



2nd Quarter 2020
Earnings Release Presentation
August 6, 2020

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in economic conditions, electric market demand and demographic patterns in AEP service territories, The impact of pandemics, including COVID-19, and any associated disruption of AEP’s business operations due to impacts on economic or market conditions, electricity usage, employees, customers, service providers, vendors and suppliers, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt, the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs, the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including coal ash and nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation, the ability to constrain operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.

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AEP reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). AEP supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including operating earnings (non-GAAP) and FFO to Total Debt. Operating earnings (non-GAAP) excludes certain gains and losses and other specified items, including mark-to-market adjustments from commodity hedging activities and other items as set forth in the reconciliation in the Appendix. FFO to Total Debt is adjusted for the effects of securitization, spent nuclear fuel trust, capital and operating leases, pension, capitalized interest and changes in working capital. Operating earnings could differ from GAAP earnings for matters such as impairments, divestitures, or changes in accounting principles. AEP management is not able to forecast if any of these items will occur or any amounts that may be reported for future periods. Therefore, AEP is not able to provide a corresponding GAAP equivalent for earnings guidance. Reflecting special items recorded through the second quarter of 2020, the estimated earnings per share on a GAAP basis would be \$4.20 to \$4.40 per share.

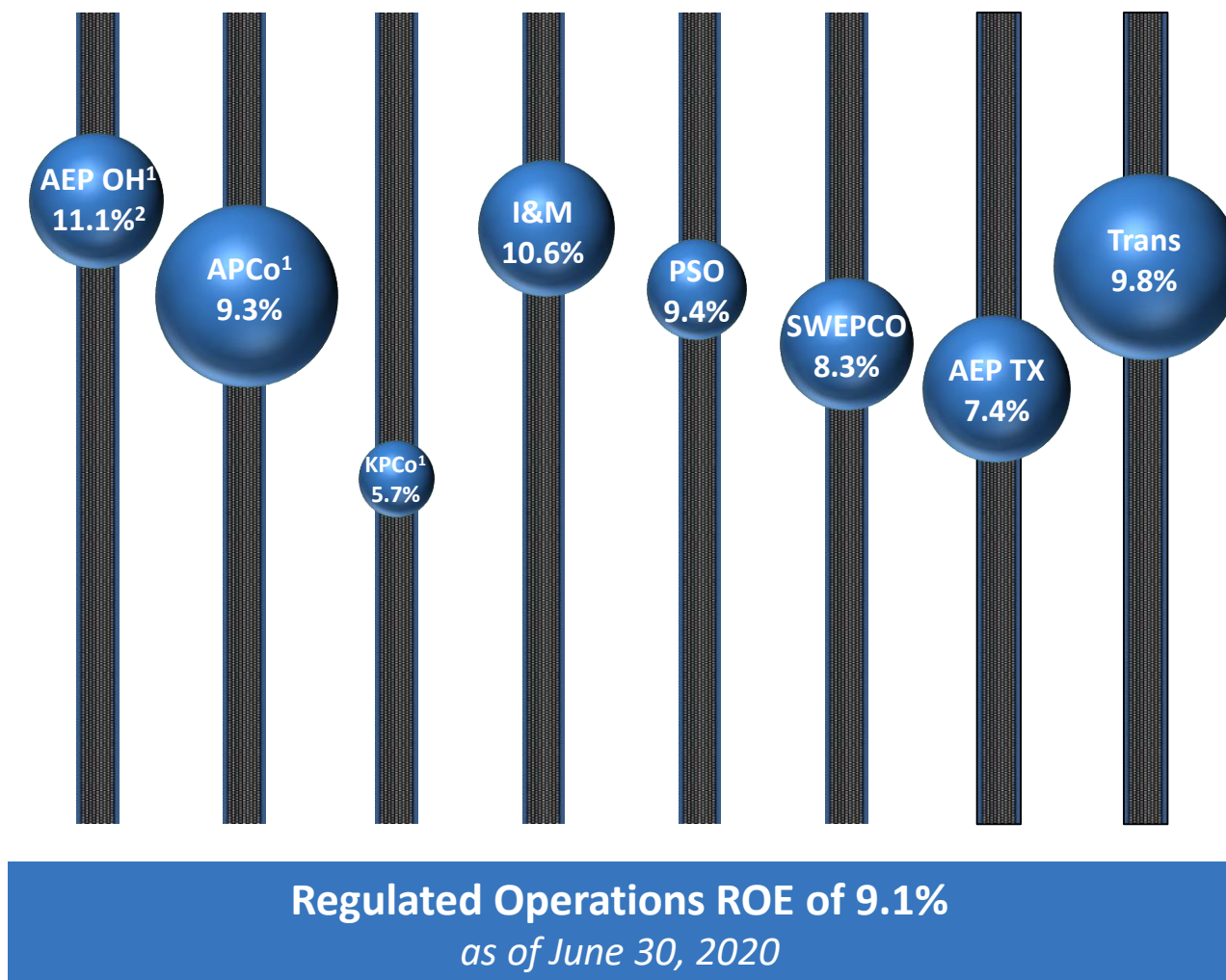
This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of AEP's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations. AEP has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and supplemental schedules to this presentation.

- Reaffirm 2020 operating earnings guidance range of \$4.25-\$4.45
- Reaffirm 5%-7% long-term growth rate
- COVID-19 updates
- Culture/diversity and inclusion efforts
- HB6 implications/clean energy future
- Move forward with North Central Wind
- Current rate case activity includes:
 - AEP Ohio
 - APCo-Virginia
 - KPCo

Regulated Returns

Twelve Months Ended 6/30/2020 Earned ROE's (non-GAAP operating earnings, not weather normalized)



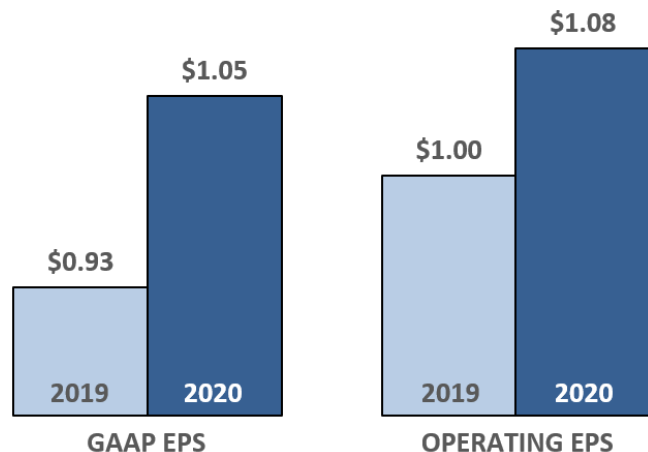
¹ Base rate cases pending | ² AEP Ohio ROE at end of year expected to be in the 10% range

Sphere size based on each company's relative equity balance

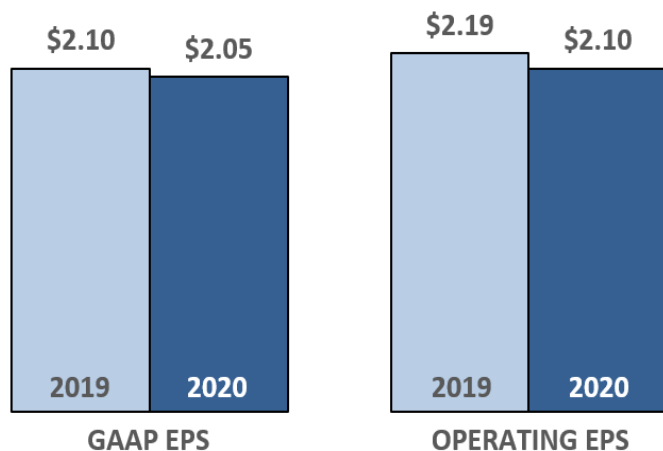
2nd Quarter 2020 Financial Update



2nd Quarter 2020



YTD 2020



Note: Quarterly EPS is a stand alone amount and not always additive to full year amount due to rounding

