

AMERICAN ELECTRIC POWER
 QUALIFIED PENSION PLAN
 ESTIMATED 2017 NET PERIODIC PENSION COST

Location	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost Amortization	Gain/Loss Amortization	Net Periodic Pension Cost
140 Appalachian Power Co - Distribution	\$5,036,682	\$13,501,077	(\$18,579,805)	\$78,793	\$5,567,788	\$5,604,535
215 Appalachian Power Co - Generation	3,962,718	11,135,635	(15,793,046)	74,093	4,594,996	3,974,396
150 Appalachian Power Co - Transmission	20,134	1,218,504	(1,172,309)	11,419	512,499	590,247
Appalachian Power Co. - FERC	\$9,019,534	\$25,855,216	(\$35,545,160)	\$164,305	\$10,675,283	\$10,169,178
225 Cedar Coal Co	0	115,304	(272,552)	0	49,032	(108,216)
Appalachian Power Co. - SEC	\$9,019,534	\$25,970,520	(\$35,817,712)	\$164,305	\$10,724,315	\$10,060,962
211 AEP Texas Central Company - Distribution	\$5,609,351	\$11,369,969	(\$16,523,157)	\$32,327	\$4,690,839	\$5,179,329
147 AEP Texas Central Company - Generation	0	111,901	(685,287)	0	48,100	(525,286)
169 AEP Texas Central Company - Transmission	752,504	1,140,481	(1,553,980)	3,887	466,970	809,862
AEP Texas Central Co.	\$6,361,855	\$12,622,351	(\$18,762,424)	\$36,214	\$5,205,909	\$5,463,905
119 AEP Texas North Company - Distribution	1,622,643	2,840,651	(3,758,913)	10,480	1,166,135	1,880,996
166 AEP Texas North Company - Generation	0	710,947	(1,432,971)	92	301,119	(420,813)
192 AEP Texas North Company - Transmission	398,237	455,085	(651,980)	1,612	183,961	386,915
AEP Texas North Co.	\$2,020,880	\$4,006,683	(\$5,843,864)	\$12,184	\$1,651,215	\$1,847,098
AEP Texas	\$8,382,735	\$16,629,034	(\$24,606,288)	\$48,398	\$6,857,124	\$7,311,003
170 Indiana Michigan Power Co - Distribution	\$2,824,617	\$6,797,297	(\$9,685,646)	\$37,120	\$2,803,122	\$2,776,510
132 Indiana Michigan Power Co - Generation	1,645,309	4,450,167	(6,524,937)	26,761	1,829,187	1,426,487
190 Indiana Michigan Power Co - Nuclear	7,390,309	10,273,100	(14,239,873)	67,613	4,144,625	7,635,774
120 Indiana Michigan Power Co - Transmission	628,762	1,564,520	(2,013,501)	8,588	643,340	831,709
280 Ind Mich River Transp Lakin	957,325	1,478,219	(2,156,283)	10,849	599,779	889,889
Indiana Michigan Power Co. - FERC	\$13,446,322	\$24,563,303	(\$34,620,240)	\$150,931	\$10,020,053	\$13,560,369
202 Price River Coal	0	0	0	0	0	0
Indiana Michigan Power Co. - SEC	\$13,446,322	\$24,563,303	(\$34,620,240)	\$150,931	\$10,020,053	\$13,560,369
110 Kentucky Power Co - Distribution	\$1,217,475	\$3,044,429	(\$3,982,965)	\$21,315	\$1,251,198	\$1,551,452
117 Kentucky Power Co - Generation	230,567	1,348,798	(1,770,022)	10,918	559,531	379,792
180 Kentucky Power Co - Transmission	3,729	131,934	(92,003)	3,227	55,372	102,259
600 Kentucky Power Co. - Kammer Actives	16,083	146,268	(286,959)	1,383	60,196	(63,029)
701 Kentucky Power Co. - Mitchell Actives	1,269,686	1,486,982	(2,214,057)	6,082	590,128	1,138,821
702 Kentucky Power Co. - Mitchell Inactives	0	1,065,740	(1,933,578)	5,067	448,805	(413,966)
Kentucky Power Co.	\$2,737,540	\$7,224,151	(\$10,279,584)	\$47,992	\$2,965,230	\$2,695,329
250 Ohio Power Co - Distribution	\$7,209,650	\$17,782,995	(\$25,642,037)	\$96,985	\$7,344,815	\$6,792,408
160 Ohio Power Co - Transmission	49,546	1,754,035	(2,343,282)	19,325	741,425	221,049
Ohio Power Co.	\$7,259,196	\$19,537,030	(\$27,985,319)	\$116,310	\$8,086,240	\$7,013,457
