

**AMERICAN ELECTRIC POWER  
 NON-UMWA PLAN  
 ESTIMATED 2017 NET PERIODIC POSTRETIREMENT BENEFIT COST**

Medical, Dental and Life Insurance Benefits

	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Gain/Loss Amortization	Net Periodic Postretirement Benefit Cost
140 Appalachian Power Co - Distribution	\$704,979	\$4,484,720	(\$8,222,861)	(\$5,097,397)	\$2,786,258	(\$5,344,301)
215 Appalachian Power Co - Generation	531,545	3,828,427	(7,028,232)	(4,162,884)	2,381,466	(4,449,678)
150 Appalachian Power Co - Transmission	3,161	461,997	(848,802)	(781,538)	287,610	(877,572)
<b>Appalachian Power Co. - FERC</b>	<b>\$1,239,685</b>	<b>\$8,775,144</b>	<b>(\$16,099,895)</b>	<b>(\$10,041,819)</b>	<b>\$5,455,334</b>	<b>(\$10,671,551)</b>
225 Cedar Coal Co.	0	25,354	(48,256)	(8,202)	16,351	(14,753)
<b>Appalachian Power Co. - SEC</b>	<b>\$1,239,685</b>	<b>\$8,800,498</b>	<b>(\$16,148,151)</b>	<b>(\$10,050,021)</b>	<b>\$5,471,685</b>	<b>(\$10,686,304)</b>
211 AEP Texas Central Company - Distribution	\$601,633	\$3,193,773	(\$5,836,111)	(\$3,881,048)	\$1,977,525	(\$3,944,228)
147 AEP Texas Central Company - Generation	0	0	0	(15,337)	0	(15,337)
169 AEP Texas Central Company - Transmission	66,697	305,567	(556,084)	(391,921)	188,425	(387,316)
<b>AEP Texas Central Co.</b>	<b>\$668,330</b>	<b>\$3,499,340</b>	<b>(\$6,392,195)</b>	<b>(\$4,288,306)</b>	<b>\$2,165,950</b>	<b>(\$4,346,881)</b>
119 AEP Texas North Company - Distribution	\$175,129	\$926,951	(\$1,693,294)	(\$1,276,048)	\$573,760	(\$1,293,502)
166 AEP Texas North Company - Generation	0	240,625	(446,595)	(67,677)	151,325	(122,322)
192 AEP Texas North Company - Transmission	33,141	129,801	(236,322)	(233,844)	80,076	(227,148)
<b>AEP Texas North Co.</b>	<b>\$208,270</b>	<b>\$1,297,377</b>	<b>(\$2,376,211)</b>	<b>(\$1,577,569)</b>	<b>\$805,161</b>	<b>(\$1,642,972)</b>
<b>AEP Texas</b>	<b>\$876,600</b>	<b>\$4,796,717</b>	<b>(\$8,768,406)</b>	<b>(\$5,865,875)</b>	<b>\$2,971,111</b>	<b>(\$5,989,853)</b>
170 Indiana Michigan Power Co - Distribution	\$392,098	\$2,246,217	(\$4,126,730)	(\$2,601,438)	\$1,398,313	(\$2,691,540)
132 Indiana Michigan Power Co - Generation	233,579	1,361,913	(2,500,586)	(1,850,054)	847,306	(1,907,842)
190 Indiana Michigan Power Co - Nuclear	908,889	2,149,526	(3,868,189)	(3,561,730)	1,310,708	(3,060,796)
120 Indiana Michigan Power Co - Transmission	77,480	466,112	(850,229)	(596,815)	288,094	(615,358)
280 Indiana Michigan River Transportation (Lakin)	145,710	475,538	(861,809)	(811,278)	292,018	(759,821)
<b>Indiana Michigan Power Co. - FERC</b>	<b>\$1,757,756</b>	<b>\$6,699,306</b>	<b>(\$12,207,543)</b>	<b>(\$9,421,315)</b>	<b>\$4,136,439</b>	<b>(\$9,035,357)</b>
