Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_1 Provide all workpapers utilized related to the application and testimony supporting the application.

RESPONSE

Please see the Company's response to KPSC 1_55.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
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DATA REQUEST

AG_KIUC 1_2 See Public Comment filed on September 25, 2025. Provide a detailed analysis of the average bill (including all line items that would have been billed to the customer during that period) of a Kentucky Power ratepayer over the past fifteen years if average usage is held constant. Compare average annual bill increase to the rate of inflation over that same period.

RESPONSE

Please see KPCO_R_AG_KIUC_1_2_Attachment1 for bill calculations for the period 2011 – 2025 for a residential customer at 500 kWh, 750 kWh, and 1,000 kWh. Please see KPCO_R_AG_KIUC_1_2_Attachment2 for the past 15 years of inflation rates from the Bureau of Labor Statistics.

Witness: Michael M. Spaeth

Kentucky Power Company
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_3 Identify whether Kentucky Power seeks to recover any dues paid to a dues- requiring organization (either directly or indirectly through its parent) in the currently proposed rates. If so, identify the organization and the amount of recovery.

RESPONSE

The Company is seeking recovery of dues paid directly to three organizations: Edison Electric Institute for a total of $92,666, Kentucky Chamber of Commerce for a total of $20,040, and Kentucky Association of Manufacturers for a total of $2,994. The rationale supporting the inclusion of these expenses is included within the Direct Testimony of Company Witness Cullop, pg 18, lines 14-23. Invoice support for these expenses can be found in Exhibit JDC-6 within the Direct Testimony of Company Witness Cullop.

Please see KPCO_R_AG_KIUC_1_3_Attachment1 for company memberships and dues paid indirectly by the Company through its AEPSC bill.

Witness: John D. Cullop

Kentucky Power Company
KPSC Case No. 2025-00257
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DATA REQUEST

AG_KIUC 1_4 Explain whether Kentucky Power is investigating the use of advanced technologies such as LIDAR, artificial intelligence, and satellite monitoring to reduce costs in vegetation management.

RESPONSE

Yes. Kentucky Power is using advanced technologies to enhance its vegetation management practices, including the use of a helicopter equipped with multiple LIDAR-capable cameras.

LIDAR assists in detection and ranging and is being utilized for its high accuracy and efficiency in capturing meaningful vegetation data in large areas quickly, surpassing traditional ground-based survey methods.

Helicopters allow for the assessment of vegetation overhang and measurement of right-of-way (ROW) width though the assistance of LIDAR cameras, which aids in making more informed decisions about where to widen ROWs or target vegetation investments. While technology like the helicopter may offer potential labor savings and operational efficiencies, the cost mitigation from this technology is still being evaluated. The TIR and TOR programs will remain essential for vegetation management during this evaluation period.

The Company has also investigated the use of satellite monitoring for visualization and vegetation density measurements. Satellite monitoring would be used for overall visualization and vegetation density measurements, which are broader in scope.

Kentucky Power is evaluating Artificial Intelligence applications for vegetation management. Specifically, the analysis of fall-in risk for tress outside the ROW as this is one of the greatest impacts on customer reliability.

Witness: Michele Ross

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_5 For all payments to vendors that Kentucky Power makes with its own credit cards, provide the total amount of points or credits the Company has accrued from the credit card issuer for each of the past three years, and provide the accounting and journal entries for these credits.

a. Explain whether any employees are allowed to accrue points or any other remuneration arising from use of company credit cards.

RESPONSE

Please see KPCO_R_AG_KIUC_1_5_Attachment1 for the total credits Kentucky Power has received related to corporate credit card usage.

a. No points or any other renumeration accrue to the benefit of an employee arising from the use of company credit cards.

Witness: John D. Cullop

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_6 Refer to the Application generally. Provide a list of all open/vacant positions at the end of the test year including:

a. Job title,

b. Date the job was created,

c. Length of time that the position has been open,

d. Explanation as to why the position is still vacant,

e. Planned hiring dates for each position,

f. Hiring dates for any of these positions that have been filled, and

g. Fully loaded annual salary for unfilled positions.

RESPONSE

The Company is seeking an extension of time to respond to this request until October 17, 2025.

Witness: Andrew R. Carlin

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_7 Refer to the Application generally. Provide a list of all new positions created during the test year including:

a. Job title,

b. Date the job was created,

c. Length of time that the position has been open,

d. Explanation as to why the position is still vacant,

e. Planned hiring dates for each position,

f. Hiring dates for any of these positions that have been filled, and

g. Fully loaded annual salary for unfilled positions.

RESPONSE

The Company is seeking an extension of time to respond to this request until October 17, 2025.

Witness: Andrew R. Carlin

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_8 Identify all Data Centers served by Kentucky Power. For the purposes of this question, Kentucky Power may rely on its understanding of what commonly constitutes a Data Center. For each Data Center, include its maximum load, a copy of its contract for service, and indicate which tariff(s) it receives service under.

RESPONSE

Kentucky Power serves one data center under Tariff L.G.S. (Large General Service) - Secondary, with a maximum load capacity of 136 kW. The Company did not enter into a contract for service with this customer, as the maximum demand from the customer does not exceed the minimum monthly demand threshold that requires a contract as identified in Tariff L.G.S.

Witness: Stevi N. Cobern

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_9 Is Kentucky Power aware of the economic conditions in the localities in which it provides service including but not limited to the extent of poverty in those areas? If it is aware, describe how Kentucky Power keeps itself apprised of those local economic conditions and what, if any, steps it takes to address the needs of individuals struggling to afford utility service.

RESPONSE

The Company makes it a priority to understand the economic conditions in the service territory and is acutely aware of those economic conditions. The Company uses some specific metrics in order to understand the economic conditions of its service territory, including a subscription to Moody's Analytics which gives us both historical and projected views of numerous measures of economic activity. Incomes and relative poverty levels are part of those measures. Moody's Analytics collects nationally sourced data (U.S., state, and local government) and maintains forecasts of many of those measures using proprietary macro-economic models.

The Company works with customers who may be struggling to afford their bills through various means including offering payment extensions and extended payment arrangements to provide additional time to make payment, discussion of applicable assistance programs such as LIHEAP, HEART and THAW including referral to local Community Action agencies, other social agencies, and Kentucky 211. The Company communicates information regarding assistance programs to customers via several channels including customer emails, newsletters, bill messages, bill inserts, social media posts, and traditional media sources. Additionally, the Company offers programs such as budget and the Average Monthly Payment (AMP) plan to help customers levelize the amount billed each month. The Company also discusses when applicable programs available to prevent disconnection of service or to restore service such as Certificate of Financial Need, Hardship Reconnection, or Medical Certificate.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_10	Has AEP implemented tiered basic service charges in any other jurisdiction? If so, please describe in detail and provide a description of the impacts that have been observed based on the program?

RESPONSE

None of the other AEP operating companies have implemented tiered basic service charges for the residential class.

The Kentucky Power service territory and customer base creates a unique combination of factors that make a tiered service charge, along with the declining blocked energy charge, the correct approach. Primarily, as discussed in Spaeth Direct Testimony, pages 12-14, the combination of harsh winters and the ubiquity of electric heating in the service territory leads to high seasonal electricity usage and resultant bill volatility. By shifting more cost recovery into the basic service charge, and through the lower volumetric energy charge in the second energy block, the proposed rate design spreads bill impacts more smoothly throughout the year, mitigating high winter bills compared to a standard rate.

Witness: Michael M. Spaeth

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_11 Is Kentucky Power aware of any other utilities that employ a tiered basic service charge approach? If so, please identify those.

RESPONSE

Yes. Please see KPCO_R_AG_KIUC_1_11_Attachment1 and KPCO_R_AG_KIUC_1_11_Attachment2 for the relevant sections of the AES Indiana and Arizona Public Service (APS) tariff books. Both are at utility scale, with APS serving over 1.4 million customers in Arizona, and AES Indiana serving over 500,000 customers.

AES Indiana, formerly Indianapolis Power & Light Company, employs a tiered basic service charge in its standard Residential Service Tariff, referred to as a customer charge in their tariff book. The charge is blocked at 325 kWh, with customers below 325 kWh in a month paying $12.50, and those above paying $17.00. This is also combined with a declining blocked energy charge with three rates. The block thresholds are at 500 kWh, over 500 kWh, and over 1000 kWh for electric/or water heating customers with declining energy rates.

APS rate schedule R-1, the utility's standard residential rate schedule, blocks residential customers in a different way. Residential customers are categorized as Small, Medium, or Large based on their 12-month average monthly energy consumption. Customers with 12-month averages below 600 kWh are Small, 600-1000 kWh are Medium, and above 1,000 kWh are classified as Large. They pay daily basic service charges of $0.362, $0.458, and $0.458 respectively, with Medium and Large customers paying the same charge. For a 30-day month, this corresponds to basic service charges of $10.86 and $13.74. Large customers also pay the highest per kWh rate, with Small customers paying the lowest.

Witness: Michael M. Spaeth

Indianapolis Power & Light Company d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-19

Original No. 10

RATE RS
RESIDENTIAL SERVICE

AVAILABILITY:
Available, exclusively for residential purposes, including electric water heating, to individual private dwellings and individually metered apartments. Not available, however, to master-metered apartments, clubs, fraternities, boarding or rooming houses, or hotels/motels. The water heating and/or space heating billing provision shall not apply where the water heating and/or space heating equipment does not conform to the general requirements set forth in the sections captioned "WATER HEATING SPECIFICATIONS" and "SPACE HEATING SPECIFICATIONS."

The following will not be served under this rate: (1) Single phase motors having an individual capacity in excess of five horsepower, except where Company's system conditions permit, and upon approval of the Company; and (2) welding equipment and other apparatus that in the opinion of the Company may cause objectionable voltage fluctuations.

This rate is available for residential service only. Water heating service may be separately metered and separately billed in accordance with the Company's applicable rate schedule. When electric energy is used on the same premises for other than residential purposes, such energy shall be separately metered and billed in accordance with the Company's approved rate schedule applicable thereto, except as provided for in Rule 29.3.

CHARACTER OF SERVICE:
Standard Characteristics: Three wire, single phase, sixty cycle alternating current ordinarily supplied at 120/240 volts.

The Company may, however, furnish three phase, four wire service, 120/240 volts, 120/208 volts, or 277/480 volts, if in its judgment, which shall be final, it would be more advantageous to both the Customer and the Company due to engineering, safety or other practical reasons. Residential service at 120/208 volts single phase will be available in those multi-family projects or geographic locations where this is the standard voltage established. Where line extensions are required, such extensions will be provided under the Company's standard conditions for line extension.

RATE:
The sum of the Customer Charge and Energy Charge shown hereafter plus the Standard Contract Riders shown hereafter in the Standard Contract Riders Applicable section.

Customer Charge	
For bills of 0-325 KWH per month	$12.50 per month
For bills over 325 KWH per month	$17.00 per month
Energy Charge	
Any part of the first 500 KWH per month	12.5421¢ net per KWH
Over 500 KWH per month	11.3822¢ net per KWH
With electric heating and/or water heating over 1000 KWH per month	10.1408 ¢ net per KWH

Issued Pursuant to
Cause No. 45911
Effective
May 9, 2024
Indiana Utility Regulatory Commission
Energy Division

RATE SCHEDULE R-1
RESIDENTIAL SERVICE
FIXED ENERGY CHARGE PLAN

AVAILABILITY

This rate schedule is available to full requirements residential Customers who do not have an on-site distributed generation system.

DESCRIPTION

This rate has two parts: a basic service charge and an energy charge. Energy charges are based on how much energy or kilowatt-hours (kWh) is used during the month. This rate does not have time-of-use charges, seasonal charges, or a demand charge.

The Customer's applicable rate will be established by the annual average monthly energy consumption as determined by the Company. For Customers with an average monthly energy consumption of 600 kWh or less, the small tier (formerly Basic XS) charge applies. For Customers with an average monthly energy consumption of more than 600 kWh but less than 1,000 kWh, the medium tier (formerly Basic) charge applies. For Customers with an average monthly energy consumption of 1,000 kWh or more, the large tier (formerly Basic L) charge applies. For new residential Customers, initial annual average monthly energy usage will be based on historical energy consumption at the Customer's site.

Annual Review of Appropriate Usage Tier:
Annually in January, the Company will review the Customer's average monthly energy consumption during the previous 12 months. The Company uses Customer data from December of Year 1 through November of Year 2 to evaluate whether a Customer meets the usage criteria of the Customer's rate plan or should be reassigned. The Company will notify the Customer if the Customer's usage is below or exceeds the Customer's current energy usage tier, and that the Customer will be reassigned to a new tier consistent with the Customer's average monthly energy usage. The Company will provide each Customer whose average monthly usage during the year is approaching the next higher tier level at least two warnings about the consequences of exceeding the maximum threshold for the Customer's current tier.

The Company will provide a Customer a one-time waiver of this annual reassignment from the Customer's existing tier to the next higher tier based on the Customer's usage if the Customer contacts the Company.

RATE SCHEDULE R-1
RESIDENTIAL SERVICE
FIXED ENERGY CHARGE PLAN

CHARGES

The monthly bill will consist of the following charges, plus adjustments:

Bundled Charges

Small - Tier 1 (Previously XS)

Basic Service Charge	$0.362	per day
Energy Charge	$0.12925	per kWh

Medium - Tier 2 (Previously Basic)

Basic Service Charge	$0.458	per day
Energy Charge	$0.14052	per kWh

Large - Tier 3 (Previously Basic L)

Basic Service Charge	$0.458	per day
Energy Charge	$0.15418	per kWh

Unbundled Components of the Bundled Charges

Bundled Charges consist of the components shown below. These are not additional charges.

Small Tier

Basic Service Charge Components

Customer Accounts Charge	$0.079	per day
Metering Charge	$0.118	per day
Meter Reading Charge	$0.078	per day
Billing Charge	$0.087	per day

Energy Charge Components

System Benefits Charge:	$0.00361	per kWh
Transmission Charge	$0.01097	per kWh
Delivery Charge	$0.03469	per kWh
Generation Charge	$0.07998	per kWh

RATE SCHEDULE R-1
RESIDENTIAL SERVICE
FIXED ENERGY CHARGE PLAN

Medium Tier

Basic Service Charge Components

Customer Accounts Charge	$0.078	per day
Metering Charge	$0.215	per day
Meter Reading Charge	$0.078	per day
Billing Charge	$0.087	per day

Energy Charge Components

System Benefits Charge	$0.00361	per kWh
Transmission Charge	$0.01097	per kWh
Delivery Charge	$0.03469	per kWh
Generation Charge	$0.09125	per kWh

Large Tier

Basic Service Charge Components

Customer Accounts Charge	$0.078	per day
Metering Charge	$0.215	per day
Meter Reading Charge	$0.078	per day
Billing Charge	$0.087	per day

Energy Charge Components

System Benefits Charge	$0.00361	per kWh
Transmission Charge	$0.01097	per kWh
Delivery Charge	$0.03469	per kWh
Generation Charge	$0.10491	per kWh

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DATA REQUEST

AG_KIUC 1_12 Regarding the proposed FlexPay Program, will the program discriminate based on current weather conditions?

a. Will terminations for depletion of the prepaid account balance be suspended during extreme weather?

b. If so, how will extreme weather be defined?

c. If service of an account has already been terminated due to depletion of the account balance, will service be reconnected if extreme weather conditions emerge?

RESPONSE

a. and b. The Company will adhere to its established Terms and Conditions of Service regarding service disconnection during extreme weather, which provide that "residential service will not be disconnected for 24 hours following when temperatures are forecast to be 32 degrees or below or 95 degrees or higher."

c. No, customers enrolled in FlexPay must restore a positive account balance for their service to be reconnected; however, no minimum payment is mandated.

Witness: Stevi N. Cobern

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DATA REQUEST

AG_KIUC 1_13	Will the FlexPay Program's pay-as-you-go nature create additional transaction costs? Will those transaction costs be paid by the ratepayer electing the service or will those costs be socialized?

RESPONSE

Customers participating in FlexPay may incur a payment processing fee based on their selected payment method. This charge will be directly paid by the FlexPay customer and will not be socialized among other Kentucky Power customers.

Witness: Stevi N. Cobern

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_14 Provide a trial balance of all income statement and balance sheet accounts for each month January 2022 through August 2025. Provide a detailed description of the costs included in each account not specifically listed in the FERC Uniform System of Accounts ("USOA"), including all subaccounts whether listed in the USOA or not.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please see KPCO_R_AG_KIUC_1_14_Attachment1.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_15 Provide a schedule which shows the historic per books revenues and expenses by FERC account for each of the years 2021-2024, for the test year, and for 2025 to date.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please see KPCO_R_AG_KIUC_1_15_Attachment1.

Witness: Brian C. Ciborek

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_16 Refer to the electronic file attached to the response to Staff 1-55 named KPCO_R_KPSC_1_55_Attachment63_WPSection_V_Exhibit_1 at worksheet tab 2 P1 and at cell K13. Explain all reasons why the formula in that cell adds 0.0004 for the short-term dent rate added to the overall cost of capital when all other factors reflected for short term dent are zero, causing the proposed weighted average cost of capital to be 7.5740% instead of only 7.57%.

RESPONSE

Shortly after the close of the test year, on June 12, 2025, the previously approved securitization bonds were issued, which resulted in a change to the Company's capital structure. Two $150 million term loans and the outstanding balance of short-term debt was repaid with cash proceeds from securitization on June 12, 2025. Kentucky Power's short-term debt position moved from a borrowing position to an invested position as the balance was reduced to zero.

The Short Term Debt amount of .0004 was inadvertently included in error and the Company agrees that, if rounding to two decimal places, the weighted average cost of capital should reflect 7.57% resulting in a $98,556 reduction to the originally filed revenue requirement of $95,459,692.

Witness: Franz D. Messner

Witness: Jaclyn N. Cost

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_17 Refer to Table RAJ-2 in the Direct Testimony of Robert A. Jesse at 7. Provide the Big Sandy, Mitchell Plant, and Non-Plant steam maintenance and operations expenses (Non-Fuel, Non-Consumables, and Non-Labor) separately by plant and FERC account number for each of the years 2020-2024, the test year, 2025 budget, 2025 to date, and budgeted for 2026 through 2028.

RESPONSE

Please see KPCO_R_AG_KIUC_1_17_ConfidentialAttachment1 for the requested information.

Witness: Robert A. Jessee

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DATA REQUEST

AG_KIUC 1_18 Refer to the Direct Testimony of Robert A. Jesse at 6 regarding the description of non-plant costs. Provide examples of the major types of costs considered to be non-plant costs, "shared plant costs not attributable to a specific generating unit."

RESPONSE

Examples of non-specific generating unit costs include:

- Engineering Services – Training, Program Management (such as NERC), and Leadership
- Generation Shared Services – Monitor & Diagnosis Center, Simulator Learning Center, Generation Transformation Office (analytical technical support), Field Services training & leadership
- Commercial Operations – RTO Services, Outage Planning and Scheduling, Gads Reporting
- Grid Planning & Engineering – EPRI Program
- Environmental Services – Reporting, Permitting, Analytical Chemistry Services, Program Management, Leadership
- Infrastructure Development, Market Risk, Credit Risk

Witness: Robert A. Jessee

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_19 Provide a copy of the Company's actuarial reports used to record pension expense in 2023, 2024, and to date in 2025. Annotate and/or reconcile the relevant amounts included in the report to the pension expense included in the test year.

