



American Electric Power  
Non-UMWA Postretirement Health Care Plan  
Actuarial Valuation Report  
Benefit Cost for Fiscal Year Beginning  
January 1, 2024 under US GAAP

Employer Contributions for Plan Year  
Beginning January 1, 2024

April 2024

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# Purposes of valuation

American Electric Power (the Company) engaged Willis Towers Watson US LLC (WTW) to value the Company's other postretirement benefit plan.

As requested by the Company, this report documents the results of an actuarial valuation of the American Electric Power Non-UMWA Postretirement Health Care Plan (the Plan) as of January 1, 2024.

The primary purpose of this valuation is to determine the Net Periodic Postretirement Benefit Cost/(Income) (Benefit Cost), in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715) for the fiscal year ending December 31, 2024. It is anticipated that a separate report will be prepared for year-end financial reporting purposes.

This report also contains information regarding the following:

1. Plan reporting information in accordance with FASB Accounting Standards Codification Topic 965 (ASC 965).
2. Expected contributions under the plan sponsor's funding policy for the 2024 plan year.
3. The estimated maximum tax-deductible contribution for the tax year in which the 2024 plan year ends as allowed by the Internal Revenue Code. The maximum tax-deductible contribution should be finalized in consultation with AEP's tax advisor.

## Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. The expected contribution to the Plan has been set at an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). Note that any significant change in the amounts contributed or expected to be contributed in 2024 from what is disclosed at December 31, 2023 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.
2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent events in the Basis for valuation section below for more information.
3. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

4. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

# Section 1 : Summary of key results

## 1.1 Benefit cost, plan assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2024	01/01/2023
<b>Benefit Cost/ (Income)</b>	Net Periodic Postretirement Benefit Cost/(Income)	(74,671,906)	(108,026,950)
	Benefit Cost/(Income) due to Special Events	0	0
	<b>Total Benefit Cost/(Income)</b>	<b>(74,671,906)</b>	<b>(108,026,950)</b>
Measurement Date		01/01/2024	01/01/2023
<b>Plan Assets</b>	Fair Value of Plan Assets (FVA)	1,638,591,631	1,509,382,550
<b>Benefit Obligations</b>	Accumulated Postretirement Benefit Obligation (APBO)	(785,012,341)	(808,589,040)
<b>Funded Ratio</b>	Fair Value of Plan Assets to APBO	208.7%	186.7%
<b>Accumulated Other Comprehensive (Income)/Loss (Pre-tax)</b>	Net Prior Service Cost/(Credit)	(27,548,802)	(90,610,377)
	Net Loss/(Gain)	198,274,182	305,543,359
	<b>Total Accumulated Other Comprehensive (Income)/Loss (pre-tax)</b>	<b>170,725,380</b>	<b>214,932,982</b>
<b>Assumptions</b>	Discount rate	5.15%	5.50%
	Expected Long-Term Rate of Return on Plan Assets	6.75%	7.25%
	Current Health Care Cost Trend Rate	7.00% Medical / 9.00% Rx	7.50% Medical / 10.00% Rx
	Ultimate Health Care Cost Trend Rate	4.50%	4.50%
	Year of Ultimate Trend Rate	2029	2029
<b>Participant Data</b>	Census Date	01/01/2024	01/01/2023

Employer Contributions (net of Medicare subsidy)		Plan Year 2024 (est)	Plan Year 2023
<b>Cash Flow</b>	Funding policy contributions	0	0
	Maximum tax deductible contributions	149,000,000	135,166,692
	Actual contributions	631,867 <sup>1</sup>	551,231 <sup>2</sup>
	Expected benefit payments and expenses, net of participant contributions	68,286,810	90,329,593

<sup>1</sup> Includes \$649,781 expected to be paid directly for key retirees in 2024, offset by \$17,914 in Medicare Retiree Drug Subsidies.

<sup>2</sup> Includes \$771,695 paid directly for key retirees in 2023, offset by \$220,464 in Medicare Retiree Drug Subsidies.

## 1.2 Employer contributions

Employer contributions are the amounts paid by AEP to provide for postretirement benefits, net of participant contributions and Medicare Part D payments. Most participants receiving benefits are required to contribute toward the cost of the plan.

AEP's funding policy is to contribute an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). AEP maximizes its contribution to the 401(h) account and contributes the remainder to the various VEBAs. AEP may deviate from this policy, as permitted by its terms, based on cash, tax or other considerations.

### 1.3 Comments on results

The actuarial gains/(losses) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year were \$(19,649,668) and \$112,056,696 respectively.

#### Change in net periodic cost and funded position

The net periodic cost increased from \$(108,026,950) in fiscal 2023 to \$(74,671,906) in fiscal 2024.

All monetary amounts shown in US Dollars

Postretirement Welfare Cost	Net Periodic Benefit Cost
Prior year	(108.0)
Change due to:	
• Expected based on prior valuation and contributions during prior year	44.5
• Noninvestment experience different than assumed	(0.4)
• Investment experience greater or less than assumed	(16.2)
• Assumption changes	5.4
• Plan amendments	0
• Settlements, curtailments, certain termination benefits	0
• Acquisitions	0
• Method changes	0
• Changes in estimation techniques	0
Current year	(74.7)

Significant reasons for these changes include the following:

- Per capita health care cost assumption was updated and decreased the postretirement welfare cost.

All monetary amounts shown in millions of U.S. Dollars

	2024	2023
Medical (Overall Average)		
Under age 65 <sup>1</sup>		
• HSA Basic	12,525	11,040
• HSA Plus	13,284	11,643
• HRA	15,447	13,359
Age 65 and older (before Part D offsets)		
• Medicare Select	4,228	4,265
• Medicare Standard	3,543	3,404
• CSP	2,476	2,489
Medicare Part D offsets		
• Medicare Advantage (EGWP)	(1,874)	(1,830)
• CSP (RDS)	(307)	(276)

See Appendix A for additional details on per capita claims costs assumptions including assumed claims costs adjusted for age-related morbidity adjustments and assumed future utilization changes resulting from COVID-19.

- The discount rate decreased 35 basis points since the prior year which increased the postretirement welfare cost.
- Actual asset returns during 2023 were much greater than the assumed rate of 7.25% which decreased the postretirement welfare cost.
- The expected return on assets assumption was decreased by 50 basis points to 6.75% which increased the postretirement welfare cost.

<sup>1</sup> Pre-65 per capita claims costs shown above do not include the 5% adjustment for potential dependent children covered under the plan.

## Effects of Health Care Reform

This valuation reflects our understanding of the relevant provisions of the Patient Protection and Affordable Care Act (PPACA) and Health Care and Education Reconciliation Act (HCERA), and subsequent legislation (the SECURE Act of 2019) that eliminated the Cadillac tax, medical device tax and health insurance issuer tax. It also reflects our understanding of the effects of the Inflation Reduction Act of 2022 on retiree medical costs. The IRS and the Centers for Medicare Services (CMS) have yet to issue final guidance with respect to many aspects of these laws. It is possible that future guidance may conflict with our understanding of these laws based on currently available guidance and could therefore affect the results shown in this report. The valuation does not anticipate the effects of any additional possible future changes.

### 1.4 Basis for valuation

Appendix A summarizes the assumptions, methods and models used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent events, assumptions were selected based on information known as of the measurement date.

#### Subsequent events

None.

#### Additional information

The Inflation Reduction Act (IRA) was signed on August 16, 2022. This new law includes health care provisions related to Medicare and healthcare financing. While guidance is still forthcoming, the potential effect of the new legislation has been considered in preparing these results. Based on the information available, AEP updated its trend assumption at year-end 2022, and incorporated expected impacts on EGWP reimbursements. Additional changes may be reflected in future valuations as more guidance becomes available and actual plan experience is used to inform future expectations.

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# Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information described below regarding this valuation.

## Reliances

In preparing the results presented in this report, we have relied on information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

## Measurement of benefit obligations, plan assets and balance sheet adjustments

### Census date/measurement date

The measurement date is January 1, 2024. The benefit obligations were measured as of January 1, 2024 and are based on participant data as of the census date, January 1, 2024.

### Plan assets and balance sheet adjustments

Information about the fair value of plan assets and the general ledger account balances for the other postretirement benefit plan cost at December 31, 2023, which reflect the expected funded status of the plan before adjustment to reflect the funded status based on the year-end measurements, and differences between the expected Medicare Part D subsidies and amounts received during the year was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

## Assumptions and methods under the Internal Revenue Code for contribution limit purposes

The actuarial assumptions and methods employed in the development of the contribution limits have been selected by the plan sponsor, with the concurrence of WTW. The Internal Revenue Code requires the use of reasonable assumptions (taking into account the experience of the plan and reasonable expectations) which, in combination, offer the actuary's best estimate of anticipated experience under the plan. We

believe that the assumptions used in our valuation are reasonable and appropriate for the purposes for which they have been used

## Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the benefit cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. In addition, we believe that the combined effect of assumptions is expected to have no significant bias. See Appendix A for a description of each significant assumption used and our rationale for concluding that it does not significantly conflict with what would be reasonable. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we believe do not significantly conflict with what would be reasonable. Other actuarial assumptions could also be considered to not significantly conflict with what would be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2024 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

## Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

### Limitations on use

This report is provided subject to the terms set out herein and in our Master Consulting Services Agreement dated July 29, 2004 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plan as described in Purposes of valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any party other than American Electric Power relying on this report or any advice relating to its contents.

### Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to [pension][other postretirement benefit] plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.