Refer to Appendix for reconciliation between GAAP and Operating EPS

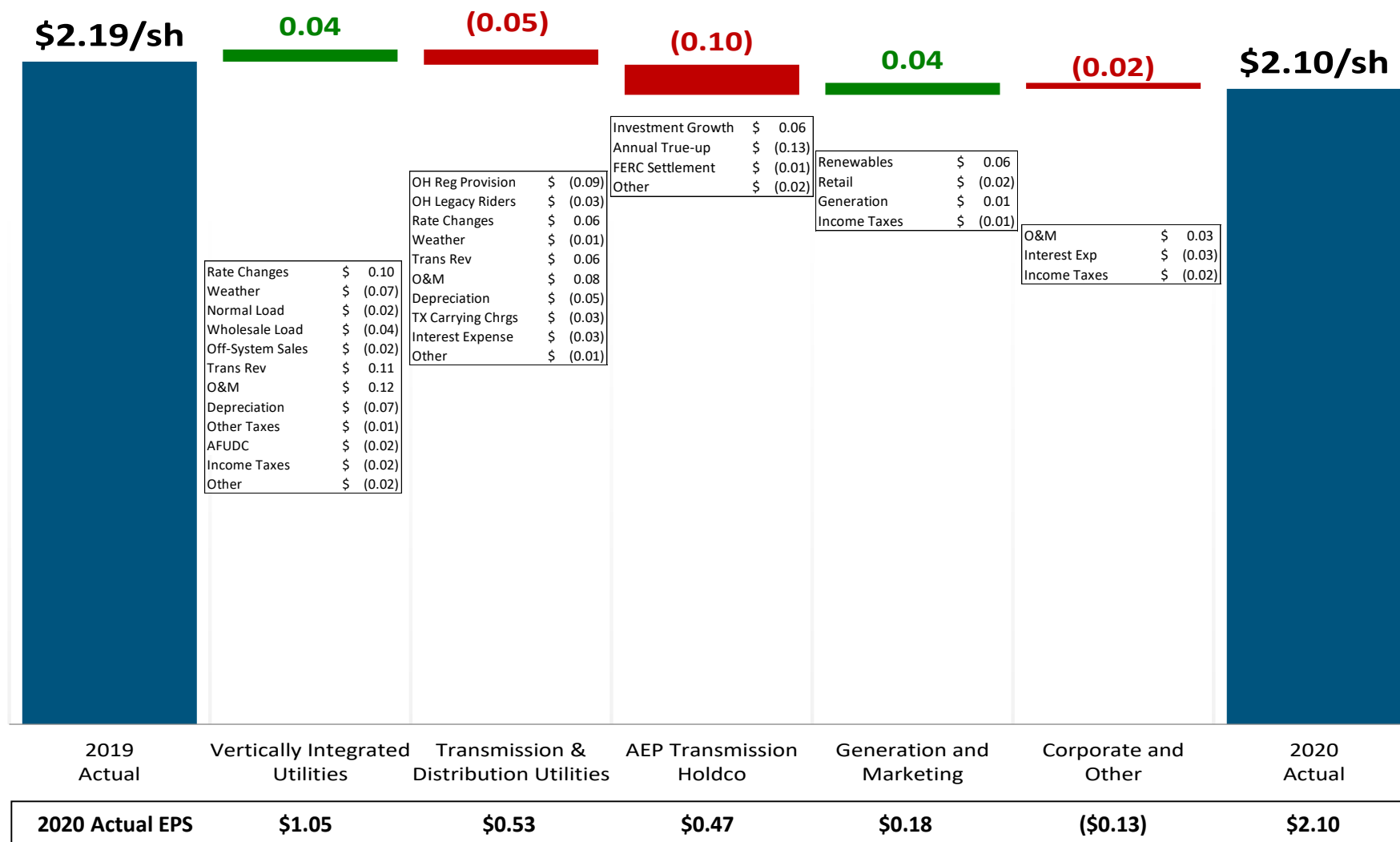
Financial Update

- ✓ Delivered GAAP earnings of \$1.05 per share or \$521M for the second quarter of 2020
- ✓ Delivered operating earnings of \$1.08 per share or \$534M for the second quarter of 2020
- ✓ Delivered GAAP earnings of \$2.05 per share or \$1.0B for YTD June 2020
- ✓ Delivered operating earnings of \$2.10 per share or \$1.0B for YTD June 2020

**AMERICAN
ELECTRIC
POWER**



YTD Operating Earnings Segment Detail



Refer to Appendix for additional explanation of variances by segment

2020 Earnings Guidance Range

\$4.25 - \$4.45

	2020 Guidance		Commentary
	EEI	Revised	
Retail Sales Growth	0.5%	(3.4%)	• Load forecast on track with Q1 2020 revised estimate
YTD 2020 Weather (vs. normal)	-	(\$30M) ¹	• Slight improvement in Q2 2020 • Expect favorable weather in July
Untracked O&M	\$2.8B	\$2.7B	• On track to deliver lower O&M
Capital Expenditures	\$6.3B	\$5.9B	• Reinstate \$100M of previously deferred 2020 capital • Monitor Q3 2020 cash flows

¹ Includes early estimate of July weather

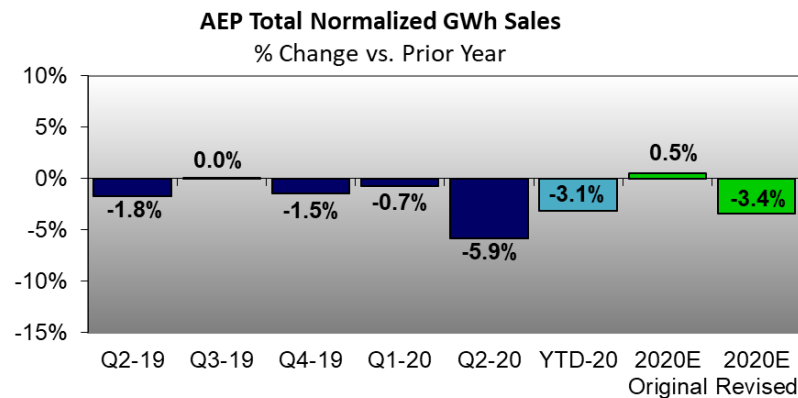
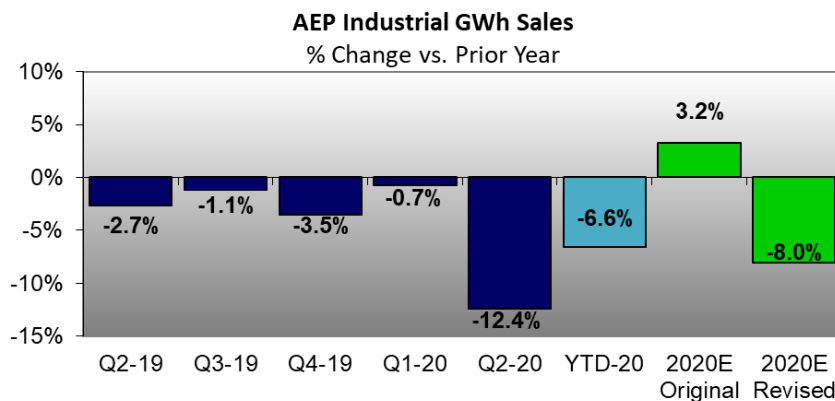
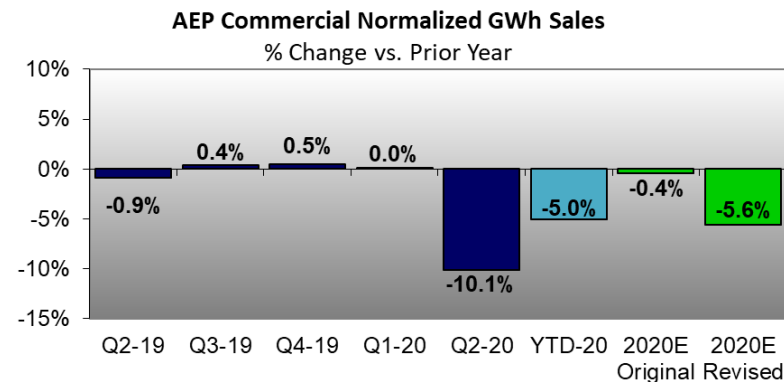
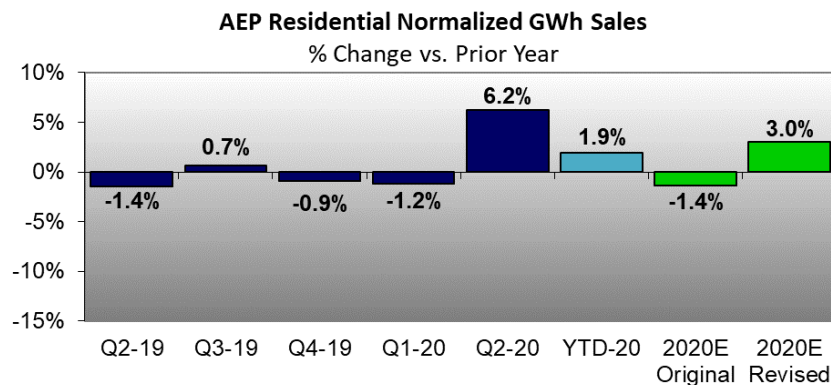
Items that would **positively** impact management's view:

- Accelerated economic recovery
- Management of coronavirus infections such that the economy continues to recover
- Favorable sales mix relative to 2020 updated load forecast
- Warmer summer weather
- Additional O&M savings achieved

Items that would **negatively** impact management's view:

- Delayed economic recovery
- Resurgence of coronavirus infections that disrupt service territory economy
- Unfavorable sales mix compared to 2020 updated load forecast
- Mild weather
- Higher storm-related O&M expense

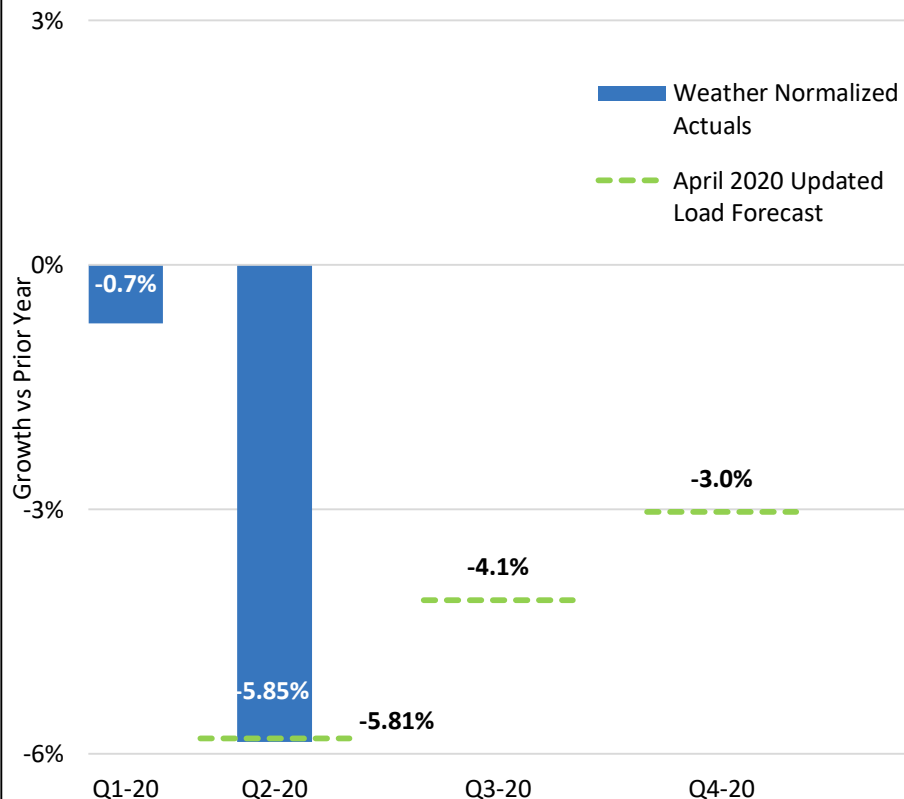
Weather Normalized Billed Retail Load Trends



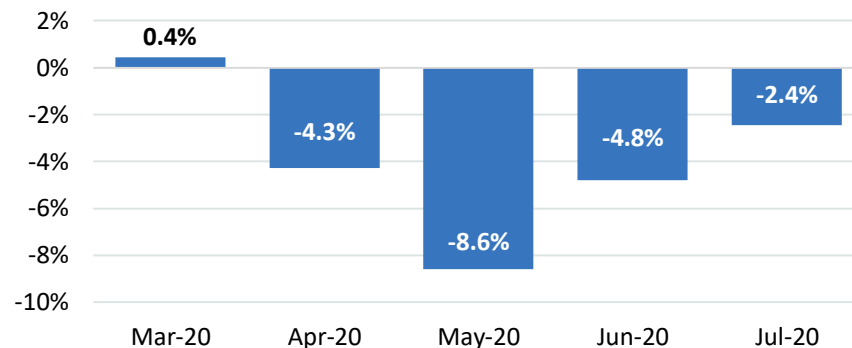
Load figures are provided on a billed basis. Charts reflect connected load and exclude firm wholesale load. Revised forecast assumes a gradual recovery over the remainder of the year.

Normalized Retail Load Data

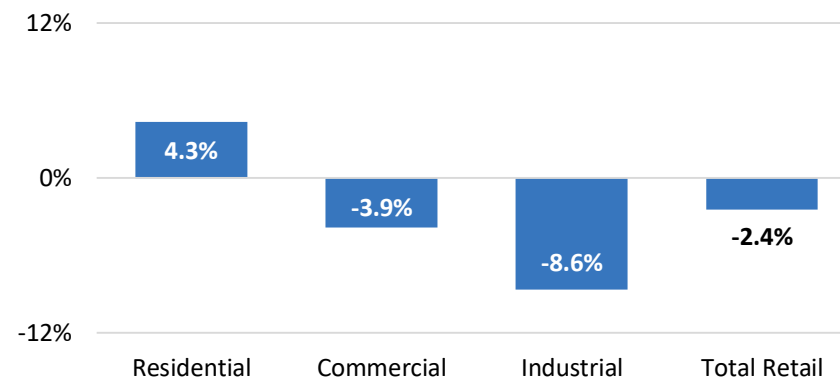
AEP Retail Sales (GWh) Growth



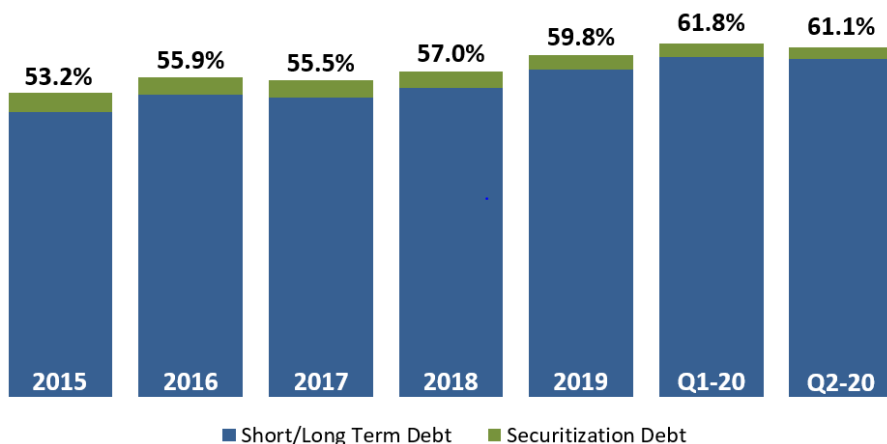
Monthly Normalized GWh Growth Since Beginning of COVID-19 Pandemic



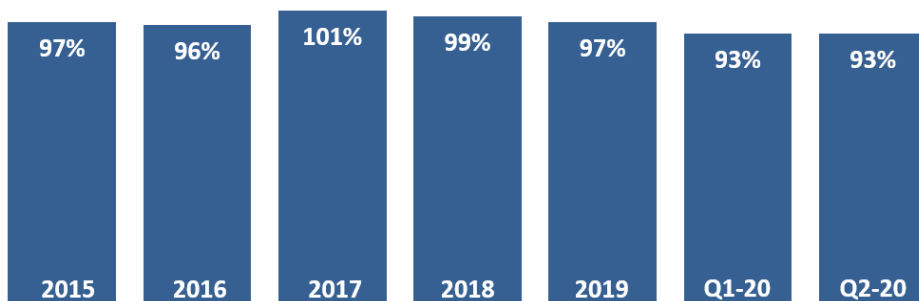
July 2020 Normalized GWh Growth by Class



Total Debt / Total Capitalization



Qualified Pension Funding



Credit Statistics

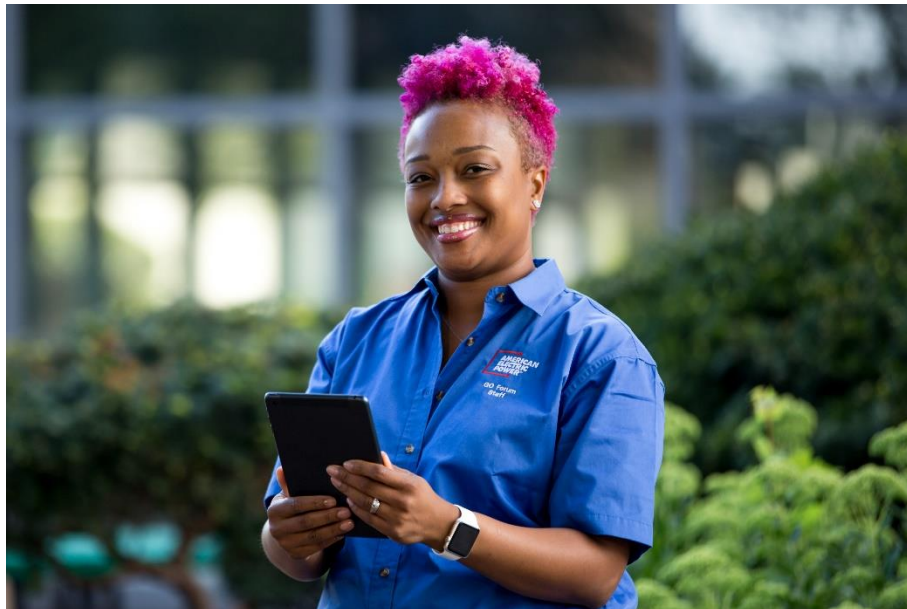
	Actual		Target
	Moody's	GAAP	
FFO to Total Debt	14.1%	13.7%	Low to Mid Teens