RESPONSE

Please see KPCO_R_AG_KIUC_1_19_Attachment1, KPCO_R_AG_KIUC_1_19_Attachment2 and KPCO_R_AG_KIUC_1_19_Attachment3 for the requested reports. Additionally, KPCO_R_AG_KIUC_1_19_Attachment1 is annotated to show relevant amounts used to calculate Kentucky Power's pension expense.

Witness: Brian C. Ciborek

March 19, 2025

Mr. Aaron L. Hill
Director of Trusts and Investments
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

Mr. Russell G. Doyle
Accounting Senior Manager
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

2025 Preliminary Pension and Postretirement Welfare Valuation Results

Dear Aaron and Russell:

As requested, we have completed the 2025 preliminary actuarial valuations for the qualified pension plan, nonqualified pension plan and postretirement welfare plans sponsored by American Electric Power Service Corporation (AEP). The following is a summary of the key 2025 valuation results, followed by a brief discussion for each plan, comparing these results to the most recent estimates provided in our January 17th letter:

2025 Preliminary AEP Valuation Results ($ in Millions)				
	Funding Policy Contributions		Net Periodic Cost	
	Actual	Expected	Actual	Expected
Qualified Pension Plan[1]	$94.7	$96.0	$36.8	$37.7
Nonqualified Pension Plan[2]	$7.4	$5.2	$5.4	$5.2
Non-UMWA Postretirement Welfare Plan[3]	$0.6	$0.6	($77.5)	($77.5)
UMWA Postretirement Welfare Plan[4]	$2.2	$2.2	($1.5)	($1.2)
Total	**$104.9**	**$104.0**	**($36.8)**	**($35.8)**

[1] Contribution amounts reflect AEP's recent pension funding approach to annually contribute the greater of ASC 715 service cost or PPA minimum required contribution (MRC), utilizing funding balance as available, in the year following any year-end measurement date where the funded status, on a balance sheet basis, is less than 100%.

[2] Contribution amounts are equal to expected benefit payments in 2025.

[3] Contribution amounts are equal to net periodic cost, plus Retiree Drug Subsidy (RDS) payments received during the year (the sum of which can be no less than zero), plus expected benefit payments for key employees.

[4] Contribution amount reflects AEP's policy to fund Cook Coal ASC 715 cost (not less than $0). Amount shown also includes expected benefit payments for all other locations.

1001 Lakeside Avenue
Suite 1500
Cleveland, OH 44114-1172

T +1 216 937 4000
W wtwco.com

Willis Towers Watson US LLC

The most recent estimates provided in January reflect the assumptions described in section III, "Key Assumptions," and included the estimated effect of the following in the accounting results:

- Investment performance during 2024 and our understanding AEP plans to make a cash contribution to the qualified pension plan in the amount of the qualified plan's service cost during 2025 based on the December 31, 2024 funded status
- Reflection of the IRS issued Final Regulations for Prescribed Mortality Tables for 2025

The results provided in this letter further reflect demographic experience (during 2024) based on valuation data as of January 1, 2025. The accounting results for 2025 may be considered final pending recognition of any one-time events that would require a remeasurement. The funding results for the qualified pension plan will require discussion with and decisions from AEP in order to finalize. We intend to discuss the options available during the preliminary valuation results review meeting to be scheduled for later in 2025.

I. Qualified Pension Plan Funding Results

Funded Status and Benefit Restrictions

The preliminary PPA funded status of the plan reflecting stabilized interest rates as of January 1, 2025, is **102.2%** when comparing the actuarial value of assets ($3.764 billion) to the funding target obligation ($3.681 billion). The actuarial value of assets is smoothed based on the asset smoothing method elected by AEP (based on the adjusted monthly asset market values for the valuation date and the six preceding months).

Without additional action, the funded status for determining whether funding balances can be used to satisfy the *2025* minimum required contribution is **84.1%.** This result remains above the 80% level needed to apply funding balances to satisfy the minimum and so no prefunding balance will need to be forfeited for this purpose this year.

The results in this letter assumes the $94.7 million contribution scheduled to be made by AEP during 2025 will be applied as a 2025 plan year contribution as opposed to a 2024 plan year contribution. As discussed later in this letter, designating the contribution as a 2024 plan year contribution would eliminate the 2025 PBGC *variable* rate premium (a flat rate premium of approx. $3.4 million would still be due for 2025).

The preliminary PPA funded status is based on the final regulations issued by the IRS updating the prescribed mortality assumption to be used to determine minimum funding requirements (required for the 2024 plan year and beyond) and the interest rates as specified by MAP-21, HATFA, the 2015 Bipartisan Budget Act, the 2021 American Rescue Plan Act, and the Investment Infrastructure and Jobs Act.

We will certify the plan's Adjusted Funding Target Attainment Percentage (AFTAP) upon AEP's request and based on contributions and funding balance elections made prior to the date of certification.



Funding Balances

A funding balance can be created to the extent that AEP has made past contributions in excess of the minimum amounts required by law. Funding balance can be used to offset future contribution requirements, and to the extent that it is not used or forfeited in a particular plan year, will increase/decrease based on the actual rate of return on plan assets.

The plan's preliminary funding balance as of January 1, 2025 is $667 million. A roll-forward of the funding balance from January 1, 2024, to January 1, 2025, is as follows (in millions):

• Funding balance as of January 1, 2024	$832
• Amount used to satisfy plan year 2024 minimum required contributions	(183)
• Increase due to actual 2025 asset returns	18
• Amount added to funding balance as of January 1, 2025, due to plan year 2024 contributions in excess of amount required[1]	0
• Assumed elections to forfeit as of January 1, 2025	0
• Funding balance as of January 1, 2025	$667

Minimum Required Contribution Amount

The plan year 2025 minimum required contribution (MRC) is **$167** million as of January 1, 2025. Because the plan had a funding shortfall at January 1, 2024 and continues to have a shortfall at January 1, 2025, quarterly contributions for the 2025 plan year are required. As a result, the MRC for the 2025 plan year must be partially satisfied in quarterly installments during the plan year, with a final payment due by September 15, 2026. The first such installment is due April 15, 2025, and we anticipate that AEP will sign and return an election to apply approximately $38 million in funding balance to satisfy the 2025 quarterly requirement on or before April 15, 2025.

The minimum required contribution includes two components. First, a contribution to cover benefits expected to accrue in the coming year plus any expenses expected to be paid from the trust in the coming year (target normal cost) amounts to $106 million for the 2025 plan year. The minimum required contribution also includes a 15-year amortization of any funding shortfall (amortization installments) amounting to $61 million for the 2025 plan year.

Consistent with our understanding of AEP's funding policy and discussions prior to fiscal 2024 year-end, it is assumed a cash contribution of $94.7 million will be made during the 2025 plan year and that funding balances will be used to satisfy the remaining MRC. Because prefunding balance is assumed to be used to satisfy some of the 2025 MRC, the determination of the plan's surplus/(shortfall) position must deduct funding balances from the amount of smoothed assets which is then measured against the plan's funding target. This produces a (shortfall) position of approximately ($584) million. This (shortfall) is less than the present value of existing amortization installments ($722 million), so an additional shortfall amortization base representing the reduction

[1] There may be further additions to funding balances as of January 1, 2025 if AEP makes additional contributions on behalf of the 2024 plan year.

in shortfall is created and then amortized over a 15-year period. The result is an installment payment of $61 million for the 2025 plan year ($74 million for prior installments less $13 million for the new installment).

During our preliminary valuation results meeting we will work with you to evaluate AEP's options for satisfying contribution requirements and any additional analysis that is desired relating to funding balance management and cash contribution strategies.

PBGC 4010 Filing

A PBGC 4010 filing for the 2025 information year will not be required based on these results because the PBGC 4010 funded percentage of **84.0%** is above the 80% threshold.

When a filing is required, information regarding certain company financials and participant obligations (using PBGC prescribed assumptions) must be prepared. We are not aware of additional plans that would need to be included, but this would need to be verified when the filing is being prepared.

Note the PBGC 4010 filing requirement for the 2024 information year (due April 15, 2025) continues to be due for this year. In addition, an abbreviated filing will need to be submitted early in 2026 stating that a 4010 filing will not be due (a quick 15 minute filing).

PBGC Variable Rate Premium

The 2025 PBGC variable rate premium based on the standard premium funding target method is **$0.2 million**. AEP first elected the standard method for the January 1, 2014 plan year and may elect to change to the alternative premium funding target method at any point in time. However, electing to change the premium method will lock AEP into the alternative method for this year and the next four plan years. At this time, we do not recommend such a change, as it would restrict AEP's ability to make a premium method election change at the next valuation date should that prove advantageous.

Note that the $0.2 million variable rate premium assumes the $94.7 million contribution AEP plans to make in 2025 is considered a 2025 plan year contribution. Alternatively, the contribution (or a portion of it) can be designated a 2024 plan year contribution if made by September 15, 2025. Designating the contribution as a receivable for the 2024 plan year would increase the January 1, 2025 plan assets and eliminate the variable rate premium. We will discuss this approach with you further in a follow up discussion.

II. U.S. GAAP Accounting Results

Please see the attached Exhibit I for by-component FY 2025 net periodic cost information on a by-location basis.

A. Qualified Pension Plan Results

The plan's projected benefit obligation (PBO) as of January 1, 2025 is nearly identical to the most recent estimate provided in January; actual PBO of $3,823 million compared to year-end PBO of $3,821 million.

The actual FY 2025 benefit income is also generally in-line with our previous estimates (expense of $37 million versus estimated expense of $38 million). This decrease in expense primarily results from slightly lower service costs than earlier estimated.

On a by-location basis, the gain is spread among various registrants as sources of demographic experience are operating in different capacities across the plan (e.g., terminations, retirements, mortality, and compensation



different than assumed). Participant transfers across locations caused some change in specific locations as well.

B. Non-Qualified Pension Plan Results

The plan's projected benefit obligation (PBO) as of January 1, 2025 is moderately higher than the estimate provided in January; actual PBO of $54.7 million compared to year-end PBO of $52.2 million. The increase is driven by updated compensation information and retiree benefit payment information.

The actual FY 2025 benefit income is also modestly higher than our previous estimates (expense of $5.4 million versus estimated expense of $5.2 million). This increase in expense primarily results from higher interest cost and loss amortization payments associated with the PBO loss.

On a by-location basis, the loss is generally concentrated at AEP Service Corporation, with varying degrees of gain and loss at other registrants as sources of demographic experience are operating in different capacities across the plan (e.g., terminations, retirements, mortality, and compensation different than assumed). Similar to the Qualified plan, participant transfers across locations caused some change in specific locations as well.

C. Non-UMWA and UMWA Postretirement Welfare Plans

Non-UMWA plan obligations are generally in-line with the obligations estimated in the year-end 2024 year-end disclosure with a slight gain, while the asset values were approximately $7 million less favorable upon receiving the final audited values. As a result, the FY2025 cost amounts are consistent with the estimates provided in January (income of $77.5 million for actual and estimated versions). In general, the cost is in-line with expectations across all locations without any significant outlier.

UMWA plan obligations were slightly less than the obligations estimated in the year-end 2024 year-end disclosure. The FY 2025 cost amounts are also slightly less than our previous estimates as a result of these obligation gains (income of $1.5 million versus estimated income of $1.2 million). In general, the cost is in-line with expectations across all locations.

III. Key Assumptions

Assumption	January 1, 2025
Discount Rate • Qualified • Nonqualified • Non-UMWA • UMWA	 • 5.65% • 5.60% • 5.60% • 5.65%
Mortality	Pri-2012 (using contingent survivor tables only after retiree death), with generational MP-2021 projection. Collar Adjustments: • Qualified: No collar • Nonqualified: White collar • Non-UMWA: No collar • UMWA: Blue collar
Form of Payment (Qualified)	Based on 2024 experience study
Termination rates	Based on 2024 experience study
Retirement rates	Based on 2024 experience study with average retirement age of 63
Expected return on assets for the following fiscal year • Qualified • Non-UMWA • UMWA	 • 7.00% • 6.50% • 6.50%
Salary increase rate	5.75% weighted average; varies by age from 3.0% to 11.5% based on 2024 experience study (CPI = 2.25%)
Lump sum conversion rate	5.35%
Lump sum mortality	PPA 2025 optional combined mortality with static projection to commencement using 2025 IRS adjusted Scale MP-2021
Cash balance interest crediting rate	4.55%
Health care trend rate	Medical / Rx trend rates of 6.50% / 9.50% in 2025, grading down to 4.50% in 2029. Dental trend rate of 3.0%

Assumption	January 1, 2025
Per capita claims costs	Based on claims incurred in calendar year 2023 and paid through March 31, 2024, Medicare Advantage premium rates for 2024-2028 and projected 2025 EGWP payments pmpm estimated based on historical experience, market trends and expected impact of Inflation Reduction Act (Non-UMWA) Based on 48 months of claims paid through Sept. 30, 2024 (UMWA)
Participation rate	• Non-UMWA: 80% in 2025, decreasing 2%/year until 60% in 2035. • UMWA: 100%
Persistency rate	• Non-UMWA: Drop coverage at rates of 4%/year for capped retirees; 0.85%/year for uncapped retirees. • UMWA: 100%

Other assumptions

The required contributions described above assume that the plan's funding balances will be used to satisfy contributions to the extent that a quarterly requirement precedes a contribution under AEP's funding policy.

All accounting assumptions other than those noted are consistent with those used to develop year-end 2024 financial disclosure information, as documented in our report dated January 21, 2025.

IV. Reliances and Certification

The preliminary results presented above and included in the attached exhibits are based on the data, assumptions, methods, models and plan provisions to be outlined in the actuarial valuation reports to determine funding and accounting requirements for the plan year and fiscal year beginning January 1, 2025, to be delivered later in the spring. Therefore, the descriptions of the data, assumptions, methods, models, plan provisions and limitations of the valuation report and their use should be considered part of this letter report.

In addition, the results are subject to the "Statement of funding-related risks of plan in accordance with ASOP No. 51" included in the 2024 qualified pension plan valuation report dated September 16, 2024 and the "Model Descriptions and Disclosures in accordance with ASOP No. 56" included in the 2024 year-end accounting report dated January 21, 2025. Further each ASOP disclosure is to be additionally included in the respective upcoming valuation reports. Therefore, such information, and the reliances and limitations of the valuation reports, upcoming valuation reports and the statement and their use, should be considered part of this letter report.

The undersigned consulting actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

If you have any questions, please reach out to the WTW team below.

Sincerely,

Chad M. Greenwalt, FSA, EA
Director – Valuation Actuary (all plans)

John Igrec, FSA
Senior Associate – Valuation Actuary (PRW only)

Abigail L. Lange, FSA, MAAA
Associate Director – Pricing Specialist (PRW only)

Max T. Murphy, FSA, EA
Associate Director – Valuation Actuary

Enclosures

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). 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 and actual plan operation, preparing demographic data, performing the valuation, implementing the correct accounting or funding calculations, etc.).

cc: AEP Accounting (Taylor Goodnite, Susannah Hannis, Jonathan McFadden, Chris Roush)
AEP Finance (Trent Lewis, Steve Messner)
AEP HR (Beth Bridgman, Nicole Damron, Jamie Hill)
AEP Legal (Marty Rosenthal)
WTW Team

