



2nd Quarter 2023 Earnings Release Presentation

July 27, 2023



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

Darcy Reese, Vice President

Investor Relations
614-716-2614
dlreese@aep.com

Annie Pribisko, Director

Investor Relations
614-716-2646
acpribisko@aep.com

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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 (i) if expected sources of capital, such as proceeds from the sale of assets, subsidiaries or tax credits, do not materialize, and (ii) 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, limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations, the cost of fuel and its transportation, the creditworthiness and performance of 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 transition from fossil generation and 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, including favorable tax treatment, meet cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for renewable generation projects, and to recover all related costs, new legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation or regulatory proceedings or investigation, the ability to 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, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars and military conflicts, 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.



Non-GAAP Financial Measures

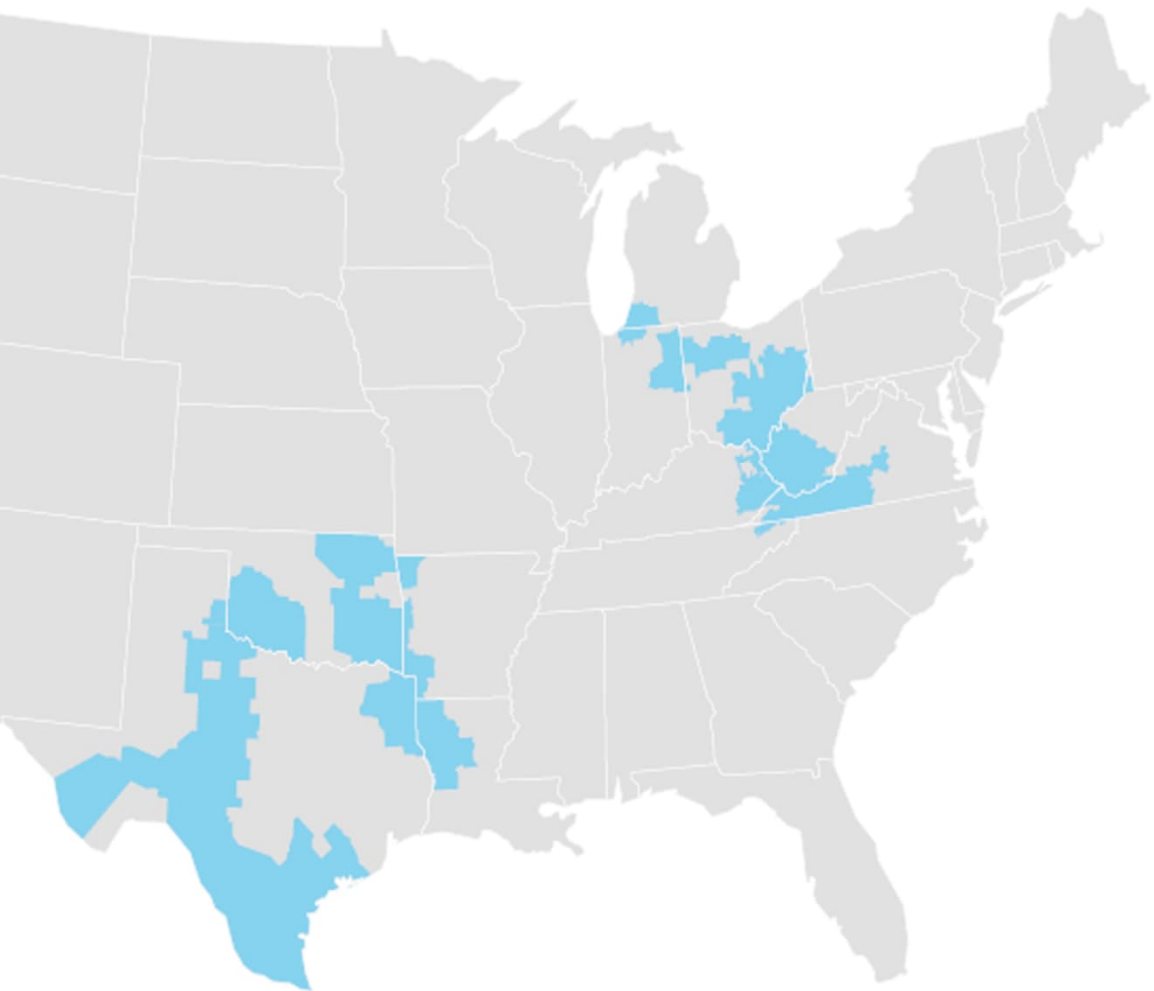
AEP reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). AEP supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including operating earnings (non-GAAP) and FFO 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 2023, the estimated earnings per share on a GAAP basis would be \$4.73 to \$4.93 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.



AEP Is a Pure Play Regulated Utility



40k

TRANSMISSION MILES

Nation's largest electric transmission system

225k

DISTRIBUTION MILES

One of the largest distribution systems in the U.S.

25GW

OWNED GENERATION

Diverse generation fleet
As of June 30, 2023

\$94B

TOTAL ASSETS

Strong balance sheet

\$61B

RATE BASE

As of December 31, 2022

\$45B

CURRENT MARKET CAPITALIZATION

As of July 25, 2023

17,000

EMPLOYEES

Across the system

5.6M

CUSTOMERS

Throughout 11 states

Statistics are as of December 31, 2022 except for owned generation and market capitalization.

AEP Is Powering the Future

One of the Largest Utilities in the U.S. by Rate Base and Market Cap



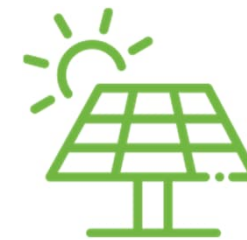
Delivering Consistent, Strong Performance

- Stable, resilient business allows us to keep customer rates affordable
- Commitment to 6%-7% annual operating earnings growth; dividend growth is in line with earnings
- 9%-10% consistent total shareholder return
- Strong balance sheet with a targeted FFO/Debt of 14%-15%
- 2023 operating earnings guidance range of \$5.19-\$5.39



Operating Attractive Transmission and Distribution Assets

- Largest transmission provider in the U.S.
- One of the largest distribution providers in the U.S.
- Bolstered by organic growth with diversity in geographic footprint and customer base
- Capital forecast of \$40B includes \$15B of transmission investment and \$11B of distribution investment



Leading the Clean Energy Transition

- Proven track record of investing in sustainability and reducing fleet emissions
- Plans to add 17 GW of new resource opportunities between 2023 and 2032
- Goal of net zero by 2045
- Capital forecast includes \$9B of regulated renewable investment



Actively Managing the Business and Portfolio

- Immediate-term focus on de-risking and simplifying business
- Thoughtful and proactive portfolio management and investment to support strategy
- Strong employee base led by experienced leaders with a shared passion for the AEP mission



2nd Quarter 2023 Business Update

- 2nd Quarter 2023 operating earnings of \$1.13 per share or \$582M
- Reaffirm 2023 operating earnings guidance range of \$5.19-\$5.39 and 6-7% long-term growth
- Committed to FFO/Debt target of 14%-15%
- Focused actions to de-risk and simplify the business profile
 - Unregulated contracted renewables sale expected to close in August 2023
 - On track with the sales of New Mexico Renewable Development, Retail and Distributed Resources businesses
 - Announcing sale process of non-core transmission joint ventures Prairie Wind Transmission and Pioneer Transmission, and continuing strategic review of Transource Energy joint venture
- Recent successes in regulated renewables execution
 - Obtained regulatory approval for owned renewables in May 2023 for 995.5 MW/\$2.5B at PSO and in June 2023 for 999 MW/\$2.2B at SWEPCO
 - Progress on regulatory filings for owned renewables for 151 MW/\$500M at APCo, 469 MW/\$1.0B at I&M and 154 MW/\$150M at PSO
- Positive developments on regulatory and legislative initiatives:
 - Kentucky – New base rate case filed in June 2023
 - Oklahoma – Base case settlement reached in May 2023 and order expected in Q3 2023
 - Texas – Bi-annual DCRF filing legislation passed in June 2023
 - Virginia – Triennial case filed in March 2023 and order expected in Q4 2023
 - West Virginia fuel cost management – Evidentiary hearing scheduled in September 2023





Transaction Overview of Unregulated Contracted Renewables Sale

Transaction Description

- On 2/22/2023, AEP signed an agreement to sell 100% of equity of 1,365 MW unregulated contracted renewable assets containing 14 large-scale projects

Buyer

- IRG Acquisition Holdings, consortium owned by Invenergy (20%), CDPQ (40%) and funds managed by Blackstone Infrastructure (40%)

Purchase Price

- \$1.5B enterprise value / \$1.3B equity value

Financial Impact

- The sale resulted in an after-tax GAAP loss of \$90M in Q1 2023

Use of Proceeds

- \$1.2B cash proceeds after tax and transaction costs
- Proceeds will be directed to support regulated businesses