167 Public Service Co of Oklahoma - Distribution	\$3,854,638	\$6,491,386	(\$9,622,212)	\$23,036	\$2,661,294	\$3,408,142
198 Public Service Co of Oklahoma - Generation	2,414,364	3,311,728	(4,890,650)	11,866	1,349,217	2,196,525
114 Public Service Co of Oklahoma - Transmission	615,578	794,692	(1,197,442)	2,611	327,631	543,070
Public Service Co. of Oklahoma	\$6,884,580	\$10,597,806	(\$15,710,304)	\$37,513	\$4,338,142	\$6,147,737
159 Southwestern Electric Power Co - Distribution	\$3,076,928	\$4,310,213	(\$6,159,132)	\$16,285	\$1,752,197	\$2,996,491
168 Southwestern Electric Power Co - Generation	4,045,617	4,792,821	(6,793,800)	15,968	1,940,909	4,001,515
161 Southwestern Electric Power Co - Texas - Distribution	1,413,841	2,175,679	(3,049,399)	8,496	890,433	1,439,050
111 Southwestern Electric Power Co - Texas - Transmission	0	4,315	(1,310)	0	1,918	4,923
194 Southwestern Electric Power Co - Transmission	522,851	628,573	(964,906)	2,932	253,682	443,132
Southwestern Electric Power Co.	\$9,059,237	\$11,911,601	(\$16,968,547)	\$43,681	\$4,839,139	\$8,885,111
230 Kingsport Power Co - Distribution	\$248,599	\$567,356	(\$784,023)	\$2,930	\$233,080	\$267,942
260 Kingsport Power Co - Transmission	0	86,399	(90,623)	389	36,592	32,757
Kingsport Power Co.	\$248,599	\$653,755	(\$874,646)	\$3,319	\$269,672	\$300,699
210 Wheeling Power Co - Distribution	\$267,463	\$664,238	(\$924,622)	\$4,849	\$273,980	\$285,908
200 Wheeling Power Co - Transmission	0	20,858	(47,066)	0	9,110	(17,098)
Wheeling Power Co.	\$267,463	\$685,096	(\$971,688)	\$4,849	\$283,090	\$268,810
103 American Electric Power Service Corporation	\$31,930,028	\$64,863,279	(\$85,725,200)	\$277,417	\$26,557,848	\$37,903,369
293 Elmwood	\$0	\$123,290	(\$307,640)	\$3,927	\$51,441	(\$128,982)
292 AEP River Operations LLC	0	1,465,698	(2,953,060)	21,752	604,875	(860,735)
American Electric Power Service Corp	\$31,930,028	\$66,452,267	(\$88,985,900)	\$303,096	\$27,214,164	\$36,913,652
143 AEP Pro Serv., Inc.	\$0	\$43,743	(\$58,414)	\$39	\$18,228	\$3,596
189 Central Coal Company	0	0	0	0	0	\$0
Miscellaneous	\$0	\$43,743	(\$58,414)	\$39	\$18,228	\$3,596
270 Cook Coal Terminal	\$115,545	\$148,186	(\$246,388)	\$855	\$59,921	\$78,119
AEP Generating Company	\$115,545	\$148,186	(\$246,388)	\$855	\$59,921	\$78,119
104 Cardinal Operating Company	\$1,537,746	\$3,343,321	(\$5,366,802)	\$15,877	\$1,370,535	\$900,677
181 Ohio Power Co - Generation	3,019,871	11,793,112	(21,740,991)	69,776	4,903,790	(1,954,442)
AEP Generation Resources - FERC	\$4,557,617	\$15,136,433	(\$27,107,793)	\$85,653	\$6,274,325	(\$1,053,765)
290 Conesville Coal Preparation Company	0	120,990	(254,876)	614	51,131	(82,141)
AEP Generation Resources - SEC	\$4,557,617	\$15,257,423	(\$27,362,669)	\$86,267	\$6,325,456	(\$1,135,906)
171 CSW Energy, Inc.	0	108,938	(149,994)	320	45,343	4,607
175 AEP Energy Partners	658,259	492,615	(539,573)	999	193,501	805,801
419 Onsite Partners	9,766	6,583	(621)	0	2,511	18,239
AEP Energy Supply	\$5,225,642	\$15,865,559	(\$28,052,857)	\$87,586	\$6,566,811	(\$307,259)
245 Dolet Hills	1,196,464	99,161	(73,601)	0	20,542	1,242,566
Dolet Hills	\$1,196,464	\$99,161	(\$73,601)	\$0	\$20,542	\$1,242,566
Total	\$95,772,885	\$200,381,212	(\$285,251,488)	\$1,008,874	\$82,262,671	\$94,174,151
Total without Dolet Hills	\$94,576,421	\$200,282,051	(\$285,177,887)	\$1,008,874	\$82,242,129	\$92,931,585