AMERICAN ELECTRIC POWER
QUALIFIED PENSION PLAN
2025 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	5,666,644	13,099,990	(18,780,851)	0	936,460	(4,744,401)	922,243
215	Appalachian Power Co - Generation	3,456,347	10,835,461	(17,623,092)	0	773,976	(6,013,655)	(2,557,308)
150	Appalachian Power Co - Transmission	69,881	952,517	(889,015)	0	69,294	132,796	202,677
	Appalachian Power Co. - FERC	**$9,192,872**	**$24,887,968**	**($37,292,958)**	**$0**	**$1,779,730**	**($10,625,260)**	**($1,432,388)**
225	Cedar Coal Co	0	65,674	(369,615)	0	4,828	(299,113)	(299,113)
	Appalachian Power Co. - SEC	**$9,192,872**	**$24,953,642**	**($37,662,573)**	**$0**	**$1,784,558**	**($10,924,373)**	**($1,731,501)**
211	AEP Texas Central Company - Distribution	5,578,364	11,888,538	(14,368,942)	0	857,480	(1,622,924)	3,955,440
147	AEP Texas Central Company - Generation	0	55,615	(1,113,189)	0	4,149	(1,053,425)	(1,053,425)
169	AEP Texas Central Company - Transmission	1,087,016	1,693,493	(1,367,976)	0	119,163	444,680	1,531,696
	AEP Texas Central Co.	**$6,665,380**	**$13,637,646**	**($16,850,107)**	**$0**	**$980,792**	**($2,231,669)**	**$4,433,711**
119	AEP Texas North Company - Distribution	1,465,066	2,720,332	(2,936,741)	0	196,531	(19,878)	1,445,188
166	AEP Texas North Company - Generation	0	511,219	(1,832,739)	0	37,726	(1,283,794)	(1,283,794)
192	AEP Texas North Company - Transmission	630,815	645,952	(627,185)	0	46,145	64,912	695,727
	AEP Texas North Co.	**$2,095,881**	**$3,877,503**	**($5,396,665)**	**$0**	**$280,402**	**($1,238,760)**	**$857,121**
	AEP Texas	**$8,761,261**	**$17,515,149**	**($22,246,772)**	**$0**	**$1,261,194**	**($3,470,429)**	**$5,290,832**
170	Indiana Michigan Power Co - Distribution	3,628,824	6,522,500	(10,284,845)	0	458,272	(3,304,073)	324,751
132	Indiana Michigan Power Co - Generation	970,998	3,247,600	(7,350,323)	0	232,778	(3,869,945)	(2,898,947)
190	Indiana Michigan Power Co - Nuclear	6,659,681	11,960,859	(16,574,894)	0	847,026	(3,767,009)	2,892,672
120	Indiana Michigan Power Co - Transmission	882,077	1,587,720	(2,052,357)	0	112,144	(352,493)	529,584
280	Ind Mich River Transp Lakin	444,619	1,343,145	(2,488,525)	0	96,886	(1,048,494)	(603,875)
	Indiana Michigan Power Co. - SEC	**$12,586,199**	**$24,661,824**	**($38,750,944)**	**$0**	**$1,747,106**	**($12,342,014)**	**$244,185**
110	Kentucky Power Co - Distribution	1,386,323	3,351,164	(3,842,994)	0	237,420	(254,410)	1,131,913
117	Kentucky Power Co - Generation	141,746	2,777,278	(4,571,529)	0	201,161	(1,593,090)	(1,451,344)
180	Kentucky Power Co - Transmission	17,219	117,707	(27,320)	0	8,452	98,839	116,058
	Kentucky Power Co.	**$1,545,288**	**$6,246,149**	**($8,441,843)**	**$0**	**$447,033**	**($1,748,661)**	**($203,373)**
250	Ohio Power Co - Distribution	8,861,002	17,944,136	(27,032,197)	0	1,266,950	(7,821,111)	1,039,891
160	Ohio Power Co - Transmission	205,530	1,439,953	(2,275,462)	0	104,416	(731,093)	(525,563)
	Ohio Power Co.	**$9,066,532**	**$19,384,089**	**($29,307,659)**	**$0**	**$1,371,366**	**($8,552,204)**	**$514,328**
167	Public Service Co of Oklahoma - Distribution	3,842,759	6,706,225	(9,433,358)	0	484,970	(2,242,163)	1,600,596
198	Public Service Co of Oklahoma - Generation	1,442,883	2,636,374	(4,682,940)	0	189,853	(1,856,713)	(413,830)
114	Public Service Co of Oklahoma - Transmission	669,441	868,537	(1,285,537)	0	61,074	(355,926)	313,515
	Public Service Co. of Oklahoma	**$5,955,083**	**$10,211,136**	**($15,401,835)**	**$0**	**$735,897**	**($4,454,802)**	**$1,500,281**
159	Southwestern Electric Power Co - Distribution	2,866,308	4,694,567	(5,490,378)	0	337,116	(458,695)	2,407,613
168	Southwestern Electric Power Co - Generation	2,751,154	4,981,570	(5,472,615)	0	358,318	(132,727)	2,618,427
161	Southwestern Electric Power Co - Texas - Distribution	1,244,972	1,884,137	(2,406,575)	0	134,429	(388,009)	856,963
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	751,570	872,026	(1,273,477)	0	59,338	(342,113)	409,457
	Southwestern Electric Power Co.	**$7,614,004**	**$12,432,300**	**($14,643,045)**	**$0**	**$889,201**	**($1,321,544)**	**$6,292,460**
230	Kingsport Power Co - Distribution	255,112	604,838	(802,162)	0	42,599	(154,725)	100,387
260	Kingsport Power Co - Transmission	0	70,427	(54,906)	0	5,169	20,690	20,690
	Kingsport Power Co.	**$255,112**	**$675,265**	**($857,068)**	**$0**	**$47,768**	**($134,035)**	**$121,077**
210	Wheeling Power Co - Distribution	242,632	559,331	(998,936)	0	40,324	(399,281)	(156,649)
200	Wheeling Power Co - Transmission	0	803	(56,210)	0	64	(55,343)	(55,343)
413	Wheeling Power Co - Generation	1,057,120	1,285,033	(2,902,454)	0	89,068	(1,528,353)	(471,233)
	Wheeling Power Co.	**$1,299,752**	**$1,845,167**	**($3,957,600)**	**$0**	**$129,456**	**($1,982,977)**	**($683,225)**
103	American Electric Power Service Corporation	37,077,933	78,265,145	(71,364,451)	0	5,579,663	12,480,357	49,558,290
293	Elmwood	0	44,840	(468,149)	0	3,254	(420,055)	(420,055)
292	AEP River Operations LLC	0	466,738	(3,953,714)	0	37,189	(3,449,787)	(3,449,787)
	American Electric Power Service Corp	**$37,077,933**	**$78,776,723**	**($75,786,314)**	**$0**	**$5,620,106**	**$8,610,515**	**$45,688,448**
270	Cook Coal Terminal	71,660	139,837	(297,222)	0	9,820	(147,565)	(75,905)
	AEP Generating Company	**$71,660**	**$139,837**	**($297,222)**	**$0**	**$9,820**	**($147,565)**	**($75,905)**
104	Cardinal Operating Company	1,406	2,436,136	(6,988,178)	0	177,253	(4,374,789)	(4,373,383)
181	Ohio Power Co - Generation	0	7,629,582	(25,475,957)	0	558,291	(17,288,084)	(17,288,084)
	AEP Generation Resources - FERC	**$1,406**	**$10,065,718**	**($32,464,135)**	**$0**	**$735,544**	**($21,662,873)**	**($21,661,467)**
290	Conesville Coal Preparation Company	0	89,725	(332,765)	0	6,461	(236,579)	(236,579)
	AEP Generation Resources - SEC	**$1,406**	**$10,155,443**	**($32,796,900)**	**$0**	**$742,005**	**($21,899,452)**	**($21,898,046)**
102	AEP Energy Supply LLC	4,753	70,727	(78,383)	0	5,407	(2,249)	2,504
175	AEP Energy Partners	388,556	492,748	(548,632)	0	32,946	(22,938)	365,618
400	AEP Energy Inc	841,882	767,935	(191,454)	0	51,686	628,167	1,470,049
	AEP Energy Supply	**$1,236,597**	**$11,486,853**	**($33,615,369)**	**$0**	**$832,044**	**($21,296,472)**	**($20,059,875)**
143	AEP Pro Serv, Inc.	0	49,485	(68,334)	0	3,558	(15,291)	(15,291)
	AEP Pro Serv, Inc.	**$0**	**$49,485**	**($68,334)**	**$0**	**$3,558**	**($15,291)**	**($15,291)**
245	Dolet Hills	36,391	105,939	(272,226)	0	7,597	(158,690)	(122,299)
	Dolet Hills	**$36,391**	**$105,939**	**($272,226)**	**$0**	**$7,597**	**($158,690)**	**($122,299)**
	Total	**$94,698,684**	**$208,483,558**	**($281,308,804)**	**$0**	**$14,886,704**	**($57,938,542)**	**$36,760,142**
	Total without Dolet Hills	**$94,662,293**	**$208,377,619**	**($281,036,578)**	**$0**	**$14,879,107**	**($57,779,852)**	**$36,882,441**

Key Assumptions as of January 1, 2025:

Discount rate	5.65%
Valuation data	1/1/2025
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	7.00%
Interest crediting rate	4.55%
Lump sump conversion rate	5.35%
Lump sum mortality	PPA 2025 optional combined mortality with static projection to commencement using 2025 IRS adjusted Scale MP-2021.
Contribution Policy	A contribution of $94,699,000 (equivalent to the estimated 2025 service cost) was assumed to be made on June 30, 2025.

All other assumptions and methods as described in our forecasting information letter dated January 17, 2025.

AMERICAN ELECTRIC POWER
NON-QUALIFIED PENSION PLAN
2025 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost Amortizations PSC	"Other" Cost Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	28,108	21,081	0	0	8,912	29,993	58,101
215	Appalachian Power Co - Generation	2,588	3,539	0	0	1,681	5,220	7,808
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$30,696**	**$24,620**	**$0**	**$0**	**$10,593**	**$35,213**	**$65,909**
225	Cedar Coal Co	0	0	0	0	0	0	0
	Appalachian Power Co. - SEC	**$30,696**	**$24,620**	**$0**	**$0**	**$10,593**	**$35,213**	**$65,909**
211	AEP Texas Central Company - Distribution	20,644	110,272	0	0	53,010	163,282	183,926
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	1,669	574	0	0	219	793	2,462
	AEP Texas Central Co.	**$22,313**	**$110,846**	**$0**	**$0**	**$53,229**	**$164,075**	**$186,388**
119	AEP Texas North Company - Distribution	4,701	1,279	0	0	462	1,741	6,442
166	AEP Texas North Company - Generation	0	20,695	0	0	10,212	30,907	30,907
192	AEP Texas North Company - Transmission	1,520	425	0	0	155	580	2,100
	AEP Texas North Co.	**$6,221**	**$22,399**	**$0**	**$0**	**$10,829**	**$33,228**	**$39,449**
	AEP Texas	**$28,534**	**$133,245**	**$0**	**$0**	**$64,058**	**$197,303**	**$225,837**
170	Indiana Michigan Power Co - Distribution	25,234	25,116	0	0	11,452	36,568	61,802
132	Indiana Michigan Power Co - Generation	1,716	750	0	0	318	1,068	2,784
190	Indiana Michigan Power Co - Nuclear	33,425	25,912	0	0	11,076	36,988	70,413
120	Indiana Michigan Power Co - Transmission	2,138	4,040	0	0	1,919	5,959	8,097
280	Ind Mich River Transp Lakin	4,389	6,728	0	0	3,040	9,768	14,157
	Indiana Michigan Power Co. - SEC	**$66,902**	**$62,546**	**$0**	**$0**	**$27,805**	**$90,351**	**$157,253**
110	Kentucky Power Co - Distribution	5,578	3,742	0	0	1,563	5,305	10,883
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$5,578**	**$3,742**	**$0**	**$0**	**$1,563**	**$5,305**	**$10,883**
250	Ohio Power Co - Distribution	46,817	29,392	0	0	12,207	41,599	88,416
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$46,817**	**$29,392**	**$0**	**$0**	**$12,207**	**$41,599**	**$88,416**
167	Public Service Co of Oklahoma - Distribution	25,701	71,567	0	0	34,051	105,618	131,319
198	Public Service Co of Oklahoma - Generation	4,543	18,005	0	0	8,484	26,489	31,032
114	Public Service Co of Oklahoma - Transmission	7,585	1,964	0	0	700	2,664	10,249
	Public Service Co. of Oklahoma	**$37,829**	**$91,536**	**$0**	**$0**	**$43,235**	**$134,771**	**$172,600**
159	Southwestern Electric Power Co - Distribution	20,204	17,026	0	0	7,459	24,485	44,689
168	Southwestern Electric Power Co - Generation	2,986	46,200	0	0	21,986	68,186	71,172
161	Southwestern Electric Power Co - Texas - Distribution	10,657	3,530	0	0	1,479	5,009	15,666
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	1,687	447	0	0	160	607	2,294
	Southwestern Electric Power Co.	**$35,534**	**$67,203**	**$0**	**$0**	**$31,084**	**$98,287**	**$133,821**
230	Kingsport Power Co - Distribution	301	112	0	0	43	155	456
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$301**	**$112**	**$0**	**$0**	**$43**	**$155**	**$456**
210	Wheeling Power Co - Distribution	534	187	0	0	71	258	792
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	1,879	1,063	0	0	436	1,499	3,378
	Wheeling Power Co.	**$2,413**	**$1,250**	**$0**	**$0**	**$507**	**$1,757**	**$4,170**
103	American Electric Power Service Corporation	706,288	2,228,833	0	18,036	1,072,848	3,319,717	4,026,005
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$706,288**	**$2,228,833**	**$0**	**$18,036**	**$1,072,848**	**$3,319,717**	**$4,026,005**
270	Cook Coal Terminal	0	0	0	0	0	0	0
	AEP Generating Company	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	29,427	0	0	14,159	43,586	43,586
	AEP Generation Resources - FERC	**$0**	**$29,427**	**$0**	**$0**	**$14,159**	**$43,586**	**$43,586**
290	Conesville Coal Preparation Company	0	0	0	0	0	0	0
	AEP Generation Resources - SEC	**$0**	**$29,427**	**$0**	**$0**	**$14,159**	**$43,586**	**$43,586**
102	AEP Energy Supply LLC	0	9,999	0	0	8,697	18,696	18,696
175	AEP Energy Partners	93,281	156,950	0	0	70,222	227,172	320,453
400	AEP Energy	26,765	78,825	0	0	36,139	114,964	141,729
	AEP Energy Supply	**$120,046**	**$275,201**	**$0**	**$0**	**$129,217**	**$404,418**	**$524,464**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$1,080,938**	**$2,917,680**	**$0**	**$18,036**	**$1,393,160**	**$4,328,876**	**$5,409,814**
	Total without Dolet Hills	**$1,080,938**	**$2,917,680**	**$0**	**$18,036**	**$1,393,160**	**$4,328,876**	**$5,409,814**

Key Assumptions as of January 1, 2025:

Discount rate	5.60%
Valuation data	1/1/2025
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), white collar
Mortality projection scale	Generational MP-2021
Interest crediting rate	4.55%
Form of payment	100% Lump Sums
Lump sump conversion rate	5.35%
Lump sum mortality	PPA 2025 optional combined mortality with static projection to commencement using 2025 IRS adjusted Scale MP-2021.

All other assumptions and methods as described in our forecasting information letter dated January 17, 2025.

AMERICAN ELECTRIC POWER
NON-UMWA POSTRETIREMENT WELFARE PLAN
2025 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	$200,044	$2,450,240	($8,649,350)	($187,108)	$0	($6,386,218)	($6,186,174)
215	Appalachian Power Co - Generation	218,133	2,018,022	(7,062,051)	(167,900)	0	(5,211,929)	(4,993,796)
150	Appalachian Power Co - Transmission	240	211,317	(739,331)	(17,163)	0	(545,177)	(544,937)
	Appalachian Power Co. - FERC	**$418,417**	**$4,679,579**	**($16,450,732)**	**($372,171)**	**$0**	**($12,143,324)**	**($11,724,907)**
225	Cedar Coal Co	0	2,286	(8,369)	(471)	0	(6,554)	(6,554)
	Appalachian Power Co. - SEC	**$418,417**	**$4,681,865**	**($16,459,101)**	**($372,642)**	**$0**	**($12,149,878)**	**($11,731,461)**
211	AEP Texas Central Company - Distribution	212,290	1,793,053	(6,270,881)	(134,044)	0	(4,611,872)	(4,399,582)
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	36,603	180,744	(620,097)	(13,479)	0	(452,832)	(416,229)
	AEP Texas Central Co.	**$248,893**	**$1,973,797**	**($6,890,978)**	**($147,523)**	**$0**	**($5,064,704)**	**($4,815,811)**
119	AEP Texas North Company - Distribution	39,338	520,559	(1,835,886)	(39,975)	0	(1,355,302)	(1,315,964)
166	AEP Texas North Company - Generation	0	88,091	(312,837)	(5,857)	0	(230,603)	(230,603)
192	AEP Texas North Company - Transmission	16,523	84,569	(294,907)	(6,279)	0	(216,617)	(200,094)
	AEP Texas North Co.	**$55,861**	**$693,219**	**($2,443,630)**	**($52,111)**	**$0**	**($1,802,522)**	**($1,746,661)**
	AEP Texas	**$304,754**	**$2,667,016**	**($9,334,608)**	**($199,634)**	**$0**	**($6,867,226)**	**($6,562,472)**
170	Indiana Michigan Power Co - Distribution	100,685	1,118,348	(3,932,835)	(91,155)	0	(2,905,642)	(2,804,957)
132	Indiana Michigan Power Co - Generation	22,585	691,641	(2,469,202)	(63,787)	0	(1,841,348)	(1,818,763)
190	Indiana Michigan Power Co - Nuclear	277,723	1,508,099	(5,244,994)	(119,989)	0	(3,856,884)	(3,579,161)
120	Indiana Michigan Power Co - Transmission	21,629	262,051	(919,286)	(22,468)	0	(679,703)	(658,074)
280	Ind Mich River Transp Lakin	33,120	260,509	(905,760)	(19,926)	0	(665,177)	(632,057)
	Indiana Michigan Power Co. - SEC	**$455,742**	**$3,840,648**	**($13,472,077)**	**($317,325)**	**$0**	**($9,948,754)**	**($9,493,012)**
110	Kentucky Power Co - Distribution	42,258	467,424	(1,635,025)	(34,817)	0	(1,202,418)	(1,160,160)
117	Kentucky Power Co - Generation	3,373	550,186	(1,966,530)	(28,666)	0	(1,445,010)	(1,441,637)
180	Kentucky Power Co - Transmission	1,219	22,994	(79,951)	(1,668)	0	(58,625)	(57,406)
	Kentucky Power Co.	**$46,850**	**$1,040,604**	**($3,681,506)**	**($65,151)**	**$0**	**($2,706,053)**	**($2,659,203)**
250	Ohio Power Co - Distribution	332,131	3,038,028	(10,662,789)	(237,258)	0	(7,862,019)	(7,529,888)
160	Ohio Power Co - Transmission	5,038	294,398	(1,031,472)	(25,003)	0	(762,077)	(757,039)
	Ohio Power Co.	**$337,169**	**$3,332,426**	**($11,694,261)**	**($262,261)**	**$0**	**($8,624,096)**	**($8,286,927)**
167	Public Service Co of Oklahoma - Distribution	155,897	1,086,508	(3,798,955)	(82,262)	0	(2,794,709)	(2,638,812)
198	Public Service Co of Oklahoma - Generation	72,791	519,675	(1,835,179)	(45,035)	0	(1,360,539)	(1,287,748)
114	Public Service Co of Oklahoma - Transmission	14,666	129,090	(451,234)	(10,202)	0	(332,346)	(317,680)
	Public Service Co. of Oklahoma	**$243,354**	**$1,735,273**	**($6,085,368)**	**($137,499)**	**$0**	**($4,487,594)**	**($4,244,240)**
159	Southwestern Electric Power Co - Distribution	116,826	846,338	(2,962,160)	(59,837)	0	(2,175,659)	(2,058,833)
168	Southwestern Electric Power Co - Generation	135,922	855,861	(3,013,910)	(66,083)	0	(2,224,132)	(2,088,210)
161	Southwestern Electric Power Co - Texas - Distribution	45,619	361,051	(1,264,868)	(30,202)	0	(934,019)	(888,400)
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	22,707	121,064	(419,413)	(9,697)	0	(308,046)	(285,339)
	Southwestern Electric Power Co.	**$321,074**	**$2,184,314**	**($7,660,351)**	**($165,819)**	**$0**	**($5,641,856)**	**($5,320,782)**
230	Kingsport Power Co - Distribution	12,707	113,756	(402,287)	(7,653)	0	(296,184)	(283,477)
260	Kingsport Power Co - Transmission	0	11,103	(39,183)	(797)	0	(28,877)	(28,877)
	Kingsport Power Co.	**$12,707**	**$124,859**	**($441,470)**	**($8,450)**	**$0**	**($325,061)**	**($312,354)**
210	Wheeling Power Co - Distribution	7,305	124,740	(439,585)	(9,254)	0	(324,099)	(316,794)
200	Wheeling Power Co - Transmission	0	145	(544)	(227)	0	(626)	(626)
413	Wheeling Power Co - Generation	57,425	131,252	(446,900)	(29,871)	0	(345,519)	(288,094)
	Wheeling Power Co.	**64,730**	**$256,137**	**($887,029)**	**($39,352)**	**$0**	**$670,244)**	**($605,514)**
103	American Electric Power Service Corporation	1,121,303	8,958,450	(31,267,021)	(582,625)	0	(22,891,196)	(21,769,893)
293	Elmwood	0	26,658	(91,638)	(194)	0	(65,174)	(65,174)
292	AEP River Operations LLC	0	145,073	(503,002)	(9,034)	0	(366,963)	(366,963)
	American Electric Power Service Corp	**$1,121,303**	**$9,130,181**	**($31,861,661)**	**($591,853)**	**$0**	**($23,323,333)**	**($22,202,030)**
270	Cook Coal Terminal	2,170	22,549	(77,725)	(1,412)	0	(56,588)	(54,418)
	AEP Generating Company	**$2,170**	**$22,549**	**($77,725)**	**($1,412)**	**$0**	**($56,588)**	**($54,418)**
104	Cardinal Operating Company	0	421,623	(1,500,347)	(36,501)	0	(1,115,225)	(1,115,225)
181	Ohio Power Co - Generation	0	1,673,308	(5,925,418)	(161,383)	0	(4,413,493)	(4,413,493)
	AEP Generation Resources - FERC	**$0**	**$2,094,931**	**($7,425,765)**	**($197,884)**	**$0**	**($5,528,718)**	**($5,528,718)**
290	Conesville Coal Preparation Company	0	11,655	(40,060)	(2,162)	0	(30,567)	(30,567)
	AEP Generation Resources - SEC	**$0**	**$2,106,586**	**($7,465,825)**	**($200,046)**	**$0**	**($5,559,285)**	**($5,559,285)**
102	AEP Energy Supply LLC	1,519	2,099	(6,766)	(77)	0	(4,744)	(3,225)
175	AEP Energy Partners	14,475	19,807	(63,675)	(3,188)	0	(47,056)	(32,581)
400	AEP Energy Inc	3,891	33,225	(116,983)	(283)	0	(84,041)	(80,150)
	AEP Energy Supply	**$19,885**	**$2,161,717**	**($7,653,249)**	**($203,594)**	**$0**	**($5,695,126)**	**($5,675,241)**
143	AEP Pro Serv, Inc.	0	2,973	(10,181)	(223)	0	(7,431)	(7,431)
	AEP Pro Serv, Inc.	**$0**	**$2,973**	**($10,181)**	**($223)**	**$0**	**($7,431)**	**($7,431)**
245	Dolet Hills	1,716	112,527	(401,174)	(14,977)	0	(303,624)	(301,908)
	Dolet Hills	**$1,716**	**$112,527**	**($401,174)**	**($14,977)**	**$0**	**($303,624)**	**($301,908)**
	Total	**$3,349,871**	**$31,293,089**	**($109,719,761)**	**($2,380,192)**	**$0**	**($80,806,864)**	**($77,456,993)**
	Total without Dolet Hills	**$3,348,155**	**$31,180,562**	**($109,318,587)**	**($2,365,215)**	**$0**	**($80,503,240)**	**($77,155,085)**

Key Assumptions as of January 1, 2025:

Discount rate	5.60%
Valuation data	1/1/2025
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	6.50%
Updated 2025 per capita claims cost assumption	
Initial 2025 trend rate	6.50%/9.50% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	4

Initial participation of 80% in 2024 grading down to 60% in 2035+
Percentage of retirees dropping coverage annually is 4% for 2024+ for capped retirees and 0.85% for uncapped retirees
All other assumptions and methods as described in our forecasting information letter dated January 17, 2025.

