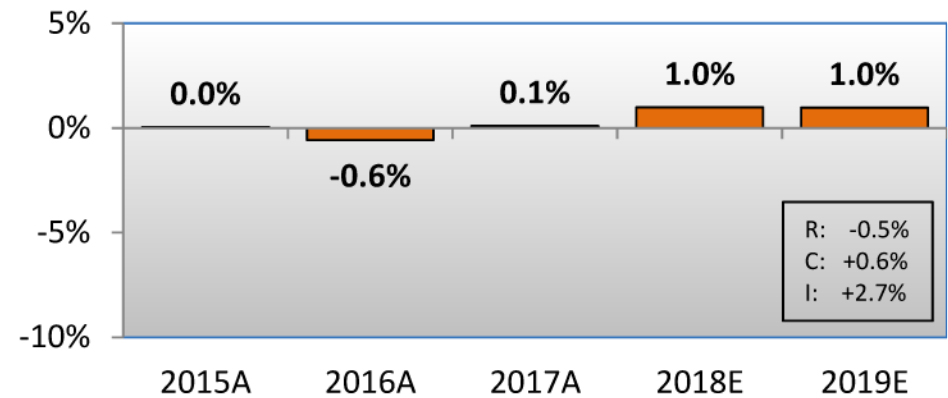
AEP OHIO

RATE BASE, SALES & CAP-EX

AEP Ohio Projected Rate Base Proxy
in millions

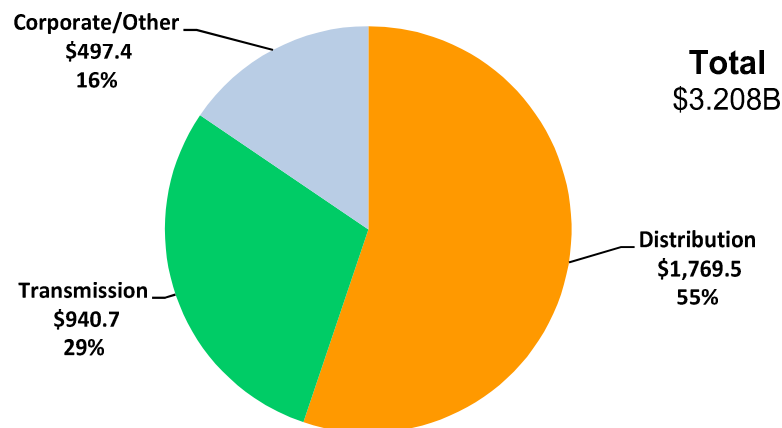


AEP Ohio Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

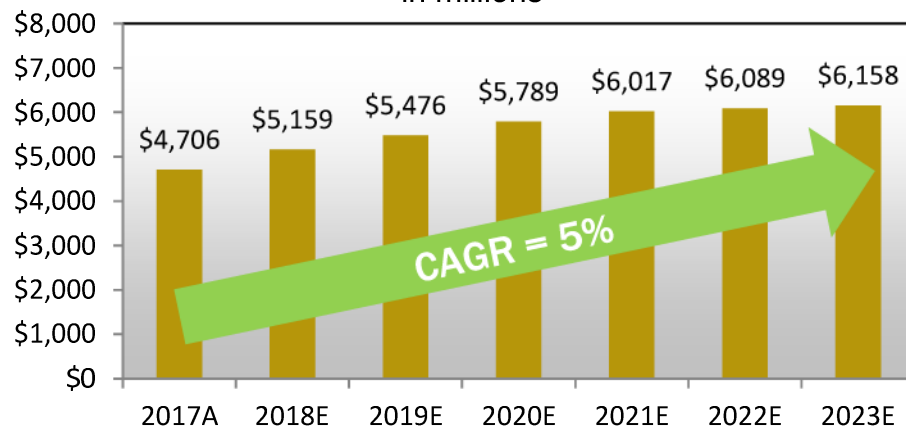
AEP Ohio 2019-2023
Capital by Function
in millions, excluding AFUDC



