

AMERICAN ELEC. PWR. NYSE-AEP										RECENT PRICE	52.99	P/E RATIO	16.1	(Trailing: 14.5 Median: 13.0)	RELATIVE P/E RATIO	0.89	DIV'D YLD	3.9%	VALUE LINE					
TIMELINESS	2	Raised 2/7/14	High:	31.5	35.5	40.8	43.1	51.2	49.1	36.5	37.9	41.7	45.4	51.6	55.9					Target Price Range	2017	2018	2019	
SAFETY	2	Raised 9/19/14	Low:	19.0	28.5	32.3	32.3	41.7	25.5	24.0	28.2	33.1	37.0	41.8	45.8									
TECHNICAL	3	Raised 9/19/14	<b>LEGENDS</b> — 0.75 x Dividends p sh divided by Interest Rate ..... Relative Price Strength Options: Yes Shaded area indicates recession																					
BETA	.70	(1.00 = Market)	<b>2017-19 PROJECTIONS</b> Price Gain Ann'l Total High 65 (+25%) 9% Low 45 (-15%) 1%																					
Insider Decisions			O N D J F M A M J to Buy 0 0 0 0 0 0 0 0 0 0 Options 0 0 1 0 0 0 0 12 0 to Sell 1 1 0 0 1 0 0 6 0																					
Institutional Decisions			4Q2013 1Q2014 2Q2014 to Buy 307 337 338 to Sell 304 277 267 Hid's(000) 315325 317224 323714																					
Percent shares traded			15 10 5																					
% TOT. RETURN 8/14			THIS STOCK VL ARITH. INDEX 1 yr. 30.7 21.5 3 yr. 58.3 72.7 5 yr. 115.2 129.0																					
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC 17-19						
33.08	35.63	42.53	190.10	42.96	36.82	35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.77	31.48	34.70	34.55	Revenues per sh	39.50					
6.03	6.36	5.11	7.65	6.99	5.76	5.89	5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.64	6.75	7.20	7.40	"Cash Flow" per sh	8.75					
2.81	2.69	1.04	3.27	2.86	2.53	2.61	2.64	2.86	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.45	3.45	Earnings per sh A	4.00					
2.40	2.40	2.40	2.40	2.40	1.65	1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.88	1.95	2.02	2.12	Div'd Decl'd per sh B	2.50					
4.13	4.47	5.51	5.69	5.08	3.44	4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.45	7.75	8.80	8.05	Cap'l Spending per sh	8.25					
25.24	25.79	25.01	25.54	20.85	19.93	21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.45	35.85	Book Value per sh C	40.50					
191.82	194.10	322.02	322.24	338.84	395.02	395.86	393.72	396.67	400.43	406.07	478.05	480.81	483.42	485.67	487.78	490.00	492.00	Common Shs Outst'g D	498.00					
17.0	14.3	34.3	13.9	12.7	10.7	12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	14.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0					
.88	.82	2.23	.71	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	.88	.82			Relative P/E Ratio	.90					
5.0%	6.2%	6.7%	5.3%	6.6%	6.1%	4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%			Avg Ann'l Div'd Yield	4.5%					
<b>CAPITAL STRUCTURE as of 6/30/14</b>			14057 12111 12622 13380 14440 13489 14427 15116 14945 15357 17000 17000 Revenues (\$mill) 19650 Total Debt \$19607 mill. Due in 5 Yrs \$9556 mill. 1038.0 1036.0 1131.0 1147.0 1208.0 1365.0 1248.0 1513.0 1443.0 1549.0 1630 1635 Net Profit (\$mill) 1915 LT Debt \$15601 mill. LT Interest \$710 mill. 33.1% 29.3% 33.0% 31.1% 31.3% 29.7% 34.8% 31.7% 33.9% 36.2% 36.0% 36.0% Income Tax Rate 36.0% Incl. \$2359 mill. securitized bonds. 3.6% 5.4% 9.9% 9.8% 9.9% 10.9% 10.4% 10.6% 11.2% 7.3% 9.0% 8.0% AFUDC % to Net Profit 8.0% (LT interest earned: 3.8x) 56.2% 54.8% 56.7% 58.3% 59.1% 54.4% 53.1% 50.7% 50.6% 51.1% 50.5% 53.0% Long-Term Debt Ratio 52.0% Leases, Uncapitalized Annual rentals \$288 mill. 43.1% 44.9% 43.0% 41.4% 40.7% 45.4% 46.7% 49.3% 49.4% 48.9% 48.5% 47.0% Common Equity Ratio 48.0% Pension Assets-12/13 \$4711 mill. 19584 20222 21902 24342 26290 28958 29184 29747 30823 32913 34050 37550 Total Capital (\$mill) 41900 Oblig. \$4841 mill. 22801 24284 26781 29870 32987 34344 35674 36971 38763 40997 43450 45475 Net Plant (\$mill) 51000 Pfd Stock None 7.0% 6.6% 6.7% 6.3% 6.2% 6.2% 5.7% 6.6% 6.1% 6.0% 6.0% 5.5% Return on Total Cap'l 6.0% Common Stock 488,670,382 shs. 12.1% 11.3% 11.9% 11.3% 11.2% 10.3% 9.1% 10.3% 9.5% 9.6% 9.5% 9.5% Return on Shr. Equity 10.0% as of 7/24/14 12.2% 11.3% 12.0% 11.4% 11.3% 10.4% 9.1% 10.3% 9.5% 9.6% 10.0% 9.5% Return on Com Equity E 10.0% MARKET CAP: \$26 billion (Large Cap) 5.7% 5.2% 5.7% 5.1% 5.1% 4.6% 3.1% 4.2% 3.5% 3.7% 4.0% 3.5% Retained to Com Eq 4.0% 54% 54% 53% 55% 55% 56% 66% 60% 63% 62% 61% 64% All Div'ds to Net Prof 63%																					
<b>ELECTRIC OPERATING STATISTICS</b>			2011 2012 2013 % Change Retail Sales (KWH) +1.2 -2.1 -1.5 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs. per KWH (¢) 4.95 4.69 NA Capacity at Peak (Mw) NA NA NA Peak Load (Mw) NA NA NA Annual Load Factor (%) NA NA NA % Change Customers (yr-end) NA NA NA																					
Fixed Charge Cov. (%)			286 280 326																					