AMERICAN ELECTRIC POWER
UMWA POSTRETIREMENT WELFARE PLAN
2025 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost Amortizations PSC	"Other" Cost Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	0	0	0	0	0	0	0
215	Appalachian Power Co - Generation	0	0	0	0	0	0	0
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
225	Cedar Coal Co	0	743,693	0	0	(306,289)	437,404	437,404
	Appalachian Power Co. - SEC	**$0**	**$743,693**	**$0**	**$0**	**($306,289)**	**$437,404**	**$437,404**
211	AEP Texas Central Company - Distribution	0	0	0	0	0	0	0
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	0	0	0	0	0	0	0
	AEP Texas Central Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
119	AEP Texas North Company - Distribution	0	0	0	0	0	0	0
166	AEP Texas North Company - Generation	0	0	0	0	0	0	0
192	AEP Texas North Company - Transmission	0	0	0	0	0	0	0
	AEP Texas North Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	AEP Texas	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
170	Indiana Michigan Power Co - Distribution	0	0	0	0	0	0	0
132	Indiana Michigan Power Co - Generation	0	0	0	0	0	0	0
190	Indiana Michigan Power Co - Nuclear	0	0	0	0	0	0	0
120	Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0
280	Ind Mich River Transp Lakin	0	0	0	0	0	0	0
	Indiana Michigan Power Co. - SEC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
110	Kentucky Power Co - Distribution	0	0	0	0	0	0	0
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
250	Ohio Power Co - Distribution	0	0	0	0	0	0	0
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
167	Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0
198	Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0
114	Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0
	Public Service Co. of Oklahoma	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
159	Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0
168	Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0
161	Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0
	Southwestern Electric Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
230	Kingsport Power Co - Distribution	0	0	0	0	0	0	0
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
210	Wheeling Power Co - Distribution	0	0	0	0	0	0	0
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	0	0	0	0	0	0	0
	Wheeling Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
103	American Electric Power Service Corporation	0	0	0	0	0	0	0
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
270	Cook Coal Terminal	251,038	1,852,242	(3,664,752)	0	(736,498)	(2,549,008)	(2,297,970)
	AEP Generating Company	**$251,038**	**$1,852,242**	**($3,664,752)**	**$0**	**($736,498)**	**($2,549,008)**	**($2,297,970)**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	0	0	0	0	0	0
	AEP Generation Resources - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
290	Conesville Coal Preparation Company	0	551,941	0	0	(225,137)	326,804	326,804
	AEP Generation Resources - SEC	**$0**	**$551,941**	**$0**	**$0**	**($225,137)**	**$326,804**	**$326,804**
102	AEP Energy Supply LLC	0	0	0	0	0	0	0
175	AEP Energy Partners	0	0	0	0	0	0	0
400	AEP Energy Inc	0	0	0	0	0	0	0
	AEP Energy Supply	**$0**	**$551,941**	**$0**	**$0**	**($225,137)**	**$326,804**	**$326,804**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$251,038**	**$3,147,876**	**($3,664,752)**	**$0**	**($1,267,924)**	**($1,784,800)**	**($1,533,762)**

Key Assumptions as of January 1, 2025:

Discount rate	5.65%
Valuation data	1/1/2025
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), blue collar
Mortality projection scale	Generational MP-2021
Expected return on assets	6.50%
Updated 2025 per capita claims cost assumption	
Initial 2025 trend rate	6.50%/9.50% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	4

All other assumptions and methods as described in our forecasting information letter dated January 17, 2025.

March 26, 2024

Mr. Aaron L. Hill
Director of Trusts and Investments
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

Mr. Russell G. Doyle
Accounting Senior Manager
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

2024 Preliminary Pension and Postretirement Welfare Valuation Results

Dear Aaron and Russell:

As requested, we have completed the 2024 preliminary actuarial valuations for the qualified pension plan, nonqualified pension plan and postretirement welfare plans sponsored by American Electric Power Service Corporation (AEP). The following is a summary of the key 2024 valuation results, followed by a brief discussion for each plan, comparing these results to the most recent estimates provided in our January 16th letter:

2024 Preliminary AEP Valuation Results ($ in Millions)				
	Funding Policy Contributions		Net Periodic Cost	
	Actual	Expected	Actual	Expected
Qualified Pension Plan[1]	$0.0	$0.0	($12.0)	($11.3)
Nonqualified Pension Plan[2]	$11.8	$6.7	$5.4	$5.6
Non-UMWA Postretirement Welfare Plan[3]	$0.6	$0.6	($74.7)	($72.4)
UMWA Postretirement Welfare Plan[4]	$2.3	$2.4	($0.2)	$0.1
Total	**$14.7**	**$9.7**	**($81.5)**	**($78.0)**

[1] Contribution amounts reflect AEP's current pension funding policy to annually contribute the greater of ASC 715 service cost or PPA minimum required contribution (MRC), utilizing funding balance as available, in the year following any year-end measurement date where the funded status, on a balance sheet basis, is less than 100%.

[2] Contribution amounts are equal to expected benefit payments in 2024.

[3] Contribution amounts are equal to net periodic cost, plus Retiree Drug Subsidy (RDS) payments received during the year (the sum of which can be no less than zero), plus expected benefit payments for key employees.

[4] Contribution amount reflects AEP's policy to fund Cook Coal ASC 715 cost (not less than $0). Amount shown also includes expected benefit payments for all other locations.

1001 Lakeside Avenue
Suite 1500
Cleveland, OH 44114-1172

T +1 216 937 4000
W wtwco.com

Willis Towers Watson US LLC



The most recent estimates provided in January reflect the assumptions described in section III, “Key Assumptions,” and included the estimated effect of the following in the accounting results:

- Investment performance during 2023 and our understanding that AEP does not plan to make a cash contribution to the qualified pension plan during 2024 based on the December 31, 2023 funded status.
- Reflection of the IRS issued Final Regulations for Prescribed Mortality Tables for 2024
- Reflection of employee transfers from Wheeling Power Co – Generation to Kentucky Power Co – Generation (consistent with location codes provided in 2024 valuation data)

The results provided in this letter further reflect demographic experience (during 2023) based on valuation data as of January 1, 2024. The accounting results for 2024 may be considered final pending recognition of any one-time events that would require a remeasurement. The funding results for the qualified pension plan will require discussion with and decisions from AEP in order to finalize. We intend to discuss the options available during the preliminary valuation results review meeting to be scheduled for later in 2024.

I. Qualified Pension Plan Funding Results

Funded Status and Benefit Restrictions

The preliminary PPA funded status of the plan reflecting stabilized interest rates as of January 1, 2024, is **101.42%** when comparing the actuarial value of assets ($3.960 billion) to the funding target obligation ($3.904 billion). The actuarial value of assets is smoothed based on the asset smoothing method elected by AEP (based on the adjusted monthly asset market values for the valuation date and the six preceding months).

Without additional action, the funded status for determining whether funding balances can be used to satisfy the *2025* minimum required contribution is **79.58%.** This result is below the 80% level needed to apply funding balances to satisfy the minimum. Because a result below 80% would not be a satisfactory outcome for future valuations, **we have assumed AEP will forfeit approximately $20 million of prefunding balance for the 2024 valuation to improve the funded status on this basis above 80%.** All funding results in this letter are predicated on this assumption.

The preliminary PPA funded status is based on the final regulations issued by the IRS updating the prescribed mortality assumption to be used to determine minimum funding requirements (required for the 2024 plan year and beyond) and the interest rates as specified by MAP-21, HATFA, the 2015 Bipartisan Budget Act, the 2021 American Rescue Plan Act, and the Investment Infrastructure and Jobs Act.

We will certify the plan’s Adjusted Funding Target Attainment Percentage (AFTAP) upon AEP’s request and based on contributions and funding balance elections made prior to the date of certification.



Funding Balances

A funding balance can be created to the extent that AEP has made past contributions in excess of the minimum amounts required by law. Funding balance can be used to offset future contribution requirements, and to the extent that it is not used or forfeited in a particular plan year, will increase/decrease based on the actual rate of return on plan assets.

The plan's preliminary funding balance as of January 1, 2024 is $832 million after reflecting a $20 million forfeiture to keep funded status above 80%. A roll-forward of the funding balance from January 1, 2023, to January 1, 2024, is as follows (in millions):

• Funding balance as of January 1, 2023	$957
• Amount used to satisfy plan year 2023 minimum required contributions	(178)
• Increase due to actual 2024 asset returns	73
• Amount added to funding balance as of January 1, 2024, due to plan year 2023 contributions in excess of amount required[1]	0
• Assumed elections to forfeit as of January 1, 2024[2]	**(20)**
• Funding balance as of January 1, 2024	$832

Minimum Required Contribution Amount

The plan year 2024 minimum required contribution (MRC) is **$183** million as of January 1, 2024. Because the plan had a funding shortfall at January 1, 2023 and continues to have a shortfall at January 1, 2024, quarterly contributions for the 2024 plan year are required. As a result, the MRC for the 2024 plan year must be partially satisfied in quarterly installments during the plan year, with a final payment due by September 15, 2025. The first such installment is due April 15, 2024, and we anticipate that AEP will sign and return an election to apply approximately $41.2 million in funding balance to satisfy the 2024 MRC on or before April 15, 2024.

This minimum required contribution includes a contribution to cover benefits expected to accrue in the coming year plus any expenses expected to be paid from the trust in the coming year (target normal cost) which amounts to $109 million for the 2024 plan year. The minimum required contribution also includes a 15-year amortization of any funding shortfall (amortization installments) amounting to $74 million for the 2024 plan year.

Consistent with AEP's funding policy, it is assumed that no cash contribution will be made during the 2024 plan year and that funding balances will be used to satisfy the MRC. Because prefunding balance is assumed to be used to satisfy the 2024 MRC, the determination of the plan's surplus/(shortfall) position must deduct funding balances from the amount of smoothed assets which is then measured against the plan's funding target. This produces a (shortfall) position of approx. ($777) million. Because this (shortfall) is greater than the present value of existing amortization installments ($754 million), an additional shortfall amortization base representing the excess is created and then amortized over a 15-year period. The result is an installment payment of $74 million for the 2024 plan year ($72 million for prior installments plus $2 million for the new installment).

[1] There may be further additions to funding balances as of January 1, 2023 if AEP makes additional contributions on behalf of the 2022 plan year.

[2] Reflects assumed forfeiture of funding balance; in doing so, AEP maintains the ability to use funding balance to satisfy any minimum required contributions due for the 2025 plan year and avoid additional testing to determine the plan is not at-risk for 2025. This approach is consistent with the January forecasts, by assuming AEP will forfeit funding balance to maintain an FTAP of at least 80%.

During our preliminary valuation results meeting we will work with you to evaluate AEP's options for satisfying contribution requirements and any additional analysis that is desired relating to funding balance management and cash contribution strategies.

PBGC 4010 Filing

Consistent with our January forecasts, a PBGC 4010 filing for the 2024 information year would currently be required, as the PBGC 4010 funded percentage of **77.16%** is below the 80% threshold and the shortfall on that basis is in excess of $15 million. This filing would need to be completed by April 15, 2025.

On a PBGC 4010 basis, liabilities are measured using a 24-month non-stabilized interest rate average and assets are the same smoothed value as used for determining contribution requirements reduced by funding balances. An increase in funded status from the prior year (68.82%), on this basis, results from a decreasing liabilities as older, lower interest rates are replaced by more recent, higher interest rates in the 24-month average used for discounting. Recall, the IRS issued 4010 reporting relief for the 2023 information year for plans meeting certain eligibility criteria. As a result, AEP was not required to prepare a 4010 filing for the 2023 information year. No such reporting relief is expected for the 2024 information year.

When a filing is required, information regarding certain company financials and participant obligations (using PBGC prescribed assumptions) must be prepared. Note that based on the plan's funded level, a receivable contribution of approximately $78 million would be needed to avoid a 4010 filing for the 2024 information year. Alternatively, AEP can forfeit additional prefunding balance of approximately $115 million to avoid a 4010 filing for the 2024 information year. We can discuss these options further at the preliminary valuation results meeting. Also, this filing is required for any qualified pension plan included in AEP's controlled group (i.e., one plan in a controlled group triggers a need for the filing information for all plans). We are not aware of additional plans that would need to be included, but this would need to be verified when the filing is being prepared.

PBGC Variable Rate Premium

The 2024 PBGC variable rate premium based on the standard premium funding target method is **$0**. AEP first elected the standard method for the January 1, 2014 plan year and may elect to change to the alternative premium funding target method at any point in time. However, electing to change the premium method will lock AEP into the alternative method for this year and the next four plan years. At this time, we do not recommend such a change, as it would restrict AEP's ability to make a premium method election change at the next valuation date should that prove advantageous.

II. U.S. GAAP Accounting Results

Please see the attached Exhibit I for by-component FY 2024 net periodic cost information on a by-location basis.

A. Qualified Pension Plan Results

The plan's projected benefit obligation (PBO) as of January 1, 2024 is approximately 0.25% lower than the most recent estimate provided in January; actual PBO of $4,092.7 million compared to an estimated PBO $4,103.2 million. The decrease in PBO is primarily driven by updated census, and favorable active mortality experience, partially offset by new hires, active retirement experience, and greater than expected inflation-linked benefit increases greater than assumed for a subset of annuitants who receive cost of living adjustments.



The actual FY 2024 benefit income is in-line with our previous estimates (income of $12.0 million versus estimated income of 11.3 million). This increase in income primarily results from a lower than expected obligation, resulting in a smaller loss amortization installment and lower interest cost. This is partially offset by a lower expected asset return, which reflects an increase in the amount of benefits anticipated to be paid in 2024.

On a by-location basis, the gain is spread among various registrants as sources of demographic experience are operating in different capacities across the plan (e.g., terminations, retirements, mortality, and compensation different than assumed).

B. Non-Qualified Pension Plan Results

The actual FY 2024 benefit cost of $5.4 million is in-line with the January estimates ($5.6 million). This modest reduction from our previous forecasts is primarily driven by a decrease in service cost reflecting recent executive retirements.

In contrast, the plan's PBO as of January 1, 2024 is approximately 1.5% higher than estimated in January due to active commencement experience and inflation-linked benefit increases greater than assumed for those receiving annuities.

C. Non-UMWA and UMWA Postretirement Welfare Plans

Non-UMWA plan obligations are generally in line with the obligations estimated in the year-end 2023 disclosures, while the asset values were approximately $10 million more favorable upon receiving the final audited values. Primarily as a result of the favorable asset adjustment, the FY 2024 cost amounts are lower than the previous estimates provided in January (income of $74.7 million versus estimated income of $72.4 million). In general, the cost is in-line with expectations across all locations without any significant outlier.

UMWA plan obligations were slightly less than the obligations estimated in the year-end 2023 disclosures. The FY 2024 cost amounts are also slightly less than our previous estimates as a result of these obligation gains (income of $0.2 million versus estimated cost of $0.1 million). In general, the cost is in-line with expectations across all locations.

III. Key Assumptions

Assumption	As of January 1, 2024
Discount Rate • Qualified • Nonqualified • Non-UMWA • UMWA	 • 5.15% • 5.20% • 5.15% • 5.15%
Mortality (accounting purposes)	Pri-2012 (using contingent survivor tables only after retiree death), with generational MP-2021 projection. Collar Adjustments: • Qualified: No collar • Nonqualified: White collar • Non-UMWA: No collar • UMWA: Blue collar
Termination rates	Based on 2019 experience study
Retirement rates	Based on 2019 experience study with average retirement age of 63
Expected return on assets for fiscal year 2024 • Qualified • Non-UMWA • UMWA	 • 7.25% • 6.75% • 6.75%
Salary increase rate	5.05% weighted average; varies by age from 3.0% to 11.5% based on 2019 experience study (CPI = 2.50%)
Lump sum conversion rate (accounting purposes)	4.67%
Lump sum mortality (accounting purposes)	PPA 2024 optional combined mortality with static projection to commencement using MP-2021
Cash balance interest crediting rate	4.00%
Health care trend rate	7.0% (Medical) and 9.0% (Rx) trend rates in 2024, grading down to 4.5% in 2029+ Dental trend rate of 3.0%
Per capita claims costs	Based on claims incurred in calendar year 2022 and paid through March 31, 2023, Medicare Advantage premium rates for 2024-2028 and projected 2024 EGWP payments pmpm (Non-UMWA) Based on 48 months of claims paid through September 30, 2023 (UMWA)

Assumption	As of January 1, 2024
Participation rate	• Non-UMWA: 76% in 2024, decreasing 2%/year until 60% in 2032 • UMWA: 100%
Persistency rate	• Non-UMWA: Drop coverage at rates of 4%/year for capped retirees; 0.85%/year for uncapped retirees. • UMWA: 100%

Other assumptions

The required contributions described above assume that the plan's funding balances will be used to satisfy contributions to the extent that a quarterly requirement precedes a contribution under AEP's funding policy.

All accounting assumptions other than those noted are consistent with those used to develop year-end 2023 financial disclosure information, as documented in our report dated January 19, 2024.

IV. Reliances and Certification

The preliminary results presented above and included in the attached exhibits are based on the data, assumptions, methods, models and plan provisions to be outlined in the actuarial valuation reports to determine funding and accounting requirements for the plan year and fiscal year beginning January 1, 2024, to be delivered later in the spring. Therefore, the descriptions of the data, assumptions, methods, models, plan provisions and limitations of the valuation report and their use should be considered part of this letter report.

In addition, the results are subject to the "Statement of funding-related risks of plan in accordance with ASOP No. 51" included in the 2023 qualified pension plan valuation report dated September 11, 2023 and the "Model Descriptions and Disclosures in accordance with ASOP No. 56" included in the 2023 year-end accounting report dated January 19, 2024. Further each ASOP disclosure is to be additionally included in the respective upcoming valuation reports. Therefore, such information, and the reliances and limitations of the valuation reports, upcoming valuation reports and the statement and their use, should be considered part of this letter report.