Timing

- Received FERC 203 approval on 5/22/2023, docket EC23-66; received approval from antitrust authorities April - May 2023; only remaining approval is from the Committee on Foreign Investment in the United States (CFIUS); expect to close in August 2023 after CFIUS clearance



Other Asset Sales and Strategic Review

Sell New Mexico Renewable Development (NMRD), a joint venture solar portfolio

- A 50/50 joint venture partnership with PNM Resources consisting of 8 operating projects of 135 MW, 1 project under construction of 50 MW, 6 development projects of 440 MW, all located in New Mexico
- Book value of AEP's investment as of 6/30/2023 was \$106M
- Assets contribute \$0.01 EPS in 2023 operating earnings guidance
- Advisor hired; sale launched in June 2023 and expected sale agreement to be announced early in Q4 2023 with transaction close by the end of 2023

Sell Retail and Distributed Resources businesses¹ (not including NMRD)

- Book value of AEP's investment as of 6/30/2023: \$205M Retail and \$354M Distributed Resources
- Asset EPS contributions in 2023 operating guidance: \$0.04 Retail and \$0.02 Distributed Resources
- Advisor hired; sale launch in Summer 2023 with transaction close in the first half of 2024

Sell Prairie Wind and Pioneer non-core transmission joint ventures²

- Sell Prairie Wind Transmission and Pioneer Transmission
- As of 6/30/2023, AEP's portion of PP&E was \$123M and rate base was \$107M
- Assets contribute \$0.02 EPS in 2023 operating earnings guidance
- Expect to launch the sale processes soon

Continue strategic review of Transource non-core transmission joint venture²

- Complete strategic review of Transource Energy by end of 2023
- As of 6/30/2023, AEP's portion of PP&E was \$430M and rate base was \$348M
- Assets contribute \$0.03 EPS in 2023 operating earnings guidance

De-risk and simplify the business profile through active management

¹ Refer to Appendix slide 24 for description of Retail and Distributed Resources businesses.

² Refer to Appendix slide 25 for description of Transmission Joint Venture businesses.



2nd Quarter 2023 Financial Update

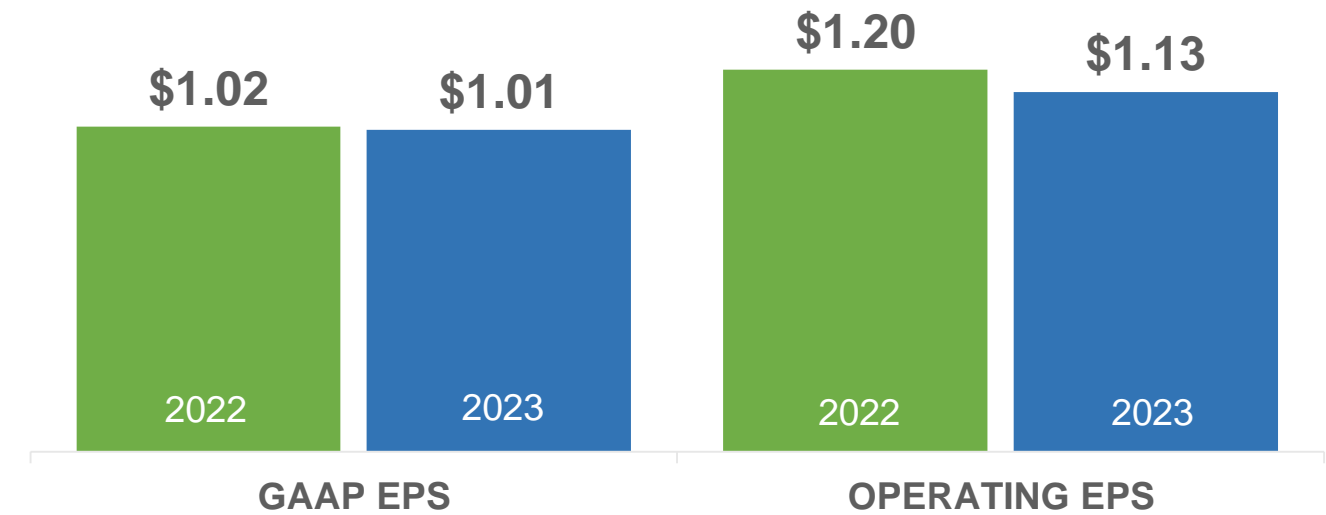
Reaffirm 2023 operating earnings guidance of \$5.19-\$5.39

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.

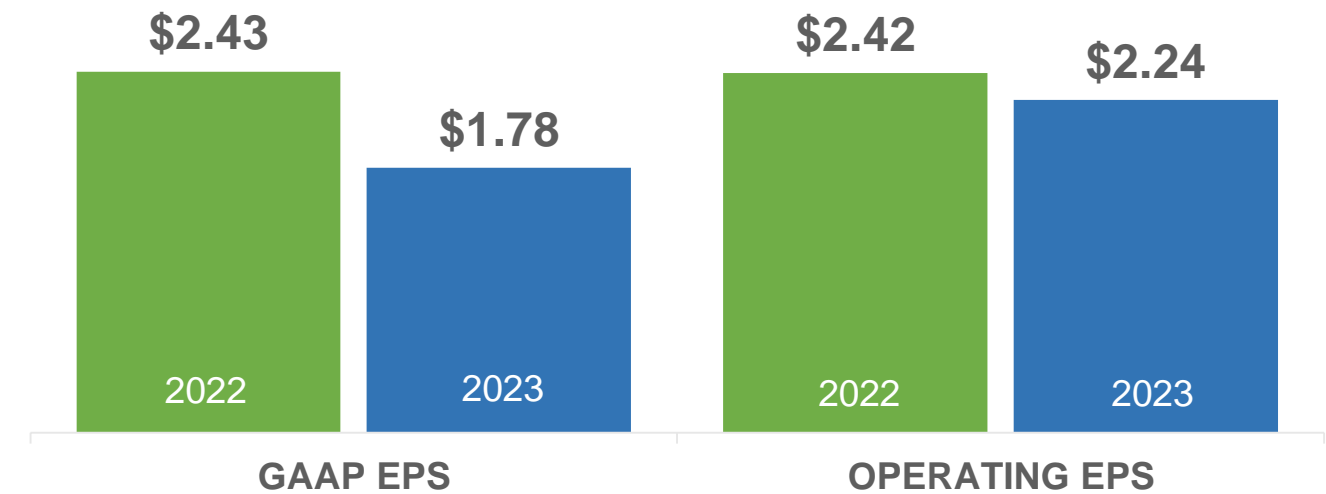
2nd QUARTER 2023

- Delivered GAAP earnings of \$1.01 per share or \$521M for the second quarter of 2023
- Delivered operating earnings of \$1.13 per share or \$582M for the second quarter of 2023



YTD 2023

- Delivered GAAP earnings of \$1.78 per share or \$918M for the year
- Delivered operating earnings of \$2.24 per share or \$1.15B for the year