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Director, Retirement – Valuation Actuary  
April 30, 2024



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Senior Associate – Valuation Actuary  
April 30, 2024



Abigail Lange, FSA, MAAA  
Health & Benefits Actuary  
Pricing Specialist  
April 30, 2024

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

# Section 2 : Accounting exhibits

## 2.1 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Measurement Date	01/01/2024	01/01/2023
<b>A Development of Balance Sheet Asset/(Liability)<sup>1</sup></b>		
1 Accumulated postretirement benefit obligation (APBO)	(785,012,341)	(808,589,040)
2 Fair value of plan assets (FVA) <sup>2</sup>	1,638,591,631	1,509,382,550
3 Net balance sheet asset/(liability)	853,579,290	700,793,510
<b>B Current and Noncurrent Classification<sup>3</sup></b>		
1 Noncurrent asset	853,579,290	700,793,510
2 Current liability	0	0
3 Noncurrent liability	0	0
4 Net balance sheet asset/(liability)	853,579,290	700,793,510
<b>C Accumulated Other Comprehensive (Income)/Loss</b>		
1 Net prior service cost/(credit)	(27,548,802)	(90,610,377)
2 Net loss/(gain)	198,274,182	305,543,359
3 Accumulated other comprehensive (income)/loss <sup>4</sup>	170,725,380	214,932,982
<b>D Assumptions and Dates</b>		
1 Discount rate	5.15%	5.50%
2 Current health care cost trend rate	7.00% Medical / 9.00% Rx	7.50% Medical / 10.00% Rx
3 Ultimate health care cost trend rate	4.50%	4.50%
4 Year of ultimate trend rate	2029	2029
5 Census date	01/01/2024	01/01/2023

<sup>1</sup> Whether any amounts in this table that differ from those disclosed at year-end must be disclosed in subsequent interim financial statements should be determined.

<sup>2</sup> Excludes receivable contributions.

<sup>3</sup> The current liability (for each underfunded plan) was measured as the discounted value of benefits expected to be paid over the next 12 months in excess of the fair value of the plan's assets at the measurement date.

<sup>4</sup> Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

## 2.2 Summary of net balances

All monetary amounts shown in US Dollars

### A Summary of Prior Service Cost/(Credit) Bases

Measurement Date Established	Original Amount	Net Amount at 01/01/2024	Remaining Amortization Period	Amortization Amount in 2024	Effect of Curtailments	Other Events
12/31/2012	(468,077,578)	(10,341,446)	0.20333	10,341,446	0	0
12/31/2019	(7,509,373)	(4,735,029)	6.82684	693,586	0	0
12/31/2020	(11,724,863)	(8,054,872)	7.00000	1,150,697	0	0
12/31/2021	(5,489,273)	(4,417,455)	8.24292	535,909	0	0
Total		(27,548,802)		12,721,638	0	0

All monetary amounts shown in US Dollars

### B Summary of Net Loss/(Gain) (see Appendix A for a description of amortization method)

Net Amount at 01/01/2024 <sup>1</sup>	Amortization Amount in 2024	Effect of Curtailments	Effect of Settlements	Other Events (Identify)
198,274,182	(3,310,867)	0	0	0

<sup>1</sup> Before any immediate recognition on the same date.

## 2.3 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2024	12/31/2023
<b>A Total Benefit Cost</b>		
1 Employer service cost	4,170,164	4,298,510
2 Interest cost	38,906,588	42,804,716
3 Expected return on plan assets	(108,337,887)	(106,930,747)
4 Subtotal	(65,261,135)	(59,827,521)
5 Net prior service cost/(credit) amortization	(12,721,638)	(63,061,575)
6 Net loss/(gain) amortization	3,310,867	14,862,146
7 Subtotal	(9,410,771)	(48,199,429)
8 Net periodic postretirement benefit cost/(income)	(74,671,906)	(108,026,950)
9 Curtailment (gain)/loss	0	0
10 Settlement (gain)/loss	0	0
11 Special/contractual termination benefits	0	0
12 Other adjustments	0	0
13 Total benefit cost	(74,671,906)	(108,026,950)
<b>B Assumptions</b> (See Appendix A for interim measurements, if any)		
1 Discount rate	5.15%	5.50%
2 Expected long-term rate of return on plan assets	6.75%	7.25%
3 Current health care cost trend rate	7.00% Medical / 9.00% Rx	7.50% Medical / 10.00% Rx
4 Ultimate health care cost trend rate	4.50%	4.50%
5 Year of ultimate trend rate	2029	2029
6 Census date	01/01/2024	01/01/2023
<b>C Fair Value of Assets at Beginning of Year</b>	1,638,591,631	1,509,382,550
<b>D Cash Flows Net of Medicare Part D Subsidy</b>		
	<b>Expected</b>	<b>Actual</b>
1 Employer contributions	649,781	771,695
2 Plan participants' contributions	44,984,963	43,956,192
3 Benefits paid from Company assets	113,271,772	134,506,249
4 Expected Medicare retiree drug subsidy on current year benefit payments	(17,914)	(220,464)
<b>E Amortization Period</b>		
1 For gain/loss amortization, if applicable	10.39456	10.40261

## 2.4 Detailed results for postretirement welfare cost and funded position

All monetary amounts shown in U.S. Dollars

Detailed results		01/01/2024	01/01/2023
<b>A Service Cost</b>			
1	Medical	3,127,166	3,270,505
2	Life insurance	1,042,998	1,028,005
3	Dental	0	0
4	Total	4,170,164	4,298,510
<b>B Accumulated Postretirement Benefit Obligation [APBO]</b>			
1	Medical:		
a	Participants currently receiving benefits	357,039,931	387,034,567
b	Fully eligible active participants	29,842,032	31,767,317
c	Other participants	71,232,296	73,526,309
d	Total	458,114,259	492,328,193
2	Life insurance:		
a	Participants currently receiving benefits	278,385,321	268,989,542
b	Fully eligible active participants	16,495,092	15,781,946
c	Other participants	24,769,216	23,946,321
d	Total	319,649,629	308,717,809
3	Dental:		
a	Participants currently receiving benefits	7,096,943	7,403,704
b	Fully eligible active participants	151,510	139,334
c	Other participants	0	0
d	Total	7,248,453	7,543,038
4	All Benefits:		
a	Participants currently receiving benefits	642,522,195	663,427,813
b	Fully eligible active participants	46,488,634	47,688,597
c	Other participants	96,001,512	97,472,630
d	Total	785,012,341	808,589,040
<b>C Assets</b>			
1	Fair value [FV]	1,638,591,631	1,509,382,550
<b>D Funded Position</b>			
1	Overfunded (underfunded) APBO	853,579,290	700,793,510
2	APBO funded percentage	208.7%	186.7%
<b>E Amounts in Accumulated Other Comprehensive Income</b>			
1	Prior service cost (credit)	(27,548,802)	(90,610,377)
2	Net actuarial loss (gain)	198,274,182	305,543,359
3	Total	170,725,380	214,932,982

## 2.5 ASC 965 (plan reporting) information

All monetary amounts shown in U.S. Dollars

Summary of Present Value of Benefits		01/01/2024	01/01/2023
<b>A Medical (ignoring Retiree Drug Subsidy)</b>			
1	Current retirees	357,140,956	387,147,950
2	Active participants fully eligible for benefits	29,842,032	31,767,317
3	Other active participants	71,232,296	73,526,309
4	<b>Total</b>	<b>458,215,284</b>	<b>492,441,576</b>
<b>B Life Insurance</b>			
1	Current retirees	278,385,321	268,989,542
2	Active participants fully eligible for benefits	16,495,092	15,781,946
3	Other active participants	24,769,216	23,946,321
4	<b>Total</b>	<b>319,649,629</b>	<b>308,717,809</b>
<b>C Dental</b>			
1	Current retirees	7,096,943	7,403,704
2	Active participants fully eligible for benefits	151,510	139,334
3	Other active participants	0	0
4	<b>Total</b>	<b>7,248,453</b>	<b>7,543,038</b>
<b>D Total (ignoring Retiree Drug Subsidy)</b>			
1	Current retirees	642,623,220	663,541,196
2	Active participants fully eligible for benefits	46,488,634	47,688,597
3	Other active participants	96,001,512	97,472,630
4	<b>Total</b>	<b>785,113,366</b>	<b>808,702,423</b>
<b>APBO Trend Sensitivities</b>			
	Baseline APBO	785,113,366	808,702,423
	APBO with +1% Trend Sensitivity	788,666,232	814,416,704
	Impact:	3,552,866	5,714,281
	APBO with -1% Trend Sensitivity	782,983,717	804,606,998
	Impact:	(2,129,649)	(4,095,425)

### Actuarial assumptions and methods

The key actuarial assumptions used for plan reporting calculations are the same as those used to determine the postretirement welfare cost and are shown in the Actuarial Assumptions and Methods section, except that the Retiree Drug Subsidy (RDS) associated with Medicare Part D is not reflected. For the prior valuation, a discount rate of 5.50% was used. The same plan provisions shown in Appendix B were used to determine the present value of accumulated benefits.