INDIANA MICHIGAN POWER RATE BASE, SALES & CAP-EX

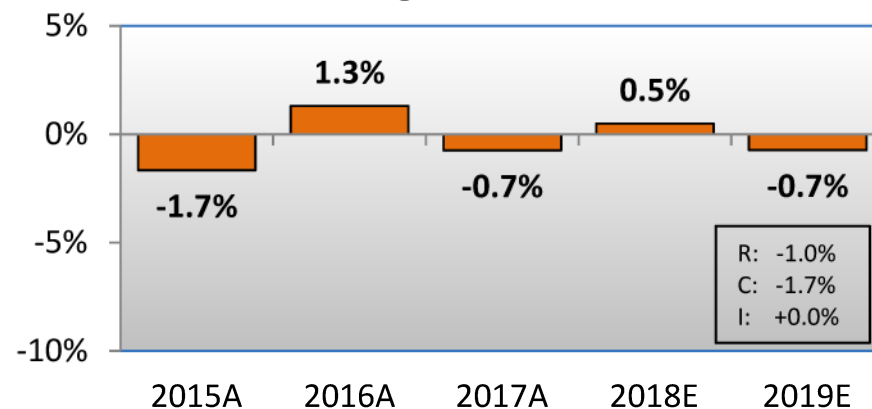
I&M Projected Rate Base Proxy

in millions



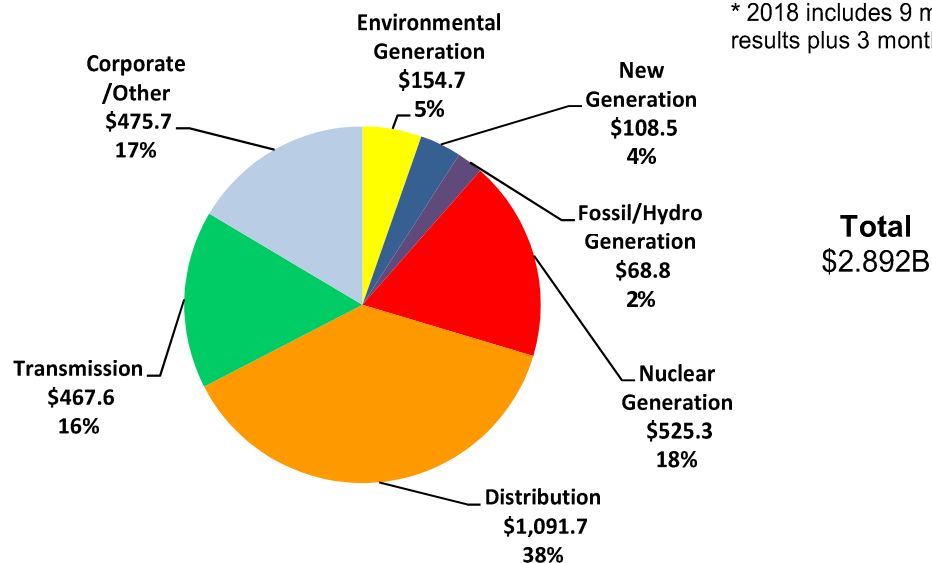
I&M Normalized GWh Sales

% Change vs. Prior Year



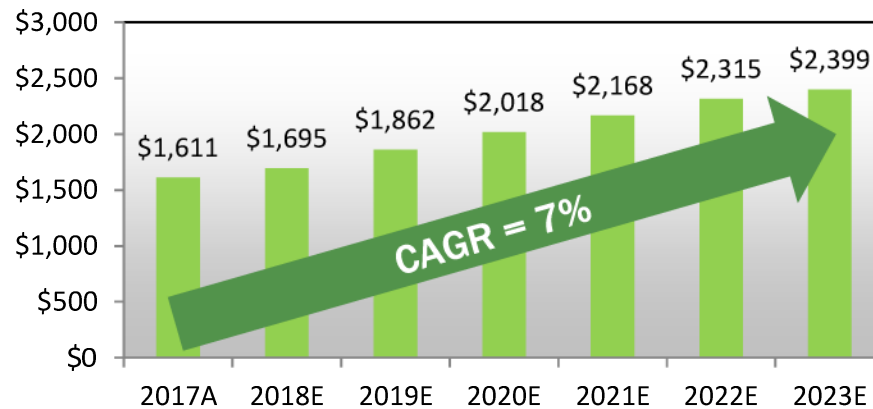
**I&M 2019-2023 Capital
by Function**

in millions, excluding AFUDC