2nd Quarter Operating Earnings Segment Detail

Key Drivers Q2-23 vs. Q2-22

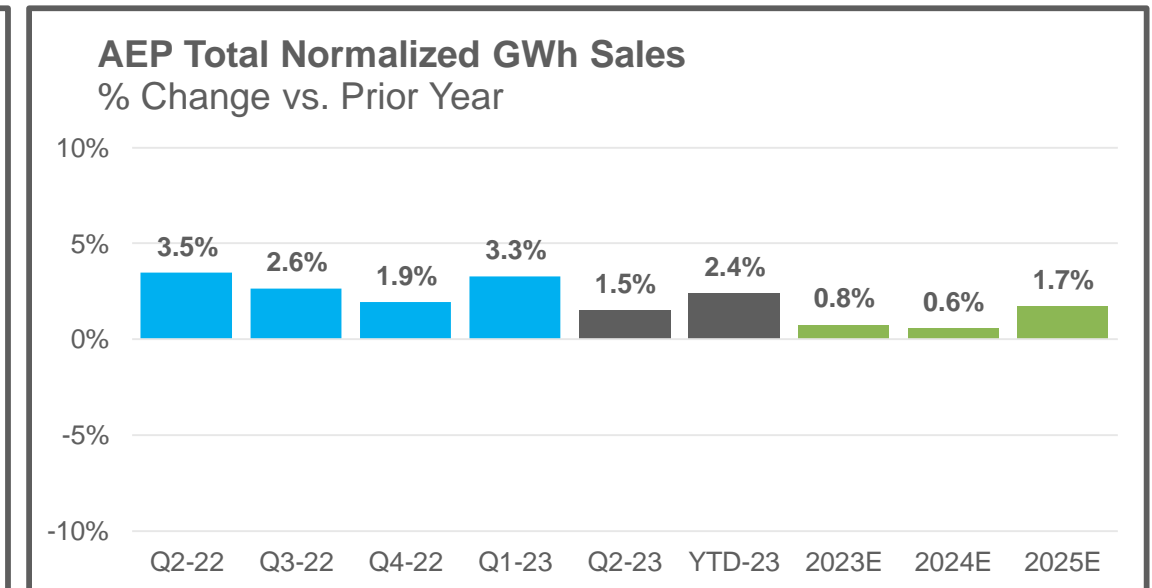
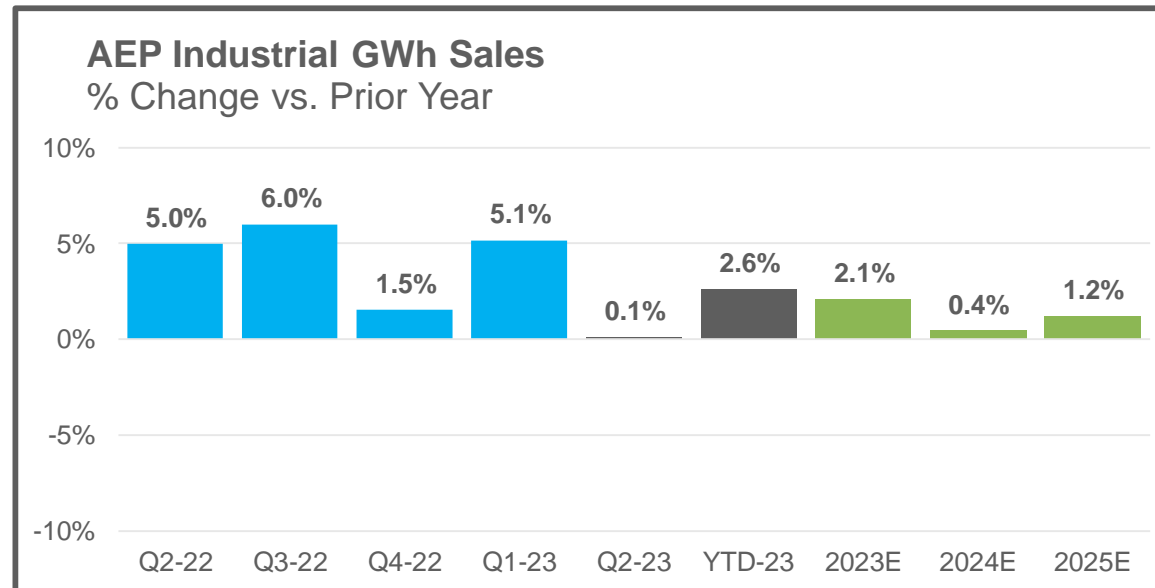
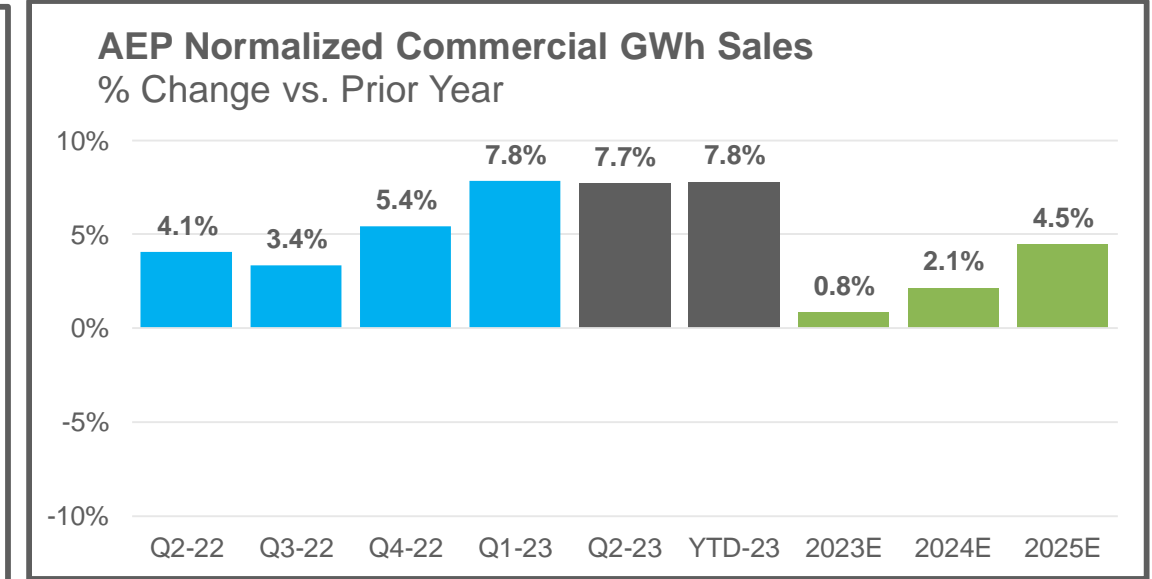
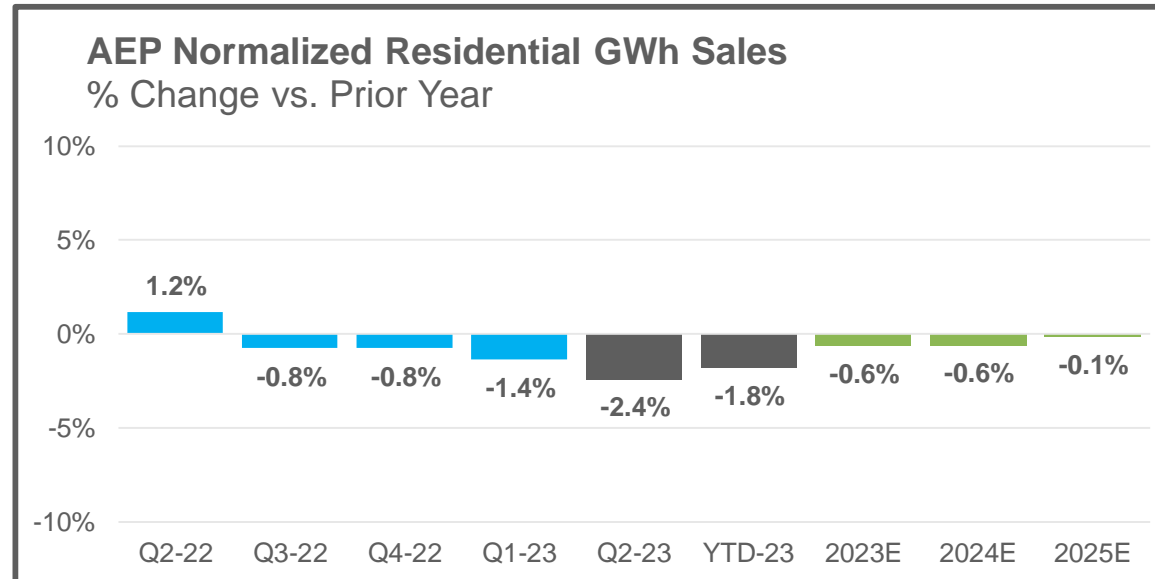
Refer to Appendix for the related YTD 2023 Operating Earnings Segment Detail.





Weather Normalized Billed Retail Load Trends

Load in AEP's service territory remains strong, benefiting from economic development efforts



Load figures are billed retail sales excluding firm wholesale load.

2023 estimates based on forecast provided at 2022 EEI Financial Conference and adjusted to include Kentucky operations and reflect 2022 actual results.

2024 and 2025 full year estimates adjusted to include Kentucky operations.



Capitalization and Liquidity

FFO/Debt target of 14%-15%; strong liquidity and pension funding status

¹ Represents the trailing 12 months as of 6/30/2023. See Appendix for reconciliation to GAAP.