Reconciliation of Present Value of Benefits		Plan Year 2023	Plan Year 2022
<b>A Medical (ignoring Retiree Drug Subsidy)</b>			
1	Benefit obligation, beginning of year	492,441,576	511,158,908
2	Service cost	3,270,505	4,375,461
3	Interest cost	25,917,893	14,153,690
4	Participant contributions	35,113,254	36,094,967
5	Net actuarial (gain)/loss - experience	20,483,220	27,111,266
6	Net actuarial (gain)/loss - assumptions	(10,749,540)	11,032,122
7	Plan amendments	0	0)
8	Gross benefits paid	(108,261,624)	(111,484,838)
9	Benefit obligation, end of year	458,215,284	492,441,576
<b>B Life Insurance</b>			
1	Benefit obligation, beginning of year	308,717,809	428,719,252
2	Service cost	1,028,005	2,235,730
3	Interest cost	16,498,743	12,216,814
4	Participant contributions	771,695	748,633
5	Net actuarial (gain)/loss - experience	(1,909,792)	(2,875,230)
6	Net actuarial (gain)/loss - assumptions	11,935,549	(115,192,839)
7	Plan amendments	0	0
8	Gross benefits paid	(17,392,380)	(17,134,551)
9	Benefit obligation, end of year	319,649,629	308,717,809
<b>C Dental</b>			
1	Benefit obligation, beginning of year	7,543,038	11,341,254
2	Service cost	0	0
3	Interest cost	414,867	328,896
4	Participant contributions	8,071,243	7,543,319
5	Net actuarial (gain)/loss - experience	(65,969)	(1,603,251)
6	Net actuarial (gain)/loss - assumptions	137,519	(1,433,585)
7	Plan amendments	0	0)
8	Gross benefits paid	(8,852,245)	(8,633,595)
9	Benefit obligation, end of year	7,248,453	7,543,038
<b>D Total (ignoring Retiree Drug Subsidy)</b>			
1	Benefit obligation, beginning of year	808,702,423	951,219,414
2	Service cost	4,298,510	6,611,191
3	Interest cost	42,831,503	26,699,400
4	Participant contributions	43,956,192	44,386,919
5	Net actuarial (gain)/loss - experience	18,507,459	22,632,785)
6	Net actuarial (gain)/loss - assumptions	1,323,528	(105,594,302)
7	Plan amendments	0	0)
8	Gross benefits paid	(134,506,249)	(137,252,984)
9	Benefit obligation, end of year	785,113,366	808,702,423

## 2.6 Basic results for employer contributions - VEBA's

All monetary amounts shown in U.S. Dollars

All Postretirement VEBA's	Estimated December 31, 2024	Actual December 31, 2023
<b>A Qualified Asset Account Limits [QAAL]<sup>1</sup></b>	333,000,000	337,889,408
<b>B Assets</b>		
1 Market value	1,430,000,000	1,371,158,039
2 Unrecognized investment losses (gains)	0	0
3 Actuarial value [AV]	1,430,000,000	1,371,158,039
<b>C Funded Position</b>		
1 Unfunded account limits [QAAL – FV]	(1,097,000,000)	(1,033,268,631)
<b>D Employer Contributions</b>		
1 Maximum deductible available <sup>2</sup>	150,000,000	135,166,692
2 Qualified additions		
a Prior years' carryover	0	0
b Current year additions	0	0
c Total deductions available [a + b]	0	0
3 Other non-deductible current year additions	0	0
4 Total additions [2.c + 3]	0	0
a Life insurance VEBA	0	0
b Union medical and dental VEBA's	0	0
c Non-union medical and dental VEBA's	0	0

<sup>1</sup> Includes the present value of projected benefits for the union retiree medical VEBA.

<sup>2</sup> Includes amounts not contributed to trusts with capacity at year-end.

## 2.7 VEBA deduction limits

All monetary amounts shown in U.S. Dollars

Retiree Life Insurance		2023	2022
<b>A Qualified Asset Account Limit (QAAL)</b>			
1	December 31 actuarial accrued liability	209,884,508	199,491,977
2	Unrecognized liability	0	0
3	QAAL	209,884,508	199,491,977
<b>B Assets</b>			
1	Market value as of December 31	74,717,816	76,522,196
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	74,717,816	76,522,196
<b>C Funded position</b>			
1	Unfunded account limit [QAAL - AV]	135,166,692	122,969,781
2	Contributions received in trust, but not yet deducted		
	Through 2013	0	0
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	0	0
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	Total	0	0
<b>D Employer deductions for contributions to VEBAs</b>			
1	Maximum deduction available <sup>1</sup> [C.1 + Total of C.2]	135,166,692	122,969,781
2	Qualified additions		
a	Prior years' carryover	0	0
b	Current year additions	0	0
c	Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

<sup>1</sup> Includes amounts not contributed.

All monetary amounts shown in U.S. Dollars

Union Medical and Dental		2023	2022
<b>A Qualified Asset Account Limit (QAAL)</b>			
1	December 31 present value of projected benefits	96,519,526	102,437,188
2	Unrecognized liability	0	0
3	QAAL	96,519,526	102,437,188
<b>B Assets</b>			
1	Market value as of December 31	505,377,909	462,972,449
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	505,377,909	462,972,449
<b>C Funded position</b>			
1	Unfunded account limit [QAAL - AV]	(\$408,858,383)	(360,535,261)
2	Contributions received in trust, but not yet deducted		
	Through 2013	0	0
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	0	0
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	Total	0	0
<b>D Employer deductions for contributions to VEBAs</b>			
1	Maximum deduction available <sup>1</sup> [greater of C.1+C.2 and 0]	0	0
2	Qualified additions		
	a Prior years' carryover	0	0
	b Current year additions	0	0
	c Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

<sup>1</sup> Includes amounts not contributed.

All monetary amounts shown in U.S. Dollars

Non-Union Retiree Medical and Dental		2023	2022
<b>A Qualified Asset Account Limit (QAAL)</b>			
1	December 31 actuarial accrued liability	31,485,374	33,017,236
2	Unrecognized liability	0	0
3	QAAL	31,485,374	33,017,236
<b>B Assets</b>			
1	Market value as of December 31	791,062,314	691,591,115
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	791,062,314	691,591,115
<b>C Funded position</b>			
1	Unfunded account limit [QAAL - AV]	(759,576,940 )	(658,573,879)
2	Contributions received in trust, but not yet deducted		
	Through 2013	285,901,694	285,901,694
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	10,082,000	10,082,000
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	Total	295,983,694	295,983,694
<b>D Employer deductions for contributions to VEBAs</b>			
1	Maximum deduction available <sup>1</sup> [greater of C.1+C.2 and 0]	0	0
2	Qualified additions		
	a Prior years' carryover	0	0
	b Current year additions	0	0
	c Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

<sup>1</sup> Includes amounts not contributed.

## 2.8 Cumulative nondeductible contributions

All monetary amounts shown in U.S. Dollars

<b>Non-Union Retiree Medical and Dental VEBAs</b>			
	<b>Contributions Made by December 31, 2023, but Not Deducted as of December 31, 2022</b>	<b>Deductible in 2023</b>	<b>Remaining Nondeductible Contributions as of December 31, 2023</b>
Through 2008	\$0	\$0	\$0
2009	105,440,603	0	105,440,603
2010	73,467,453	0	73,467,453
2011	38,701,148	0	38,701,148
2012	68,292,490	0	68,292,490
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	10,082,000	0	10,082,000
2019	0	0	0
2020-23	0	0	0
<b>Total</b>	<b>\$295,983,694</b>	<b>\$0</b>	<b>\$295,983,694</b>

<b>Retiree Life Insurance VEBAs</b>			
	<b>Contributions Made by December 31, 2023, but Not Deducted as of December 31, 2022</b>	<b>Deductible in 2023</b>	<b>Remaining Nondeductible Contributions as of December 31, 2023</b>
Through 2008	\$0	\$0	\$0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020-23	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 2.9 Development of maximum deductible contribution – 401(h)

All monetary amounts shown in U.S. Dollars

Plan Year Beginning		January 1, 2024		
<b>A Development of Maximum Deductible Contribution</b>				
1	Present value of projected benefits			292,349,537
2	Fair value of assets			267,433,592
3	Unfunded (surplus) [A.1 – A.2]			24,915,945
4	Average present value of future service			7
5	Preliminary maximum deductible contribution			
a	10% of unfunded surplus [10% x A.3]			2,491,595
b	Aggregate normal cost [A.3 / A.4]			3,535,571
c	Greater of A.5.a, A.5.b and 0			3,535,571
6	Preliminary maximum contribution [1.07 x A.5.c]			3,783,061
7	Subordination test (development shown below)			145,371,303
8	Maximum deductible contribution ignoring expenses [lesser of A.6 and A.7]			3,783,061
9	Total trust expenses paid from 401(h) account			296,125
10	Maximum deductible contribution including expenses [A.8 + A.9]			4,079,186
<b>B Subordination Test</b>				
Year-by-year minimum of actual pension plan contribution and pension plan normal cost with interest				
	<b>Year</b>	<b>West Plan</b>	<b>East Plan</b>	<b>Combined Plan</b>
	1992	9,766,169	N/A	N/A
	1993	22,392,743	N/A	N/A
	1994	21,208,326	N/A	N/A
	1995	21,683,436	N/A	N/A
	1996	20,271,648	N/A	N/A
	1997 - 2002	0	N/A	N/A
	2003	19,197,145	39,165,054 <sup>1</sup>	N/A
	2004	18,614,338	56,614,811	N/A
	2005	16,222,550	55,872,817	N/A
	2006-2007	0	0	N/A
	2008	0	0	0
	2009	N/A	N/A	100,540,448
	2010	N/A	N/A	125,586,018
	2011	N/A	N/A	62,751,522
	2012	N/A	N/A	0
	2013	N/A	N/A	65,249,050
	2014	N/A	N/A	0
	2015	N/A	N/A	81,674,776
	2016	N/A	N/A	84,696,307
	2017	N/A	N/A	93,590,761
	2018	N/A	N/A	0
	2019	N/A	N/A	99,347,283
	2020-2023	N/A	N/A	0
	Cumulative pension contributions not for past service	149,356,355	151,652,682	1,014,445,203
		x 1/3	x 1/3	x 1/3
		49,785,452	50,550,894	338,148,401
	Cumulative 401(h) contributions before plan year 2023	49,785,452	50,550,894	192,777,098
	Subordination limit	0	0	145,371,303

<sup>1</sup> Includes only portion of normal cost and contributions after 401(h) account adoption for indicated year

## 2.10 Expected benefit disbursements, administrative expenses, and participant contributions

All monetary amounts shown in U.S. Dollars

	January 1, 2024	January 1, 2023
<b>A Medical and Dental without RDS</b>		
1 Gross disbursements	92,424,658	93,382,609
2 Participant contributions	(44,256,657)	(42,982,173)
3 Net disbursements	48,168,001	50,400,436
<b>B Life Insurance</b>		
1 Gross disbursements	20,865,028	20,596,016
2 Participant contributions	(728,305)	(797,827)
3 Net disbursements	20,136,723	19,798,189
<b>C Gross without RDS</b>		
1 Gross disbursements	113,289,686	113,978,625
2 Participant contributions	(44,984,962)	(43,780,000)
3 Net disbursements	68,304,724	70,198,625
<b>D RDS<sup>1</sup></b>		
1 Gross disbursements	(17,914)	(19,354)
2 Participant contributions	0	0
3 Net disbursements	(17,914)	(19,354)
<b>E Net with RDS</b>		
1 Gross disbursements	113,271,772	113,959,271
2 Participant contributions	(44,984,962)	(43,780,000)
3 Net disbursements	68,286,810	70,179,271

<sup>1</sup> 2022-2023 RDS payments expected to be received in 2024-2025.