202 Price River Coal	0	0	0	0	0	0
<b>Indiana Michigan Power Co. - SEC</b>	<b>\$1,757,756</b>	<b>\$6,699,306</b>	<b>(\$12,207,543)</b>	<b>(\$9,421,315)</b>	<b>\$4,136,439</b>	<b>(\$9,035,357)</b>
110 Kentucky Power Co - Distribution	\$153,060	\$816,065	(\$1,490,297)	(\$1,210,578)	\$504,977	(\$1,226,773)
117 Kentucky Power Co - Generation	37,403	510,945	(942,598)	(611,828)	319,393	(686,685)
180 Kentucky Power Co - Transmission	146	48,946	(90,010)	(198,150)	30,499	(208,569)
600 Kentucky Power Co. - Kammer Actives	2,450	5,899	(10,374)	(42,530)	3,515	(41,040)
701 Kentucky Power Co. - Mitchell Actives	188,818	241,243	(417,853)	(160,767)	141,586	(6,973)
702 Kentucky Power Co. - Mitchell Inactives	0	442,593	(825,050)	(200,743)	279,562	(303,638)
<b>Kentucky Power Co.</b>	<b>\$381,877</b>	<b>\$2,065,691</b>	<b>(\$3,776,182)</b>	<b>(\$2,424,596)</b>	<b>\$1,279,532</b>	<b>(\$2,473,678)</b>
250 Ohio Power Co - Distribution	\$964,339	\$5,805,752	(\$10,642,103)	(\$5,890,962)	\$3,606,001	(\$6,156,973)
160 Ohio Power Co - Transmission	7,825	705,203	(1,299,022)	(1,031,548)	440,164	(1,177,378)
<b>Ohio Power Co.</b>	<b>\$972,164</b>	<b>\$6,510,955</b>	<b>(\$11,941,125)</b>	<b>(\$6,922,510)</b>	<b>\$4,046,165</b>	<b>(\$7,334,351)</b>
167 Public Service Co of Oklahoma - Distribution	\$416,240	\$1,925,505	(\$3,515,015)	(\$2,477,659)	\$1,191,038	(\$2,459,891)
198 Public Service Co of Oklahoma - Generation	282,422	949,751	(1,722,779)	(1,498,642)	583,751	(1,405,497)
114 Public Service Co of Oklahoma - Transmission	54,011	227,165	(414,920)	(313,349)	140,593	(306,500)
<b>Public Service Co. of Oklahoma</b>	<b>\$752,673</b>	<b>\$3,102,421</b>	<b>(\$5,652,714)</b>	<b>(\$4,289,650)</b>	<b>\$1,915,382</b>	<b>(\$4,171,888)</b>
159 Southwestern Electric Power Co - Distribution	\$331,312	\$1,333,194	(\$2,421,827)	(\$1,794,965)	\$820,619	(\$1,731,667)
168 Southwestern Electric Power Co - Generation	423,878	1,312,551	(2,376,726)	(2,137,691)	805,337	(1,972,651)
161 Southwestern Electric Power Co - Texas - Distribution	141,442	636,950	(1,158,971)	(942,674)	392,709	(930,544)
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	42,066	203,580	(371,480)	(280,205)	125,873	(280,166)
<b>Southwestern Electric Power Co.</b>	<b>\$938,698</b>	<b>\$3,486,275</b>	<b>(\$6,329,004)</b>	<b>(\$5,155,535)</b>	<b>\$2,144,538</b>	<b>(\$4,915,028)</b>
230 Kingsport Power Co - Distribution	\$35,271	\$172,969	(\$315,996)	(\$177,403)	\$107,073	(\$178,086)
260 Kingsport Power Co - Transmission	0	23,266	(43,153)	(40,419)	14,622	(45,684)