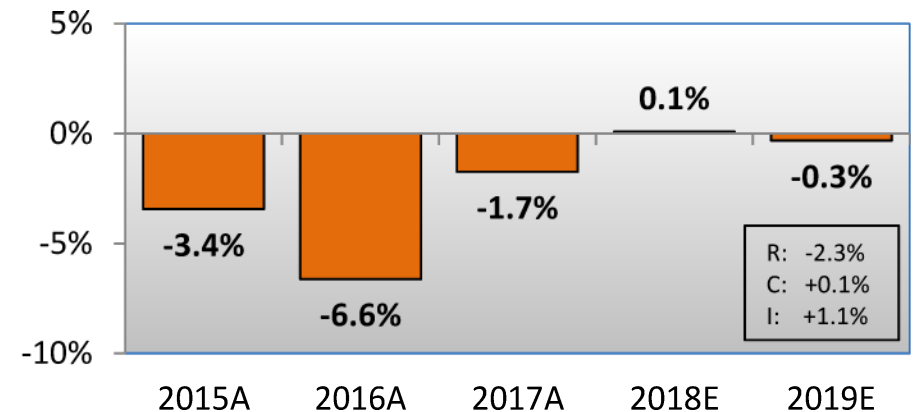


KENTUCKY POWER RATE BASE, SALES & CAP-EX

KPCo Projected Rate Base Proxy
in millions

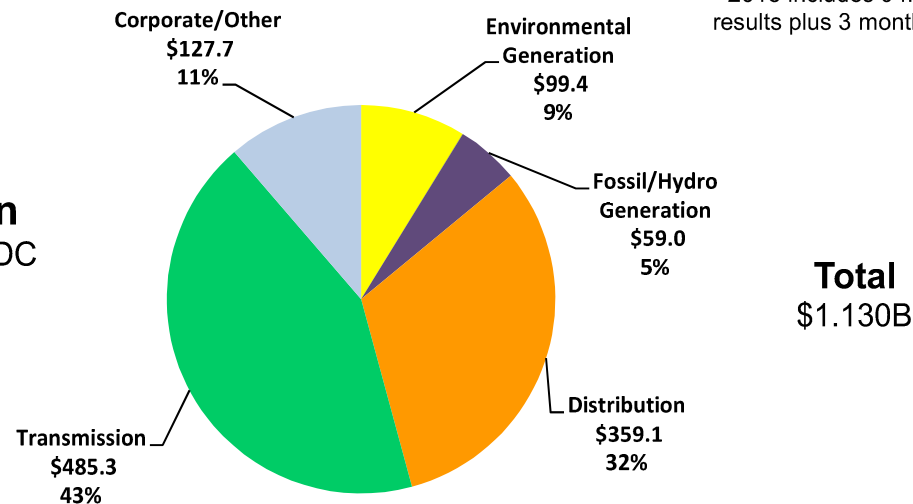


KPCo Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

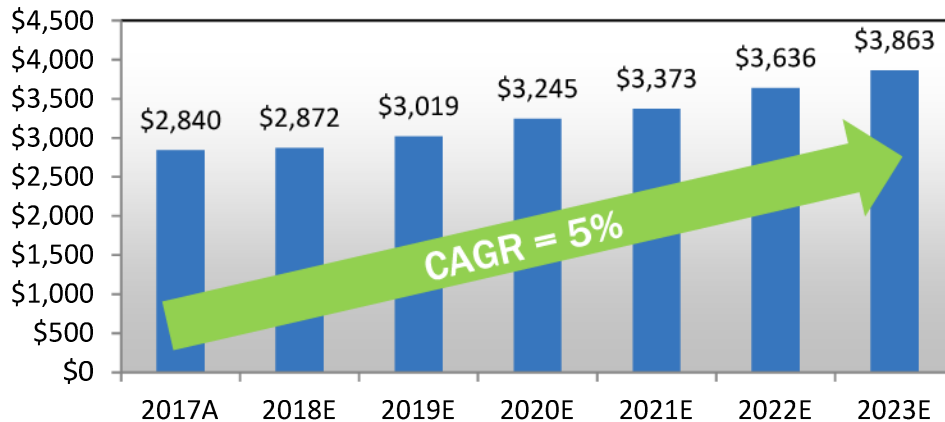
**KPCo 2019-2023
Capital by Function**
in millions, excluding AFUDC