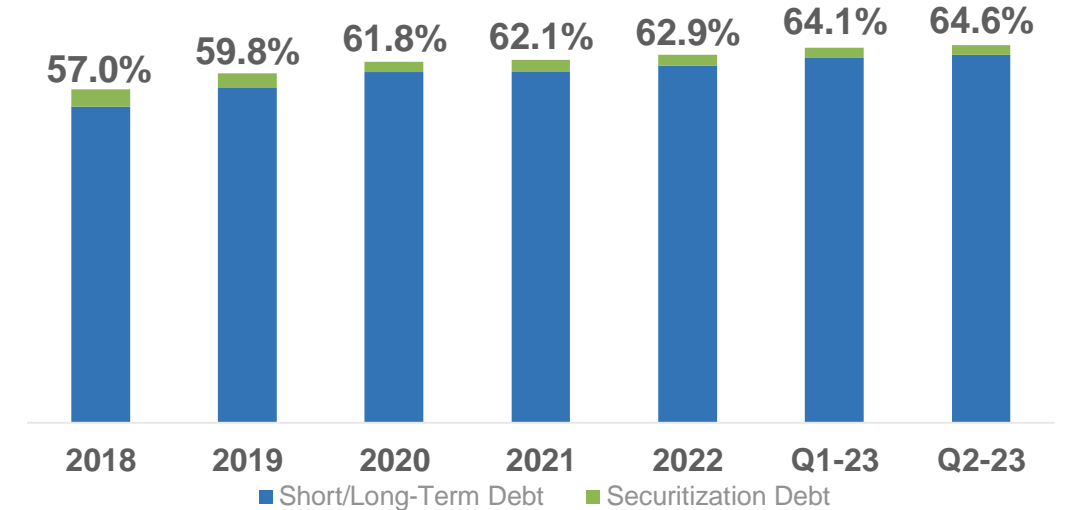
Credit Statistics¹

	Moody's	GAAP
FFO to Total Debt	11.1%	11.1%
Targeted Range	14.0%-15.0%	

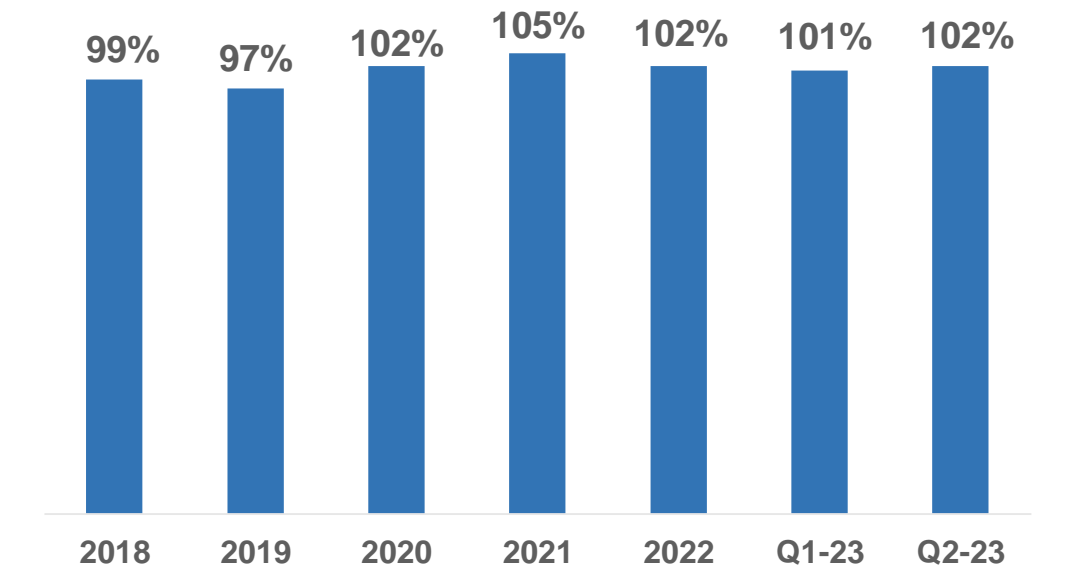
Liquidity Summary

(\$ in millions)	6/30/2023 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 4,000	March 2027
Revolving Credit Facility	1,000	March 2025
Plus		
Cash & Cash Equivalents	305	
Less		
Commercial Paper Outstanding	(2,239)	
Net Available Liquidity	\$ 3,066	

Total Debt/Total Capitalization



Qualified Pension Funding



Summary of Stakeholder Commitments



**6%-7% Annual
Operating Earnings
Growth**



**ESG Goal of Net
Zero by 2045**



**Dividend Growth In-line with
Earnings Growth and Targeted
Payout Ratio of 60%-70%**



**Customer Care: Commitment to
Identification and Realization of
Efficiencies to Keep Customer Rates
Affordable**



**Strong Balance Sheet
with a Target FFO/Debt
of 14%-15%**



**Active Management of the AEP
Portfolio with the Primary Objective to
De-risk and Simplify Our Business**



Appendix

Q2 2023 Performance

2nd Quarter 2023 Earnings Presentation





YTD Operating Earnings Segment Detail

Key Drivers YTD-23 vs. YTD-22





2nd Quarter Reconciliation of GAAP to Operating Earnings

Weighted average number of shares outstanding: 513.6M Q2-22 and 514.9M Q2-23

¹ Items recorded mainly in the Generation & Marketing segment.

² Items recorded in the Corporate and Other segment.

³ Items recorded across multiple segments.

	\$ in millions			Earnings Per Share		
	Q2-22	Q2-23	Change	Q2-22	Q2-23	Change
Reported GAAP Earnings	\$ 525	\$ 521	\$ (4)	\$ 1.02	\$ 1.01	\$ (0.01)
Non-Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities ¹	(37)	85	122	(0.07)	0.17	0.24
Gain on Sale of Mineral Rights ¹	(92)	-	92	(0.18)	-	0.18
Write-off of Flat Ridge 2 ¹	147	-	(147)	0.29	-	(0.29)
Kentucky Operations ²	73	-	(73)	0.14	-	(0.14)
Mark-to Market Impact of Certain Investments ²	2	-	(2)	-	-	-
Change in Texas Legislation ³	-	(24)	(24)	-	(0.05)	(0.05)
AEP Operating Earnings	\$ 618	\$ 582	\$ (36)	\$ 1.20	\$ 1.13	\$ (0.07)



YTD Reconciliation of GAAP to Operating Earnings

Weighted average number of shares outstanding: 509.9M YTD-22 and 514.5M YTD-23

¹ Items recorded mainly in the Generation & Marketing segment.

² Items recorded in the Corporate and Other segment.


³ Items recorded across multiple segments.

	\$ in millions			Earnings Per Share		
	YTD-22	YTD-23	Change	YTD-22	YTD-23	Change
Reported GAAP Earnings	\$ 1,239	\$ 918	\$ (321)	\$ 2.43	\$ 1.78	\$ (0.65)
Non-Operating Items:						
Mark-to-Market Impact of Commodity Hedging Activities ¹	(136)	204	340	(0.27)	0.40	0.67
Gain on Sale of Mineral Rights ¹	(92)	-	92	(0.18)	-	0.18
Write-off of Flat Ridge 2 ¹	147	-	(147)	0.29	-	(0.29)
Pending Sale of Unregulated Renewables ¹	-	90	90	-	0.17	0.17
Kentucky Operations ²	76	(34)	(110)	0.15	(0.06)	(0.21)
Accumulated Deferred Tax Adjustments ²	(2)	-	2	-	-	-
Mark-to Market Impact of Certain Investments ²	2	-	(2)	-	-	-
Change in Texas Legislation ³	-	(24)	(24)	-	(0.05)	(0.05)
AEP Operating Earnings	\$ 1,234	\$ 1,154	\$ (80)	\$ 2.42	\$ 2.24	\$ (0.18)





Vertically Integrated Utilities 2nd Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q2-23 vs. Q2-22
APCo/WPCo	\$14
I&M	\$32
KPCo	\$1
PSO	\$13
SWEPCO	\$9
Kingsport	-
Total	\$69
Impact on EPS	 \$0.11

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q2-23 vs. Q2-22	Q2-23 vs. Normal
APCo/WPCo	\$(18)	\$(14)
I&M	\$(14)	\$(6)
KPCo	\$(5)	\$(3)
PSO	\$(8)	\$(1)
SWEPCO	\$(11)	\$7
Kingsport	\$(1)	\$(1)
Total	\$(57)	\$(18)
Impact on EPS	 \$0.09	 \$0.03

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q2-23 vs. Q2-22
	APCo/WPCo
I&M	0.8%
KPCo	2.1%
PSO	(0.3)%
SWEPCO	(2.3)%
Kingsport	16.6%
Total	(0.8)%
Impact on EPS ²	 \$0.01


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

² Includes EPS impact of accrued revenues.





Vertically Integrated Utilities YTD Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) YTD-23 vs. YTD-22
APCo/WPCo	\$32
I&M	\$48
KPCo	\$(2)
PSO	\$19
SWEPCO	\$21
Kingsport	-
Total	\$118
Impact on EPS	 \$0.18

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	YTD-23 vs. YTD-22	YTD-23 vs. Normal
APCo/WPCo	\$(62)	\$(63)
I&M	\$(32)	\$(22)
KPCo	\$(13)	\$(12)
PSO	\$(11)	\$(4)
SWEPCO	\$(19)	\$(2)
Kingsport	\$(3)	\$(3)
Total	\$(140)	\$(106)
Impact on EPS	 \$0.22	 \$0.16

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) YTD-23 vs. YTD-22
APCo/WPCo	(1.5)%
I&M	1.3%
KPCo	1.5%
PSO	0.4%
SWEPCO	0.2%
Kingsport	9.3%
Total	0.1%
Impact on EPS ²	 \$0.04


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

² Includes EPS impact of accrued revenues.