Represents the trailing 12 months as of 6/30/2020
See Appendix for reconciliation to GAAP

Liquidity Summary

(unaudited)	6/30/2020 Actual	
\$ in millions	Amount	Maturity
Revolving Credit Facility	\$4,000	Jun-22
364-Day Term Loan	1,000	Mar-21
Plus		
Cash and Cash Equivalents	349	
Less		
Commercial Paper Outstanding	(1,403)	
364-Day Term Loan	(1,000)	
Letters of Credit Issued	-	
Net Available Liquidity	\$2,946	

- ✓ Reaffirm 2020 operating earnings guidance range of \$4.25-\$4.45
- ✓ On track to reduce O&M by incremental \$100M
- ✓ Reinstate \$100M of previously deferred 2020 capital
- ✓ Capital and cash flow plans updated with the approval of North Central Wind
- ✓ Reaffirm 5%-7% long-term growth rate



Appendix

2nd Quarter Reconciliation of GAAP to Operating Earnings



	\$ in millions			Earnings Per Share		
	Q2-19	Q2-20	Change	Q2-19	Q2-20	Change
Reported GAAP Earnings	\$461	\$521	\$60	\$0.93	\$1.05	\$0.12
Non Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities ¹	13	(10)	(23)	0.03	(0.02)	(0.05)
Severance Charges ²	9	-	(9)	0.02	-	(0.02)
Acquisition Fees ^{1,3}	11	-	(11)	0.02	-	(0.02)
Impact of COVID-19 ^{2,4}	-	12	12	-	0.03	0.03
Achieving Excellence Program ⁵	-	11	11	-	0.02	0.02
AEP Operating Earnings	\$494	\$534	\$40	\$1.00	\$1.08	\$0.08

¹ Items recorded in Generation & Marketing segment

² Items recorded in Vertically Integrated Utilities Segment

³ Items recorded in Corporate and Other segment

⁴ Items recorded in Transmission and Distribution Utilities Segment

⁵ Items recorded across multiple segments

Weighted average no. of shares outstanding: 493.6M Q2-19 and 495.7M Q2-20

YTD Reconciliation of GAAP to Operating Earnings



	\$ in millions			Earnings Per Share		
	YTD-19	YTD-20	Change	YTD-19	YTD-20	Change
Reported GAAP Earnings	\$1,034	\$1,016	(\$18)	\$2.10	\$2.05	(\$0.05)
Non Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities ¹	15	(4)	(19)	0.03	(0.01)	(0.04)
Severance Charges ²	18	-	(18)	0.04	-	(0.04)
Acquisition Fees ^{1,3}	11	-	(11)	0.02	-	(0.02)
Impact of COVID-19 ^{2,4}	-	15	15	-	0.04	0.04
Achieving Excellence Program ⁵	-	11	11	-	0.02	0.02
AEP Operating Earnings	\$1,078	\$1,038	(\$40)	\$2.19	\$2.10	(\$0.09)

¹ Items recorded in Generation & Marketing segment

² Items recorded in Vertically Integrated Utilities segment

³ Items recorded in Corporate and Other segment

⁴ Items recorded in Transmission and Distribution Utilities segment

⁵ Items recorded across multiple segments

Weighted average no. of shares outstanding: 493.4M YTD-19 and 495.1M YTD-20

Vertically Integrated Utilities



2nd Quarter Summary

	Q2-19	Q2-20
\$ in millions (except EPS)		
Operating Revenues	\$2,124	\$2,092
Operating Expenses:		
Energy Costs	(700)	(582)
Operations and Maintenance	(672)	(607)
Depreciation and Amortization	(359)	(393)
Taxes Other Than Income Taxes	(113)	(117)
Operating Income	280	393
Net Interest/AFUDC	(125)	(131)
Non-Service Benefit Cost Components	17	17
Income Taxes	16	(9)
Other	(1)	-
Operating Earnings	187	270
Proforma Adjustments, Net of Tax	(9)	(14)
GAAP Earnings	\$178	\$256
EPS from Operating Earnings	\$0.38	\$0.55

See slide 15 for items excluded from Net Income to reconcile to Operating Earnings

Key Drivers: Q2-20 vs. Q2-19

- ✓ Rate Changes: \$17M favorable vs. prior year primarily from rate increases at APCo/WPCo, I&M and SWEPCO
- ✓ Weather: \$17M favorable vs. prior year; \$10M favorable vs. normal
- ✓ Normal Load: \$19M favorable vs. prior year primarily due to higher residential sales and favorable retail price variances, partially offset by lower commercial and industrial sales
- ✓ Wholesale Load: \$19M unfavorable vs. prior year primarily due to expired contracts at I&M and SWEPCO
- ✓ Transmission Revenue: \$54M favorable vs. prior year primarily due to the annual true-up and increased transmission investment
- ✓ O&M: \$72M favorable vs. prior year primarily due to decreased plant outage and maintenance expenses, employee-related expenses and the capitalization of previously expensed North Central Wind costs
- ✓ Depreciation: \$24M unfavorable (net of offsets) vs. prior year primarily due to higher depreciable property balance
- ✓ Income Taxes: actual rate of 3.0% Q2-20 vs. (9.0%) Q2-19

Vertically Integrated Utilities



YTD Summary

	YTD-19	YTD-20
\$ in millions (except EPS)		
Operating Revenues	\$4,527	\$4,319
Operating Expenses:		
Energy Costs	(1,556)	(1,253)
Operations and Maintenance	(1,351)	(1,295)
Depreciation and Amortization	(715)	(775)
Taxes Other Than Income Taxes	(229)	(235)
Operating Income	676	761
Net Interest/AFUDC	(252)	(266)
Non-Service Benefit Cost Components	34	34
Income Taxes	42	(11)
Other	(2)	-
Operating Earnings	498	518
Proforma Adjustments, Net of Tax	(18)	(16)
GAAP Earnings	\$480	\$502
EPS from Operating Earnings	\$1.01	\$1.05

See slide 16 for items excluded from Net Income to reconcile to Operating Earnings

Key Drivers: YTD-20 vs. YTD-19

- ✓ Rate Changes: \$64M favorable vs. prior year primarily from rate increases at APCo/WPCo, I&M and SWEPCO
- ✓ Weather: \$45M unfavorable vs. prior year; \$56M favorable vs. normal
- ✓ Normal Load: \$9M unfavorable vs. prior year primarily due to lower commercial and industrial sales, partially offset by higher residential sales and favorable retail price variances
- ✓ Wholesale Load: \$24M unfavorable vs. prior year primarily due to expired contracts at I&M and SWEPCO
- ✓ Transmission Revenue: \$68M favorable vs. prior year primarily due to the annual true-up and increased transmission investment
- ✓ O&M: \$74M favorable vs. prior year primarily due to decreased plant outage and maintenance expenses, employee-related expenses and the capitalization of previously expensed North Central Wind costs
- ✓ Depreciation: \$44M unfavorable (net of offsets) vs. prior year primarily due to higher depreciable property balance
- ✓ Income Taxes: actual rate of 2.1% YTD-20 vs. (9.0%) YTD-19

Transmission and Distribution Utilities



2nd Quarter Summary

	Q2-19	Q2-20
\$ in millions (except EPS)		
Operating Revenues	\$1,046	\$1,035
Operating Expenses:		
Energy Costs	(164)	(148)
Amortization of Generation Deferrals	(24)	-
Operations and Maintenance	(411)	(345)
Depreciation and Amortization	(193)	(207)
Taxes Other Than Income Taxes	(140)	(142)
Operating Income	114	193
Net Interest/AFUDC	(38)	(63)
Non-Service Benefit Cost Components	8	7
Income Taxes	47	8
Operating Earnings	131	145
Proforma Adjustments, Net of Tax	-	(5)
GAAP Earnings	\$131	\$140
EPS from Operating Earnings	\$0.27	\$0.29

Key Drivers: Q2-20 vs. Q2-19

- ✓ Rate Changes: \$3M favorable primarily due to the Ohio DIR and gridSMART and Texas TCOS, partially offset by the roll off of the Ohio RSR
- ✓ Normal Load: \$10M unfavorable vs. prior year primarily due to lower commercial and industrial sales and unfavorable retail price variances, partially offset by higher residential sales
- ✓ Transmission Revenue: \$22M favorable primarily due to the annual true-up and increased transmission investment
- ✓ O&M: \$48M favorable (net of offsets) vs. prior year primarily due to decreased transmission expenses and employee-related expenses
- ✓ Depreciation: \$13M unfavorable (net of offsets) vs. prior year primarily due to higher depreciable property balance
- ✓ Texas Carrying Charges: \$19M unfavorable due to prior year recovery of debt carrying charges
- ✓ Income Taxes: actual rate of (5.7%) Q2-20 vs. (56.3%) Q2-19