<b>Kingsport Power Co.</b>	<b>\$35,271</b>	<b>\$196,235</b>	<b>(\$359,149)</b>	<b>(\$217,822)</b>	<b>\$121,695</b>	<b>(\$223,770)</b>
210 Wheeling Power Co - Distribution	\$37,235	\$232,636	(\$426,996)	(\$259,071)	\$144,684	(\$271,512)
200 Wheeling Power Co - Transmission	0	12,355	(23,536)	(2,613)	7,975	(5,819)
<b>Wheeling Power Co.</b>	<b>\$37,235</b>	<b>\$244,991</b>	<b>(\$450,532)</b>	<b>(\$261,684)</b>	<b>\$152,659</b>	<b>(\$277,331)</b>
103 American Electric Power Service Corporation	\$3,571,426	\$12,823,159	(\$23,217,890)	(\$17,282,221)	\$7,867,213	(\$16,238,313)
293 Elmwood	\$0	\$30,661	(\$56,362)	(\$276,067)	\$19,098	(\$282,670)
292 AEP River Operations LLC	0	199,072	(366,581)	(1,245,634)	124,213	(1,288,930)
<b>American Electric Power Service Corp</b>	<b>\$3,571,426</b>	<b>\$13,052,892</b>	<b>(\$23,640,833)</b>	<b>(\$18,803,922)</b>	<b>\$8,010,524</b>	<b>(\$17,809,913)</b>
143 AEP Pro Serv, Inc.	\$0	\$5,498	(\$10,491)	(\$1,133)	\$3,555	(\$2,571)
189 Central Coal Company	0	0	0	0	0	\$0
<b>Miscellaneous</b>	<b>\$0</b>	<b>\$5,498</b>	<b>(\$10,491)</b>	<b>(\$1,133)</b>	<b>\$3,555</b>	<b>(\$2,571)</b>
270 Cook Coal Terminal	\$9,583	\$49,236	(\$90,413)	(\$67,747)	\$30,636	(\$68,705)
<b>AEP Generation Company</b>	<b>\$9,583</b>	<b>\$49,236</b>	<b>(\$90,413)</b>	<b>(\$67,747)</b>	<b>\$30,636</b>	<b>(\$68,705)</b>
104 Cardinal Operating Company	\$217,486	\$895,231	(\$1,627,415)	(\$1,116,823)	\$551,438	(\$1,080,083)
181 Ohio Power Co - Generation	397,337	4,261,070	(7,860,149)	(4,359,566)	2,663,355	(4,897,953)
<b>AEP Generation Resources - FERC</b>	<b>\$614,823</b>	<b>\$5,156,301</b>	<b>(\$9,487,564)</b>	<b>(\$5,476,389)</b>	<b>\$3,214,793</b>	<b>(\$5,978,036)</b>
290 Conesville Coal Preparation Company	0	50,949	(94,551)	(51,555)	32,038	(63,119)
<b>AEP Generation Resources - SEC</b>	<b>\$614,823</b>	<b>\$5,207,250</b>	<b>(\$9,582,115)</b>	<b>(\$5,527,944)</b>	<b>\$3,246,831</b>	<b>(\$6,041,155)</b>
175 AEP Energy Partners	46,083	37,471	(63,447)	(31,686)	21,499	9,920
171 CSW Energy, Inc.	0	14,705	(26,988)	(15,366)	9,145	(18,504)
<b>AEP Energy Supply</b>	<b>\$660,906</b>	<b>\$5,259,426</b>	<b>(\$9,672,550)</b>	<b>(\$5,574,996)</b>	<b>\$3,277,475</b>	<b>(\$6,049,739)</b>
245 Dolet Hills	245,942	188,337	(319,966)	430,570	108,418	653,301
<b>Dolet Hills</b>	<b>\$245,942</b>	<b>\$188,337</b>	<b>(\$319,966)</b>	<b>\$430,570</b>	<b>\$108,418</b>	<b>\$653,301</b>
<b>Total</b>	<b>\$11,479,816</b>	<b>\$54,458,478</b>	<b>(\$99,367,059)</b>	<b>(\$68,626,236)</b>	<b>\$33,669,814</b>	<b>(\$68,385,187)</b>
<b>Total without Dolet Hills</b>	<b>\$11,233,874</b>	<b>\$54,270,141</b>	<b>(\$99,047,093)</b>	<b>(\$69,056,806)</b>	<b>\$33,561,396</b>	<b>(\$69,038,488)</b>