Transmission and Distribution Utilities 2nd Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q2-23 vs. Q2-22
AEP Ohio	\$12
AEP Texas	\$4
Total	\$16
Impact on EPS	 \$0.03

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q2-23 vs. Q2-22	Q2-23 vs. Normal
AEP Ohio	\$(13)	\$(8)
AEP Texas	\$(8)	-
Total	\$(21)	\$(8)
Impact on EPS	 \$0.03	 \$0.01

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q2-23 vs. Q2-22
AEP Ohio	0.7%
AEP Texas	8.3%
Total	4.1%
Impact on EPS ²	 \$0.03


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

² Includes EPS impact of accrued revenues.





Transmission and Distribution Utilities YTD Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) YTD-23 vs. YTD-22
AEP Ohio	\$24
AEP Texas	\$8
Total	\$32
Impact on EPS	 \$0.05

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	YTD-23 vs. YTD-22	YTD-23 vs. Normal
AEP Ohio	\$(38)	\$(35)
AEP Texas	\$(8)	\$6
Total	\$(46)	\$(29)
Impact on EPS	 \$0.07	 \$0.04

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) YTD-23 vs. YTD-22
AEP Ohio	1.3%
AEP Texas	10.6%
Total	5.2%
Impact on EPS ²	 \$0.04

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

² Includes EPS impact of accrued revenues.



GAAP to Non-GAAP Reconciliations and Ratios

Adjusted FFO Calculation

	12 Months Ended 6/30/2023 (in millions)
Cash Flow from Operations	\$ 4,179
Adjustments:	
Changes in Working Capital	893
Capitalized Interest	(98)
Securitization Amortization	(115)
Adjusted Funds from Operations (FFO)	\$ 4,859

Adjusted Total Debt (Non-GAAP) Calculation

	As of 6/30/2023 (in millions)
GAAP Total Debt (incl. current maturities)	\$ 44,010
Less:	
Securitization Bonds	(435)
Spent Nuclear Fuel Trust	(292)
Equity Units Capital Adjust (25%)	(213)
Junior Subordinated Debentures (25%)	(188)
Add:	
Finance Lease Obligations	211
Operating Leases	672
Adjusted Total Debt (Non-GAAP)	\$ 43,765

FFO to Total Debt Ratio = 11.1%

\$4,859M Adjusted FFO / \$43,765M Adjusted Total Debt



Appendix

Portfolio Management

2nd Quarter 2023 Earnings Presentation



Competitive Business Platform



CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

DISTRIBUTED RESOURCES *(SALE ANNOUNCED)*



- Solar
- Energy Storage
- Reciprocating Engines
- Fuel Cells
- Substations

RETAIL SERVICES *(SALE ANNOUNCED)*



- Electric Sales
- Natural Gas Sales
- Demand Response Sales
- Sustainability Services

WHOLESALE SERVICES



- Electric Sales
- Renewable PPA Sourcing
- Congestion Management
- RTO Services
- Portfolio Optimization



Transmission Joint Venture Businesses

In 2023 operating earnings guidance, Prairie Wind and Pioneer contribute \$0.02 EPS and Transource contributes \$0.03 EPS

As of 6/30/2023, AEP's portion of rate base for Prairie Wind and Pioneer was \$107M; Transource was \$348M

¹ The Independence Energy Connection transmission project was approved by the Maryland commission and rejected by the Pennsylvania commission; federal litigation is currently pending. The project received the abandonment incentive from FERC.

Project Name	Location	Owners	AEP's Portion of Net Plant as of 6/30/2023	AEP's Portion of Rate Base as of 6/30/2023	Base ROE	RTO Adder	Project Risk ROE	Total Authorized ROE
ETT	Texas (ERCOT)	BHE (50%), AEP (50%)	\$1,766M	\$1,418M	9.60%	0.00%	0.00%	9.60%
Prairie Wind <i>(Sale Announced)</i>	Kansas	Evergy, Inc. (50%), BHE (25%), AEP (25%)	\$ 32M	\$25M	10.80%	0.50%	1.50%	12.80%
Pioneer Project <i>(Sale Announced)</i>	Indiana	Duke Energy (50%), AEP (50%)	\$ 91M	\$82M	10.02%	0.50%	0.00%	10.52%
Transource-Iatan-Nashua <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 53M	\$41M	9.80%	0.50%	0.00%	10.30%
Transource-Nebraska-Sibley <i>(Under Strategic Review)</i>	Missouri	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 196M	\$154M	9.80%	0.50%	1.00%	11.30%
Transource-WV <i>(Under Strategic Review)</i>	West Virginia	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 70M	\$65M	10.00%	0.50%	0.00%	10.50%
Transource-Sooner-Wekiwa <i>(Under Strategic Review)</i>	Oklahoma	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 21M	-	9.80%	0.50%	NA	10.30%
Transource-PA & MD ¹ <i>(Under Strategic Review)</i>	Pennsylvania & Maryland	AEP (86.5%), Evergy, Inc. (13.5%)	\$ 90M	\$88M	9.90%	0.50%	0.00%	10.40%



Appendix

Financial Forecast and Focus on O&M Efficiency

2nd Quarter 2023 Earnings Presentation





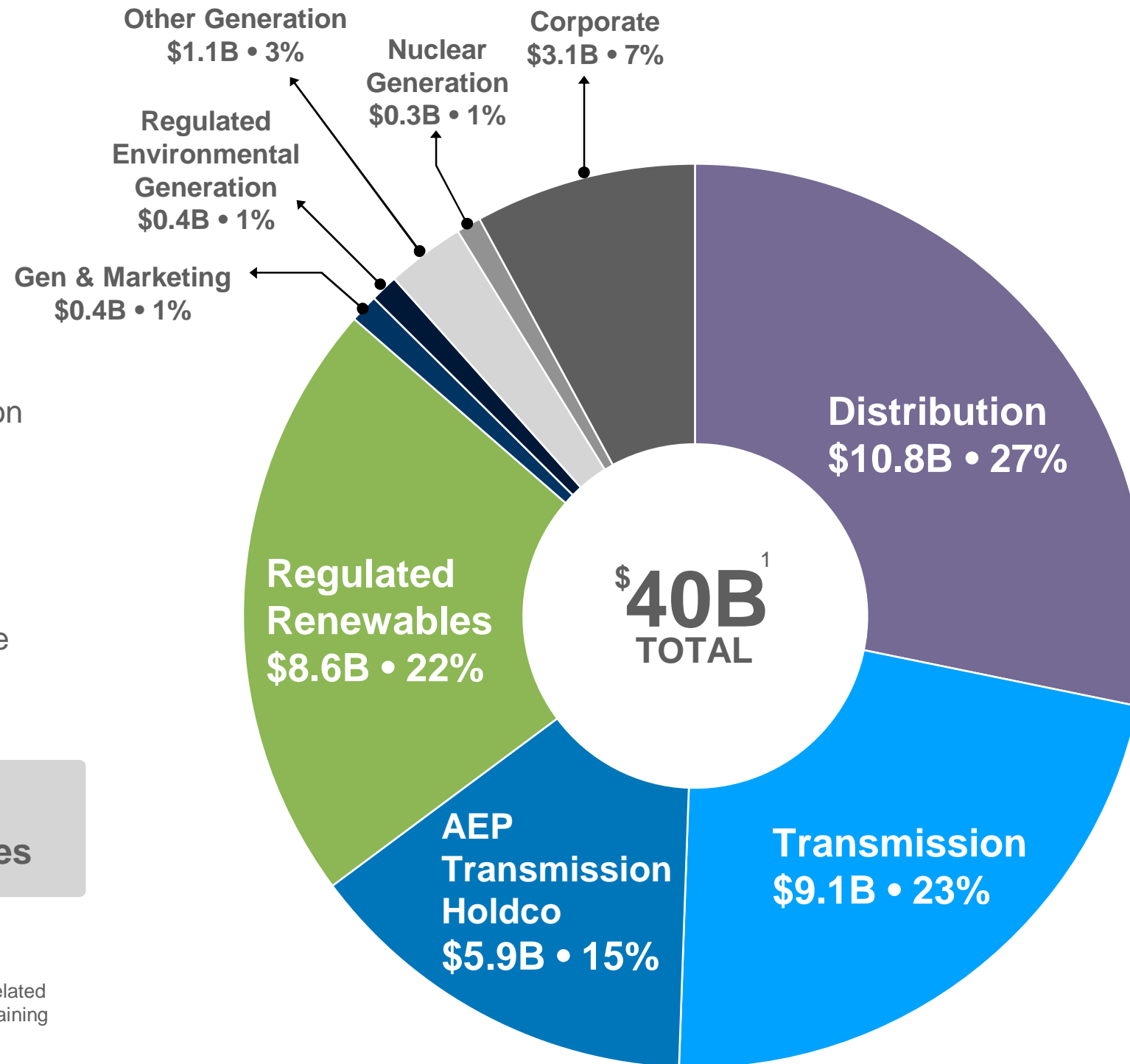
2023-2027 Capital Forecast of \$40B

The ability to quickly redeploy transmission and distribution investment ensures we maintain capital spend while mitigating customer bill impact

On a system average, we expect rates to go up approximately 4% annually over the forecasted period

Capital forecast emphasizes investment in wires and renewables

¹ With the 2023 Kentucky operations sale termination, Kentucky related capital will be absorbed within the current capital plan while maintaining the existing functional split.