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# Section 3 : Participant data

## 3.1 Summary of participant data

All monetary amounts shown in U.S. Dollars

Census Date		01/01/2024	01/01/2023
<b>A</b>	<b>Participating Employees</b>		
1	Number		
	a Fully eligible	1,530	1,577
	b Other	6,509	7,022
	<b>c Total participating employees</b>	<b>8,039</b>	<b>8,599</b>
2	Average age	52.66	52.14
3	Average credited service	23.76	23.13
<b>B</b>	<b>Retirees, Surviving Spouses and Surviving Dependents</b>		
1	Retirees		
	a Number	14,782	14,924
	b Average age	73.38	72.95
	c Number of spouses	7,690	7,985
2	Surviving spouses and surviving dependents		
	a Number	2,977	3,018
	b Average age	80.61	80.64
3	Total retirees, surviving spouses and surviving dependents		
	a Number	17,759	17,942
	b Average age	74.59	74.24
	c Number of spouses	7,690	7,985
	d Distribution at January 1, 2024		
	<b>Age</b>	<b>Number</b>	
	Under 55	77	
	55-59	330	
	60-64	1,851	
	65-69	3,750	
	70-74	3,551	
	75-79	3,597	
	80-84	2,245	
	85 and over	2,358	

### 3.2 Age and service distribution of active participants

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0
25-29	0	0	5	0	0	0	0	0	0	5
30-34	0	0	160	14	2	0	0	0	0	176
35-39	0	0	344	324	6	0	0	0	0	674
40-44	0	0	292	643	170	4	0	0	0	1,109
45-49	0	0	206	545	293	109	2	0	0	1,155
50-54	0	0	173	423	295	252	131	6	0	1,280
55-59	0	0	115	290	228	215	392	288	16	1,544
60-64	0	0	73	166	137	149	196	436	354	1,511
65-69	0	0	26	48	31	29	49	69	249	501
70 & over	0	0	9	4	8	3	3	8	49	84
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,403</b>	<b>2,457</b>	<b>1,170</b>	<b>761</b>	<b>773</b>	<b>807</b>	<b>668</b>	<b>8,039</b>

  

Average:	Age	52	Number of Participants		
	Service	24	Fully eligible	1,530	Males 6,526
			Other	6,509	Females 1,513

Census data as of January 1, 2024

# Appendix A : Statement of actuarial assumptions, methods and data sources

## Actuarial Assumptions and Methods — Postretirement Welfare Cost and Funding/Tax Deductions Based on Plan Year beginning January 1, 2024

### Economic Assumptions

	Postretirement Welfare Cost	Plan Reporting	Employer Contributions
Discount rate <sup>1</sup>	5.15%	5.15%	N/A
Rates of return on assets, pre-tax: <sup>1</sup>			
• 401(h) accounts	N/A	N/A	7.00%
• Life insurance	N/A	N/A	8.50%
• Union medical/dental	N/A	N/A	7.50%
• Non-union medical/dental	N/A	N/A	6.50%
• Aggregate	6.75%	N/A	N/A
	<b>Age</b>	<b>Rate</b>	
• Annual rates of compensation increases	< 25	11.50%	
	25 – 29	8.50%	
	30 – 34	7.00%	
	35 – 39	6.00%	
	40 – 44	5.00%	
	45 – 49	4.50%	
	50 – 54	4.00%	
	55 – 59	3.75%	
	60 – 64	3.50%	
	65 – 69	3.25%	
	70+	3.00%	
	Weighted average	5.05%	
• Medical cost trend rate <sup>2</sup>		<b>Medical</b>	<b>Prescription Drug</b>
	2024	7.00%	9.00%
	2025	6.50%	8.00%
	2026	6.00%	7.00%
	2027	5.50%	6.00%
	2028	5.00%	5.00%
	2029+	4.50%	4.50%

Dental cost trend rate <sup>2</sup>	All years	3.00%
Medicare covered charges trend rate	Same as medical cost trend	
Retiree contribution trend rate	Same as medical cost trend. For capped retirees, future retiree contributions are developed based on expected gross costs compared to the applicable cap.	

<sup>1</sup> Only discount rate and asset return assumptions vary between the reporting standards. All other assumptions are consistent throughout.

<sup>2</sup> 0% trend assumed for non-union VEBA account limit.

## Participation Assumptions

Inclusion Date	The valuation date coincident with or next following the date on which the employee is hired.	
New or rehired employees	It was assumed there will be no new or rehired employees.	
	<b>Current Retirees</b>	<b>Future Retirees</b>
Participation	Based on valuation census data.	76% in 2024 with the rate decreasing by 2% annually to an ultimate rate of 60% in 2032.
Persistency	Capped retirees will drop coverage at a rate of 4% annually; Non-capped retirees will drop coverage at a rate of 0.85% annually	Same as current retirees
Percentage of retiree with spousal coverage	Based on valuation census data.	72.6% for males, 52.6% for females.
Spouse age	Based on valuation census data.	Wife three years younger than husband.

## Demographic Assumptions

Mortality	Base mortality rates are derived from the Pri-2012 headcount weighted mortality table without collar adjustments.  Mortality improvements are projected forward on a generational basis using Scale MP-2021.
Disabled mortality (through age 65)	Rates vary by age and sex. Representative rates:

Age	Males	Females
30	1.05%	0.54%
40	1.52	1.00
50	2.23	1.51
60	2.62	1.96

Disability

Rates apply to employees not eligible to retire and vary by age and sex.

Representative rates:

Percentage becoming disabled during the year		
Age	Males	Females
20	0.060%	0.090%
30	0.060	0.090
40	0.074	0.110
50	0.178	0.270
60	0.690	1.035

Termination  
(not due to disability  
or retirement)

Rates apply to employees not eligible to retire and vary by age.

Representative rates:

Percentage leaving during the year	
Attained vested service	Rate
< 3	7.00%
3 – 4	6.00%
5 – 9	5.00%
10 – 14	4.00%
15 – 19	2.50%
20 +	1.50%

Retirement

Rates vary by age.

Representative rates:

Percentage retiring during the year	
Age	Rate
55 – 58	4.00%
59	6.00%
60	7.50%
61	9.00%
62 – 64	16.00%
65 – 67	25.00%
68 – 69	20.00%
70+	100.00%

### 2024 Per Capita Claims Costs (shown in U.S. dollars)

#### Medical

- Prior to age 65<sup>1</sup>

Age	HSA Basic	HSA Plus	HRA
<= 29	4,445	4,714	5,482
30 – 34	5,438	5,767	6,706
35 – 39	5,750	6,098	7,092
40 – 44	6,289	6,670	7,756
45 – 49	7,257	7,696	8,950
50 – 54	8,911	9,450	10,989
55 – 59	10,699	11,347	13,195
60 – 64	13,240	14,042	16,329
Average	12,525	13,284	15,447

- Age 65 and after

Age	Medicare Select	Medicare Standard	CSP
65 – 69	3,994	3,336	2,138
70 – 74	4,340	3,625	2,368
75 – 79	4,480	3,742	2,548
80 – 84	4,436	3,705	2,625
85 – 89	4,140	3,458	2,620
90 – 94	3,576	2,987	2,455
≥ 95	2,873	2,400	2,297
Average	4,228	3,543	2,476

- Medicare Part D - RDS

Age	Medicare Advantage	CSP
65 – 69	N/A	(331)
70 – 74	N/A	(360)
75 – 79	N/A	(371)
80 – 84	N/A	(368)
85 – 89	N/A	(343)
90 – 94	N/A	(296)
≥ 95	N/A	(238)
Average	N/A	(307)

<sup>1</sup> Pre-65 per capita claims costs do not include the 5% adjustment for potential dependent children covered under the plan.

- Medicare Part D - Employer Group Waiver Plan (EGWP) for Medicare Advantage plans<sup>1</sup>

Age	CMS Direct Payments & Catastrophic Reinsurance	Manufacturer's Coverage Gap Discount
65 – 69	(993)	(774)
70 – 74	(1,079)	(842)
75 – 79	(1,114)	(869)
80 – 84	(1,103)	(860)
85 – 89	(1,029)	(803)
90 – 94	(889)	(693)
≥ 95	(714)	(557)
Average	(1,053)	(821)

Dental 452

Administrative expenses Included in claims costs shown above.

<sup>1</sup> EGWP CMS Direct Payments and Catastrophic Reinsurance payments are projected to decrease 26.6% in 2025 for the expected impact of the IRA

**Additional Assumptions**

Timing of benefit payments Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.