The undersigned consulting actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

If you have any questions, please call Joe at (216) 937-4204, Chad at (330) 353-3367, Max at (216) 937-4119, or Abby at (216) 937-4253

Sincerely,

Joseph A. Perko, FSA, EA
Director – Valuation Actuary (all plans)

Chad Greenwalt, FSA, EA
Director – Valuation Actuary (all plans)

Max T. Murphy, FSA, EA
Senior Associate – Valuation Actuary (pension only)

Abigail L. Lange, FSA, MAAA
Associate Director – Pricing Specialist (PRW only)

Enclosures

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). 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 and actual plan operation, preparing demographic data, performing the valuation, implementing the correct accounting or funding calculations, etc.).

cc: Mr. Michael A. Baird — American Electric Power Company
Ms. Beth A. Bridgman — American Electric Power Company
Ms. Nicole R. Damron — American Electric Power Company
Mr. Steven P. Messner – American Electric Power Company
Ms. Jeanna M. Overstreet — American Electric Power Company
WTW Team

AMERICAN ELECTRIC POWER
QUALIFIED PENSION PLAN
2024 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost Amortizations PSC	"Other" Cost Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	6,137,299	13,296,296	(21,982,480)	0	187,186	(8,498,998)	(2,361,699)
215	Appalachian Power Co - Generation	3,462,903	10,461,014	(19,287,201)	0	147,487	(8,678,700)	(5,215,797)
150	Appalachian Power Co - Transmission	88,195	974,757	(1,090,864)	0	14,019	(102,088)	(13,893)
	Appalachian Power Co. - FERC	**$9,688,397**	**$24,732,067**	**($42,360,545)**	**$0**	**$348,692**	**($17,279,786)**	**($7,591,389)**
225	Cedar Coal Co	0	71,449	(381,131)	0	1,044	(308,638)	(308,638)
	Appalachian Power Co. - SEC	**$9,688,397**	**$24,803,516**	**($42,741,676)**	**$0**	**$349,736**	**($17,588,424)**	**($7,900,027)**
211	AEP Texas Central Company - Distribution	5,733,993	11,710,941	(16,948,359)	0	168,208	(5,069,210)	664,783
147	AEP Texas Central Company - Generation	0	60,479	(1,118,774)	0	892	(1,057,403)	(1,057,403)
169	AEP Texas Central Company - Transmission	1,116,095	1,566,362	(1,597,147)	0	22,106	(8,679)	1,107,416
	AEP Texas Central Co.	**$6,850,088**	**$13,337,782**	**($19,664,280)**	**$0**	**$191,206**	**($6,135,292)**	**$714,796**
119	AEP Texas North Company - Distribution	1,507,324	2,718,867	(3,581,404)	0	38,588	(823,949)	683,375
166	AEP Texas North Company - Generation	0	507,465	(1,925,598)	0	7,424	(1,410,709)	(1,410,709)
192	AEP Texas North Company - Transmission	628,184	634,054	(764,727)	0	8,750	(121,923)	506,261
	AEP Texas North Co.	**$2,135,508**	**$3,860,386**	**($6,271,729)**	**$0**	**$54,762**	**($2,356,581)**	**($221,073)**
	AEP Texas	**$8,985,596**	**$17,198,168**	**($25,936,009)**	**$0**	**$245,968**	**($8,491,873)**	**$493,723**
170	Indiana Michigan Power Co - Distribution	3,755,816	6,481,041	(11,717,050)	0	90,274	(5,145,735)	(1,389,919)
132	Indiana Michigan Power Co - Generation	1,076,685	3,318,931	(8,079,006)	0	46,883	(4,713,192)	(3,636,507)
190	Indiana Michigan Power Co - Nuclear	6,940,504	11,178,851	(17,941,447)	0	155,046	(6,607,550)	332,954
120	Indiana Michigan Power Co - Transmission	928,416	1,624,881	(2,444,848)	0	22,564	(797,403)	131,013
280	Ind Mich River Transp Lakin	417,634	1,193,334	(2,675,922)	0	16,969	(1,465,619)	(1,047,985)
	Indiana Michigan Power Co. - SEC	**$13,119,055**	**$23,797,038**	**($42,858,273)**	**$0**	**$331,736**	**($18,729,499)**	**($5,610,444)**
110	Kentucky Power Co - Distribution	1,434,283	3,263,826	(4,390,115)	0	45,671	(1,080,618)	353,665
117	Kentucky Power Co - Generation	159,331	2,766,014	(4,996,790)	0	39,652	(2,191,124)	(2,031,793)
180	Kentucky Power Co - Transmission	16,501	112,244	(43,036)	0	1,599	70,807	87,308
	Kentucky Power Co.	**$1,610,115**	**$6,142,084**	**($9,429,941)**	**$0**	**$86,922**	**($3,200,935)**	**($1,590,820)**
250	Ohio Power Co - Distribution	9,171,730	17,413,610	(30,105,551)	0	243,625	(12,448,316)	(3,276,586)
160	Ohio Power Co - Transmission	182,730	1,437,372	(2,543,771)	0	20,723	(1,085,676)	(902,946)
	Ohio Power Co.	**$9,354,460**	**$18,850,982**	**($32,649,322)**	**$0**	**$264,348**	**($13,533,992)**	**($4,179,532)**
167	Public Service Co of Oklahoma - Distribution	3,767,336	6,426,171	(10,480,082)	0	91,414	(3,962,497)	(195,161)
198	Public Service Co of Oklahoma - Generation	1,572,169	2,795,532	(5,523,986)	0	39,872	(2,688,582)	(1,116,413)
114	Public Service Co of Oklahoma - Transmission	653,500	806,717	(1,368,904)	0	11,046	(551,141)	102,359
	Public Service Co. of Oklahoma	**$5,993,005**	**$10,028,420**	**($17,372,972)**	**$0**	**$142,332**	**($7,202,220)**	**($1,209,215)**
159	Southwestern Electric Power Co - Distribution	2,964,766	4,776,413	(6,744,112)	0	67,447	(1,900,252)	1,064,514
168	Southwestern Electric Power Co - Generation	2,915,650	4,890,661	(6,497,603)	0	69,511	(1,537,431)	1,378,219
161	Southwestern Electric Power Co - Texas - Distribution	1,345,497	2,014,226	(3,053,330)	0	28,609	(1,010,495)	335,002
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	700,236	776,832	(1,365,618)	0	10,511	(578,275)	121,961
	Southwestern Electric Power Co.	**$7,926,149**	**$12,458,132**	**($17,660,663)**	**$0**	**$176,078**	**($5,026,453)**	**$2,899,696**
230	Kingsport Power Co - Distribution	307,470	662,824	(1,027,987)	0	9,230	(355,933)	(48,463)
260	Kingsport Power Co - Transmission	0	68,918	(67,828)	0	1,002	2,092	2,092
	Kingsport Power Co.	**$307,470**	**$731,742**	**($1,095,815)**	**$0**	**$10,232**	**($353,841)**	**($46,371)**
210	Wheeling Power Co - Distribution	228,603	542,917	(1,097,023)	0	7,670	(546,436)	(317,833)
200	Wheeling Power Co - Transmission	0	792	(56,132)	0	12	(55,328)	(55,328)
413	Wheeling Power Co - Generation	1,057,626	1,140,350	(2,961,039)	0	15,342	(1,805,347)	(747,721)
	Wheeling Power Co.	**$1,286,229**	**$1,684,059**	**($4,114,194)**	**$0**	**$23,024**	**($2,407,111)**	**($1,120,882)**
103	American Electric Power Service Corporation	41,597,491	76,924,626	(86,992,683)	0	1,083,410	(8,984,647)	32,612,844
293	Elmwood	0	42,785	(474,074)	0	650	(430,639)	(430,639)
292	AEP River Operations LLC	0	468,116	(4,047,849)	0	7,513	(3,572,220)	(3,572,220)
	American Electric Power Service Corp	**$41,597,491**	**$77,435,527**	**($91,514,606)**	**$0**	**$1,091,573**	**($12,987,506)**	**$28,609,985**
270	Cook Coal Terminal	48,728	124,233	(308,031)	0	1,799	(181,999)	(133,271)
	AEP Generating Company	**$48,728**	**$124,233**	**($308,031)**	**$0**	**$1,799**	**($181,999)**	**($133,271)**
104	Cardinal Operating Company	1,504	2,386,975	(7,275,256)	0	34,426	(4,853,855)	(4,852,351)
181	Ohio Power Co - Generation	0	7,681,228	(26,576,811)	0	111,235	(18,784,348)	(18,784,348)
	AEP Generation Resources - FERC	**$1,504**	**$10,068,203**	**($33,852,067)**	**$0**	**$145,661**	**($23,638,203)**	**($23,636,699)**
290	Conesville Coal Preparation Company	0	86,473	(341,806)	0	1,236	(254,097)	(254,097)
	AEP Generation Resources - SEC	**$1,504**	**$10,154,676**	**($34,193,873)**	**$0**	**$146,897**	**($23,892,300)**	**($23,890,796)**
175	AEP Energy Partners	388,909	408,068	(544,173)	0	5,385	(130,720)	258,189
400	AEP Energy	975,145	724,743	(273,941)	0	9,530	460,332	1,435,477
419	Onsite Partners	117,041	67,247	(72,602)	0	849	(4,506)	112,535
	AEP Energy Supply	**$1,482,599**	**$11,354,734**	**($35,084,589)**	**$0**	**$162,661**	**($23,567,194)**	**($22,084,595)**
143	AEP Pro Serv, Inc.	0	47,759	(71,765)	0	679	(23,327)	(23,327)
	AEP Pro Serv, Inc.	**$0**	**$47,759**	**($71,765)**	**$0**	**$679**	**($23,327)**	**($23,327)**
245	Dolet Hills	50,754	102,354	(291,949)	0	1,437	(188,158)	(137,404)
	Dolet Hills	**$50,754**	**$102,354**	**($291,949)**	**$0**	**$1,437**	**($188,158)**	**($137,404)**
	Total	**$101,450,048**	**$204,758,748**	**($321,129,805)**	**$0**	**$2,888,525**	**($113,482,532)**	**($12,032,484)**
	Total without Dolet Hills	**$101,399,294**	**$204,656,394**	**($320,837,856)**	**$0**	**$2,887,088**	**($113,294,374)**	**($11,895,080)**

Key Assumptions as of January 1, 2024:

Discount rate	5.15%
Valuation data	1/1/2024
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	7.25%
Interest crediting rate	4.00%
Lump sump conversion rate	4.67%
Lump sum mortality	PPA 2024 optional combined mortality with static projection to commencement using MP-2021
Contribution Policy	No contribution is assumed to be made during 2024.

All other assumptions and methods as described in our forecasting information letter dated January 16, 2024.

AMERICAN ELECTRIC POWER
NON-QUALIFIED PENSION PLAN
2024 NET PERIODIC PENSION COST

	Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	14,577	13,986	0	0	5,980	19,966	34,543
215	Appalachian Power Co - Generation	178	4,207	0	0	2,621	6,828	7,006
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$14,755**	**$18,193**	**$0**	**$0**	**$8,601**	**$26,794**	**$41,549**
225	Cedar Coal Co	0	0	0	0	0	0	0
	Appalachian Power Co. - SEC	**$14,755**	**$18,193**	**$0**	**$0**	**$8,601**	**$26,794**	**$41,549**
211	AEP Texas Central Company - Distribution	14,929	102,694	0	0	48,924	151,618	166,547
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	15	4	0	0	2	6	21
	AEP Texas Central Co.	**$14,944**	**$102,698**	**$0**	**$0**	**$48,926**	**$151,624**	**$166,568**
119	AEP Texas North Company - Distribution	229	59	0	0	21	80	309
166	AEP Texas North Company - Generation	0	20,354	0	0	9,880	30,234	30,234
192	AEP Texas North Company - Transmission	54	12	0	0	4	16	70
	AEP Texas North Co.	**$283**	**$20,425**	**$0**	**$0**	**$9,905**	**$30,330**	**$30,613**
	AEP Texas	**$15,227**	**$123,123**	**$0**	**$0**	**$58,831**	**$181,954**	**$197,181**
170	Indiana Michigan Power Co - Distribution	16,533	17,328	0	0	7,551	24,879	41,412
132	Indiana Michigan Power Co - Generation	500	680	0	0	310	990	1,490
190	Indiana Michigan Power Co - Nuclear	40,488	44,051	0	0	19,064	63,115	103,603
120	Indiana Michigan Power Co - Transmission	461	3,387	0	0	1,640	5,027	5,488
280	Ind Mich River Transp Lakin	617	729	0	0	344	1,073	1,690
	Indiana Michigan Power Co. - SEC	**$58,599**	**$66,175**	**$0**	**$0**	**$28,909**	**$95,084**	**$153,683**
110	Kentucky Power Co - Distribution	24,793	2,866	0	0	978	3,844	28,637
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$24,793**	**$2,866**	**$0**	**$0**	**$978**	**$3,844**	**$28,637**
250	Ohio Power Co - Distribution	15,457	17,181	0	0	7,565	24,746	40,203
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$15,457**	**$17,181**	**$0**	**$0**	**$7,565**	**$24,746**	**$40,203**
167	Public Service Co of Oklahoma - Distribution	9,992	51,115	0	0	24,112	75,227	85,219
198	Public Service Co of Oklahoma - Generation	2,667	19,019	0	0	8,922	27,941	30,608
114	Public Service Co of Oklahoma - Transmission	1,419	296	0	0	100	396	1,815
	Public Service Co. of Oklahoma	**$14,078**	**$70,430**	**$0**	**$0**	**$33,134**	**$103,564**	**$117,642**
159	Southwestern Electric Power Co - Distribution	8,494	13,524	0	0	6,257	19,781	28,275
168	Southwestern Electric Power Co - Generation	1,659	44,006	0	0	20,707	64,713	66,372
161	Southwestern Electric Power Co - Texas - Distribution	1,652	689	0	0	404	1,093	2,745
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	45	8	0	0	3	11	56
	Southwestern Electric Power Co.	**$11,850**	**$58,227**	**$0**	**$0**	**$27,371**	**$85,598**	**$97,448**
230	Kingsport Power Co - Distribution	12	4	0	0	1	5	17
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$12**	**$4**	**$0**	**$0**	**$1**	**$5**	**$17**
210	Wheeling Power Co - Distribution	25	11	0	0	4	15	40
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	118	43	0	0	17	60	178
	Wheeling Power Co.	**$143**	**$54**	**$0**	**$0**	**$21**	**$75**	**$218**
103	American Electric Power Service Corporation	685,683	2,374,757	0	18,036	1,178,462	3,571,255	4,256,938
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$685,683**	**$2,374,757**	**$0**	**$18,036**	**$1,178,462**	**$3,571,255**	**$4,256,938**
270	Cook Coal Terminal	0	0	0	0	0	0	0
	AEP Generating Company	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	29,195	0	0	13,859	43,054	43,054
	AEP Generation Resources - FERC	**$0**	**$29,195**	**$0**	**$0**	**$13,859**	**$43,054**	**$43,054**
290	Conesville Coal Preparation Company	0	0	0	0	0	0	0
	AEP Generation Resources - SEC	**$0**	**$29,195**	**$0**	**$0**	**$13,859**	**$43,054**	**$43,054**
175	AEP Energy Partners	67,353	119,993	0	0	53,284	173,277	240,630
400	AEP Energy	34,621	73,080	0	0	32,778	105,858	140,479
419	Onsite Partners	19	43	0	0	19	62	81
	AEP Energy Supply	**$101,993**	**$222,311**	**$0**	**$0**	**$99,940**	**$322,251**	**$424,244**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$942,590**	**$2,953,321**	**$0**	**$18,036**	**$1,443,813**	**$4,415,170**	**$5,357,760**
	Total without Dolet Hills	**$942,590**	**$2,953,321**	**$0**	**$18,036**	**$1,443,813**	**$4,415,170**	**$5,357,760**

Key Assumptions as of January 1, 2024:

Discount rate	5.20%
Valuation data	1/1/2024
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), white collar
Mortality projection scale	Generational MP-2021
Interest crediting rate	4.00%
Lump sump conversion rate	4.67%
Lump sum mortality	PPA 2024 optional combined mortality with static projection to commencement using MP-2021

All other assumptions and methods as described in our forecasting information letter dated January 16, 2024.

AMERICAN ELECTRIC POWER
NON-UMWA POSTRETIREMENT WELFARE PLAN
2024 NET PERIODIC POSTRETIREMENT BENEFIT COST

	Location	Service Cost	Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	"Other" Cost: Total "Other" Cost	Net Periodic Pension Cost
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)
	Appalachian Power Co. - FERC	**$477,901**	**$5,833,298**	**($16,284,079)**	**($1,833,718)**	**$497,651**	**($11,786,848)**	**($11,308,947)**
225	Cedar Coal Co	$0	$3,759	($10,817)	($471)	$331	($7,198)	($7,198)
	Appalachian Power Co. - SEC	**$477,901**	**$5,837,057**	**($16,294,896)**	**($1,834,189)**	**$497,982**	**($11,794,046)**	**($11,316,145)**
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)
	AEP Texas Central Co.	**$282,503**	**$2,396,453**	**($6,650,453)**	**($779,076)**	**$203,241**	**($4,829,835)**	**($4,547,332)**
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)
	AEP Texas North Co.	**$65,591**	**$860,441**	**($2,403,655)**	**($284,075)**	**$73,457**	**($1,753,832)**	**($1,688,241)**
	AEP Texas	**$348,094**	**$3,256,894**	**($9,054,108)**	**($1,063,151)**	**$276,698**	**($6,583,667)**	**($6,235,573)**
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)
	Indiana Michigan Power Co. - SEC	**$570,530**	**$4,832,831**	**($13,471,143)**	**($1,748,427)**	**$411,686**	**($9,975,053)**	**($9,404,523)**
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)
	Kentucky Power Co.	**$55,807**	**$1,372,691**	**($3,852,538)**	**($373,405)**	**$117,735**	**($2,735,517)**	**($2,679,710)**
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)
	Ohio Power Co.	**$401,603**	**$4,242,420**	**($11,847,458)**	**($1,251,988)**	**$362,065**	**($8,494,961)**	**($8,093,358)**
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)
	Public Service Co. of Oklahoma	**$291,663**	**$2,138,888**	**($5,954,140)**	**($790,349)**	**$181,962**	**($4,423,639)**	**($4,131,976)**
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	($927,345)	($869,179)
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)
	Southwestern Electric Power Co.	**$376,838**	**$2,682,046**	**($7,465,023)**	**($1,024,453)**	**$228,135**	**($5,579,295)**	**($5,202,457)**
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)
	Kingsport Power Co.	**$19,311**	**$145,955**	**($406,645)**	**($39,693)**	**$12,428**	**($287,955)**	**($268,644)**
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)
	Wheeling Power Co.	**$82,000**	**$282,960**	**($773,313)**	**($245,342)**	**$23,633**	**($712,062)**	**($630,062)**
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)
	American Electric Power Service Corp	**$1,517,460**	**$10,910,125**	**($30,178,715)**	**($3,440,879)**	**$922,281**	**($21,787,188)**	**($20,269,728)**
270	Cook Coal Terminal	$2,203	$28,765	($79,921)	($12,032)	$2,442	($60,746)	($58,543)
	AEP Generating Company	**$2,203**	**$28,765**	**($79,921)**	**($12,032)**	**$2,442**	**($60,746)**	**($58,543)**
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)
	AEP Generation Resources - FERC	**$0**	**$2,934,873**	**($8,279,834)**	**($861,735)**	**$253,036**	**($5,953,660)**	**($5,953,660)**
290	Conesville Coal Preparation Company	$0	$18,726	($51,832)	($9,605)	$1,584	($41,127)	($41,127)
	AEP Generation Resources - SEC	**$0**	**$2,953,599**	**($8,331,666)**	**($871,340)**	**$254,620**	**($5,994,787)**	**($5,994,787)**
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)
	AEP Energy Supply	**$25,205**	**$3,011,504**	**($8,488,449)**	**($882,530)**	**$259,410**	**($6,100,065)**	**($6,074,860)**
143	AEP Pro Serv, Inc.	$0	$3,952	($10,831)	($223)	$331	($6,771)	($6,771)
	AEP Pro Serv, Inc.	**$0**	**$3,952**	**($10,831)**	**($223)**	**$331**	**($6,771)**	**($6,771)**
245	Dolet Hills	$1,549	$160,500	($460,707)	($14,977)	$14,079	($301,105)	($299,556)
	Dolet Hills	**$1,549**	**$160,500**	**($460,707)**	**($14,977)**	**$14,079**	**($301,105)**	**($299,556)**
	Total	**$4,170,164**	**$38,906,588**	**($108,337,887)**	**($12,721,638)**	**$3,310,867**	**($78,842,070)**	**($74,671,906)**
	Total without Dolet Hills	**$4,168,615**	**$38,746,088**	**($107,877,180)**	**($12,706,661)**	**$3,296,788**	**($78,540,965)**	**($74,372,350)**

Key Assumptions as of January 1, 2024:

Discount rate	5.15%
Valuation data	1/1/2024
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	6.75%
Updated 2024 per capita claims cost assumption	
Initial 2024 trend rate	7.00%/9.00% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	5

Initial participation of 76% in 2024 grading down to 60% in 2032+
Percentage of retirees dropping coverage annually is 4% for 2024+ for capped retirees and 0.85% for uncapped retirees
All other assumptions and methods as described in our forecasting information letter dated January 16, 2024.