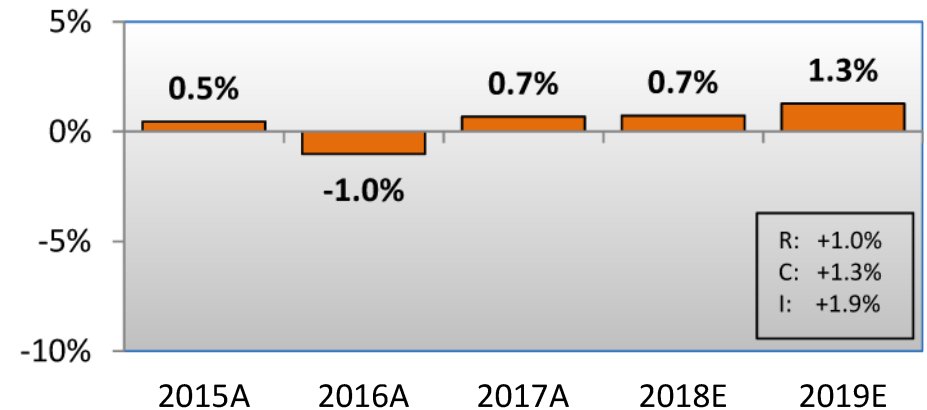
PUBLIC SERVICE COMPANY OF OKLAHOMA

RATE BASE, SALES & CAP-EX

PSO Projected Rate Base Proxy
in millions

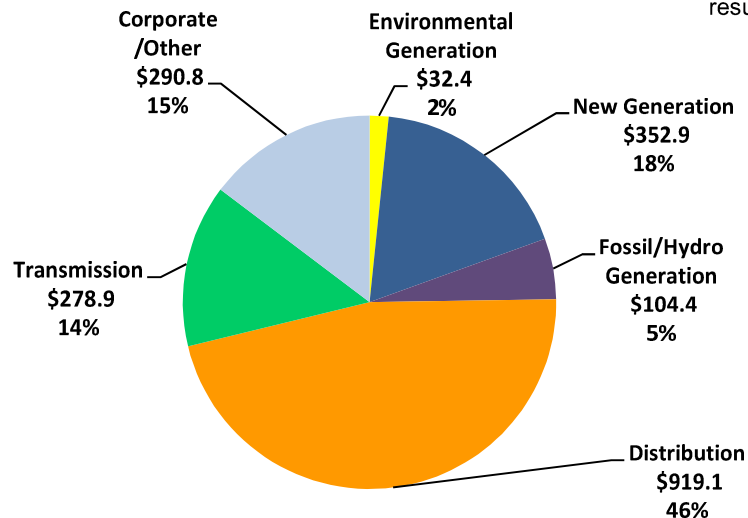


PSO Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

PSO 2019-2023 Capital by Function
in millions, excluding AFUDC



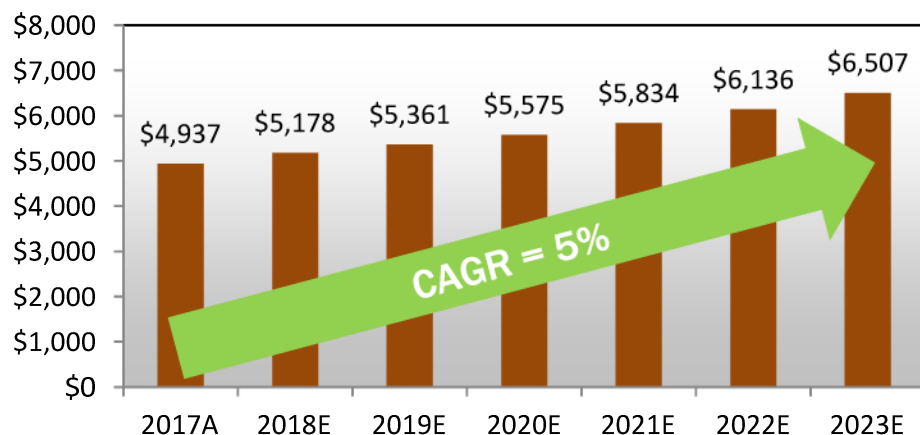
Total
\$1.978B



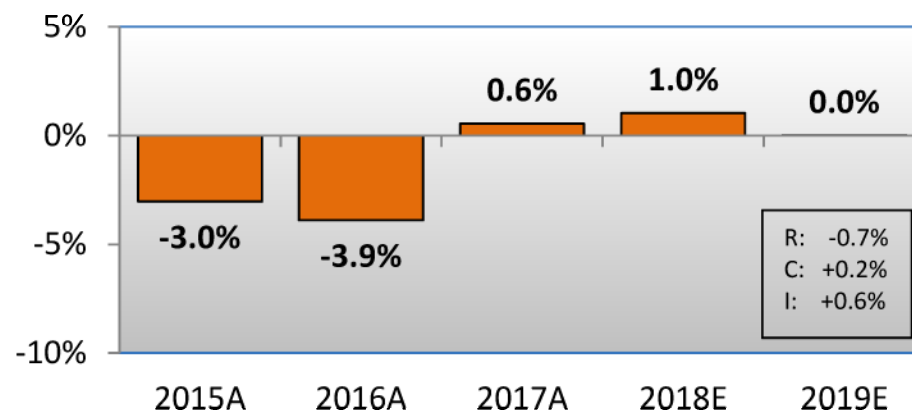