**Methods**

Census date January 1, 2024

Measurement date January 1, 2024

Service cost and APBO Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.

Market-related value of assets The fair value of assets on the measurement date.

Amortization of unamortized amounts:

- Prior service cost (credit) Increase in APBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan. Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until such time as it is fully amortized. The annual amortization payment is determined in the first year as the increase in APBO due to the plan change divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the Plan. Reductions in APBO first reduce any unrecognized prior service cost; any remaining amount is amortized on a straight-line basis as described above.

- Net loss (gain) Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year.  
  
Net loss (gain) in excess of 10% of the greater of APBO or the market-related value of assets is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.

#### ASC 965 (formerly SOP 92-6)

- Present value of benefits Present value of benefits is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.
- Funding policy AEP's funding policy is to contribute an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). AEP maximizes its contribution to the 401(h) account and contributes the remainder to the VEBA's.
- Benefits Not Valued All benefits described in the Plan Provisions section of this report were valued. Life insurance benefits in excess of \$50,000, RDS offsets and health care benefits for key employees were not included in determining the maximum deductible contribution. WTW has reviewed the plan provisions with AEP and based on that review is not aware of any significant benefits required to be valued that were not included.
- Change in Assumptions and Methods Since Prior Valuation
  - Per capita claims costs were updated to reflect 2022 retiree claims experience
  - Discount rate was changed from 5.50% to 5.15%
  - The expected return on assets assumption was decreased by 50 basis points to 6.75%
  -

#### Sources of Data and Other Information

American Electric Power (AEP), through BusinessSolver, its third-party administrator, furnished active and inactive participant data as of January 1, 2024. AEP also provided the accrued postretirement benefit costs and assets information as of December 31, 2023. Health plan vendors furnished the claims cost data. AEP supplied 2022 prescription drug rebates and EGWP payments. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data were adjusted to reflect any significant events that occurred between the date the data were collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

## Assumptions Rationale - Significant Economic Assumptions – Funding and Accounting

Discount rate	As required by U.S. GAAP, the discount rate was chosen by the plan sponsor based on market information on the measurement date. We believe the discount rate chosen does not significantly conflict with what would be reasonable.
Interest rate (funding)	The interest rate is the expected rate of return on plan assets and represents an estimate of future experience for trust asset returns, reflecting the plan's current asset allocation, and current and expected future market conditions. We believe the interest rates chosen does not significantly conflict with what would be reasonable.
Expected long-term return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions. Therefore, we believe the expected return on plan assets chosen does not significantly conflict with what would be reasonable.
Rates of increase in:	
<ul style="list-style-type: none"> <li>• Plan administrative expenses</li> </ul>	Administrative expenses are included in per capita claims costs and thus the medical plan trend rate is applied to these expenses. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> <li>• Claims cost trend rates</li> </ul>	<p>Assumed increases were chosen by the plan sponsor and as required by U.S. GAAP, they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates and reflecting the expected near-term effect of recently enacted plan changes. In setting near term trend rates, other pertinent statistics were considered, including surveys on general medical cost increases. In setting the ultimate trend rate, considerations included assumed GDP growth consistent with the assumed future economic conditions inherent in other economic assumptions chosen by the client at the measurement date.</p> <p>After examining historical variability in trend rates, we believe that the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used, other than the discount rate.</p> <p>For the medical VEBA funding limit of the non-bargained group, no future increases in medical or dental costs have been assumed, in accordance with U.S. tax law. We believe this assumption does not significantly conflict with what would be reasonable.</p>
Participant contribution trend rates	In accordance with the substantive plan communicated to participants, participant contributions for non-capped participants are intended to remain a fixed percentage of total plan costs, and thus the trend rates, and the description of the derivation of the trend rates, are the same as for claims costs as shown above. We believe this assumption does not significantly conflict with what would be reasonable.

## Basis for Per Capita Claims Cost Assumptions

- Pre-65 retiree medical rates

AEP supplied data on retiree medical and prescription drug claims incurred in 2022 and paid through March 2023. AEP reported prescription drug rebates they received for 2022. Claim experience rates were calculated for medical plans by normalizing claims experience for benefit differences and combining, then dividing combined incurred claims, net of prescription rebates by covered lives and trending forward two years to 2024. Adjustments for carrier and minor plan design changes were also made. Finally, administrative expense rates were added to claims cost rates. Claims cost models were developed by age-grading these claims rates over standard WTW morbidity curves for both medical and prescription drugs to develop the quinquennial claims cost models.
- Post-65 retiree medical rates

2024 monthly claim rates were calculated separately for the Medicare Advantage options and CSP Medicare-eligible plans by dividing 2022 incurred claims (Rx only, except for CSP) paid through March 2023 by covered lives and trending forward two years to 2024. Prescription drug claim rates were then multiplied by pricing change factors representing the effect of any pricing and other program changes for 2023 and 2024.

Next, 2024 premium rates for new Medicare Advantage (MA) plans were added. There is a guarantee premium of \$0 through 2028, and additional premium credits through Aetna further support an assumption of a \$0 premium rate for Medicare Advantage plans holding indefinitely.

Finally, administrative expense rates were added to Rx and CSP claims cost rates. Claims cost models were developed separately for medical and prescription drug by age-grading these rates over standard WTW morbidity curves for medical and prescription drugs to develop quinquennial age-banded claims cost models. We believe this assumption does not significantly conflict with what is reasonable.
- Dental rates

Aetna supplied data on dental claims incurred in 2022 and paid through March 2023. Claims experience for retirees was analyzed to derive the 2024 dental claim rates. The single coverage rate was trended to 2024 and administrative costs were added to derive the per capita claims cost assumption. We believe this assumption does not significantly conflict with what would be reasonable.

Medicare Part D offsets

- RDS

We calibrated our modelling tool to reflect the 2023 cost of the current prescription drug plans for AEP’s CSP retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of many large companies, reflecting 0.9 million Medicare-eligible members’ experience from 2020.

After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2024 at 8.00% per year. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:

- Gross Value Test* – The Modeler calculates the value of standard Medicare Part D coverage and compares it to AEP’s plan costs. AEP’s plans passed this test by being richer than the projected value of standard Medicare part D coverage for these groups.
- Net Value Test* – The net value prong of the test compares the value of Standard Part D coverage in 2024 minus the greater of \$416.40 per year (the national average Part D premium) and 25.5% of the gross value of Part D to the projected 2024 value of AEP coverage minus the average projected 2024 retiree contribution rate. For this purpose, retiree contributions were assumed to apply pro rata between the value of medical benefits and prescription drug benefits.

The tool calculates the average expected value of the employer subsidy in 2024, using the continuance table calibrated to AEP’s CSP plan costs. This produced an expected 2024 per person employer subsidy of \$307 for CSP, which was then converted to rates that varied by participant age band using WTW’s prescription drug morbidity factors. We believe this assumption does not significantly conflict with what is reasonable.

- EGWP

Estimated plan cost offsets associated with the EGWP arrangement were calculated using actual historical payments provided by Express Scripts and OptumRx for direct subsidy payments, coverage gap discounts and reinsurance payments. These projections incorporated national average bid results for 2024 Part D plans. These amounts were converted to rates varying by quinquennial age band using WTW’s standard prescription drug morbidity factors. We believe this assumption does not significantly conflict with what is reasonable.

**Assumptions Rationale - Significant Demographic Assumptions**

Healthy Mortality	Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.
Disabled Mortality	Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.
Termination	Termination rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by termination patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.

Disability	Disability rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by disability patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Retirement	Retirement rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Persistence	Persistence rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by persistency patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Participation	
<ul style="list-style-type: none"> <li>• Participants/Spouses</li> </ul>	The assumed coverage rates for participants and spouses reflect historical experience as well as anticipated future reductions in rates due to expected rates of increase in participant contributions and availability of coverage through public exchanges. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> <li>• Covered dependents</li> </ul>	The assumed dependent coverage is based on the dependent coverage observed among recent retirees and general population statistics on the marital status of individuals of retirement age. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> <li>• Covered Spouse age</li> </ul>	The assumed age difference for spouses is based on the age difference observed among recent retirees and general population statistics of the age difference for married individuals of retirement age. We believe this assumption does not significantly conflict with what would be reasonable.

### Source of Prescribed Methods

Funding methods	The methods used for determining maximum deductible contributions to the 401(h) account and VEBA are chosen from acceptable methods prescribed by law.
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### Model Descriptions and Disclosure in Accordance with ASOP No. 56

Quantify	<p>Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.</p> <p>Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.</p> <p>Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.</p>
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Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

#### BOND:Link

U.S. BOND:Link is a methodology to assist with the selection of discount rates used in liability and cost measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high-quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio.

Updated BOND:Link models are developed monthly as of the last day of the month. The construction of a BOND:Link model relies on bond data collected as of the measurement date. Parameters provide the user the ability to control aspects of the model. The model output allows the user to see the effects of those parameters.

#### Published demographic tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

#### AgeDist

AgeDist is a spreadsheet tool that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The average per capita costs and census weights are provided as inputs to the tool which is then combined with a morbidity curve to produce a set of weighted average age-related costs that equal the average. The age-graded costs are used in the actuarial valuation.

The morbidity curve was developed from a broad set of claims data aggregated by age and blended and does not reflect a client's specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency.

The models used for this analysis are designed specifically for these purposes, and we know of no material limitations that would prevent the models from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The

calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the models used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

#### Pricing & Underwriting Tool (PUT)

The Pricing and Underwriting Tool (PUT) develops projected premium equivalent rates, employee contributions, and COBRA rates for self-insured employer health plans (medical, prescription drugs, dental, and vision). The tool develops rates by plan or in aggregate leveraging historic claims, enrollment, plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality, and multiple methods of estimating incurred claims amounts from paid claims data.