99%
of capital allocated to regulated businesses

\$26B 65%
allocated to wires

\$9B 22%
allocated to regulated renewables

7.5%
resulting rate base CAGR



2023-2027 Cash Flows and Financial Metrics

Cash proceeds related to the sale of unregulated contracted renewable assets are included in 2023; proceeds from other future assets sales are not included

\$ in millions	2023E	2024E	2025E	2026E	2027E
Cash from Operations	\$ 5,800	\$ 6,700	\$ 7,000	\$ 7,700	\$ 8,100
Net Cash Proceeds from Sale of Assets ¹	1,200	-	-	-	-
Capital and JV Equity Contributions	(6,800)	(8,900)	(9,700)	(7,300)	(6,900)
Other Investing Activities	(100)	(300)	(200)	(300)	(200)
Common Dividends ²	(1,700)	(1,900)	(2,100)	(2,200)	(2,400)
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Financing					
Required Capital	\$ (1,600)	\$ (4,400)	\$ (5,000)	\$ (2,100)	\$ (1,400)
Long-term Debt Maturities	(2,600)	(1,700)	(2,300)	(1,700)	(1,500)
Short-term Debt Repayments	(1,000)	-	-	-	-
Securitization Amortizations	(100)	(200)	(100)	(100)	(100)
Equity Units Conversion	850	-	-	-	-
Equity Issuances – Includes DRP	100	600	700	700	700
Debt Capital Market Needs (New)	\$ (4,350)	\$ (5,700)	\$ (6,700)	\$ (3,200)	\$ (2,300)
Financial Metrics					
Debt to Capitalization (GAAP)	Approximately 60%				
FFO/Total Debt (Moody's)	14%-15% Target Range				

¹ Cash proceeds to Parent of \$1.2B in 2023 relates to the sale of unregulated contracted renewable assets.

² Targeted dividend growth is in-line with 6%-7% annual operating earnings growth, subject to approval by Board of Directors. Stated target payout ratio range is 60%-70% of operating earnings.

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

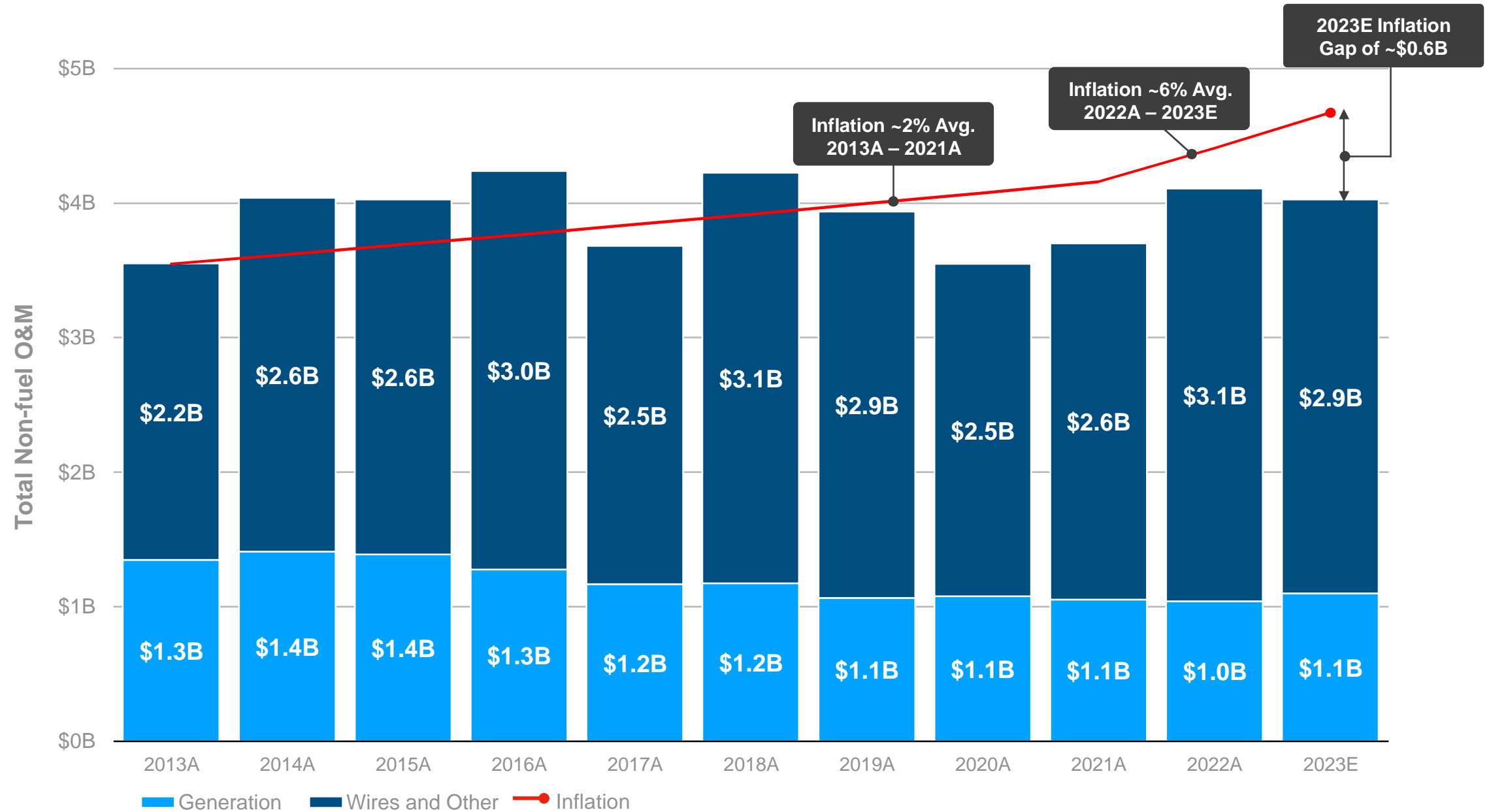


Continuous Focus on O&M Efficiency

O&M discipline over time amid rising costs and growing asset base helps keep customer rates affordable

\$41B 2013A Net Plant **\$79B** 2023E Net Plant

Total tracked and untracked O&M are both actively managed to address customer affordability



(in billions)	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E
Untracked O&M	\$2.8	\$3.1	\$3.1	\$3.1	\$2.8	\$3.1	\$3.1	\$2.7	\$2.8	\$3.0	\$2.9

Data adjusted to include Kentucky.



Appendix

Renewables and Regulatory

2nd Quarter 2023 Earnings Presentation





Resource Plans Are Aligned with Climate Goals

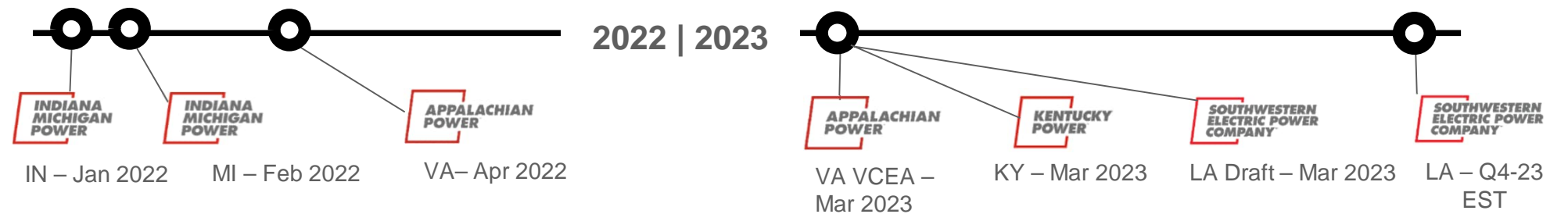
Current IRPs identify a significant need for new clean energy resources over the next 10 years

¹ Resource additions are from Integrated Resource Plans (IRP) filings.

² Investments in renewables will be subject to market availability of viable projects and regulatory approvals.

³ Natural gas additions are peaking units and fuel switching that are primarily selected for capacity (i.e., expected low capacity factors).

IRP FILINGS



10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2023-2032 (MW) ^{1,2}	SOLAR	WIND	STORAGE	NAT. GAS ³	TOTAL
APCo	1,020	1,154	250	-	2,424
I&M	1,300	800	315	750	3,165
PSO	2,550	2,800	-	-	5,350
SWEPCO	3,300	2,450	-	528	6,278
TOTAL	8,170	7,204	565	1,278	17,217





Regulated New Generation Regulatory Status

As of 6/30/2023, approved projects total \$5.2B; projects pending commission approval total \$1.7B

¹ Approved projects may be impacted by market conditions during development.