See slide 15 for items excluded from Net Income to reconcile to Operating Earnings

Transmission and Distribution Utilities



YTD Summary

	YTD-19	YTD-20
\$ in millions (except EPS)		
Operating Revenues	\$2,268	\$2,141
Operating Expenses:		
Energy Costs	(393)	(339)
Amortization of Generation Deferrals	(57)	-
Operations and Maintenance	(816)	(711)
Depreciation and Amortization	(377)	(421)
Taxes Other Than Income Taxes	(286)	(288)
Operating Income	339	382
Net Interest/AFUDC	(91)	(127)
Non-Service Benefit Cost Components	15	15
Income Taxes	25	(8)
Operating Earnings	288	262
Proforma Adjustments, Net of Tax	-	(6)
GAAP Earnings	\$288	\$256
EPS from Operating Earnings	\$0.58	\$0.53

Key Drivers: YTD-20 vs. YTD-19

- ✓ Ohio Regulatory Provision: \$58M unfavorable due to prior year recognition of 2016 SEET provision reversal
- ✓ Rate Changes: \$18M favorable primarily due to the Ohio DIR and gridSMART and Texas TCOS, partially offset by the roll off of the Ohio RSR
- ✓ Weather: \$4M unfavorable vs. prior year; \$5M unfavorable vs. normal
- ✓ Transmission Revenue: \$35M favorable primarily due to the annual true-up and increased transmission investment
- ✓ O&M: \$53M favorable (net of offsets) vs. prior year primarily due to decreased transmission expenses and employee-related expenses
- ✓ Depreciation: \$34M unfavorable (net of offsets) vs. prior year primarily due to higher depreciable property balance
- ✓ Texas Carrying Charges: \$19M unfavorable due to prior year recovery of debt carrying charges
- ✓ Income Taxes: actual rate of 2.9% YTD-20 vs. (9.5%) YTD-19

See slide 16 for items excluded from Net Income to reconcile to Operating Earnings

2nd Quarter Summary

	Q2-19	Q2-20
\$ in millions (except EPS)		
Operating Revenues	\$279	\$250
Operating Expenses:		
Operations and Maintenance	(23)	(23)
Depreciation and Amortization	(45)	(61)
Taxes Other Than Income Taxes	(43)	(52)
Operating Income	168	114
Net Interest/AFUDC	7	(14)
Income Taxes	(38)	(25)
Equity Earnings	19	20
Other	(1)	(1)
Operating Earnings	155	94
Proforma Adjustments, Net of Tax	-	(2)
GAAP Earnings	\$155	\$92
EPS from Operating Earnings	\$0.31	\$0.19

Key Drivers: Q2-20 vs. Q2-19

- ✓ \$61M unfavorable Operating Earnings vs. prior year primarily due to the annual true-up and the impact of a prior year FERC settlement, partially offset by increased transmission investment

See slide 15 for items excluded from Net Income to reconcile to Operating Earnings

YTD Summary

	YTD-19	YTD-20
\$ in millions (except EPS)		
Operating Revenues	\$535	\$560
Operating Expenses:		
Operations and Maintenance	(45)	(53)
Depreciation and Amortization	(86)	(119)
Taxes Other Than Income Taxes	(86)	(104)
Operating Income	318	284
Net Interest/AFUDC	(4)	(28)
Non-Service Benefit Cost Components	1	1
Income Taxes	(70)	(64)
Equity Earnings	36	43
Other	(2)	(2)
Operating Earnings	279	234
Proforma Adjustments, Net of Tax	-	(2)
GAAP Earnings	\$279	\$232
EPS from Operating Earnings	\$0.57	\$0.47

Key Drivers: YTD-20 vs. YTD-19

- ✓ \$45M unfavorable Operating Earnings vs. prior year primarily due to the annual true-up and the impact of a prior year FERC settlement, partially offset by increased transmission investment

See slide 16 for items excluded from Net Income to reconcile to Operating Earnings

2nd Quarter Summary

	Q2-19	Q2-20
\$ in millions (except EPS)		
Operating Revenues	\$428	\$364
Operating Expenses:		
Energy Costs	(331)	(298)
Operations and Maintenance	(56)	(16)
Depreciation and Amortization	(16)	(18)
Taxes Other Than Income Taxes	(4)	(4)
Operating Income	21	28
Net Interest/AFUDC	(5)	(7)
Non-Service Benefit Cost Components	4	4
Income Taxes	5	23
Other	2	8
Operating Earnings	27	56
Proforma Adjustments, Net of Tax	(18)	10
GAAP Earnings	\$9	\$66
EPS from Operating Earnings	\$0.06	\$0.11

Key Drivers: Q2-20 vs. Q2-19

- ✓ Generation decreased 638 GWh (44%) Q2-20 vs. Q2-19 primarily due to the retirement of Conesville Plant Unit 4 in May 2020
- ✓ AEP Dayton ATC liquidations down 27%: \$18.09/MWh in Q2-20 vs. \$24.83/MWh in Q2-19
- ✓ Income Taxes: actual rate of (94.8%) Q2-20 vs. (26.7%) Q2-19

See slide 15 for items excluded from Net Income to reconcile to Operating Earnings

YTD Summary

	YTD-19	YTD-20
\$ in millions (except EPS)		
Operating Revenues	\$914	\$810
Operating Expenses:		
Energy Costs	(714)	(659)
Operations and Maintenance	(107)	(57)
Depreciation and Amortization	(28)	(36)
Taxes Other Than Income Taxes	(7)	(7)
Operating Income	58	51
Net Interest/AFUDC	(7)	(14)
Non-Service Benefit Cost Components	7	8
Income Taxes	10	34
Other	3	12
Operating Earnings	71	91
Proforma Adjustments, Net of Tax	(21)	4
GAAP Earnings	\$50	\$95
EPS from Operating Earnings	\$0.14	\$0.18

Key Drivers: YTD-20 vs. YTD-19

- ✓ Generation decreased 627 GWh (23%) YTD-20 vs. YTD-19 primarily due to the retirement of Conesville Plant Unit 4 in May 2020
- ✓ AEP Dayton ATC liquidations down 29%: \$19.11/MWh in YTD-20 vs. \$27.01/MWh in YTD-19
- ✓ Income Taxes: actual rate of (67.3%) YTD-20 vs. (17.8%) YTD-19

See slide 16 for items excluded from Net Income to reconcile to Operating Earnings

2nd Quarter Rate Performance

Vertically Integrated Utilities

	Rate Changes, net of offsets (\$ in millions)
	Q2-20 vs. Q2-19
APCo/WPCo	\$8
I&M	\$1
KPCo	(\$1)
PSO	(\$7)
SWEPCO	\$16
Kingsport	-
TOTAL	\$17
Impact on EPS	

Transmission and Distribution Utilities

	Rate Changes, net of offsets (\$ in millions)
	Q2-20 vs. Q2-19
AEP Ohio ¹	(\$3)
AEP Texas	\$6
TOTAL	\$3
Impact on EPS	-

¹ Includes impact of Ohio legacy riders

YTD Rate Performance

Vertically Integrated Utilities

	Rate Changes, net of offsets (\$ in millions)
	YTD-20 vs. YTD-19
APCo/WPCo	\$28
I&M	\$11
KPCo	(\$1)
PSO	(\$2)
SWEPCO	\$28
Kingsport	-
TOTAL	\$64
Impact on EPS	 \$0.10

Transmission and Distribution Utilities

	Rate Changes, net of offsets (\$ in millions)
	YTD-20 vs. YTD-19
AEP Ohio ¹	\$11
AEP Texas	\$7
TOTAL	\$18
Impact on EPS	 \$0.03

¹ Includes impact of Ohio legacy riders

2nd Quarter Weather Impact

Vertically Integrated Utilities

	Weather Impact (\$ in millions)	
	Q2-20 vs. Q2-19	Q2-20 vs. Normal
APCo/WPCo	-	\$3
I&M	\$11	\$7
KPCo	\$2	\$1
PSO	\$5	\$3
SWEPco	(\$1)	(\$4)
Kingsport	-	-
TOTAL	\$17	\$10
Impact on EPS	 \$0.03	 \$0.01

Transmission and Distribution Utilities

	Weather Impact (\$ in millions)	
	Q2-20 vs. Q2-19	Q2-20 vs. Normal
AEP Ohio	-	-
AEP Texas	-	\$1
TOTAL	-	\$1
Impact on EPS	-	-