SOUTHWESTERN ELECTRIC POWER COMPANY

RATE BASE, SALES & CAP-EX

SWEPCO Projected Rate Base Proxy
in millions

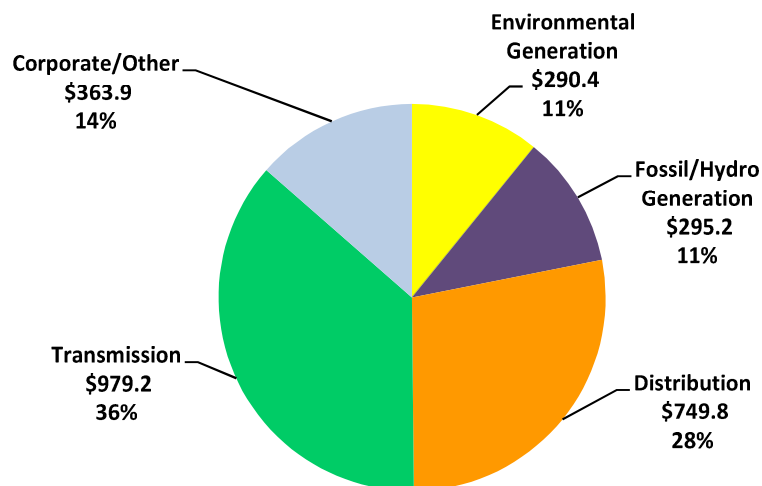


SWEPCO Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

SWEPCO 2019-2023
Capital by Function
in millions, excluding AFUDC



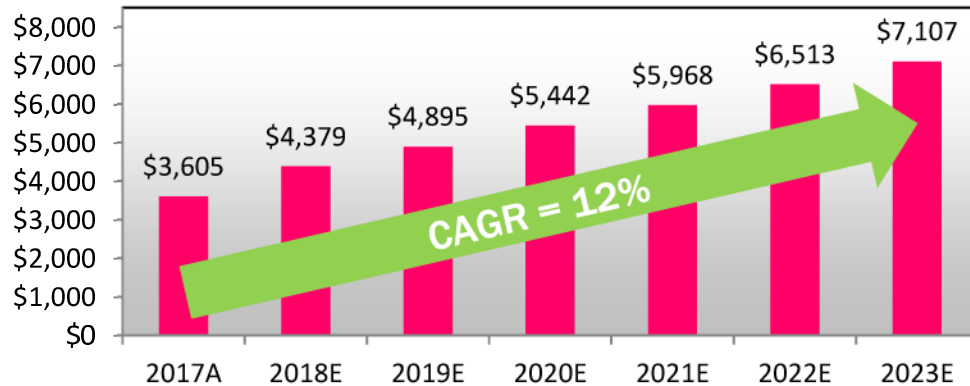
Total
\$2.679B



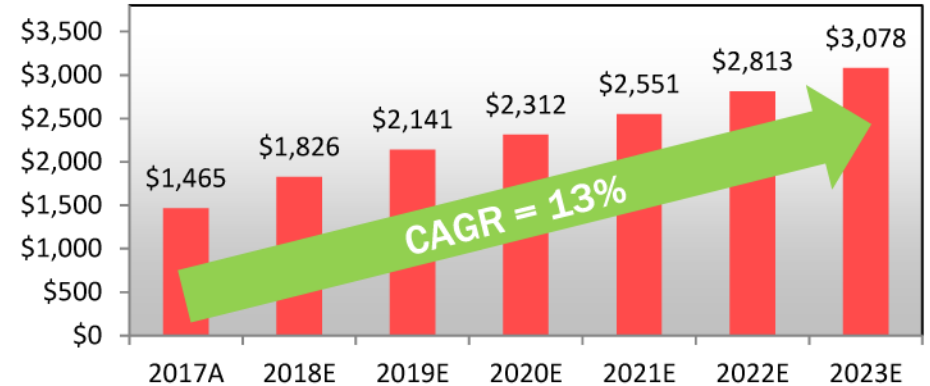
AEP TEXAS

RATE BASE, SALES & CAP-EX

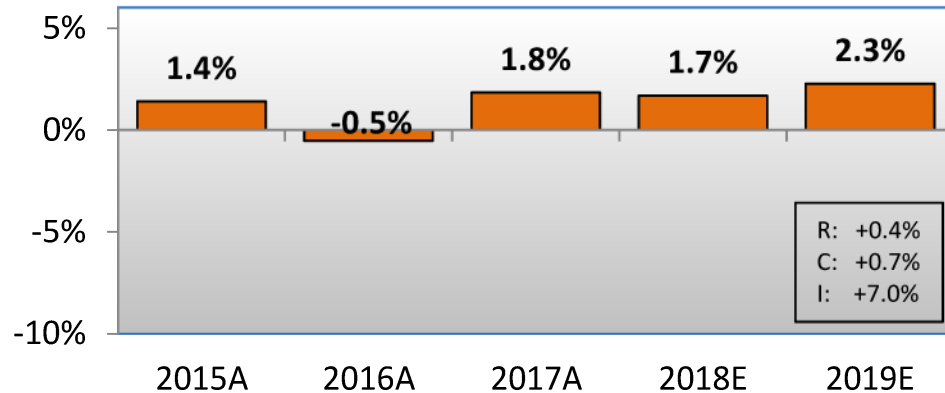