AMERICAN ELECTRIC POWER
UMWA POSTRETIREMENT WELFARE PLAN
2024 NET PERIODIC POSTRETIREMENT BENEFIT COST

	Location	*Service Cost*	*Interest Cost*	*Expected Return on Assets*	*"Other" Cost* Amortizations PSC	*(G)/L*	*Total "Other" Cost*	*Net Periodic Pension Cost*
140	Appalachian Power Co - Distribution	0	0	0	0	0	0	0
215	Appalachian Power Co - Generation	0	0	0	0	0	0	0
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
225	Cedar Coal Co	0	790,927	0	0	(70,194)	720,733	720,733
	Appalachian Power Co. - SEC	**$0**	**$790,927**	**$0**	**$0**	**($70,194)**	**$720,733**	**$720,733**
211	AEP Texas Central Company - Distribution	0	0	0	0	0	0	0
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	0	0	0	0	0	0	0
	AEP Texas Central Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
119	AEP Texas North Company - Distribution	0	0	0	0	0	0	0
166	AEP Texas North Company - Generation	0	0	0	0	0	0	0
192	AEP Texas North Company - Transmission	0	0	0	0	0	0	0
	AEP Texas North Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	AEP Texas	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
170	Indiana Michigan Power Co - Distribution	0	0	0	0	0	0	0
132	Indiana Michigan Power Co - Generation	0	0	0	0	0	0	0
190	Indiana Michigan Power Co - Nuclear	0	0	0	0	0	0	0
120	Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0
280	Ind Mich River Transp Lakin	0	0	0	0	0	0	0
	Indiana Michigan Power Co. - SEC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
110	Kentucky Power Co - Distribution	0	0	0	0	0	0	0
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
250	Ohio Power Co - Distribution	0	0	0	0	0	0	0
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
167	Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0
198	Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0
114	Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0
	Public Service Co. of Oklahoma	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
159	Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0
168	Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0
161	Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0
	Southwestern Electric Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
230	Kingsport Power Co - Distribution	0	0	0	0	0	0	0
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
210	Wheeling Power Co - Distribution	0	0	0	0	0	0	0
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	0	0	0	0	0	0	0
	Wheeling Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
103	American Electric Power Service Corporation	0	0	0	0	0	0	0
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
270	Cook Coal Terminal	298,473	1,865,362	(3,463,266)	0	(160,184)	(1,758,088)	(1,459,615)
	AEP Generating Company	**$298,473**	**$1,865,362**	**($3,463,266)**	**$0**	**($160,184)**	**($1,758,088)**	**($1,459,615)**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	0	0	0	0	0	0
	AEP Generation Resources - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
290	Conesville Coal Preparation Company	0	563,605	0	0	(49,578)	514,027	514,027
	AEP Generation Resources - SEC	**$0**	**$563,605**	**$0**	**$0**	**($49,578)**	**$514,027**	**$514,027**
175	AEP Energy Partners	0	0	0	0	0	0	0
400	AEP Energy	0	0	0	0	0	0	0
419	Onsite Partners	0	0	0	0	0	0	0
	AEP Energy Supply	**$0**	**$563,605**	**$0**	**$0**	**($49,578)**	**$514,027**	**$514,027**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$298,473**	**$3,219,894**	**($3,463,266)**	**$0**	**($279,956)**	**($523,328)**	**($224,855)**

Key Assumptions as of January 1, 2024:

Discount rate	5.15%
Valuation data	1/1/2024
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), blue collar
Mortality projection scale	Generational MP-2021
Expected return on assets	6.75%
Updated 2024 per capita claims cost assumption	
Initial 2024 trend rate	7.00%/9.00% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	5

All other assumptions and methods as described in our forecasting information letter dated January 16, 2024.

March 27, 2023

Mr. Aaron L. Hill
Director of Trusts and Investments
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

Mr. Russell G. Doyle
Accounting Senior Manager
American Electric Power Company
1 Riverside Plaza, 28th Floor
Columbus, Ohio 43215

2023 Preliminary Pension and Postretirement Welfare Valuation Results

Dear Aaron and Russell:

As requested, we have completed the 2023 preliminary actuarial valuations for the qualified pension plan, nonqualified pension plan and postretirement welfare plans sponsored by American Electric Power Service Corporation (AEP). The following is a summary of the key 2023 valuation results, followed by a brief discussion for each plan, comparing these results to the most recent estimates provided in our January 27th letter:

2023 Preliminary AEP Valuation Results ($ in Millions)				
	Funding Policy Contributions		Net Periodic Cost	
	Actual	Expected	Actual	Expected
Qualified Pension Plan[1]	$0.0	$0.0	($30.2)	($30.0)
Nonqualified Pension Plan[2]	$9.2	$6.3	$5.9	$6.0
Non-UMWA Postretirement Welfare Plan[3]	$0.6	$0.6	($108.0)	($108.2)
UMWA Postretirement Welfare Plan[4]	$2.5	$2.5	$0.7	$0.9
Total	**$12.3**	**$9.4**	**($131.6)**	**($131.3)**

[1] Contribution amounts reflect AEP's current pension funding policy to annually contribute the greater of ASC 715 service cost or PPA minimum required contribution (MRC), utilizing credit balance as available, in the year following any year-end measurement date where the funded status, on a balance sheet basis, is less than 100% (policy prior to 2023 had used 110%).

[2] Contribution amounts are equal to expected benefit payments in 2023.

[3] Contribution amounts are equal to net periodic cost, plus Retiree Drug Subsidy (RDS) payments received during the year (the sum of which can be no less than zero), plus expected benefit payments for key employees.

[4] Contribution amount reflects AEP's policy to fund Cook Coal ASC 715 cost (not less than $0). Amount shown also includes expected benefit payments for all other locations.

1001 Lakeside Avenue
Suite 1500
Cleveland, OH 44114-1172

T +1 216 937 4000
W wtwco.com

Willis Towers Watson US LLC



The most recent estimates provided in January reflect the assumptions described in section III, "Key Assumptions," and included the estimated effect of the following in the accounting results:

- Investment performance during 2022 and our understanding that AEP does not plan to make a cash contribution to the qualified pension plan during 2023 based on the December 31, 2022 funded status
- Reflection of the Inflation Reduction Act, which reduced the level of expected government retiree healthcare subsidies to be received by AEP
- Reflection of employee transfers from Kammer Actives to Ohio Power Co – Generation and Mitchell actives and inactives to Wheeling Power Co - Generation

The results provided in this letter further reflect demographic experience (during 2022) based on valuation data as of January 1, 2023. The accounting results for 2023 may be considered final pending recognition of any one-time events that would require a remeasurement. The funding results for the qualified pension plan will require discussion with and decisions from AEP in order to finalize. We intend to discuss the options available during the preliminary valuation results review meeting to be scheduled for later in 2023.

I. Qualified Pension Plan Funding Results

Funded Status and Benefit Restrictions

The preliminary PPA funded status of the plan reflecting stabilized interest rates as of January 1, 2023, is **104.24%** when comparing the actuarial value of assets ($4.193 billion) to the funding target obligation ($4.022 billion). The actuarial value of assets is smoothed based on the asset smoothing method elected by AEP (based on the adjusted monthly asset market values for the valuation date and the six preceding months). Because prefunding balance is anticipated to be used to satisfy the minimum required contribution for the 2023 plan year, credit balances (funding standard carryover balance and prefunding balance) are required to be subtracted from the asset value for measuring funded status for the purpose of determining benefit restrictions. As a result, the funded status for determining benefit restrictions is **80.45%**, where a funding level at or above 80% avoids the application of benefit restrictions.

The preliminary PPA funded status is based on the final regulations issued by the IRS updating the prescribed mortality assumption to be used to determine minimum funding requirements (required for the 2023 plan year) and the interest rates as specified by MAP-21, HATFA, the 2015 Bipartisan Budget Act, the 2021 American Rescue Plan Act, and the Investment Infrastructure and Jobs Act for use for the 2023 Plan Year.

We will certify the plan's Adjusted Funding Target Attainment Percentage (AFTAP) upon AEP's request and based on contributions and credit balance elections made prior to the date of certification.

Credit Balance

A credit balance can be created to the extent that AEP has made past contributions in excess of the minimum amounts required by law. Credit balance can be used to offset future contribution requirements, and to the extent that it is not used or forfeited in a particular plan year, will increase/decrease based on the actual rate of return on plan assets.

The plan's preliminary credit balance as of January 1, 2023 is $957 million. A roll-forward of the credit balance from January 1, 2022, to January 1, 2023, is as follows (in millions):

• Credit balance as of January 1, 2022	$1,154
• Amount used to satisfy plan year 2022 minimum required contributions	0.0
• Reduction due to actual 2022 asset returns	(197.0)
• Amount added to credit balance as of January 1, 2023, due to plan year 2022 contributions in excess of amount required[1]	0.0
• Known elections to forfeit as of January 1, 2023	**0.0**
• Credit balance as of January 1, 2023	$957

Minimum Required Contribution Amount

The plan year 2023 minimum required contribution (MRC) is **$178** million as of January 1, 2023. The MRC for the 2023 plan year must be satisfied by September 15, 2024.

This minimum required contribution includes a contribution to cover benefits expected to accrue in the coming year plus any expenses expected to be paid from the trust in the coming year (target normal cost) which amounts to $106 million for the 2023 plan year. The minimum required contribution also includes a 15-year amortization of any funding shortfall (amortization installments) amounting to $72 million for the 2023 plan year.

Consistent with AEP's funding policy, it is assumed that no cash contribution will be made for the 2023 plan year and that credit balances will be used to satisfy the MRC. Because the funding standard carryover balance (FSCB) of approx. $96 million is insufficient to fully satisfy the target normal cost of $106 million, prefunding balance is used to satisfy the remainder. As a result, the determination of the plan's surplus/(shortfall) position must deduct credit balances from the amount of smoothed assets which is then measured against the plan's funding target. This produces a (shortfall) position of approx. ($786) million, which is then amortized over a 15-year period, producing an installment payment of $72 million.

During our preliminary valuation results meeting we will work with you to evaluate AEP's options for satisfying contribution requirements and any additional analysis that is desired relating to credit balance management and cash contribution strategies.

[1] There may be further additions to credit balance as of January 1, 2023 if AEP makes additional contributions on behalf of the 2022 plan year.

PBGC 4010 Filing

A PBGC 4010 filing for the 2023 information year would currently be required, as the PBGC 4010 funded percentage of **68.82%** is below the 80% threshold and the shortfall on that basis is in excess of $15 million. This filing would need to be completed by April 15, 2024.

On a PBGC 4010 basis, liabilities are measured using a 24-month non-stabilized interest rate average and assets are the same smoothed value as used for determining contribution requirements reduced by credit balances. A substantial deterioration of funded status from the prior year (85.11%), on this basis, results from a disconnect in how rapidly rising interest rates are impacting liabilities and assets. Due to the 24-month interest rate averaging, liabilities are not yet fully reflecting the rapid increase in interest rates, whereas AEP's six-month smoothed assets largely captures the impact of diminished fixed income asset values.

If a filing is required, information regarding certain company financials and participant obligations (using PBGC prescribed assumptions) must be prepared. Note that based on the plan's funded level, a receivable contribution of $525 million would be needed to avoid a4010 filing for the 2023 information year. Since we would not expect AEP to contribute that level of cash contributions merely to avoid a filing requirement, we would anticipate the filing will be required (we will provide an estimated fee prior to preparing the filing information). Also, this filing is required for any qualified pension plan included in AEP's controlled group (i.e., one plan in a controlled group triggers a need for the filing information for all plans). We are not aware of additional plans that would need to be included, but this would need to be verified when the filing is being prepared.

PBGC Variable Rate Premium

The 2023 PBGC variable rate premium based on the standard premium funding target method is **$0**. AEP first elected the standard method for the January 1, 2014 plan year and may elect to change to the alternative premium funding target method at any point in time. However, electing to change the premium method will lock AEP into the alternative method for this year and the next four plan years. At this time, we do not recommend such a change, as it would have adverse financial impact and would restrict AEP's ability to make a premium method election change at the next valuation date should that prove advantageous.

II. U.S. GAAP Accounting Results

Please see the attached Exhibit I for by-component FY 2023 net periodic cost information on a by-location basis.

A. Qualified Pension Plan Results

The plan's projected benefit obligation (PBO) as of January 1, 2023 is approximately 0.75% higher than the most recent estimate provided in January; actual PBO of $4,044.8 million compared to an estimated PBO $4,014.6million. The increase in PBO is primarily driven by salary increases greater than expected and inflation-linked benefit increases greater than assumed for a subset of annuitants who receive cost of living adjustments.

The actual FY 2023 benefit income is in-line with our previous estimates (income of $30.2 million versus estimated income of 30.0 million). This increase in income primarily results from lower service cost than projected, due to fewer new actives in the plan than expected as of the census date. The effect of the decrease in service cost is mostly offset by a lower expected asset return, which reflects an increase in the amount of benefits anticipated to be paid in 2023.



On a by-location basis, the loss is spread among various registrants as in-pay loss sources (e.g., inflation linked benefits) and active loss sources (e.g., pay greater than assumed) are operating in different capacities across the plan. Additionally, due to pension data clean-up by the ongoing administrator, some beneficiaries who were previously assumed to generally be associated with participants at the American Electric Power Service Corp location were now linked to the location of the original employee. As a result, obligation movements by location are more variable at this measurement date than in previous years, however the plan obligation in aggregate is unaffected by the reallocation of these beneficiaries. The reversion of these beneficiaries to their original participant's location can be seen, primarily, by the obligation gain resulting at the American Electric Power Service Corp location.

B. Non-Qualified Pension Plan Results

The actual FY 2023 benefit cost of $5.9 million is in-line with the January estimates. The decrease in active plan population due to terminations / commencements more than offset salary increases greater than expected and provided a moderate reduction to service cost.

In contrast, the plan's PBO as of January 1, 2023 being approximately 3.2% higher than estimated in January due to the following reasons: salary increases greater than assumed, lower in-pay mortality than assumed, and inflation-linked benefit increases greater than assumed for those receiving annuities.

C. Non-UMWA and UMWA Postretirement Welfare Plans

Non-UMWA plan obligations are in line with the obligations estimated in the year-end 2022 disclosures. The FY 2023 cost amounts are also in line with our previous estimates (income of $108.0 million versus estimated income of $108.2 million). In general, the cost is in-line with expectations across all locations without any significant outlier.

UMWA plan obligations are in line with the obligations estimated in the year-end 2022 disclosures. The FY 2023 cost amounts are also slightly less than our previous estimates (cost of $0.7 million versus estimated cost of $0.9 million). The slight decrease in FY2023 cost compared to expected was primarily the result of demographic gains due to terminations. In general, the cost is in-line with expectations across all locations.

III. Key Assumptions

Assumption	As of January 1, 2023
Discount Rate • Qualified • Nonqualified • Non-UMWA • UMWA	 • 5.50% • 5.60% • 5.50% • 5.45%
Mortality (accounting purposes)	Pri-2012 (using contingent survivor tables only after retiree death), with generational MP-2021 projection. Collar Adjustments: • Qualified: No collar • Nonqualified: White collar • Non-UMWA: No collar • UMWA: Blue collar
Termination rates	Based on 2019 experience study
Retirement rates	Based on 2019 experience study with average retirement age of 63
Expected return on assets for fiscal year 2023 • Qualified • Non-UMWA • UMWA	 • 7.50% • 7.25% • 7.00%
Salary increase rate	5.05% weighted average; varies by age from 3.0% to 11.5% based on 2019 experience study (CPI = 2.50%)
Lump sum conversion rate (accounting purposes)	4.48%
Lump sum mortality (accounting purposes)	PPA 2023 optional combined mortality with static projection to commencement using MP-2021
Cash balance interest crediting rate	4.25%
Health care trend rate	7.5% (Medical) and 10.0% (Rx) trend rates in 2023, grading down to 4.5% in 2029+ Dental trend rate of 3.0%
Per capita claims costs	Based on claims incurred in calendar year 2021 and paid through December 31, 2021, Medicare Advantage premium rates for 2023-2028 and projected 2023 EGWP payments pmpm from ESI (Non-UMWA) Based on 48 months of claims paid through September 30, 2022 (UMWA)

Assumption	As of January 1, 2023
Participation rate	• Non-UMWA: 78% in 2023, decreasing 2%/year until 60% in 2032 • UMWA: 100%
Persistency rate	• Non-UMWA: Drop coverage at rates of 3% for 2023 and 4%/year for 2024 and beyond for capped retirees; 0.85%/year for uncapped retirees • UMWA: 100%

Other assumptions

The required contributions described above assume that the plan's credit balance will be used to satisfy contributions to the extent that a quarterly requirement precedes a contribution under AEP's funding policy.

All accounting assumptions other than those noted are consistent with those used to develop year-end 2022 financial disclosure information, as documented in our report dated January 26, 2023 (as revised for updated asset information provided January 23, 2023).

IV. Reliances and Certification

The preliminary results presented above and included in the attached exhibits are based on the data, assumptions, methods, models and plan provisions to be outlined in the actuarial valuation reports to determine funding and accounting requirements for the plan year and fiscal year beginning January 1, 2023, to be delivered later in the spring. Therefore, the descriptions of the data, assumptions, methods, models, plan provisions and limitations of the valuation report and their use should be considered part of this letter report.

In addition, the results are subject to the "Statement of funding-related risks of plan in accordance with ASOP No. 51" included in the 2022 qualified pension plan valuation report dated September 26, 2022 and the "Model Descriptions and Disclosures in accordance with ASOP No. 56" included in the 2022 year-end accounting report dated January 26, 2023. Further each ASOP disclosure is to be additionally included in the respective upcoming valuation reports. Therefore, such information, and the reliances and limitations of the valuation reports, upcoming valuation reports and the statement and their use, should be considered part of this letter report.