Key Assumptions as of December 31, 2016:

Discount rate 4.05%
 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.
 Interest crediting rate 4.00%
 Lump sum conversion rate 4.20%
 Rates of termination and salary increases were updated to be consistent with the experience study performed during 2014. Retirement rates were adjusted such that the average retirement age is 64.
 All other assumptions match those used to determine the 2016 pension cost.

AMERICAN ELECTRIC POWER
 NON-QUALIFIED PENSION PLAN
 ESTIMATED 2017 NET PERIODIC PENSION COST

Location	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost Amortization	Gain/Loss Amortization	Net Periodic Pension Cost
140 Appalachian Power Co - Distribution	\$26,626	\$16,209	\$0	\$1	\$10,441	\$53,277
215 Appalachian Power Co - Generation	106	33	0	2	19	160
150 Appalachian Power Co - Transmission	0	0	0	0	0	0
Appalachian Power Co. - FERC	\$26,732	\$16,242	\$0	\$3	\$10,460	\$53,437
225 Cedar Coal Co	0	0	0	0	0	0
Appalachian Power Co. - SEC	\$26,732	\$16,242	\$0	\$3	\$10,460	\$53,437
211 AEP Texas Central Company - Distribution	\$8,531	\$84,892	\$0	\$65	\$59,332	\$152,820
147 AEP Texas Central Company - Generation	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	0	0	0	0	0	0
AEP Texas Central Co.	\$8,531	\$84,892	\$0	\$65	\$59,332	\$152,820
119 AEP Texas North Company - Distribution	\$0	\$30,296	\$0	\$17	\$21,414	\$51,727
166 AEP Texas North Company - Generation	0	24,459	0	12	17,040	41,511
192 AEP Texas North Company - Transmission	0	0	0	0	0	0
AEP Texas North Co.	\$0	\$54,755	\$0	\$29	\$38,454	\$93,238
AEP Texas Central Co.	\$8,531	\$139,647	\$0	\$94	\$97,786	\$246,058
170 Indiana Michigan Power Co - Distribution	\$23,217	\$13,035	\$0	\$15	\$8,184	\$44,451
132 Indiana Michigan Power Co - Generation	0	0	0	4	0	4
190 Indiana Michigan Power Co - Nuclear	82,016	22,249	0	173	12,951	117,389
120 Indiana Michigan Power Co - Transmission	0	3,774	0	0	2,667	6,441
280 Ind Mich River Transp Lakin	0	0	0	0	0	0
Indiana Michigan Power Co. - FERC	\$105,233	\$39,058	\$0	\$192	\$23,802	\$168,285
202 Price River Coal	0	0	0	0	0	0
Indiana Michigan Power Co. - SEC	\$105,233	\$39,058	\$0	\$192	\$23,802	\$168,285
110 Kentucky Power Co - Distribution	\$4,182	\$667	\$0	\$4	\$341	\$5,194
117 Kentucky Power Co - Generation	0	0	0	0	0	0
180 Kentucky Power Co - Transmission	0	0	0	0	0	0
600 Kentucky Power Co. - Kammer Actives	0	0	0	0	0	0
701 Kentucky Power Co. - Mitchell Actives	0	0	0	0	0	0
702 Kentucky Power Co. - Mitchell Inactives	0	0	0	0	0	0
Kentucky Power Co.	\$4,182	\$667	\$0	\$4	\$341	\$5,194
250 Ohio Power Co - Distribution	\$23,768	\$6,010	\$0	\$10	\$3,460	\$33,248
160 Ohio Power Co - Transmission	0	0	0	0	0	0
