AMERICAN ELECTRIC POWER

Ohio and I&M Transcos Minority Interest Acquisition

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“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

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materialize at the level anticipated, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material, shifting demand for electricity, the impact of extreme weather conditions, natural disasters and catastrophic events such as storms, drought conditions and wildfires that pose significant risks including potential litigation and the inability to recover significant damages and restoration costs incurred, limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations, the cost of fuel and its transportation, the creditworthiness and performance of parties who supply and transport fuel and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire generation (including from renewable sources), transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) to meet the demand for electricity at acceptable prices and terms, including favorable tax treatment, cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for generation projects, and to recover all related costs, the disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers caused by pandemics, natural disasters or other events, new legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation or regulatory proceedings or investigation, the ability to efficiently manage operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including evolving expectations related to environmental, social and governance concerns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, cybersecurity threats, labor strikes impacting material supply chains, global information technology disruptions and other catastrophic events, the ability to attract and retain requisite work force and key personnel.

Ohio and I&M Transcos Minority Interest Acquisition Summary

Transaction Description	• A 50%/50% consortium of KKR and PSP signed an agreement to acquire 19.9% non-controlling equity interest in Ohio and I&M Transcos for $2.82B • Represents approximately 5% of AEP's total transmission rate base • KKR/PSP partnership is committed to funding its pro-rata share of ongoing capital requirements
Investment and Implied Valuation	• Attractive valuation at 30.3x[1] LTM P/E and 2.3x transaction rate base as of 9/30/2024 • Equivalent of issuing AEP common shares at approximately $170/share
Financial Impact and Use of Proceeds	• $2.8B net cash proceeds will be utilized to support AEP's $54B five-year capital plan, strengthen the balance sheet and eliminate a significant portion of forecasted equity needs through 2029 • Upon closing, 2025-2029 average earnings accretion is expected to be 1.7% (approximately $0.11-$0.12 per share) • Near-term FFO/Debt improves 40-60 bps once transaction completes
Transaction Timing	• Expected to close in second half of 2025 • Subject to FERC approval and federal clearance pursuant to the Committee on Foreign Investment in the United States

[1] Valuation at 33.9x LTM P/E on a GAAP basis.

Maintaining a Strong Balance Sheet Through Strategic Financing

Targeted FFO/Debt is 14%-15%

[1] Subject to approval by the Board of Directors. The stated target payout ratio range is 55%-65% of operating earnings.

[2] Could include equity-like instruments.

Actual cash flows will vary by company and jurisdiction based on regulatory outcomes.

FINANCING PLAN

$ in millions	2025E-2029E
Cash from Operations	$41,500
Plus: Net Cash Proceeds from Minority Interest Acquisition	$2,800
Less: Capital Investments	(54,400)
Less: Dividends[1]	(11,050)
Less: Other Investing Activities	(2,300)
Required Capital Market Needs	**$ (23,450)**
Less: Securitization Amortization	(500)
Plus: Equity Issuances – Includes DRP	2,550
Debt Capital Markets Needs (New)[2]	**$ (21,400)**
Debt Maturities	(11,000)
Total Debt Capital Market Needs	**$ (32,400)**

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