The models used for this analysis are designed specifically to support pricing and underwriting analysis for our clients' medical, prescription drug and dental plans and we know of no material limitations that would prevent the models from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The models itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculations and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the models used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

The individuals signing or delivering this report have relied on other WTW employees and actuaries who develop, test and maintain each of the proprietary models used for this analysis and have also performed a limited review of assumptions and results to ensure that the models have been set up appropriately and coded correctly. We have not relied on any external experts to develop, review, or validate the models used in this analysis.

# Appendix B : Summary of principal other postretirement benefit plan provisions

## Health Care Benefits

Eligibility	Participants are eligible upon retirement after age 55 with ten years of service or upon attaining age 55 with ten years of service after becoming permanently disabled. If involuntary termination, then eligible after age 50 with ten years of service.  Employees hired on or after January 1, 2014 are not eligible to participate in the plan.
Surviving spouse	After the death of a retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage. Surviving children are also eligible, subject to the limiting age provision outlined above.
Dependent	Eligible dependents are spouse, unmarried children under age 19 (age 25 if a full-time student) and unmarried disabled children of any age.

### Benefits – Post-65

The AEP Post-65 Medical Plan provides broad medical coverage through two Medicare Advantage plans with \$2,000 annual out-of-pocket maximums. Key differences between the two options offered to retirees are:

	Medicare Select	Medicare Standard
Deductible	\$0	\$200
Coinsurance	5%	20%
In-patient copay	\$250 per stay	\$200 per day (1-5)

Prescription drug benefits are provided under a separate design with the following copayments:

	Generic	Brand Name Formulary	Brand Name Nonformulary
30-day retail	\$10 copay	20% \$20 minimum \$100 maximum	35% \$35 minimum \$200 maximum
90-day retail	\$20 copay	20% \$50 minimum \$200 maximum	35% \$90 minimum \$300 maximum

Prescription drug benefits are also subject to a \$50 deductible and a \$1,000 out-of-pocket maximum per person.

Deductibles and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.

## Benefits – Pre-65

Pre-65 retirees can elect coverage under the following plan options:

	HRA	HSA Plus	HSA Basic
Embedded Individual Amounts	None	Out-of-Pocket Maximum only	Deductible & Out-of-Pocket Maximum
Deductible			
• Individual	\$1,500	\$2,000	\$3,200
• Two Person	\$2,250	\$3,200	\$6,000
• Family	\$3,000	\$4,000	\$9,000
AEP Account Seed			
• Single	\$1,000	\$500	\$0
• Two Person	\$1,500	\$750	\$0
• Family	\$2,000	\$1,000	\$0
Coinsurance	85%	85%	90%
Out-of-Pocket Maximum			
• Individual	\$4,000	\$4,000	\$4,000
• Two Person	\$6,000	\$6,000	\$8,000
• Family	\$8,000	\$8,000	\$12,000

Deductibles, account seeds and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.

## Retiree contributions

Participant contributions are determined as a percentage of plan costs and vary by points (age at retirement plus service) as follows:

<i>Points</i>	<i>Retiree Cost</i>
65-69	46%
70-74	42
75-79	36
80-84	32
85-89	26
90-94	22
95+	20
Grandfathered	20

Spousal coverage requires contribution rates 5% higher than the retiree rates shown in the table above. These percentages do not apply to surviving spouses who pay 50% for pre-65 coverage and 25% for post-65 coverage.

For participants retiring on or after January 1, 2013, AEP's subsidy is capped at \$11,500 and \$3,800 times employer cost sharing percentage for pre-65 and post-65 participants, respectively.

For East participants who retired prior to January 1, 1989, and West participants who retired prior to January 1, 1993, no contributions are required.

For East participants who retired on or after January 1, 1989, and West participants who retired on or after January 1, 1993, the 20% "Grandfathered" contributions are in effect if they retired by December 31, 2000, or attained age 50 and had ten or more years of service with the company on that date. The percentages described above

are applied to plan costs that differ from the per capita claims costs assumed in the valuation as follows:

The Medicare status of dependents is not used to determine whether “pre-65” or “post-65” rates apply. The pre-65 plan rates used to calculate participant contributions are a blend of pre-65 retiree costs and active employee costs for those participants retired prior to January 1, 2013, only.

For purposes of determining retiree contribution rates, AEP excludes the value of the government’s monthly direct payment amount and its catastrophic reinsurance payments from offsetting the plan cost to which the contribution percentages are applied.

Disabled employee contributions

Disabled employees are offered coverage for the same rates as active employees while an employee remains disabled and is receiving LTD benefits.

If an employee retires while disabled and became disabled before January 1, 2001, a waiver of premium provision continues for life as long as the retirement commenced on or before September 1, 2013. If an employee retires while disabled and became disabled after January 1, 2001, the employee will be subject to the same contribution schedule as normal retirees, based on age and service points earned prior to LTD commencement.

Those participants retiring after January 1, 2013, pay a percentage of true pre-65 retiree costs.

**Life Insurance Benefits**

Eligibility	Employees hired after January 1, 2011 are not eligible for a postretirement life insurance benefit.
Grandfathered participants	Participants over age 50 with ten years of service as of December 31, 2000.
Death benefit amount	Participants who had not turned 50 with 10 years of service as of December 31, 2010 are eligible for a non-contributory \$30,000 death benefit.
Grandfathered benefits	Grandfathered participants have the option of keeping current coverage. Active employee coverage for grandfathered East participants is one times final base pay at no cost with the option to buy up to two times base pay. The entire amount of coverage (basic plus supplemental) in force prior to retirement can be carried into retirement subject to reduction beginning at age 66. Current coverage for grandfathered West participants is one and one-half times final base pay prior to age 60, one times final base pay from age 60 to 64 and one-half times final base pay after age 65. In 2001, employees who had turned 50 with 10 years of service had the option to elect a non-contributory benefit at 50% of pay.

### Life Insurance Benefit Reduction Table for Grandfathered East Participants

<i>Years of Coverage</i>	<i>Age 66</i>	<i>Age 67</i>	<i>Age 68</i>	<i>Age 69</i>	<i>Age 70 or Over</i>
10 – 11	65%	55%	45%	35%	25%
11 – 12	70	60	50	40	30
12 – 13	75	65	55	45	35
13 – 14	80	70	60	50	40
14 – 15	85	75	65	55	45
15 or more	90	80	70	60	50

Grandfathered contributions Grandfathered East retirees must contribute \$0.60/\$1,000 of coverage (basic + supplemental) per month. West retirees are not required to contribute to the cost of coverage.

### Dental Benefits

**Eligibility** Participants, including retirees and surviving dependents, are eligible upon retirement after age 55 with ten years of service. There is a one-time election and if coverage terminates there is no opportunity to reenroll.

**Benefits** The AEP Dental Plan provides dental coverage with a deductible of \$50 single/\$150 family, 100% coinsurance for preventive care, 80% coinsurance for basic restorative care, 50% coinsurance for major restorative care and 50% coinsurance for orthodontia (for children under age 19). The plan has an annual maximum benefit of \$1,750 per person.

Most retirees pay the full cost of dental coverage if they enroll. CSW employees who retired before January 1, 1993, contribute nothing to enroll for dental coverage. Former CSW employees retiring after January 1, 1993, who were either retired or had attained age 50 with ten years of service as of January 1, 2001, pay 40% (45% for spouses) of the full plan cost.

### Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

### Overview of Benefits Provided by Funding Vehicles

<b>Funding Vehicle</b>	<b>Provides for</b>
Non-union postretirement medical/dental VEBAs	9.5% of retiree medical benefits and 100% of dental benefits to non-union retirees.
Union postretirement medical/dental VEBAs	100% of medical/dental benefits to union retirees.
Postretirement life insurance VEBA	Life insurance benefits for all retirees.
401(h) account	90.5% of retiree medical benefits for non-union retirees.