Ohio Power Co.	\$23,768	\$6,010	\$0	\$10	\$3,460	\$33,248
167 Public Service Co of Oklahoma - Distribution	\$17,239	\$70,559	\$0	(\$46)	\$48,634	\$136,386
198 Public Service Co of Oklahoma - Generation	459	15,799	0	7	10,910	27,175
114 Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0
Public Service Co. of Oklahoma	\$17,698	\$86,358	\$0	(\$39)	\$59,544	\$163,561
159 Southwestern Electric Power Co - Distribution	\$30,344	\$22,420	\$0	\$0	\$14,749	\$67,513
168 Southwestern Electric Power Co - Generation	1,792	39,226	0	19	27,037	68,074
161 Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	0	2,728	0	0	2,012	4,740
Southwestern Electric Power Co.	\$32,136	\$64,374	\$0	\$19	\$43,798	\$140,327
230 Kingsport Power Co - Distribution	\$0	\$0	\$0	\$0	\$0	\$0
260 Kingsport Power Co - Transmission	0	0	0	0	0	0
Kingsport Power Co.	\$0	\$0	\$0	\$0	\$0	\$0
210 Wheeling Power Co - Distribution	\$0	\$0	\$0	\$0	\$0	\$0
200 Wheeling Power Co - Transmission	0	0	0	0	0	0
Wheeling Power Co.	\$0	\$0	\$0	\$0	\$0	\$0
103 American Electric Power Service Corporation	\$644,861	\$2,234,200	\$0	\$14,587	\$1,546,067	\$4,439,718
293 Elmwood	\$0	\$0	\$0	\$0	\$0	\$0
292 AEP River Operations LLC	0	3,798	0	(201)	2,545	6,142
American Electric Power Service Corp	\$644,861	\$2,237,998	\$0	\$14,386	\$1,548,612	\$4,445,860
143 AEP Pro Serv, Inc.	\$0	\$0	\$0	\$0	\$0	\$0
189 Central Coal Company	0	0	0	0	0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0
270 Cook Coal Terminal	\$0	\$0	\$0	\$0	\$0	\$0
AEP Generating Company	\$0	\$0	\$0	\$0	\$0	\$0
104 Cardinal Operating Company	\$1	\$127	\$0	\$0	\$88	\$216
181 Ohio Power Co - Generation	9,460	34,523	0	0	23,683	67,666
AEP Generation Resources - FERC	\$9,461	\$34,650	\$0	\$0	\$23,771	\$67,882
290 Conesville Coal Preparation Company	0	0	0	0	0	0
AEP Generation Resources - SEC	\$9,461	\$34,650	\$0	\$0	\$23,771	\$67,882
171 CSW Energy, Inc.	0	0	0	26	0	26
175 AEP Energy Partners	110,084	124,159	0	397	81,075	315,715
419 Onsite Partners	0	1,104	0	0	740	1,844
AEP Energy Supply	\$119,545	\$159,913	\$0	\$423	\$105,586	\$385,467
240 Dolet Hills	0	0	0	0	0	0
Dolet Hills	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$982,686	\$2,750,267	\$0	\$15,092	\$1,893,389	\$5,641,437

Key Assumptions as of December 31, 2016:

Discount rate	3.85%
Valuation data	1/1/2016
Mortality base table	RP-2014, white collar adjustment, 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.
Interest crediting rate	4.00%
Lump sum conversion rate	4.20%
Rates of termination and salary increases were updated to be consistent with the experience study performed during 2014. Retirement rates were adjusted such that the average retirement age is 64.	