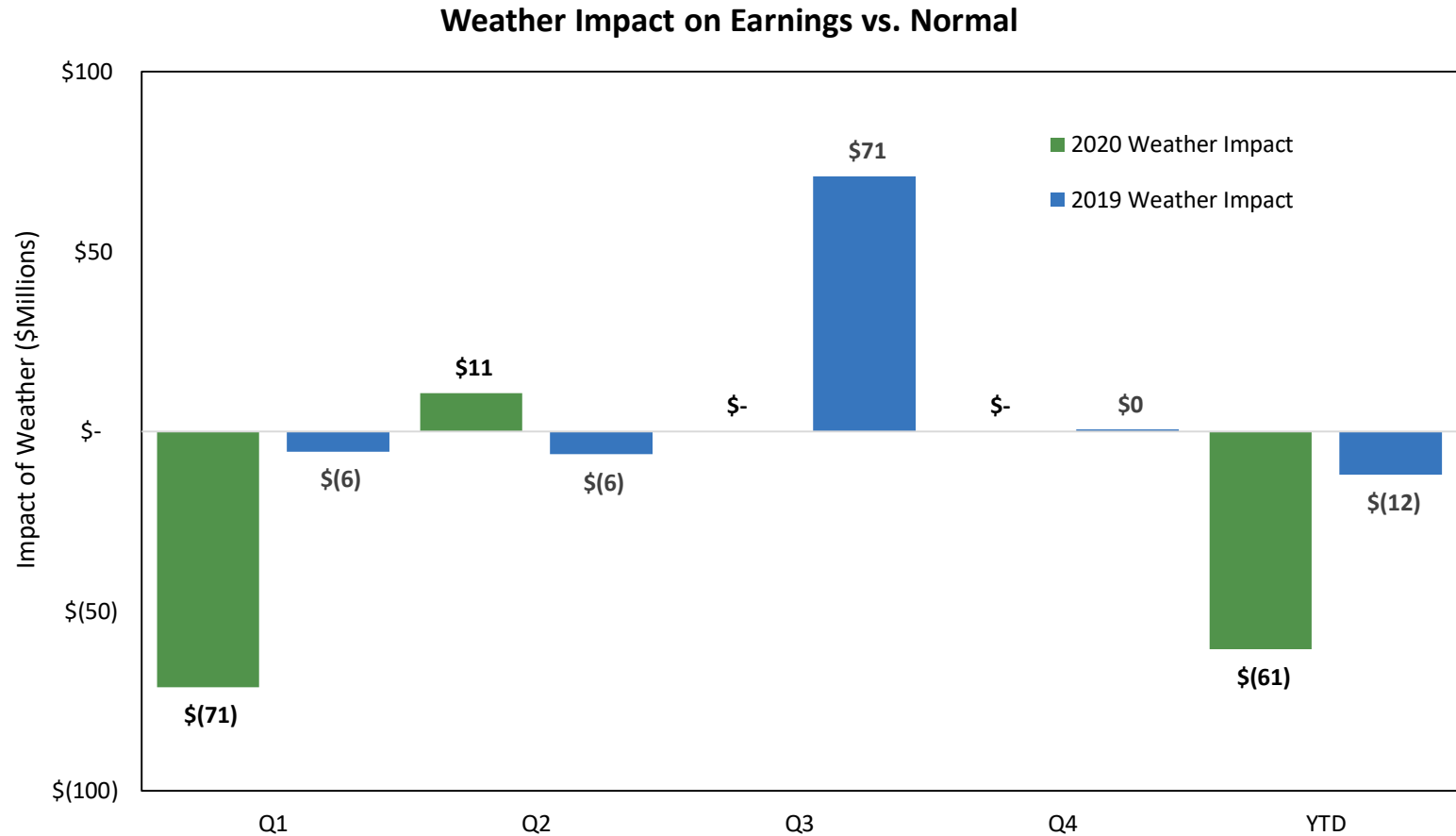
YTD Weather Impact

Vertically Integrated Utilities

	Weather Impact (\$ in millions)	
	YTD-20 vs. YTD-19	YTD-20 vs. Normal
APCo/WPCo	(\$33)	(\$35)
I&M	(\$3)	(\$5)
KPCo	(\$4)	(\$6)
PSO	\$2	\$1
SWEPco	(\$7)	(\$11)
Kingsport	-	-
TOTAL	(\$45)	(\$56)
Impact on EPS	\$0.07	\$0.09

Transmission and Distribution Utilities

	Weather Impact (\$ in millions)	
	YTD-20 vs. YTD-19	YTD-20 vs. Normal
AEP Ohio	-	-
AEP Texas	(\$4)	(\$5)
TOTAL	(\$4)	(\$5)
Impact on EPS	\$0.01	\$0.01



The impact of weather through the second quarter was \$(61M) vs. normal, which is approximately \$49M below the prior year through the second quarter

2nd Quarter Retail Load Performance

Vertically Integrated Utilities

	Retail Load ¹ (weather normalized)
	Q2-20 vs. Q2-19
APCo/WPCo	(5.9%)
I&M	(9.1%)
KPCo	(10.4%)
PSO	(5.3%)
SWEPCO	(8.2%)
Kingsport	(21%)
TOTAL	(7.4%)
Impact on EPS ²	 \$0.03

Transmission and Distribution Utilities

	Retail Load ¹ (weather normalized)
	Q2-20 vs. Q2-19
AEP Ohio	(7.2%)
AEP Texas	0.4%
TOTAL	(3.9%)
Impact on EPS ²	 \$0.02

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales

² Includes EPS impact of accrued revenues

YTD Retail Load Performance

Vertically Integrated Utilities

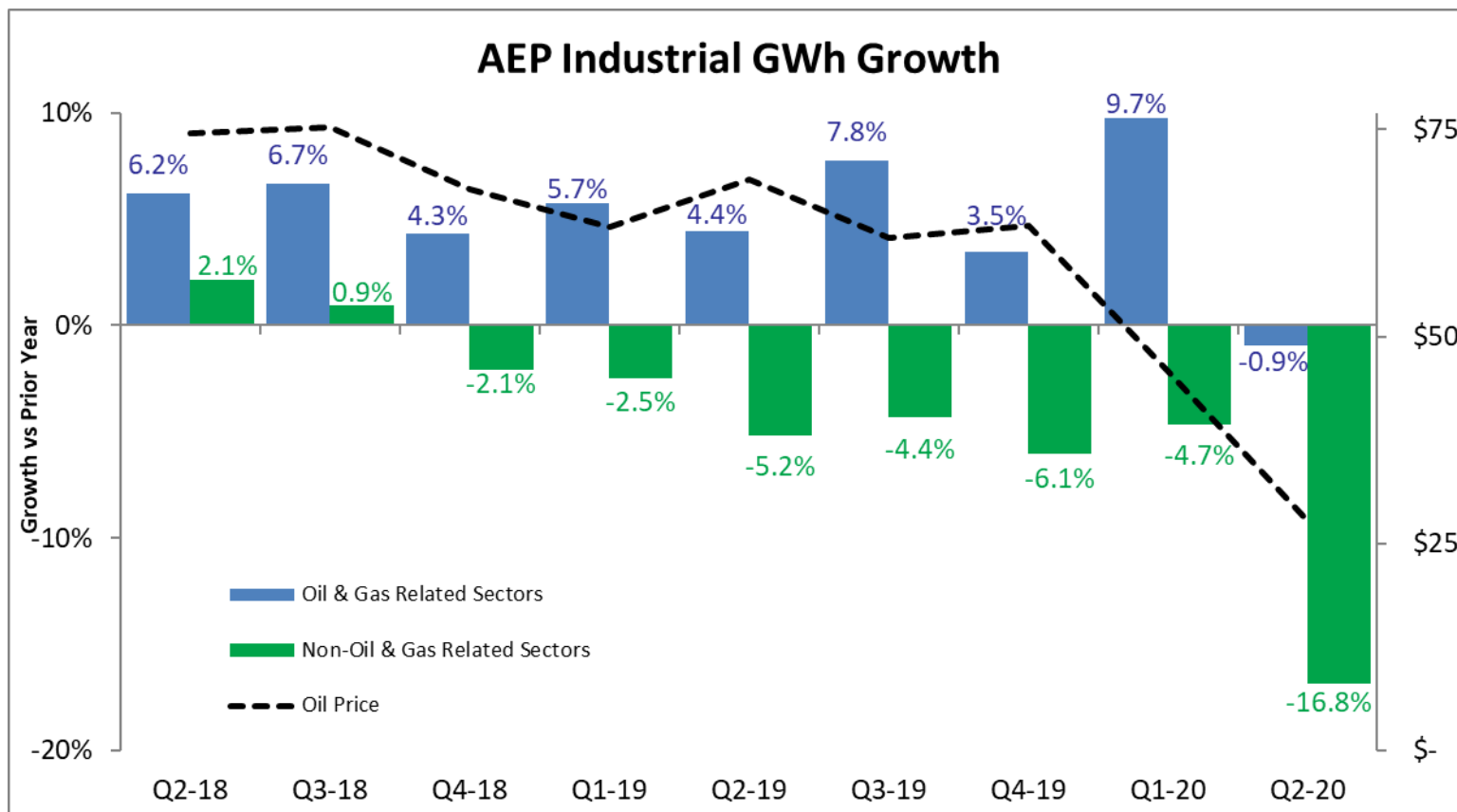
	Retail Load ¹ (weather normalized)
	YTD-20 vs. YTD-19
APCo/WPCo	(2.6%)
I&M	(5.7%)
KPCo	(6.6%)
PSO	(2.6%)
SWEPCO	(4.4%)
Kingsport	(10.6%)
TOTAL	(3.9%)
Impact on EPS ²	 \$0.02