Texas Central Company Projected Rate Base Proxy
in millions



Texas North Company Projected Rate Base Proxy
in millions

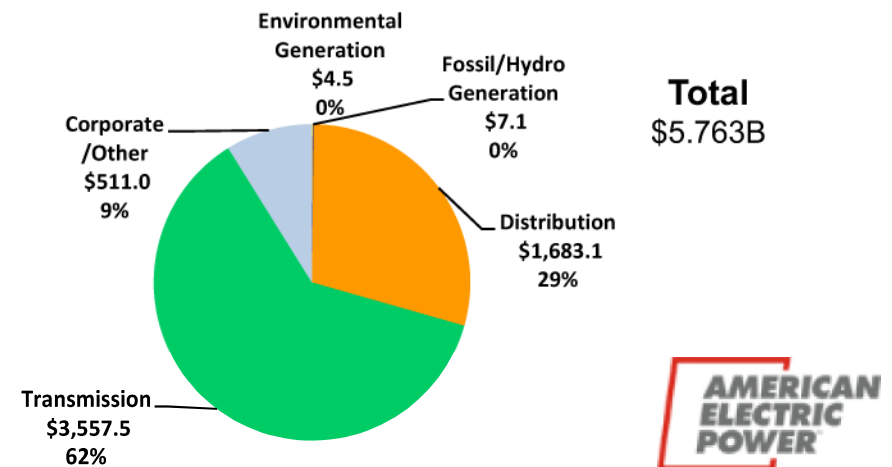


AEP Texas Normalized GWh Sales
% Change vs. Prior Year



* 2018 includes 9 months weather normalized actual results plus 3 months forecast

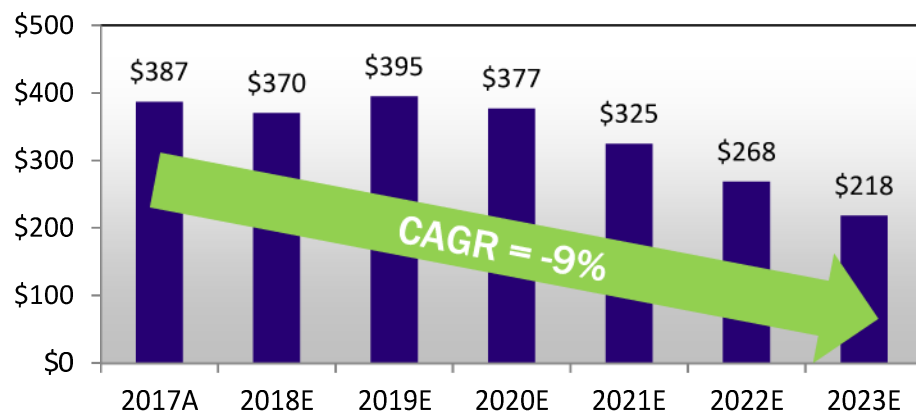
AEP Texas 2019-2023 Capital by Function
in millions, excluding AFUDC