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The undersigned consulting actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

If you have any questions, please call Joe at (216) 937-4204, Chad at (330) 353-3367 or Max at (216) 937-4119.

Sincerely,



Joseph A. Perko, FSA, EA
Director – Valuation Actuary



Chad Greenwalt, FSA, EA
Director – Valuation Actuary



Max T. Murphy, FSA, EA
Senior Associate – Valuation Actuary

Enclosures

cc: Mr. Michael A. Baird — American Electric Power Company
Mr. Steven R. Coe — American Electric Power Company
Ms. Nicole R. Damron — American Electric Power Company
Mr. Steven P. Messner – American Electric Power Company
Ms. Christine L. Pabst — American Electric Power Company
Ms. Jeanna M. Overstreet — American Electric Power Company
WTW Team

AMERICAN ELECTRIC POWER
QUALIFIED PENSION PLAN
2023 NET PERIODIC PENSION COST

	Location	Service Cost	"Other" Cost: Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	"Other" Cost: Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	5,693,102	14,091,607	(23,140,108)	0	0	(9,048,501)	(3,355,399)
215	Appalachian Power Co - Generation	3,306,370	11,168,892	(19,945,442)	0	0	(8,776,550)	(5,470,180)
150	Appalachian Power Co - Transmission	57,023	1,036,517	(1,173,684)	0	0	(137,167)	(80,144)
	Appalachian Power Co. - FERC	**$9,056,495**	**$26,297,016**	**($44,259,234)**	**$0**	**$0**	**($17,962,218)**	**($8,905,723)**
225	Cedar Coal Co	0	98,151	(383,281)	0	0	(285,130)	(285,130)
	Appalachian Power Co. - SEC	**$9,056,495**	**$26,395,167**	**($44,642,515)**	**$0**	**$0**	**($18,247,348)**	**($9,190,853)**
211	AEP Texas Central Company - Distribution	5,279,901	12,424,809	(18,449,768)	0	0	(6,024,959)	(745,058)
147	AEP Texas Central Company - Generation	0	66,964	(1,092,227)	0	0	(1,025,263)	(1,025,263)
169	AEP Texas Central Company - Transmission	969,554	1,549,996	(1,796,195)	0	0	(246,199)	723,355
	AEP Texas Central Co.	**$6,249,455**	**$14,041,769**	**($21,338,190)**	**$0**	**$0**	**($7,296,421)**	**($1,046,966)**
119	AEP Texas North Company - Distribution	1,398,703	2,966,463	(4,008,377)	0	0	(1,041,914)	356,789
166	AEP Texas North Company - Generation	0	578,881	(1,949,696)	0	0	(1,370,815)	(1,370,815)
192	AEP Texas North Company - Transmission	550,164	586,405	(772,288)	0	0	(185,883)	364,281
	AEP Texas North Co.	**$1,948,867**	**$4,131,749**	**($6,730,361)**	**$0**	**$0**	**($2,598,612)**	**($649,745)**
	AEP Texas	**$8,198,322**	**$18,173,518**	**($28,068,551)**	**$0**	**$0**	**($9,895,033)**	**($1,696,711)**
170	Indiana Michigan Power Co - Distribution	3,363,962	6,811,894	(12,097,214)	0	0	(5,285,320)	(1,921,358)
132	Indiana Michigan Power Co - Generation	1,011,719	3,490,868	(8,227,186)	0	0	(4,736,318)	(3,724,599)
190	Indiana Michigan Power Co - Nuclear	6,231,377	11,536,774	(18,590,554)	0	0	(7,053,780)	(822,403)
120	Indiana Michigan Power Co - Transmission	826,526	1,730,338	(2,576,651)	0	0	(846,313)	(19,787)
280	Ind Mich River Transp Lakin	419,512	1,264,316	(2,732,867)	0	0	(1,468,551)	(1,049,039)
	Indiana Michigan Power Co. - SEC	**$11,853,096**	**$24,834,190**	**($44,224,472)**	**$0**	**$0**	**($19,390,282)**	**($7,537,186)**
110	Kentucky Power Co - Distribution	1,307,872	3,368,340	(4,610,457)	0	0	(1,242,117)	65,755
117	Kentucky Power Co - Generation	149,865	1,326,344	(2,464,590)	0	0	(1,138,246)	(988,381)
180	Kentucky Power Co - Transmission	14,102	118,611	(55,637)	0	0	62,974	77,076
	Kentucky Power Co.	**$1,471,839**	**$4,813,295**	**($7,130,684)**	**$0**	**$0**	**($2,317,389)**	**($845,550)**
250	Ohio Power Co - Distribution	8,262,797	18,264,325	(31,381,637)	0	0	(13,117,312)	(4,854,515)
160	Ohio Power Co - Transmission	150,322	1,566,663	(2,692,299)	0	0	(1,125,636)	(975,314)
	Ohio Power Co.	**$8,413,119**	**$19,830,988**	**($34,073,936)**	**$0**	**$0**	**($14,242,948)**	**($5,829,829)**
167	Public Service Co of Oklahoma - Distribution	3,537,145	6,893,688	(11,170,516)	0	0	(4,276,828)	(739,683)
198	Public Service Co of Oklahoma - Generation	1,426,579	2,962,413	(5,789,871)	0	0	(2,827,458)	(1,400,879)
114	Public Service Co of Oklahoma - Transmission	573,410	811,370	(1,401,963)	0	0	(590,593)	(17,183)
	Public Service Co. of Oklahoma	**$5,537,134**	**$10,667,471**	**($18,362,350)**	**$0**	**$0**	**($7,694,879)**	**($2,157,745)**
159	Southwestern Electric Power Co - Distribution	2,745,446	5,080,534	(7,280,833)	0	0	(2,200,299)	545,147
168	Southwestern Electric Power Co - Generation	3,080,464	5,627,085	(7,336,923)	0	0	(1,709,838)	1,370,626
161	Southwestern Electric Power Co - Texas - Distribution	1,244,727	2,300,523	(3,374,577)	0	0	(1,074,054)	170,673
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	623,224	843,026	(1,390,840)	0	0	(547,814)	75,410
	Southwestern Electric Power Co.	**$7,693,861**	**$13,851,168**	**($19,383,173)**	**$0**	**$0**	**($5,532,005)**	**$2,161,856**
230	Kingsport Power Co - Distribution	287,420	696,513	(1,063,199)	0	0	(366,686)	(79,266)
260	Kingsport Power Co - Transmission	0	74,766	(76,925)	0	0	(2,159)	(2,159)
	Kingsport Power Co.	**$287,420**	**$771,279**	**($1,140,124)**	**$0**	**$0**	**($368,845)**	**($81,425)**
210	Wheeling Power Co - Distribution	195,660	591,512	(1,154,262)	0	0	(562,750)	(367,090)
200	Wheeling Power Co - Transmission	0	8,646	(56,315)	0	0	(47,669)	(47,669)
413	Wheeling Power Co - Generation	936,291	2,772,637	(5,736,432)	0	0	(2,963,795)	(2,027,504)
	Wheeling Power Co.	**$1,131,951**	**$3,372,795**	**($6,947,009)**	**$0**	**$0**	**($3,574,214)**	**($2,442,263)**
103	American Electric Power Service Corporation	38,115,091	79,896,069	(94,724,201)	0	0	(14,828,132)	23,286,959
293	Elmwood	0	50,576	(479,019)	0	0	(428,443)	(428,443)
292	AEP River Operations LLC	0	490,537	(4,044,633)	0	0	(3,554,096)	(3,554,096)
	American Electric Power Service Corp	**$38,115,091**	**$80,437,182**	**($99,247,853)**	**$0**	**$0**	**($18,810,671)**	**$19,304,420**
270	Cook Coal Terminal	61,289	123,797	(325,888)	0	0	(202,091)	(140,802)
	AEP Generating Company	**$61,289**	**$123,797**	**($325,888)**	**$0**	**$0**	**($202,091)**	**($140,802)**
104	Cardinal Operating Company	1,486	2,606,720	(7,367,001)	0	0	(4,760,281)	(4,758,795)
181	Ohio Power Co - Generation	0	8,636,997	(26,893,409)	0	0	(18,256,412)	(18,256,412)
	AEP Generation Resources - FERC	**$1,486**	**$11,243,717**	**($34,260,410)**	**$0**	**$0**	**($23,016,693)**	**($23,015,207)**
290	Conesville Coal Preparation Company	0	92,858	(340,055)	0	0	(247,197)	(247,197)
	AEP Generation Resources - SEC	**$1,486**	**$11,336,575**	**($34,600,465)**	**$0**	**$0**	**($23,263,890)**	**($23,262,404)**
400	AEP Energy	1,369,353	1,211,304	(982,121)	0	0	229,183	1,598,536
	AEP Energy Supply	**$1,370,839**	**$12,547,879**	**($35,582,586)**	**$0**	**$0**	**($23,034,707)**	**($21,663,868)**
143	AEP Pro Serv, Inc.	0	50,014	(74,027)	0	0	(24,013)	(24,013)
	AEP Pro Serv, Inc.	**$0**	**$50,014**	**($74,027)**	**$0**	**$0**	**($24,013)**	**($24,013)**
245	Dolet Hills	92,863	128,117	(298,323)	0	0	(170,206)	(77,343)
	Dolet Hills	**$92,863**	**$128,117**	**($298,323)**	**$0**	**$0**	**($170,206)**	**($77,343)**
	Total	**$93,283,319**	**$215,996,860**	**($339,501,491)**	**$0**	**$0**	**($123,504,631)**	**($30,221,312)**
	Total without Dolet Hills	**$93,190,456**	**$215,868,743**	**($339,203,168)**	**$0**	**$0**	**($123,334,425)**	**($30,143,969)**

Key Assumptions as of January 1, 2023:

Discount rate	5.50%
Valuation data	1/1/2023
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	7.50%
Interest crediting rate	4.25%
Lump sump conversion rate	4.48%
Lump sum mortality	PPA 2023 optional combined mortality with static projection to commencement using MP-2021
Contribution Policy	No contribution is assumed to be made during 2023.

All other assumptions and methods as described in our forecasting information letter dated January 27, 2023.

AMERICAN ELECTRIC POWER
NON-QUALIFIED PENSION PLAN
2023 NET PERIODIC PENSION COST

	Location	Service Cost	"Other" Cost: Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	"Other" Cost: Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	13,752	13,352	0	0	4,939	18,291	32,043
215	Appalachian Power Co - Generation	2,858	4,355	0	0	1,679	6,034	8,892
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$16,610**	**$17,707**	**$0**	**$0**	**$6,618**	**$24,325**	**$40,935**
225	Cedar Coal Co	0	0	0	0	0	0	0
	Appalachian Power Co. - SEC	**$16,610**	**$17,707**	**$0**	**$0**	**$6,618**	**$24,325**	**$40,935**
211	AEP Texas Central Company - Distribution	13,264	106,783	0	0	44,148	150,931	164,195
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	68	17	0	0	5	22	90
	AEP Texas Central Co.	**$13,332**	**$106,800**	**$0**	**$0**	**$44,153**	**$150,953**	**$164,285**
119	AEP Texas North Company - Distribution	21	5	0	0	2	7	28
166	AEP Texas North Company - Generation	0	21,613	0	0	9,095	30,708	30,708
192	AEP Texas North Company - Transmission	25	8	0	0	3	11	36
	AEP Texas North Co.	**$46**	**$21,626**	**$0**	**$0**	**$9,100**	**$30,726**	**$30,772**
	AEP Texas	**$13,378**	**$128,426**	**$0**	**$0**	**$53,253**	**$181,679**	**$195,057**
170	Indiana Michigan Power Co - Distribution	14,703	15,577	0	0	5,870	21,447	36,150
132	Indiana Michigan Power Co - Generation	14	19	0	0	7	26	40
190	Indiana Michigan Power Co - Nuclear	39,448	58,217	0	0	27,797	86,014	125,462
120	Indiana Michigan Power Co - Transmission	796	3,844	0	0	1,606	5,450	6,246
280	Ind Mich River Transp Lakin	0	0	0	0	0	0	0
	Indiana Michigan Power Co. - SEC	**$54,961**	**$77,657**	**$0**	**$0**	**$35,280**	**$112,937**	**$167,898**
110	Kentucky Power Co - Distribution	1,891	564	0	0	179	743	2,634
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$1,891**	**$564**	**$0**	**$0**	**$179**	**$743**	**$2,634**
250	Ohio Power Co - Distribution	7,251	15,401	0	0	6,012	21,413	28,664
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$7,251**	**$15,401**	**$0**	**$0**	**$6,012**	**$21,413**	**$28,664**
167	Public Service Co of Oklahoma - Distribution	9,978	54,308	0	0	22,225	76,533	86,511
198	Public Service Co of Oklahoma - Generation	1,812	19,938	0	0	8,383	28,321	30,133
114	Public Service Co of Oklahoma - Transmission	229	60	0	0	18	78	307
	Public Service Co. of Oklahoma	**$12,019**	**$74,306**	**$0**	**$0**	**$30,626**	**$104,932**	**$116,951**
159	Southwestern Electric Power Co - Distribution	7,831	16,620	0	0	8,252	24,872	32,703
168	Southwestern Electric Power Co - Generation	1,418	45,072	0	0	18,437	63,509	64,927
161	Southwestern Electric Power Co - Texas - Distribution	1,217	293	0	0	88	381	1,598
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	22	6	0	0	2	8	30
	Southwestern Electric Power Co.	**$10,488**	**$61,991**	**$0**	**$0**	**$26,779**	**$88,770**	**$99,258**
230	Kingsport Power Co - Distribution	0	0	0	0	0	0	0
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
210	Wheeling Power Co - Distribution	0	0	0	0	0	0	0
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	103	256	0	0	99	355	458
	Wheeling Power Co.	**$103**	**$256**	**$0**	**$0**	**$99**	**$355**	**$458**
103	American Electric Power Service Corporation	879,382	2,753,897	0	18,036	1,141,401	3,913,334	4,792,716
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$879,382**	**$2,753,897**	**$0**	**$18,036**	**$1,141,401**	**$3,913,334**	**$4,792,716**
270	Cook Coal Terminal	0	0	0	0	0	0	0
	AEP Generating Company	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	31,739	0	0	13,098	44,837	44,837
	AEP Generation Resources - FERC	**$0**	**$31,739**	**$0**	**$0**	**$13,098**	**$44,837**	**$44,837**
290	Conesville Coal Preparation Company	0	0	0	0	0	0	0
	AEP Generation Resources - SEC	**$0**	**$31,739**	**$0**	**$0**	**$13,098**	**$44,837**	**$44,837**
400	AEP Energy	97,659	197,846	0	0	78,292	276,138	373,797
	AEP Energy Supply	**$97,659**	**$229,585**	**$0**	**$0**	**$91,390**	**$320,975**	**$418,634**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$1,093,742**	**$3,359,790**	**$0**	**$18,036**	**$1,391,637**	**$4,769,463**	**$5,863,205**
	Total without Dolet Hills	**$1,093,742**	**$3,359,790**	**$0**	**$18,036**	**$1,391,637**	**$4,769,463**	**$5,863,205**

Key Assumptions as of January 1, 2023:

Discount rate	5.60%
Valuation data	1/1/2023
Mortality base table	Pri-2012 (using contingent survivor tables after retiree death), white collar
Mortality projection scale	Generational MP-2021
Interest crediting rate	4.25%
Lump sump conversion rate	4.48%
Lump sum mortality	PPA 2023 optional combined mortality with static projection to commencement using MP-2021

All other assumptions and methods as described in our forecasting information letter dated January 27, 2023.