² APCo also seeks regulatory approval of PPAs for seven solar facilities for a total of 204 MW.

³ I&M also seeks regulatory approval of PPAs for two solar facilities for a total of 280 MW.

⁴ The selected owned facilities were denied by Texas in May 2023.

⁵ Additional RFP issuances expected the near term consistent with the IRPs for energy and capacity needs.



Total Investment	Resource	Project	MWs	In Service/ Acquisition Date	Jurisdictional Status
209 MW / ~\$500M	Solar	Amherst / Virginia	5	Q2-23	Projects <u>Approved</u> July 2022 ¹
	Wind	Top Hat / Illinois	204	Q3-25	
151 MW / ~\$500M	Wind	Grover Hill / Ohio	143	Q4-25	Virginia Order Expected Q3 2023 ² Docket # PUR-2023-00001
	Storage	Glade-White Top / Virginia	8	2025	



469 MW / ~\$1.0B	Solar	Lake Trout / Indiana	245	Q2-26	Indiana Order Expected Q3 2023 ³ Docket # 45868
	Solar	Mayapple / Indiana	224	Q2-26	Michigan Order Expected Q3 2023-Q1 2024 ³ Docket # U-21377, U-21189



999 MW / ~\$2.2B ⁴	Solar	Mooringsport / Louisiana	200	Q4-25	Projects <u>Approved</u> June 2023 ¹ Arkansas Docket # 22-019-U Louisiana Docket # U-36385
	Wind	Diversion / Texas	201	Q4-24	
	Wind	Wagon Wheel / Oklahoma	598	Q4-25	



995.5 MW / ~\$2.5B ⁵	Solar	Algodon / Texas	150	Q4-25	Projects <u>Approved</u> May 2023 ¹ Docket # 2022-000121
	Solar	Chisholm Trail / Kansas	103.5	Q4-25	
	Solar	Pixley / Kansas	189	Q2-25	
	Wind	Flat Ridge IV / Kansas	135	Q4-25	
	Wind	Flat Ridge V / Kansas	153	Q4-25	
	Wind	Lazbuddie / Texas	265	Q2-25	
154 MW / ~\$150M	Wind	Rock Falls / Oklahoma	154	Q1-23	Oklahoma Order Expected Q3 2023 Docket # PUD 2022-000093

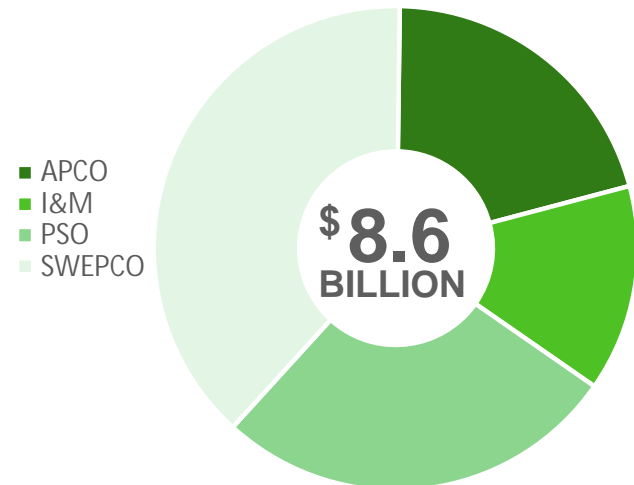


Regulated New Generation Investment Growth

Continuing execution on the \$8.6B regulated renewables investment over the next five years

RFPs IN PROGRESS ¹	APPALACHIAN POWER	INDIANA MICHIGAN POWER
RFP Issued	April 2023	March 2023 ²
Wind	600 MW	800 MW
Solar		850 MW
Storage	-	315 MW
Natural Gas	-	540 MW
Reg. Filings and Approvals	Q2-24 – Q4-24	Q1-24 – Q2-25
Projected In-service Dates	YE26	YE27

2023-2027 CAPEX



REGULATED GENERATION PIPELINE

~17 GW Pipeline

Long-term investment potential beyond current 5-year plan

Capital Flexibility

Investments contingent upon markets and regulatory approvals and are backed-up by a flexible pipeline of T&D investments

Growth Drivers

Generation needs coupled with new federal legislation support our clean energy goals and extend our investment runway

¹ RFPs represent up-to MW capacity values; related regulatory filings will take into consideration commission preferences.

² RFP is an all-source solicitation seeking proposals for both owned and PPAs from various types of generation.



Actions to Close the ROE Gap

Focus on achieving authorized ROEs in all operating companies

Regulated Operations ROE as of 6/30/2023 of 8.6%; depressed by 40 bps on mild weather

Other ROEs – 12 Months Ended 6/30/2023:

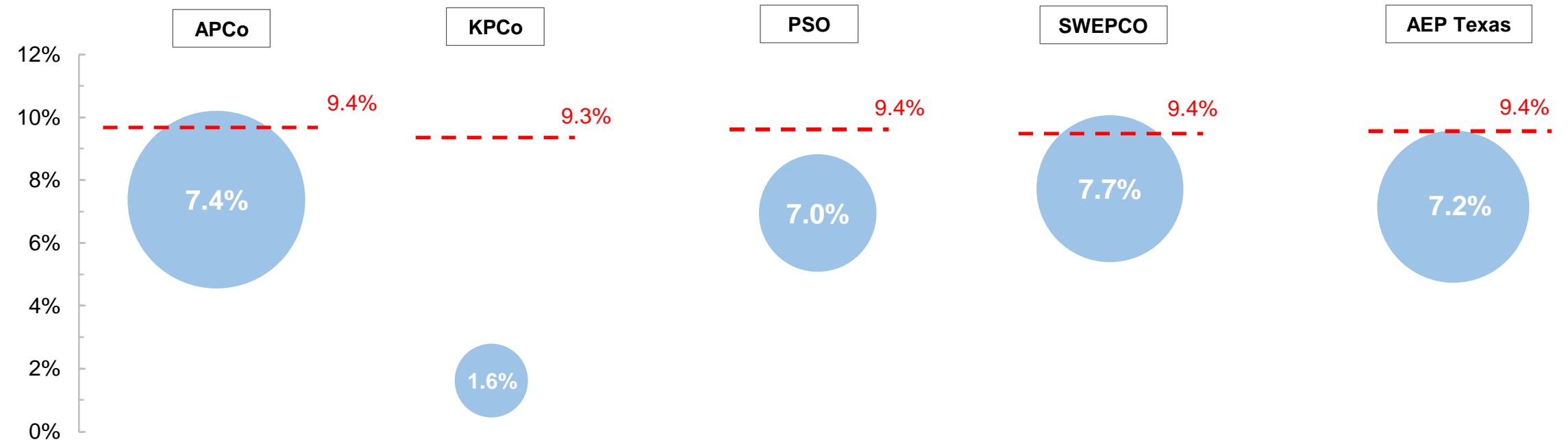
- AEP Ohio – authorized 9.7% vs earned 8.8%.
- I&M – authorized 9.7% vs. earned 10.9%.
- AEP Transmission Holdco – authorized 10.4% vs. earned 11.1%.

Authorized ROE in multijurisdictional companies is estimated by weighting various jurisdictional factors.

--- Current Authorized ROE

● 12 Months Ended 6/30/2023 ROE (operating earnings, not weather normalized)

✓ Complete



ACTION PLANS TO CLOSE GAP				
APCo	KPCo	PSO	SWEPCO	AEP Texas
<ul style="list-style-type: none"> ✓ Securitization legislation passed in WV ✓ Implemented VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo's favor in 2022 ✓ Filed new VA triennial in 2023 ✓ G, T, broadband, EE, RPS and DR trackers recover most incremental investment; triennial process for balance of recovery in VA ✓ VA biennial rate case legislation passed ✓ Rate base and renewables capital trackers in place for WV 	<ul style="list-style-type: none"> ✓ Right team in place to oversee efficient and effective execution of Kentucky strategy ✓ Securitization legislation passed ✓ Filed for recovery of fuel and storm cost deferrals ✓ Base case filed in June 2023 with rates effective in early 2024 ✓ Securitization filed in June 2023 to right-size rate base and mitigate rate impacts • Implement new economic development opportunities to build a strong community and promote customer affordability 	<ul style="list-style-type: none"> ✓ Securitization of Winter Storm Uri costs and North Central rates put in place in 2022 ✓ Base case filed November 2022 and settlement filed May 2023; pursuing approval of more efficient cost recovery mechanisms with the continuation of T&D trackers 	<ul style="list-style-type: none"> ✓ Finalized LA rate case in January 2023 and implemented formula rate going forward ✓ Legislation modified to allow AR base case filing flexibility ✓ Filed Turk CCN and rider request in AR ✓ Filed LA formula rate update in April 2023 ✓ Filed AR formula rate update in April 2023 ✓ G, T and D trackers in place in TX ✓ Timing of formula rate updates and new generation in-service dates to minimize lag 	<ul style="list-style-type: none"> ✓ Bi-annual TCOS filings recover significant capital investment ✓ Annual DCRF filings recover D-related capital ✓ Bi-annual DCRF legislation passed • Review rate structures for 2024 rate case filing