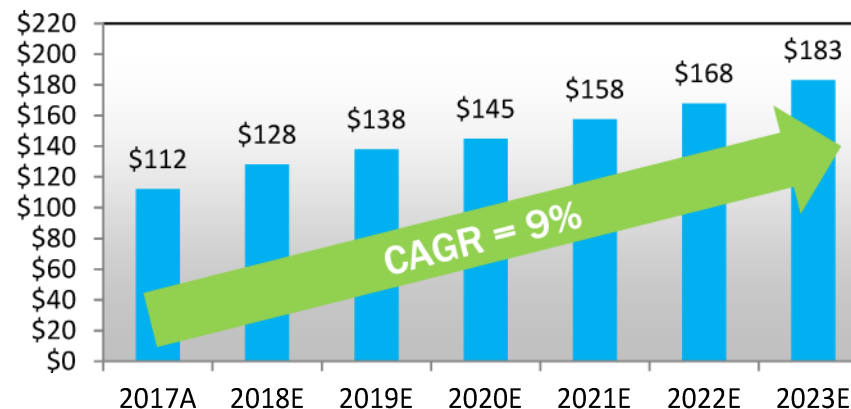
OTHER UTILITY SUBSIDIARIES

RATE BASE & CAP-EX

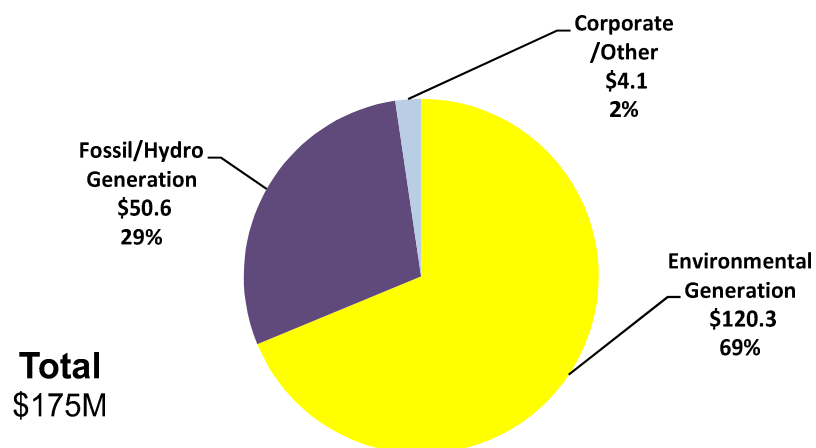
AEP Generating Projected Rate Base Proxy
in millions



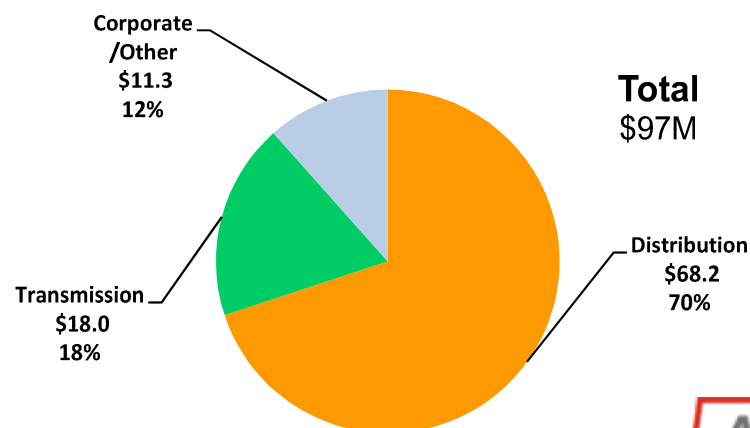
Kingsport Projected Rate Base Proxy
in millions



AEP Generating 2019-2023 Capital by Function
in millions, excluding AFUDC



Kingsport 2019-2023 Capital by Function
in millions, excluding AFUDC



CERTIFICATE OF SERVICE

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing *Direct Testimony of Kevin M. Murray on Behalf of Industrial Energy Users-Ohio* was sent by, or on behalf of, the undersigned counsel for IEU-Ohio to the following parties of record this 2nd day of January 2019, via electronic transmission.

/s/ Frank P. Darr

Frank P. Darr

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