Transmission and Distribution Utilities

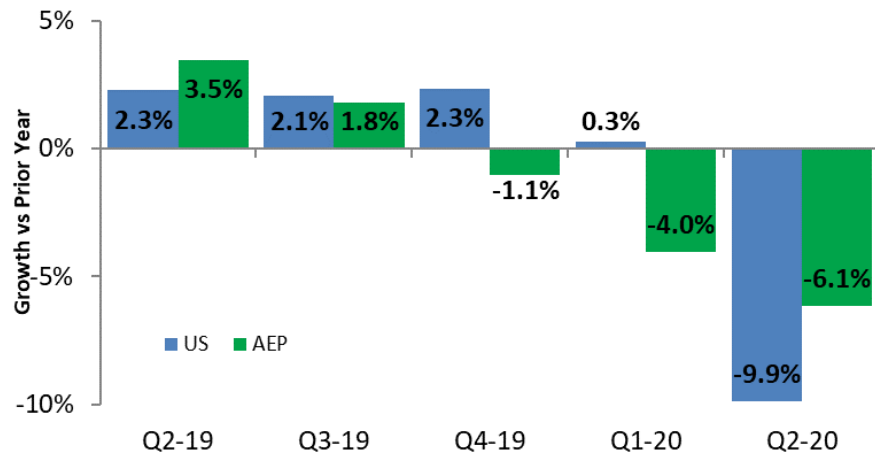
	Retail Load ¹ (weather normalized)
	YTD-20 vs. YTD-19
AEP Ohio	(4.2%)
AEP Texas	0.9%
TOTAL	(2.1%)
Impact on EPS ²	-

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales

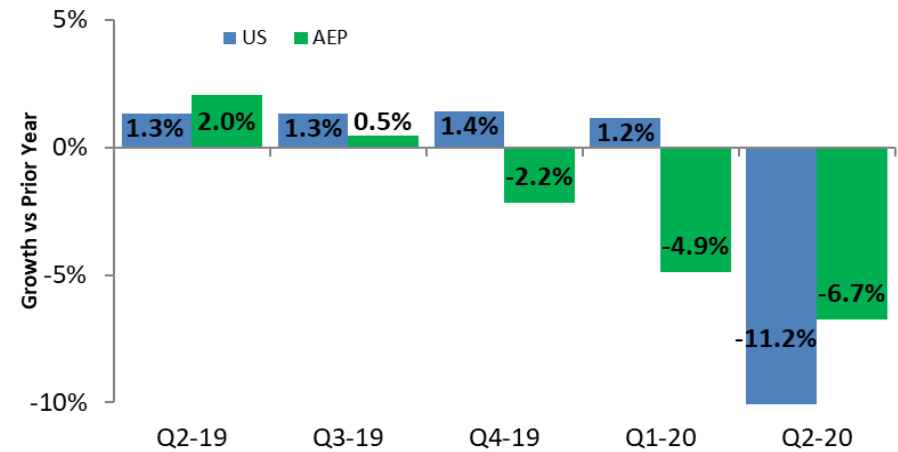
² Includes EPS impact of accrued revenues



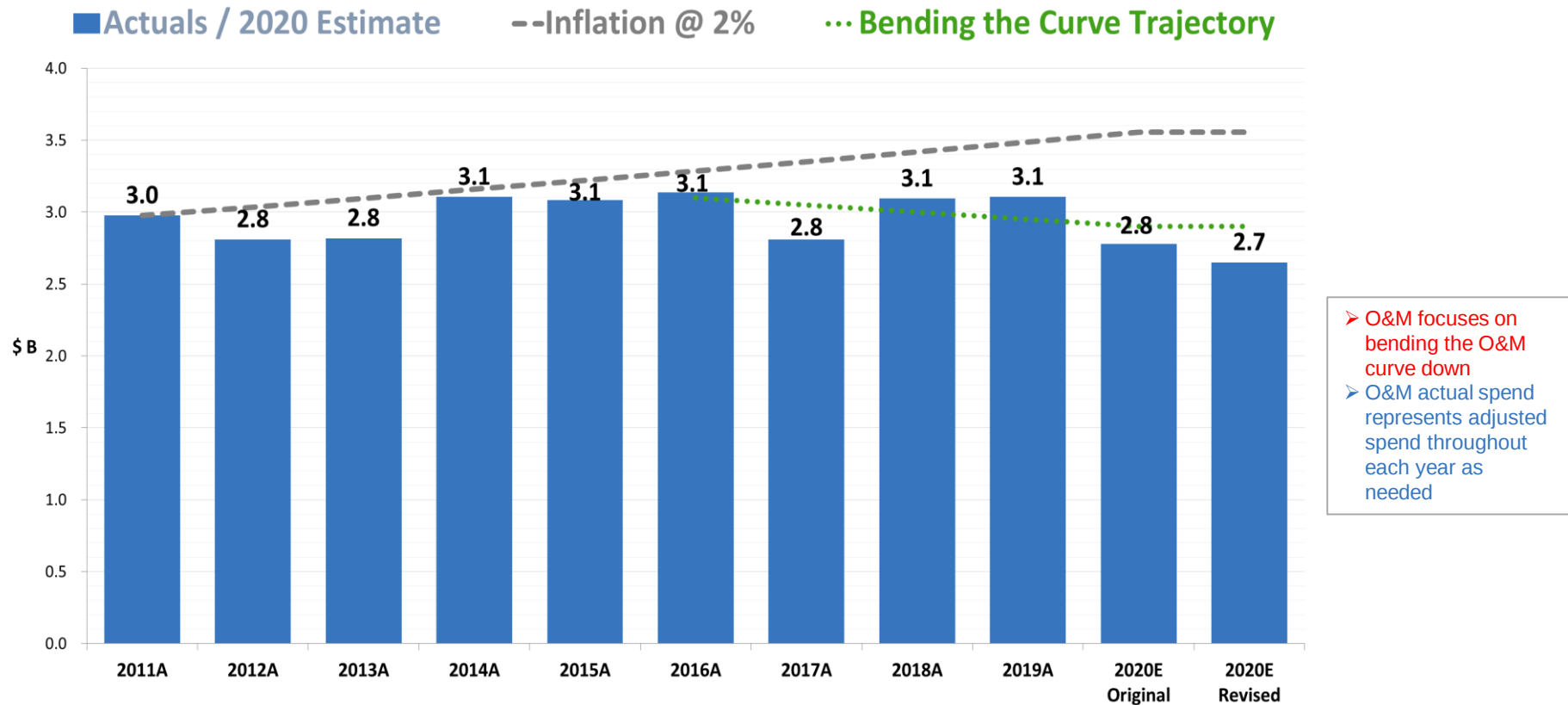
GDP Growth by Quarter



Employment Growth by Quarter



Untracked O&M



North Central Wind Overview



Approved MW Allocation		
Jurisdiction (Docket #)	MW	% of Project
PSO (PUD 2019-00048)	675	45.5%
SWEPCO – AR (19-035-U)	268	18.1%
SWEPCO – LA (U-35324)	464	31.2%
SWEPCO - FERC	78	5.2%
Total:	1,485	100%

SWEPCO and PSO Regulated Wind Investment				
Total Rate Base Investment	~\$2 billion (1,485 MW)			
North Central Wind	<u>Name</u>	<u>MW</u>	<u>Investment</u>	<u>In-Service</u>
	Sundance	199	\$307M	Q1 2021 (100% PTC)
	Traverse	999	\$1,287M	EOY 2021 (80% PTC)
	Maverick	287	\$402M	
Net Capacity Factor	44.0%			
Customer Savings	~\$3 billion (30-year nominal \$)			
Developer	Invenergy			
Turbine Supplier	GE			
Note: Facilities to be acquired on a fixed cost, turn-key basis at completion				

Regulatory approvals achieved in Oklahoma, Louisiana, Arkansas and at FERC to move forward with the entire project