Key Assumptions as of December 31, 2016:

Discount rate	4.10%
Valuation data	1/1/2016
Mortality base table	RP-2014, no collar, factored to 2006
Mortality projection scale	Rates grade linearly by year from MP-2014 in 2007 to 0.75% in 2015. Rates grade linearly by age to zero at age 95 from age 85.
Updated 2017 per capita claims cost assumption	
Initial 2017 trend rate	6.75%
Ultimate trend rate	5.00%
Years to ultimate trend	7
Initial participation grading down to 75% in 2019	
Percentage of retirees dropping coverage annually is 4% for capped retirees and 2% for uncapped retirees	
All other assumptions match those used to determine the 2016 postretirement welfare cost	

**AMERICAN ELECTRIC POWER  
 UMWA PLAN  
 ESTIMATED 2017 NET PERIODIC POSTRETIREMENT BENEFIT COST**

*Medical, Dental and Life Insurance Benefits*

	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost	Gain/Loss Amortization	Net Periodic Postretirement Benefit Cost
140 Appalachian Power Co - Distribution	\$0	\$0	\$0	\$0	\$0	\$0
215 Appalachian Power Co - Generation	0	0	0	0	0	0
150 Appalachian Power Co - Transmission	0	0	0	0	0	0
<b>Appalachian Power Co. - FERC</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
225 Cedar Coal Co.	0	1,341,626	0	0	336,051	1,677,677
<b>Appalachian Power Co. - SEC</b>	<b>\$0</b>	<b>\$1,341,626</b>	<b>\$0</b>	<b>\$0</b>	<b>\$336,051</b>	<b>\$1,677,677</b>
270 Cook Coal Terminal	\$1,196,462	\$1,762,044	(\$2,129,874)	\$0	\$418,540	\$1,247,172
<b>AEP Generation Company</b>	<b>\$1,196,462</b>	<b>\$1,762,044</b>	<b>(\$2,129,874)</b>	<b>\$0</b>	<b>\$418,540</b>	<b>\$1,247,172</b>
104 Cardinal Operating Company	\$0	\$0	\$0	\$0	\$0	\$0
181 Ohio Power Co - Generation	0	0	0	0	0	0
<b>AEP Generation Resources - FERC</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
290 Conesville Coal Preparation Company	0	450,527	0	0	111,869	562,396
<b>AEP Generation Resources - SEC</b>	<b>\$0</b>	<b>\$450,527</b>	<b>\$0</b>	<b>\$0</b>	<b>\$111,869</b>	<b>\$562,396</b>
175 AEP Energy Partners	0	0	0	0	0	0
171 CSW Energy, Inc.	0	0	0	0	0	0
<b>AEP Energy Supply</b>	<b>\$0</b>	<b>\$450,527</b>	<b>\$0</b>	<b>\$0</b>	<b>\$111,869</b>	<b>\$562,396</b>
<b>Total</b>	<b>\$1,196,462</b>	<b>\$3,554,197</b>	<b>(\$2,129,874)</b>	<b>\$0</b>	<b>\$866,460</b>	<b>\$3,487,245</b>

Key Assumptions as of December 31, 2016:

Discount rate	4.10%
Valuation data	1/1/2016
Mortality base table	RP-2014, blue collar, factored to 2006
Mortality projection scale	Rates grade linearly by year from MP-2014 in 2007 to 0.75% in 2015. Rates grade linearly by age to zero at age 95 from age 85.
Updated 2017 per capita claims cost assumption	
Initial 2017 trend rate	6.75%
Ultimate trend rate	5.00%
Years to ultimate trend	7
Updated retiree excise tax assumption	
All other assumptions match those used to determine the 2016 postretirement welfare cost	