# Appendix C : Results by business unit

SUMMARY OF PLAN PARTICIPANTS FOR THE 2023 VALUATION

Location	Nonretired Participants		Retired Participants				Total
	Active	Total	Retiree	Dependent Spouse	Surviving Spouse	Disabled	
140 Appalachian Power Co. - Distribution	531	531	1,031	589	269	36	1,925
215 Appalachian Power Co. - Generation	385	385	949	550	200	26	1,725
150 Appalachian Power Co. - Transmission	6	6	115	72	23	2	212
<b>Appalachian Power Co. - FERC</b>	<b>922</b>	<b>922</b>	<b>2,095</b>	<b>1,211</b>	<b>492</b>	<b>64</b>	<b>3,862</b>
225 Cedar Coal Co	0	0	1	0	5	0	6
<b>Appalachian Power Co. - SEC</b>	<b>922</b>	<b>922</b>	<b>2,096</b>	<b>1,211</b>	<b>497</b>	<b>64</b>	<b>3,868</b>
211 AEP Texas Central Company - Distribution	550	550	774	387	230	14	1,405
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	86	86	71	37	28	2	138
<b>AEP Texas Central Co.</b>	<b>636</b>	<b>636</b>	<b>845</b>	<b>424</b>	<b>258</b>	<b>16</b>	<b>1,543</b>
119 AEP Texas North Company - Distribution	123	123	251	126	56	6	439
166 AEP Texas North Company - Generation	0	0	59	22	30	0	111
192 AEP Texas North Company - Transmission	39	39	31	14	8	0	53
<b>AEP Texas North Co.</b>	<b>162</b>	<b>162</b>	<b>341</b>	<b>162</b>	<b>94</b>	<b>6</b>	<b>603</b>
<b>AEP Texas</b>	<b>798</b>	<b>798</b>	<b>1,186</b>	<b>586</b>	<b>352</b>	<b>22</b>	<b>2,146</b>
170 Indiana Michigan Power Co. - Distribution	258	258	576	272	171	8	1,027
132 Indiana Michigan Power Co. - Generation	90	90	364	223	70	5	662
190 Indiana Michigan Power Co. - Nuclear	552	552	630	362	88	4	1,084
120 Indiana Michigan Power Co. - Transmission	56	56	128	77	26	2	233
280 Ind Mich River Transp Lakin	64	64	141	58	33	11	243
<b>Indiana Michigan Power Co. - SEC</b>	<b>1,020</b>	<b>1,020</b>	<b>1,839</b>	<b>992</b>	<b>388</b>	<b>30</b>	<b>3,249</b>
110 Kentucky Power Co. - Distribution	112	112	216	105	38	10	369
117 Kentucky Power Co. - Generation	12	12	322	200	46	4	572
180 Kentucky Power Co. - Transmission	1	1	12	8	4	0	24
<b>Kentucky Power Co.</b>	<b>125</b>	<b>125</b>	<b>550</b>	<b>313</b>	<b>88</b>	<b>14</b>	<b>965</b>
250 Ohio Power Co. - Distribution	778	778	1,458	746	399	17	2,620
160 Ohio Power Co. - Transmission	10	10	157	86	62	2	307
<b>Ohio Power Co.</b>	<b>788</b>	<b>788</b>	<b>1,615</b>	<b>832</b>	<b>461</b>	<b>19</b>	<b>2,927</b>
167 Public Service Co. of Oklahoma - Distribution	347	347	482	247	147	5	881
198 Public Service Co. of Oklahoma - Generation	143	143	248	133	57	5	443
114 Public Service Co. of Oklahoma - Transmission	36	36	56	36	10	0	102
<b>Public Service Co. of Oklahoma</b>	<b>526</b>	<b>526</b>	<b>786</b>	<b>416</b>	<b>214</b>	<b>10</b>	<b>1,426</b>
159 Southwestern Electric Power Co. - Distribution	289	289	355	183	68	11	617
168 Southwestern Electric Power Co. - Generation	292	292	367	221	75	14	677
161 Southwestern Electric Power Co. - Texas - Distribution	118	118	162	82	43	4	291
111 Southwestern Electric Power Co. - Texas - Transmission	0	0	0	0	0	0	0
194 Southwestern Electric Power Co. - Transmission	52	52	51	27	20	3	101
<b>Southwestern Electric Power Co.</b>	<b>751</b>	<b>751</b>	<b>935</b>	<b>513</b>	<b>206</b>	<b>32</b>	<b>1,686</b>
230 Kingsport Power Co. - Distribution	30	30	47	27	9	1	84
260 Kingsport Power Co. - Transmission	0	0	7	2	2	0	11
<b>Kingsport Power Co.</b>	<b>30</b>	<b>30</b>	<b>54</b>	<b>29</b>	<b>11</b>	<b>1</b>	<b>95</b>
210 Wheeling Power Co. - Distribution	21	21	65	37	14	2	118
200 Wheeling Power Co. - Transmission	0	0	0	0	1	0	1
413 Wheeling Power Co - Generation	104	104	4	10	0	12	26
<b>Wheeling Power Co.</b>	<b>125</b>	<b>125</b>	<b>69</b>	<b>47</b>	<b>15</b>	<b>14</b>	<b>145</b>
103 American Electric Power Service Corporation	2,901	2,901	3,812	1,922	411	40	6,185
293 Elmwood	0	0	35	1	0	0	36
292 AEP River Operations LLC	0	0	143	38	6	0	187
<b>American Electric Power Service Corporation</b>	<b>2,901</b>	<b>2,901</b>	<b>3,990</b>	<b>1,961</b>	<b>417</b>	<b>40</b>	<b>6,408</b>
270 Cook Coal Terminal	4	4	11	8	1	0	20
<b>AEP Generating Company</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>20</b>
104 Cardinal Operating Company	0	0	275	148	47	0	470
181 Ohio Power Co. - Generation	0	0	992	581	272	2	1,847
<b>AEP Generation Resources - FERC</b>	<b>0</b>	<b>0</b>	<b>1,267</b>	<b>729</b>	<b>319</b>	<b>2</b>	<b>2,317</b>
290 Conesville Coal Preparation Company	0	0	8	4	4	0	16
<b>AEP Generation Resources - SEC</b>	<b>0</b>	<b>0</b>	<b>1,275</b>	<b>733</b>	<b>323</b>	<b>2</b>	<b>2,333</b>
175 AEP Energy Partners	29	29	0	1	0	1	2
400 AEP Energy	12	12	18	4	2	0	24
419 Onsite Partners	6	6	0	0	0	0	0
<b>AEP Energy Supply</b>	<b>47</b>	<b>47</b>	<b>1,293</b>	<b>738</b>	<b>325</b>	<b>3</b>	<b>2,359</b>
143 AEP Pro Serv, Inc.	0	0	1	1	0	0	2
<b>AEP Pro Serv, Inc.</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>
245 Dolet Hills	2	2	101	43	2	7	153
<b>Dolet Hills</b>	<b>2</b>	<b>2</b>	<b>101</b>	<b>43</b>	<b>2</b>	<b>7</b>	<b>153</b>
<b>Total</b>	<b>8,039</b>	<b>8,039</b>	<b>14,526</b>	<b>7,690</b>	<b>2,977</b>	<b>256</b>	<b>25,449</b>