Current Rate Case Activity

AEP Ohio

Docket #: 20-0585-EL-AIR
Filing Date: 06/01/2020
Requested Rate Base: \$3.1B
Requested ROE: 10.15%
Cap Structure: 45.6%D / 54.4%E
Gross Revenue Increase: \$36M
(Less \$4.5M Depr
Decrease)
Net Revenue Increase: \$41M
Test Year: 11/31/2020



AEP Texas

Docket #: 49494
Filing Date: 05/01/2019
Requested Rate Base: \$5.0B
Requested ROE: 10.5%
Cap Structure: 55%D / 45%E
Revenue Increase: \$56M (\$35M Net of
Tax Rider)
Test Year: 12/31/2018

Settlement Summary

Unanimous Settlement Filed: 02/13/2020
Commission Order: 04/06/2020
Effective Date: 05/29/2020
ROE: 9.4%
Cap Structure: 57.5%D / 42.5%E
Revenue Decrease: \$40M



Current Rate Case Activity

APCo – Virginia

Docket #:	PUR-2020-00015
Filing Date:	03/31/2020
Requested Rate Base:	\$2.5B
Requested ROE:	9.9%
Cap Structure:	50%D / 50%E
Gross Revenue Increase:	\$65M (Less \$27M D&A)
Net Revenue Increase:	\$38M
Test Year:	12/31/19
Procedural Schedule:	
Intervenor Testimony	07/30/2020
Staff Testimony	08/13/2020
Rebuttal Testimony	08/28/2020
Hearing	09/14/2020
Expected Effective Date	First Quarter 2021



KPCo

Docket #:	2020-00174
Filing Date:	06/29/2020
Requested Rate Base:	\$1.4B
Requested ROE:	10.0%
Cap Structure:	53.7%D / 3.0% AR / 43.3%E
Net Revenue Increase:	\$65M
Test Year:	03/31/20
Procedural Schedule:	
Intervenor Testimony	10/07/2020
Rebuttal Testimony	11/09/2020
Hearing	11/18/2020
Expected Effective Date	January 2021

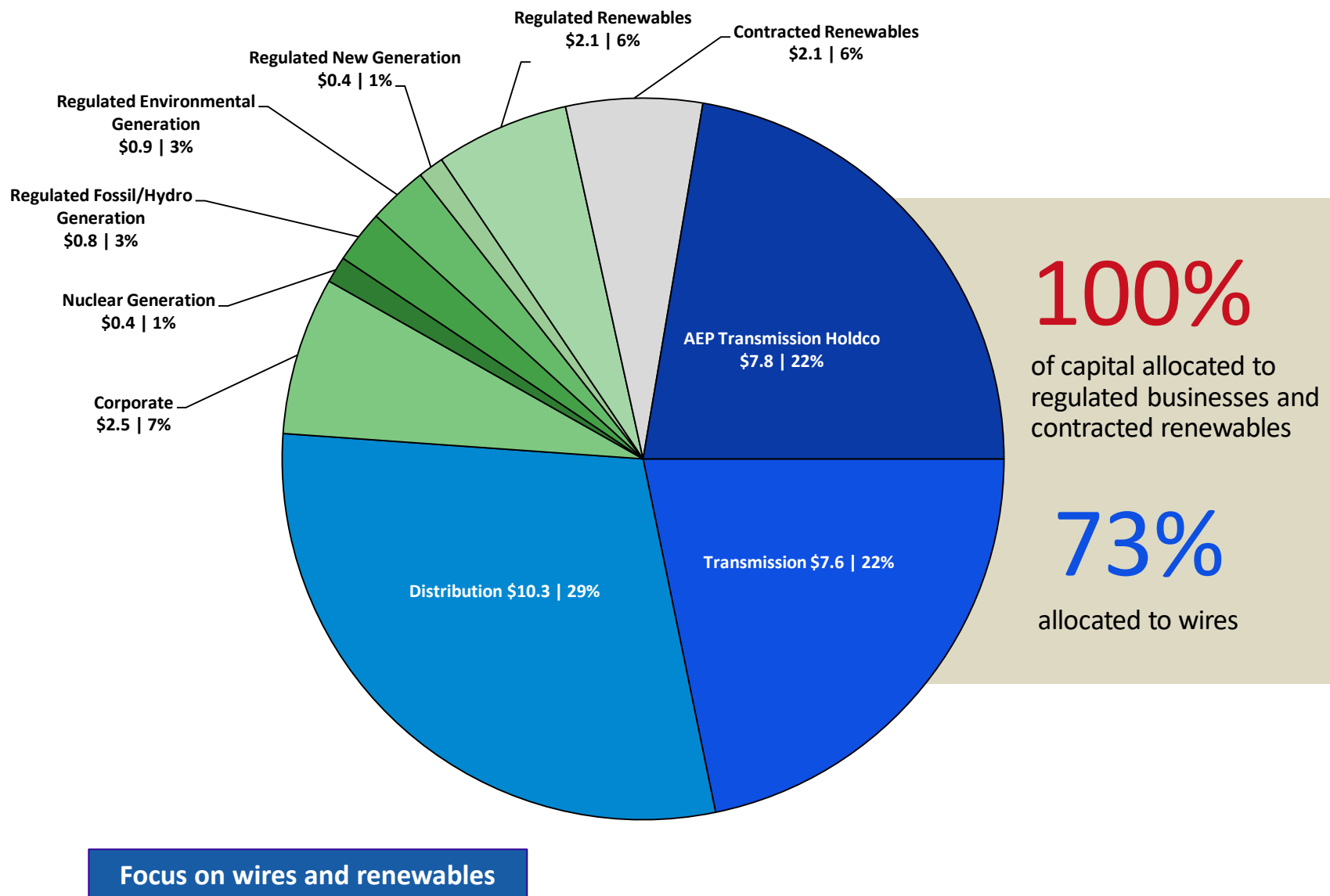


Q2-20 GAAP Effective Tax Rate Reconciliation

Q2-20	Amount (\$ in millions)	Tax Rate
Pre-tax Income	\$1,071	
Tax at Federal Rate	\$225	21%
Tax at State Rate	\$28	3%
Tax Credits and Amortization	(\$49)	(5%)
Excess Protected and Unprotected	(\$137)	(13%)
Other	(7)	(1%)
Tax Expense (Benefit) ¹	\$59	6%

¹ Does not foot due to rounding

2020 - 2024 Capital Forecast: Total \$35B



Cash Flows and Financial Metrics

\$ in millions	2020E	2021E	2022E
Cash from Operations	\$ 4,600	\$ 4,800	\$ 5,300
Capital & JV Equity Contributions ¹	(5,900)	(8,200)	(6,500)
Other Investing Activities	(400)	(100)	(200)
Common Dividends ²	(1,400)	(1,400)	(1,500)
Excess (Required) Capital	\$ (3,100)	\$ (4,900)	\$ (2,900)
Financing			
Excess (Required) Capital	\$ (3,100)	\$ (4,900)	\$ (2,900)
Debt Maturities (Senior Notes, PCRBs)	(1,000)	(2,000)	(3,000)
Securitization Amortizations	(200)	(100)	(100)
Equity Units Conversion	-	-	805
Equity Issuances - Includes DRP ³	100	1,400	600
Debt Capital Market Needs (New)	\$ (4,200)	\$ (5,600)	\$ (4,595)
Financial Metrics			
Debt to Capitalization (GAAP)	55 - 60%		
FFO/Total Debt (Moody's)	Low to Mid Teens Reflecting Accelerated Flowback of ADFIT		

¹ Capital expenditures in 2021 include \$2B for North Central Wind.

² Common Dividends \$2.80/share 2020-2022. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60-70% of operating earnings. Targeted dividend growth in line with earnings.

³ Equity needs in 2021 include \$1.3B for North Central Wind.

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

GAAP to Non-GAAP Reconciliations and Ratios



Adjusted FFO Calculation

	12 Months Ended 6/30/20
	\$ in millions
Cash Flow From Operations	\$4,216
Adjustments:	
Changes in Working Capital	531
Capitalized Interest	(75)
Securitization Amortization	(304)
Adjusted Funds from Operations (FFO)	\$4,368

Adjusted Total Debt Calculation

	As of 6/30/20
	\$ in millions
GAAP Total Debt (incl. current maturities)	\$31,852
Less:	
Securitization Bonds	(873)
Spent Nuclear Fuel Trust	(281)
Equity Units Capital Adjust (25%)	(201)
Add:	
Finance Lease Obligations	302
Pension	221
Operating Leases	925
Adjusted Total Debt (Non-GAAP)	\$31,945

FFO to Total Debt Ratio

$$\frac{\text{Adjusted Funds from Operations (FFO)}}{\text{Adjusted Total Debt (Non-GAAP)}} = \frac{\$4,368}{\$31,945} = 13.7\%$$