<b>ANNUAL RATES</b>			Past Past Est'd '11-'13 of change (per sh) 10 Yrs. 5 Yrs. to '17-'19 Revenues -10.0% -1.5% 4.0% "Cash Flow" - - - 4.5% Earnings .5% 1.5% 4.5% Dividends -1.5% 4.0% 4.5% Book Value 3.5% 4.5% 4.0%																					
<b>QUARTERLY REVENUES (\$ mill.)</b>			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2011 3730 3609 4333 3444 15116 2012 3625 3551 4156 3613 14945 2013 3826 3582 4176 3773 15357 2014 4648 4044 4358 3950 17000 2015 4350 4100 4500 4050 17000																					
<b>EARNINGS PER SHARE A</b>			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2011 .83 .73 1.17 .41 3.13 2012 .80 .75 1.00 .43 2.98 2013 .75 .73 1.10 .60 3.18 2014 1.15 .80 1.05 .45 3.45 2015 1.00 .80 1.15 .50 3.45																					
<b>QUARTERLY DIVIDENDS PAID B</b>			Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year 2010 .41 .42 .42 .46 1.71 2011 .46 .46 .46 .47 1.85 2012 .47 .47 .47 .47 1.88 2013 .47 .49 .49 .50 1.95 2014 .50 .50 .50																					
<b>BUSINESS:</b>			American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves 5.3 mill. customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. Electric revenue breakdown: residential, 40%; commercial, 23%; industrial, 19%; wholesale, 15%; other, 3%. Sold 50% stake in Yorkshire Holdings (British utility) '01; sold SEEBOARD (British utility) '02; sold Houston Pipeline '05. Generating sources not available. Fuel costs: 36% of revenues. '13 reported deprec. rates (utility): 1.1%-7.9%. Has 18,500 employees. Chairman, President & CEO: Nicholas K. Akins. Inc.: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Tel.: 614-716-1000. Internet: www.aep.com.																					
<b>American Electric Power's earnings should advance materially in 2014.</b>			The year got off to a good start, as favorable weather conditions and higher market prices for power boosted the bottom line. AEP is also benefiting from rate relief and increased transmission investment. Although the year-to-year earnings comparisons in the third and fourth periods of 2014 might well be negative, due in part to the shifting of \$60 million in operating expenses from 2016 to the second half of 2014, profits for the full year should wind up well above the 2013 tally. Our estimate remains at the midpoint of AEP's targeted range of \$3.35-\$3.55 a share. <b>We estimate flat earnings in 2015.</b> That's primarily because the March-quarter comparison will be difficult. Our estimate is at the midpoint of AEP's guidance of \$3.30-\$3.60.																					
<b>Electric transmission is playing an important part in AEP's profit growth.</b>			The company's transmission subsidiary contributed \$0.16 to share net in 2013. This figure is likely to advance to \$0.30 this year and \$0.38-\$0.39 in 2015. AEP earns a higher return on equity on transmission than on distribution. <b>Some regulatory matters are pending.</b> Appalachian Power asked the West Virginia regulators for a \$226 million rate hike, based on a 10.62% ROE. An order is due in April. The utility believes it isn't overearning its allowed ROE in Virginia, but the commission's staff is proposing a \$22.5 million refund. Public Service of Oklahoma reached a settlement that calls for modest rate hikes in 2014, 2015, and 2016, based on a 9.85% ROE. The commission's ruling is expected in early October. <b>We expect a dividend increase at the board meeting in the fourth quarter.</b> We think the directors will raise the quarterly disbursement by \$0.02 a share (4%). AEP is targeting a payout ratio in a range of 60%-70%. The payout ratio is now near the low end of this range because the transition to competitive markets in Ohio, which affects the company's generating assets there, adds some uncertainty. <b>This timely stock has a dividend yield and 3- to 5-year total return potential that are about equal to the average for electric utility issues.</b>																					
<b>Company's Financial Strength</b>			A Stock's Price Stability 100 Price Growth Persistence 50 Earnings Predictability 90																					

(A) Diluted EPS. Excl. nonrec. gains (losses): '02, (\$3.86); '03, (\$1.92); '04, 2.44; '05, (6.26); '06, (20.6); '07, (20.6); '08, 40.6; '10, (7.6); '11, 89.6; '12, (38.6); '13, (14.6); discont. ops.: '02, (57.6); '03, (32.6); '04, 15.6; '05, 7.6; '06, 2.6; '08, 3.6. '11 EPS don't add due to rounding. Next egs. report due late Oct. (B) Div'ds historically paid early Mar., June, Sept., & Dec. = Div'd re-invest. plan avail. (C) Incl. intang. In '13: \$18.20/sh. (D) In com. (E) Rate base: various. Rates all'd on com. eq.: 9.65%-10.9%; earned on avg. com. eq., '13: 9.9%. Regul. Clim.: Avg. © 2014 Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. To subscribe call 1-800-VALUELINE