## 2024 NET PERIODIC POSTRETIREMENT BENEFIT COST

Location	"Other" Cost					Net Periodic Pension Cost	
	Service Cost	Interest Cost	Expected Return on Assets	Amortizations			Total "Other" Cost
				PSC	(G)/L		
140 Appalachian Power Co - Distribution	\$241,954	\$3,016,092	(\$8,427,806)	(\$937,249)	\$257,559	(\$6,091,404)	(\$5,849,450)
215 Appalachian Power Co - Generation	\$233,832	\$2,529,228	(\$7,053,724)	(\$764,498)	\$215,566	(\$5,073,428)	(\$4,839,596)
150 Appalachian Power Co - Transmission	\$2,115	\$287,978	(\$802,549)	(\$131,971)	\$24,526	(\$622,016)	(\$619,901)
<b>Appalachian Power Co. - FERC</b>	<b>\$477,901</b>	<b>\$5,833,298</b>	<b>(\$16,284,079)</b>	<b>(\$1,833,718)</b>	<b>\$497,651</b>	<b>(\$11,786,848)</b>	<b>(\$11,308,947)</b>
225 Cedar Coal Co	\$0	\$3,759	(\$10,817)	(\$471)	\$331	(\$7,198)	(\$7,198)
<b>Appalachian Power Co. - SEC</b>	<b>\$477,901</b>	<b>\$5,837,057</b>	<b>(\$16,294,896)</b>	<b>(\$1,834,189)</b>	<b>\$497,982</b>	<b>(\$11,794,046)</b>	<b>(\$11,316,145)</b>
211 AEP Texas Central Company - Distribution	\$241,257	\$2,170,049	(\$6,027,683)	(\$706,746)	\$184,209	(\$4,380,171)	(\$4,138,914)
147 AEP Texas Central Company - Generation	\$0	\$0	\$0	(\$170)	\$0	(\$170)	(\$170)
169 AEP Texas Central Company - Transmission	\$41,246	\$226,404	(\$622,770)	(\$72,160)	\$19,032	(\$449,494)	(\$408,248)
<b>AEP Texas Central Co.</b>	<b>\$282,503</b>	<b>\$2,396,453</b>	<b>(\$6,650,453)</b>	<b>(\$779,076)</b>	<b>\$203,241</b>	<b>(\$4,829,835)</b>	<b>(\$4,547,332)</b>
119 AEP Texas North Company - Distribution	\$47,890	\$653,049	(\$1,825,121)	(\$234,757)	\$55,777	(\$1,351,052)	(\$1,303,162)
166 AEP Texas North Company - Generation	\$0	\$112,054	(\$316,590)	(\$5,857)	\$9,675	(\$200,718)	(\$200,718)
192 AEP Texas North Company - Transmission	\$17,701	\$95,338	(\$261,944)	(\$43,461)	\$8,005	(\$202,062)	(\$184,361)
<b>AEP Texas North Co.</b>	<b>\$65,591</b>	<b>\$860,441</b>	<b>(\$2,403,655)</b>	<b>(\$284,075)</b>	<b>\$73,457</b>	<b>(\$1,753,832)</b>	<b>(\$1,688,241)</b>
<b>AEP Texas</b>	<b>\$348,094</b>	<b>\$3,256,894</b>	<b>(\$9,054,108)</b>	<b>(\$1,063,151)</b>	<b>\$276,698</b>	<b>(\$6,583,667)</b>	<b>(\$6,235,573)</b>
170 Indiana Michigan Power Co - Distribution	\$132,669	\$1,397,124	(\$3,892,745)	(\$466,109)	\$118,964	(\$2,842,766)	(\$2,710,097)
132 Indiana Michigan Power Co - Generation	\$31,537	\$904,756	(\$2,555,838)	(\$346,448)	\$78,108	(\$1,919,422)	(\$1,887,885)
190 Indiana Michigan Power Co - Nuclear	\$336,647	\$1,868,313	(\$5,180,094)	(\$680,462)	\$158,307	(\$3,833,936)	(\$3,497,289)
120 Indiana Michigan Power Co - Transmission	\$28,397	\$331,840	(\$924,091)	(\$109,020)	\$28,241	(\$673,030)	(\$644,633)
280 Ind Mich River Transp Lakin	\$41,280	\$330,798	(\$918,375)	(\$146,388)	\$28,066	(\$705,899)	(\$664,619)
<b>Indiana Michigan Power Co. - SEC</b>	<b>\$570,530</b>	<b>\$4,832,831</b>	<b>(\$13,471,143)</b>	<b>(\$1,748,427)</b>	<b>\$411,686</b>	<b>(\$9,975,053)</b>	<b>(\$9,404,523)</b>
110 Kentucky Power Co - Distribution	\$50,324	\$581,679	(\$1,614,437)	(\$221,152)	\$49,338	(\$1,204,572)	(\$1,154,248)
117 Kentucky Power Co - Generation	\$4,206	\$761,135	(\$2,155,235)	(\$118,293)	\$65,865	(\$1,446,528)	(\$1,442,322)
180 Kentucky Power Co - Transmission	\$1,277	\$29,877	(\$82,866)	(\$33,960)	\$2,532	(\$84,417)	(\$83,140)
<b>Kentucky Power Co.</b>	<b>\$55,807</b>	<b>\$1,372,691</b>	<b>(\$3,852,538)</b>	<b>(\$373,405)</b>	<b>\$117,735</b>	<b>(\$2,735,517)</b>	<b>(\$2,679,710)</b>
250 Ohio Power Co - Distribution	\$396,497	\$3,840,285	(\$10,721,471)	(\$1,079,205)	\$327,654	(\$7,632,737)	(\$7,236,240)
160 Ohio Power Co - Transmission	\$5,106	\$402,135	(\$1,125,987)	(\$172,783)	\$34,411	(\$862,224)	(\$857,118)
<b>Ohio Power Co.</b>	<b>\$401,603</b>	<b>\$4,242,420</b>	<b>(\$11,847,458)</b>	<b>(\$1,251,988)</b>	<b>\$362,065</b>	<b>(\$8,494,961)</b>	<b>(\$8,093,358)</b>
167 Public Service Co of Oklahoma - Distribution	\$187,059	\$1,308,198	(\$3,630,214)	(\$451,326)	\$110,941	(\$2,662,401)	(\$2,475,342)
198 Public Service Co of Oklahoma - Generation	\$85,144	\$668,113	(\$1,870,766)	(\$280,868)	\$57,172	(\$1,426,349)	(\$1,341,205)
114 Public Service Co of Oklahoma - Transmission	\$19,460	\$162,577	(\$453,160)	(\$58,155)	\$13,849	(\$334,889)	(\$315,429)
<b>Public Service Co. of Oklahoma</b>	<b>\$291,663</b>	<b>\$2,138,888</b>	<b>(\$5,954,140)</b>	<b>(\$790,349)</b>	<b>\$181,962</b>	<b>(\$4,423,639)</b>	<b>(\$4,131,976)</b>
159 Southwestern Electric Power Co - Distribution	\$141,226	\$1,023,687	(\$2,843,023)	(\$391,406)	\$86,884	(\$2,123,858)	(\$1,982,632)
168 Southwestern Electric Power Co - Generation	\$152,911	\$1,061,576	(\$2,965,773)	(\$405,818)	\$90,636	(\$2,219,379)	(\$2,066,468)
161 Southwestern Electric Power Co - Texas - Distribution	\$58,166	\$444,527	(\$1,233,752)	(\$175,824)	\$37,704	(\$827,345)	(\$859,179)
111 Southwestern Electric Power Co - Texas - Transmission	\$0	\$0	\$0	\$0	\$0	\$0	\$0
194 Southwestern Electric Power Co - Transmission	\$24,535	\$152,256	(\$422,475)	(\$51,405)	\$12,911	(\$308,713)	(\$284,178)
<b>Southwestern Electric Power Co.</b>	<b>\$376,838</b>	<b>\$2,682,046</b>	<b>(\$7,465,023)</b>	<b>(\$1,024,453)</b>	<b>\$228,135</b>	<b>(\$5,579,295)</b>	<b>(\$5,202,457)</b>
230 Kingsport Power Co - Distribution	\$19,311	\$132,242	(\$368,178)	(\$33,053)	\$11,252	(\$257,737)	(\$238,426)
260 Kingsport Power Co - Transmission	\$0	\$13,713	(\$38,467)	(\$6,640)	\$1,176	(\$30,218)	(\$30,218)
<b>Kingsport Power Co.</b>	<b>\$19,311</b>	<b>\$145,955</b>	<b>(\$406,645)</b>	<b>(\$39,693)</b>	<b>\$12,428</b>	<b>(\$287,955)</b>	<b>(\$268,644)</b>
210 Wheeling Power Co - Distribution	\$8,801	\$153,262	(\$429,369)	(\$46,837)	\$13,122	(\$309,822)	(\$301,021)
200 Wheeling Power Co - Transmission	\$0	\$228	(\$690)	(\$227)	\$21	(\$668)	(\$668)
413 Wheeling Power Co - Generation	\$73,199	\$129,470	(\$343,254)	(\$198,278)	\$10,490	(\$401,572)	(\$328,373)
<b>Wheeling Power Co.</b>	<b>\$82,000</b>	<b>\$282,960</b>	<b>(\$773,313)</b>	<b>(\$245,342)</b>	<b>\$23,633</b>	<b>(\$712,062)</b>	<b>(\$630,062)</b>
103 American Electric Power Service Corporation	\$1,517,460	\$10,707,236	(\$29,615,140)	(\$3,171,904)	\$905,058	(\$21,174,750)	(\$19,657,290)
293 Elmwood	\$0	\$26,784	(\$73,671)	(\$47,389)	\$2,251	(\$92,025)	(\$92,025)
292 AEP River Operations LLC	\$0	\$176,105	(\$489,904)	(\$221,586)	\$14,972	(\$520,413)	(\$520,413)
<b>American Electric Power Service Corp</b>	<b>\$1,517,460</b>	<b>\$10,910,125</b>	<b>(\$30,178,715)</b>	<b>(\$3,440,879)</b>	<b>\$922,281</b>	<b>(\$21,787,188)</b>	<b>(\$20,269,728)</b>
270 Cook Coal Terminal	\$2,203	\$28,765	(\$79,921)	(\$12,032)	\$2,442	(\$60,746)	(\$58,543)
<b>AEP Generating Company</b>	<b>\$2,203</b>	<b>\$28,765</b>	<b>(\$79,921)</b>	<b>(\$12,032)</b>	<b>\$2,442</b>	<b>(\$60,746)</b>	<b>(\$58,543)</b>
104 Cardinal Operating Company	\$0	\$577,831	(\$1,632,705)	(\$202,690)	\$49,896	(\$1,207,668)	(\$1,207,668)
181 Ohio Power Co - Generation	\$0	\$2,357,042	(\$6,647,129)	(\$659,045)	\$203,140	(\$4,745,992)	(\$4,745,992)
<b>AEP Generation Resources - FERC</b>	<b>\$0</b>	<b>\$2,934,873</b>	<b>(\$8,279,834)</b>	<b>(\$861,735)</b>	<b>\$253,036</b>	<b>(\$5,953,660)</b>	<b>(\$5,953,660)</b>
290 Conesville Coal Preparation Company	\$0	\$18,726	(\$51,832)	(\$9,605)	\$1,584	(\$41,127)	(\$41,127)
<b>AEP Generation Resources - SEC</b>	<b>\$0</b>	<b>\$2,953,599</b>	<b>(\$8,331,666)</b>	<b>(\$871,340)</b>	<b>\$254,620</b>	<b>(\$5,994,787)</b>	<b>(\$5,994,787)</b>
175 AEP Energy Partners	\$15,321	\$20,032	(\$51,644)	(\$8,333)	\$1,578	(\$38,367)	(\$23,046)
400 AEP Energy	\$6,496	\$34,128	(\$95,557)	(\$2,780)	\$2,919	(\$61,290)	(\$54,794)
419 Onsite Partners	\$3,388	\$3,745	(\$9,582)	(\$77)	\$293	(\$5,621)	(\$2,233)
<b>AEP Energy Supply</b>	<b>\$25,205</b>	<b>\$3,011,504</b>	<b>(\$8,488,449)</b>	<b>(\$882,530)</b>	<b>\$259,410</b>	<b>(\$6,100,065)</b>	<b>(\$6,074,860)</b>
143 AEP Pro Serv, Inc.	\$0	\$3,952	(\$10,831)	(\$223)	\$331	(\$6,771)	(\$6,771)
<b>AEP Pro Serv, Inc.</b>	<b>\$0</b>	<b>\$3,952</b>	<b>(\$10,831)</b>	<b>(\$223)</b>	<b>\$331</b>	<b>(\$6,771)</b>	<b>(\$6,771)</b>
245 Dolet Hills	\$1,549	\$160,500	(\$460,707)	(\$14,977)	\$14,079	(\$301,105)	(\$299,556)
<b>Dolet Hills</b>	<b>\$1,549</b>	<b>\$160,500</b>	<b>(\$460,707)</b>	<b>(\$14,977)</b>	<b>\$14,079</b>	<b>(\$301,105)</b>	<b>(\$299,556)</b>
<b>Total</b>	<b>\$4,170,164</b>	<b>\$38,906,588</b>	<b>(\$108,337,887)</b>	<b>(\$12,721,638)</b>	<b>\$3,310,867</b>	<b>(\$78,842,070)</b>	<b>(\$74,671,906)</b>
<b>Total without Dolet Hills</b>	<b>\$4,168,615</b>	<b>\$38,746,088</b>	<b>(\$107,877,180)</b>	<b>(\$12,706,661)</b>	<b>\$3,296,788</b>	<b>(\$78,540,965)</b>	<b>(\$74,372,350)</b>