Current Rate Case Activity



APCo – Virginia

Docket #	PUR-2023-00002
Filing Date	3/31/2023
Requested Rate Base	\$2.9B
Requested ROE	10.6%
Cap Structure	51.7%D / 48.3%E
Gross Revenue Increase	\$213M (Less \$53M D&A)
Net Revenue Increase	\$160M
Test Year	12/31/2022
<u>Procedural Schedule</u>	
Intervenor Testimony	7/14/2023
Rebuttal Testimony	8/11/2023
Hearing	8/24/2023
Expected Commission Order	Q4-2023
Expected Effective Date	January 2024



KPCo – Kentucky¹

Docket #	2023-00159
Filing Date	6/29/2023
Requested Rate Base	\$1.8B
Requested ROE	9.9%
Cap Structure	58.4%D / 41.6%E
Net Revenue Increase	\$55M ²
Test Year	3/31/2023
<u>Procedural Schedule</u>	
Intervenor Testimony	10/2/2023
Rebuttal Testimony	10/30/2023
Hearing	11/28/2023
Expected Commission Order	Q4-2023
Expected Effective Date	January 2024



PSO – Oklahoma

Docket #	PUD 2022-000093
Filing Date	11/22/2022
Requested Rate Base	\$4.4B
Requested ROE	10.4%
Cap Structure	45.4%D / 54.6%E
Gross Revenue Increase	\$173M ³ (Less \$70M D&A)
Net Revenue Increase	\$103M
Test Year	6/30/2022
<u>Settlement Summary⁴</u>	
	Pending Commission Approval
Settlement Filed	5/5/2023
Expected Commission Order	Q3-2023
Effective Date	6/1/2023
ROE	9.5%
Cap Structure	45.4%D / 54.6%E
Net Revenue Increase	\$50M

¹ The base case filing also included a request to securitize \$471M of regulatory assets to mitigate rate impacts

² Does not include \$39M of existing riders moving to base rates; total revenue increase equals \$94M.

³ Does not include \$75M of existing riders moving to base rates.

⁴ The settlement provided approval for more efficient cost recovery mechanisms with the continuation of T&D trackers.



Actively Managing Current Fuel Cost Impacts

Adapting fuel clause recovery with a focus on customer impacts

APCo VA

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level with a 24-month recovery and carrying charge on under-recovered balance starting in September 2022

APCo/WPCo WV

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Securitization legislation effective March 2023; new fuel case filed in April 2023 proposes to use the securitization legislation to address deferred fuel balance

PSO OK

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level starting in October 2022 which includes 27 months to recover under recovered balance

SWEPCO AR

- Current Mechanism: 12-month fuel clause to reset and account for prior year filed annually in March, effective for April bills
- Adjustment: Filed an interim factor effective October 2022 to recover the under recovery in a 6-month surcharge; this makes the increase effective during the lower winter seasonal rate

SWEPCO TX

- Current Mechanism: May update the fuel factor up to three times per year in a process resetting fuel (filed only in January, May, and/or September); this is not done every year
- Adjustment: Updated fuel surcharge to collect the under recovered balance over a 16-month period starting in February 2023



Appendix

Economic Development

2nd Quarter 2023 Earnings Presentation





Economic Development Project Announcements: 2021 to Q2 2023¹

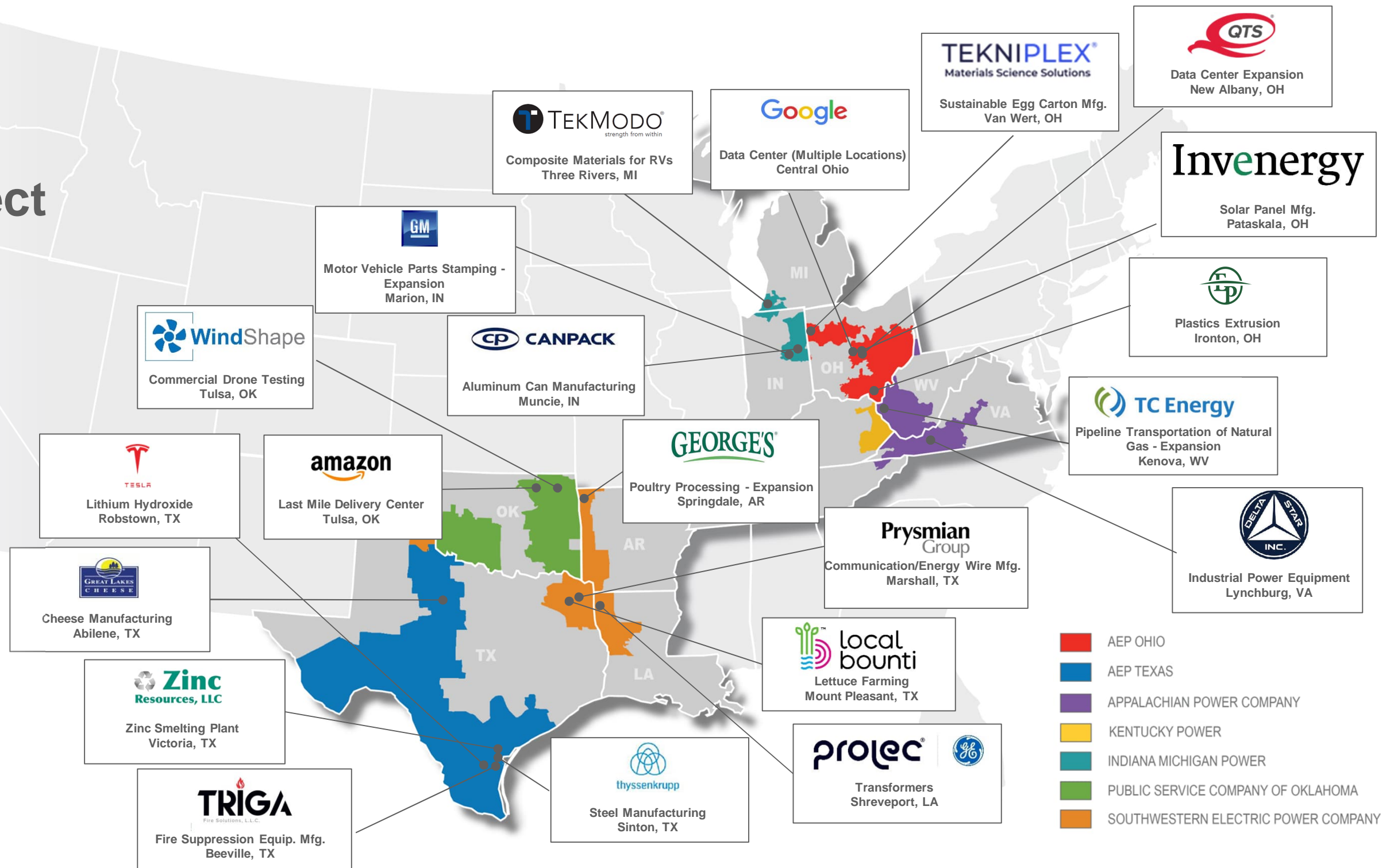
AEP has an attractive service territory for economic development

Summary of Future Impacts²

30K Direct Jobs

77K Total Jobs

4.3 GW from 2021 to Q2 2023 Announced Projects



¹ Companies in the graph represent recently added economic development projects and do not reflect all announced projects.

² Represents the impact of all economic development projects announced during the 2021-Q2 2023 period, including all companies listed on slides 38 and 39.

Recent AEP Reshoring Successes

Targeting industries eligible for federal funding and tax credits from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) and grow the communities we serve.

Intel (AEP Ohio)

- \$20B investment at the first Midwest chip production plant.
- Property was annexed into AEP Ohio service territory.
- The site was selected because of AEP's competence in serving large loads, team strength and depth and demonstrated ability to meet Intel's unique needs.

Nucor (APCo)

- The largest single investment in West Virginia history.
- Site chosen because of high voltage infrastructure, AEP's proven ability to serve large loads and AEP's excellent customer service.

GM + Samsung SDI (I&M)

- The largest EV battery investment in US.
- Site chosen because of high voltage infrastructure, proximity to automotive assembly facilities and Indiana's pro-business environment.

Enel (PSO)

- The largest single investment in Oklahoma history.
- Site chosen because of high voltage infrastructure, shovel readiness, and PSO's ability to achieve company's 100% renewable energy goals.