AMERICAN ELECTRIC POWER
NON-UMWA POSTRETIREMENT WELFARE PLAN
2023 NET PERIODIC POSTRETIREMENT BENEFIT COST

	Location	Service Cost	"Other" Cost: Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	257,430	3,316,946	(8,302,876)	(4,655,048)	1,154,004	(8,486,974)	(8,229,544)
215	Appalachian Power Co - Generation	235,731	2,777,652	(6,945,846)	(3,776,986)	965,393	(6,979,787)	(6,744,056)
150	Appalachian Power Co - Transmission	1,965	321,531	(801,409)	(700,040)	111,387	(1,068,531)	(1,066,566)
	Appalachian Power Co. - FERC	**$495,126**	**$6,416,129**	**($16,050,131)**	**($9,132,074)**	**$2,230,784**	**($16,535,292)**	**($16,040,166)**
225	Cedar Coal Co	0	4,439	(11,403)	(5,175)	1,585	(10,554)	(10,554)
	Appalachian Power Co. - SEC	**$495,126**	**$6,420,568**	**($16,061,534)**	**($9,137,249)**	**$2,232,369**	**($16,545,846)**	**($16,050,720)**
211	AEP Texas Central Company - Distribution	242,397	2,399,029	(5,980,014)	(3,540,064)	831,153	(6,289,896)	(6,047,499)
147	AEP Texas Central Company - Generation	0	0	0	(9,150)	0	(9,150)	(9,150)
169	AEP Texas Central Company - Transmission	39,078	241,154	(594,959)	(358,807)	82,693	(629,919)	(590,841)
	AEP Texas Central Co.	**$281,475**	**$2,640,183**	**($6,574,973)**	**($3,908,021)**	**$913,846**	**($6,928,965)**	**($6,647,490)**
119	AEP Texas North Company - Distribution	53,222	731,782	(1,833,205)	(1,173,881)	254,794	(2,020,510)	(1,967,288)
166	AEP Texas North Company - Generation	0	130,165	(329,733)	(44,678)	45,829	(198,417)	(198,417)
192	AEP Texas North Company - Transmission	14,287	99,775	(247,090)	(216,756)	34,343	(329,728)	(315,441)
	AEP Texas North Co.	**$67,509**	**$961,722**	**($2,410,028)**	**($1,435,315)**	**$334,966**	**($2,548,655)**	**($2,481,146)**
	AEP Texas	**$348,984**	**$3,601,905**	**($8,985,001)**	**($5,343,336)**	**$1,248,812**	**($9,477,620)**	**($9,128,636)**
170	Indiana Michigan Power Co - Distribution	138,380	1,567,081	(3,926,427)	(2,349,517)	545,728	(4,163,135)	(4,024,755)
132	Indiana Michigan Power Co - Generation	36,010	1,042,303	(2,651,669)	(1,701,716)	368,551	(2,942,531)	(2,906,521)
190	Indiana Michigan Power Co - Nuclear	342,792	2,033,272	(5,057,239)	(3,293,537)	702,898	(5,614,606)	(5,271,814)
120	Indiana Michigan Power Co - Transmission	32,758	375,901	(937,356)	(541,659)	130,282	(972,832)	(940,074)
280	Ind Mich River Transp Lakin	43,557	371,465	(927,514)	(746,079)	128,914	(1,173,214)	(1,129,657)
	Indiana Michigan Power Co. - SEC	**$593,497**	**$5,390,022**	**($13,500,205)**	**($8,632,508)**	**$1,876,373**	**($14,866,318)**	**($14,272,821)**
110	Kentucky Power Co - Distribution	56,050	666,586	(1,665,418)	(1,112,568)	231,474	(1,879,926)	(1,823,876)
117	Kentucky Power Co - Generation	5,549	564,356	(1,440,709)	(563,425)	200,242	(1,239,536)	(1,233,987)
180	Kentucky Power Co - Transmission	1,243	38,144	(95,019)	(181,470)	13,207	(225,138)	(223,895)
	Kentucky Power Co.	**$62,842**	**$1,269,086**	**($3,201,146)**	**($1,857,463)**	**$444,923**	**($3,344,600)**	**($3,281,758)**
250	Ohio Power Co - Distribution	394,005	4,271,921	(10,704,526)	(5,350,270)	1,487,806	(10,295,069)	(9,901,064)
160	Ohio Power Co - Transmission	5,129	450,971	(1,129,942)	(919,317)	157,049	(1,441,239)	(1,436,110)
	Ohio Power Co.	**$399,134**	**$4,722,892**	**($11,834,468)**	**($6,269,587)**	**$1,644,855**	**($11,736,308)**	**($11,337,174)**
167	Public Service Co of Oklahoma - Distribution	185,630	1,434,795	(3,572,383)	(2,262,128)	496,520	(3,903,196)	(3,717,566)
198	Public Service Co of Oklahoma - Generation	86,368	749,187	(1,883,773)	(1,388,057)	261,823	(2,260,820)	(2,174,452)
114	Public Service Co of Oklahoma - Transmission	19,763	181,791	(453,827)	(288,177)	63,077	(497,136)	(477,373)
	Public Service Co. of Oklahoma	**$291,761**	**$2,365,773**	**($5,909,983)**	**($3,938,362)**	**$821,420**	**($6,661,152)**	**($6,369,391)**
159	Southwestern Electric Power Co - Distribution	150,678	1,102,060	(2,742,308)	(1,772,267)	381,149	(3,031,366)	(2,880,688)
168	Southwestern Electric Power Co - Generation	157,316	1,105,170	(2,750,678)	(1,990,840)	382,313	(3,254,035)	(3,096,719)
161	Southwestern Electric Power Co - Texas - Distribution	59,191	519,851	(1,297,799)	(870,518)	180,379	(1,468,087)	(1,408,896)
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	22,644	163,917	(406,048)	(255,828)	56,436	(441,523)	(418,879)
	Southwestern Electric Power Co.	**$389,829**	**$2,890,998**	**($7,196,833)**	**($4,889,453)**	**$1,000,277**	**($8,195,011)**	**($7,805,182)**
230	Kingsport Power Co - Distribution	20,917	145,063	(360,620)	(161,778)	50,122	(327,213)	(306,296)
260	Kingsport Power Co - Transmission	0	14,571	(36,549)	(35,769)	5,080	(52,667)	(52,667)
	Kingsport Power Co.	**$20,917**	**$159,634**	**($397,169)**	**($197,547)**	**$55,202**	**($379,880)**	**($358,963)**
210	Wheeling Power Co - Distribution	8,583	171,769	(433,468)	(235,733)	60,247	(437,185)	(428,602)
200	Wheeling Power Co - Transmission	0	1,176	(3,047)	(1,728)	424	(3,175)	(3,175)
413	Wheeling Power Co - Generation	77,220	418,778	(1,037,092)	(391,371)	144,144	(865,541)	(788,321)
	Wheeling Power Co.	**$85,803**	**$591,723**	**($1,473,607)**	**($628,832)**	**$204,815**	**($1,305,901)**	**($1,220,098)**
103	American Electric Power Service Corporation	1,569,062	11,554,406	(28,660,627)	(15,666,384)	3,983,497	(28,789,108)	(27,220,046)
293	Elmwood	0	26,967	(66,501)	(257,523)	9,243	(287,814)	(287,814)
292	AEP River Operations LLC	0	191,603	(480,022)	(1,158,960)	66,718	(1,380,661)	(1,380,661)
	American Electric Power Service Corp	**$1,569,062**	**$11,772,976**	**($29,207,150)**	**($17,082,867)**	**$4,059,458**	**($30,457,583)**	**($28,888,521)**
270	Cook Coal Terminal	2,080	30,031	(75,113)	(61,877)	10,440	(96,519)	(94,439)
	AEP Generating Company	**$2,080**	**$30,031**	**($75,113)**	**($61,877)**	**$10,440**	**($96,519)**	**($94,439)**
104	Cardinal Operating Company	0	640,161	(1,622,807)	(1,018,551)	225,552	(1,775,645)	(1,775,645)
181	Ohio Power Co - Generation	0	2,675,976	(6,776,575)	(3,895,209)	941,866	(7,053,942)	(7,053,942)
	AEP Generation Resources - FERC	**$0**	**$3,316,137**	**($8,399,382)**	**($4,913,760)**	**$1,167,418**	**($8,829,587)**	**($8,829,587)**
290	Conesville Coal Preparation Company	0	24,348	(61,863)	(46,941)	8,598	(75,858)	(75,858)
	AEP Generation Resources - SEC	**$0**	**$3,340,485**	**($8,461,245)**	**($4,960,701)**	**$1,176,016**	**($8,905,445)**	**($8,905,445)**
400	AEP Energy	25,734	60,618	(147,033)	(45,943)	20,435	(111,923)	(86,189)
	AEP Energy Supply	**$25,734**	**$3,401,103**	**($8,608,278)**	**($5,006,644)**	**$1,196,451**	**($9,017,368)**	**($8,991,634)**
143	AEP Pro Serv, Inc.	0	4,178	(10,257)	(873)	1,426	(5,526)	(5,526)
	AEP Pro Serv, Inc.	**$0**	**$4,178**	**($10,257)**	**($873)**	**$1,426**	**($5,526)**	**($5,526)**
245	Dolet Hills	13,741	183,827	(470,003)	(14,977)	65,325	(235,828)	(222,087)
	Dolet Hills	**$13,741**	**$183,827**	**($470,003)**	**($14,977)**	**$65,325**	**($235,828)**	**($222,087)**
	Total	**$4,298,510**	**$42,804,716**	**($106,930,747)**	**($63,061,575)**	**$14,862,146**	**($112,325,460)**	**($108,026,950)**
	Total without Dolet Hills	**$4,284,769**	**$42,620,889**	**($106,460,744)**	**($63,046,598)**	**$14,796,821**	**($112,089,632)**	**($107,804,863)**

Key Assumptions as of January 1, 2023:

Discount rate	5.50%
Valuation data	1/1/2023
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), without collar or quartile adjustment
Mortality projection scale	Generational MP-2021
Expected return on assets	7.25%
Updated 2023 per capita claims cost assumption	
Initial 2023 trend rate	7.50%/10.00% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	6

Initial participation of 78% in 2023 grading down to 60% in 2032+
Percentage of retirees dropping coverage annually is 3% for 2023, and 4% for 2024+ for capped retirees and 0.85% for uncapped retirees
All other assumptions and methods as described in our forecasting information letter dated January 27, 2023.

AMERICAN ELECTRIC POWER
UMWA POSTRETIREMENT WELFARE PLAN
2023 NET PERIODIC POSTRETIREMENT BENEFIT COST

	Location	Service Cost	"Other" Cost: Interest Cost	"Other" Cost: Expected Return on Assets	"Other" Cost: Amortizations PSC	"Other" Cost: Amortizations (G)/L	"Other" Cost: Total "Other" Cost	Net Periodic Pension Cost
140	Appalachian Power Co - Distribution	0	0	0	0	0	0	0
215	Appalachian Power Co - Generation	0	0	0	0	0	0	0
150	Appalachian Power Co - Transmission	0	0	0	0	0	0	0
	Appalachian Power Co. - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
225	Cedar Coal Co	0	958,635	0	0	0	958,635	958,635
	Appalachian Power Co. - SEC	**$0**	**$958,635**	**$0**	**$0**	**$0**	**$958,635**	**$958,635**
211	AEP Texas Central Company - Distribution	0	0	0	0	0	0	0
147	AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169	AEP Texas Central Company - Transmission	0	0	0	0	0	0	0
	AEP Texas Central Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
119	AEP Texas North Company - Distribution	0	0	0	0	0	0	0
166	AEP Texas North Company - Generation	0	0	0	0	0	0	0
192	AEP Texas North Company - Transmission	0	0	0	0	0	0	0
	AEP Texas North Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	AEP Texas	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
170	Indiana Michigan Power Co - Distribution	0	0	0	0	0	0	0
132	Indiana Michigan Power Co - Generation	0	0	0	0	0	0	0
190	Indiana Michigan Power Co - Nuclear	0	0	0	0	0	0	0
120	Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0
280	Ind Mich River Transp Lakin	0	0	0	0	0	0	0
	Indiana Michigan Power Co. - SEC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
110	Kentucky Power Co - Distribution	0	0	0	0	0	0	0
117	Kentucky Power Co - Generation	0	0	0	0	0	0	0
180	Kentucky Power Co - Transmission	0	0	0	0	0	0	0
	Kentucky Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
250	Ohio Power Co - Distribution	0	0	0	0	0	0	0
160	Ohio Power Co - Transmission	0	0	0	0	0	0	0
	Ohio Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
167	Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0
198	Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0
114	Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0
	Public Service Co. of Oklahoma	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
159	Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0
168	Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0
161	Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0
111	Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194	Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0
	Southwestern Electric Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
230	Kingsport Power Co - Distribution	0	0	0	0	0	0	0
260	Kingsport Power Co - Transmission	0	0	0	0	0	0	0
	Kingsport Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
210	Wheeling Power Co - Distribution	0	0	0	0	0	0	0
200	Wheeling Power Co - Transmission	0	0	0	0	0	0	0
413	Wheeling Power Co - Generation	0	0	0	0	0	0	0
	Wheeling Power Co.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
103	American Electric Power Service Corporation	0	0	0	0	0	0	0
293	Elmwood	0	0	0	0	0	0	0
292	AEP River Operations LLC	0	0	0	0	0	0	0
	American Electric Power Service Corp	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
270	Cook Coal Terminal	289,090	1,981,165	(3,145,035)	0	0	(1,163,870)	(874,780)
	AEP Generating Company	**$289,090**	**$1,981,165**	**($3,145,035)**	**$0**	**$0**	**($1,163,870)**	**($874,780)**
104	Cardinal Operating Company	0	0	0	0	0	0	0
181	Ohio Power Co - Generation	0	0	0	0	0	0	0
	AEP Generation Resources - FERC	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
290	Conesville Coal Preparation Company	0	641,609	0	0	0	641,609	641,609
	AEP Generation Resources - SEC	**$0**	**$641,609**	**$0**	**$0**	**$0**	**$641,609**	**$641,609**
400	AEP Energy	0	0	0	0	0	0	0
	AEP Energy Supply	**$0**	**$641,609**	**$0**	**$0**	**$0**	**$641,609**	**$641,609**
143	AEP Pro Serv, Inc.	0	0	0	0	0	0	0
	AEP Pro Serv, Inc.	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
245	Dolet Hills	0	0	0	0	0	0	0
	Dolet Hills	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
	Total	**$289,090**	**$3,581,409**	**($3,145,035)**	**$0**	**$0**	**$436,374**	**$725,464**

Key Assumptions as of January 1, 2023:

Discount rate	5.45%
Valuation data	1/1/2023
Mortality base table	Headcount-weighted Pri-2012 (using contingent survivor tables after retiree death), blue collar
Mortality projection scale	Generational MP-2021
Expected return on assets	7.00%
Updated 2023 per capita claims cost assumption	
Initial 2023 trend rate	7.50%/10.00% (Medical/Rx)
Ultimate trend rate	4.50%
Years to ultimate trend	6

All other assumptions and methods as described in our forecasting information letter dated January 27, 2023.

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_20 Provide a copy of the Company's actuarial reports used to record OPEB expense in 2023, 2024, and to date in 2025. Annotate and/or reconcile the relevant amounts included in the report to the OPEB expense included in the test year.

RESPONSE

Please see KPCO_R_AG_KIUC_1_19_Attachment1, KPCO_R_AG_KIUC_1_19_Attachment2 and KPCO_R_AG_KIUC_1_19_Attachment3 (referenced in AG_KIUC_1_19 above) for the requested reports. Additionally, KPCO_R_AG_KIUC_1_19_Attachment1 is annotated to show relevant amounts used to calculate Kentucky Power's OPEB expense.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_21 Provide the total benefits cost by type for the Company for each of the years 2021 through 2024, 2025 to date, and the test year.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, the Company states as follows. The actuarially determined cost for the qualified Pension plan, Other Postretirement Benefits (OPEB) plan and Supplemental Executive Retirement (SERP) plan are shown in the table below as calculated by Willis Towers Watson, excluding the impacts of the voluntary severance program.

	2021	2022	2023	2024	2025	Test Year
PENSION	1,574,817	586,132	(834,866)	(857,948)	(138,895)	(569,128)
OPEB	(2,243,272)	(2,610,846)	(1,650,566)	(1,293,876)	(886,938)	(1,304,485)
SERP	5,071	5,131	1,286	13,178	3,978	10,175

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_22 Provide the total benefits expense by type for the Company for each of the years 2021 through 2024, 2025 to date, and the test year.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, the Company states as follows. The actuarially determined expenses/(credits) for the qualified Pension plan, OPEB plan and SERP plan are shown in the table below as calculated by Willis Towers Watson, excluding the impacts of the voluntary severance program.

	2021	2022	2023	2024	2025	Test Year
PENSION	2,889,699	1,105,980	(1,859,302)	(1,869,744)	(292,660)	(1,234,039)
OPEB	(4,116,274)	(4,926,439)	(3,675,919)	(2,819,770)	(1,868,833)	(2,802,834)
SERP	9,305	9,681	2,863	28,718	8,381	21,995

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_23 Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for KPCo by department and by month for 2022, 2023, 2024, budgeted in each month in 2025, and actual in each month in 2025 for which actual information is available.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please reference KPCO_R_AG_KIUC_1_23_Attachment1 for a schedule of employee count by department for each month in 2022, 2023, 2024, and January through August 2025.

Please reference KPCO_R_AG_KIUC_1_23_Attachment2 for a schedule of employee payroll dollars separated between expense, capital, and other by department for each month in 2022, 2023, 2024, and January through August 2025.

Please reference KPCO_R_AG_KIUC_1_23_Attachment3 for a schedule of employee count by department budgeted in each month in 2025.

Please reference KPCO_R_AG_KIUC_1_23_Attachment4 for a schedule of employee payroll dollars separated between expense, capital, and other by department budgeted in each month in 2025.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_24 Provide a schedule of FTEs and payroll dollars separated between expense, capital, and other, for AEPSC by department and by month for 2022, 2023, 2024, budgeted in each month in 2025, and actual in each month in 2025 for which actual information is available. In addition, show the amounts of AEPSC payroll dollars in total that were assigned or allocated to KPCo separated between expense, capital, and other for each of the same time periods.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please reference KPCO_R_AG_KIUC_1_24_Attachment1 for a schedule of AEPSC employee count by department for each month in 2022, 2023, 2024, and January through August 2025.

Please reference KPCO_R_AG_KIUC_1_24_Attachment2 for a schedule of AEPSC payroll dollars separated between expense, capital, and other by department for each month in 2022, 2023, 2024, and January through August 2025.

Please reference KPCO_R_AG_KIUC_1_24_Attachment3 for a schedule of AEPSC payroll dollars in total billed to Kentucky Power, separated between expense, capital, and other in 2022, 2023, 2024, and January through August 2025.

Please reference KPCO_R_AG_KIUC_1_24_Attachment4 for a schedule of AEPSC employee count by department budgeted in each month in 2025.

Please reference KPCO_R_AG_KIUC_1_24_Attachment5 for a schedule of AEPSC payroll dollars separated between expense, capital, and other by department budgeted in each month in 2025.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_25 Provide a copy of each incentive compensation plan that was in effect during the test year.

RESPONSE

Please see KPCO_R_AG_KIUC_1_25_Attachment1 for the 2024 short-term incentive (STI) plans that gave rise to Kentucky Power costs for the 2024 portion of the test year. Note that information related to AEP operating companies and incentive groups that is not charged to Kentucky Power Company was redacted.

Please see KPCO_R_AG_KIUC_1_25_ConfidentialAttachment2 for the 2025 short-term incentive (STI) plans that gave rise to Kentucky Power costs for the 2025 portion of the test year. Note that information related to AEP operating companies and incentive groups that is not charged to Kentucky Power Company was redacted in both the confidential and public versions.

Please see KPCO_R_AG_KIUC_1_25_Attachment3 for the long-term incentive (LTI) plans and award agreements that gave rise to Kentucky Power costs during the test year.

Witness: Andrew R. Carlin

American Electric Power
2024 Annual Incentive Compensation Plan
For [B.U. / Operating Company Name]

Introduction

The objectives of the American Electric Power 2024 Annual Incentive Compensation Plan for [Business Unit or Operating Company Name] (the "Plan") are to:

- Attract, retain, engage, and motivate employees to operate the businesses of American Electric Power and its subsidiaries (the "Company") efficiently and effectively for the benefit of all of the Companies' stakeholders, including customers, shareholders, employees, and the communities we serve
- Encourage the continued development of a high-performance Company and safety culture
- Communicate and align the efforts of each team and employee with the Plan's objectives to increase the focus on these objectives, foster performance improvement and create sustainable value

2024 Overview

The purpose of the Plan is to foster the development of a higher performance culture to better enable the achievement of annual performance objectives and continuous improvement with zero harm.

For 2024 there are separate annual incentive compensation plans ("ICPs") and goals for the Executive Leadership Team, each AEP operating company, Regulated Generation, Transmission, Nuclear Generation, Competitive Trading & Marketing and Energy Supply. All other groups participate in the ICP program based on the weighted average score[1] of the above groups, except Competitive Trading & Marketing, and do not have separate annual incentive goals. The goals for the Executive Leadership Team are the funding goals for all AEP ICPs, except the Competitive Trading & Marketing ICP. This aligns ICP goals across AEP and ensures that the overall payout to participants is commensurate with AEP's overall performance.

Awards are determined based on AEP's performance and, if applicable, business unit or operating company performance and individual employee performance.

The 2024 ICP again uses a balanced scorecard of goals that benefit all AEP stakeholders (customers, investors, employees, and the communities we serve):

- 60% Operating EPS,
- 20% Safety
    - 10% Targeted CORE Visit Pre-Job Briefing Assessments
    - 10% CORE Visit Effectiveness Reviews
    - Safety Performance Modifier (50% reduction in all safety scores in the event of one or more employee or contractor fatalities)
- 5% NERC Compliance

[1] Weighted by the sum of the target awards for all participants in each group with separate incentive goals.

- 5% Federal Assistance Funding Participation (LIHEAP and HEAP)
- 5% SAIDI
- 5% Engagement and Inclusion

PERFORMANCE MEASURES

Performance measures are selected to focus employees' efforts on goals and objectives that are measurable, important to our constituents and provide, when possible, a 'line of sight' that enables employees to see how their work and performance contributes to the Company's performance and to their annual ICP awards. This is intended to foster high employee engagement to drive higher employee and Company performance. Tying the Company's goals and objectives to incentive compensation also more clearly conveys their importance, aligns team and employee efforts with their achievement, engages employees in their achievement and provides an incentive and shared fate to motivate employees at all levels to achieve these goals and objectives.

Performance measure scores may range from 0% to 200% of target.

OPERATING MEASURES

The 2024 operating performance measures and weights vary by business unit and operating company. Please see Appendix 1 for the operating performance measures and weights for the Plan.

FUNDING MEASURES

The maximum funding is 200% of target funding. Each funding measure for 2024 has at least a 5% weight. The HR Committee of AEP's Board of Directors ("HRC") has discretionary authority to adjust annual incentive funding.

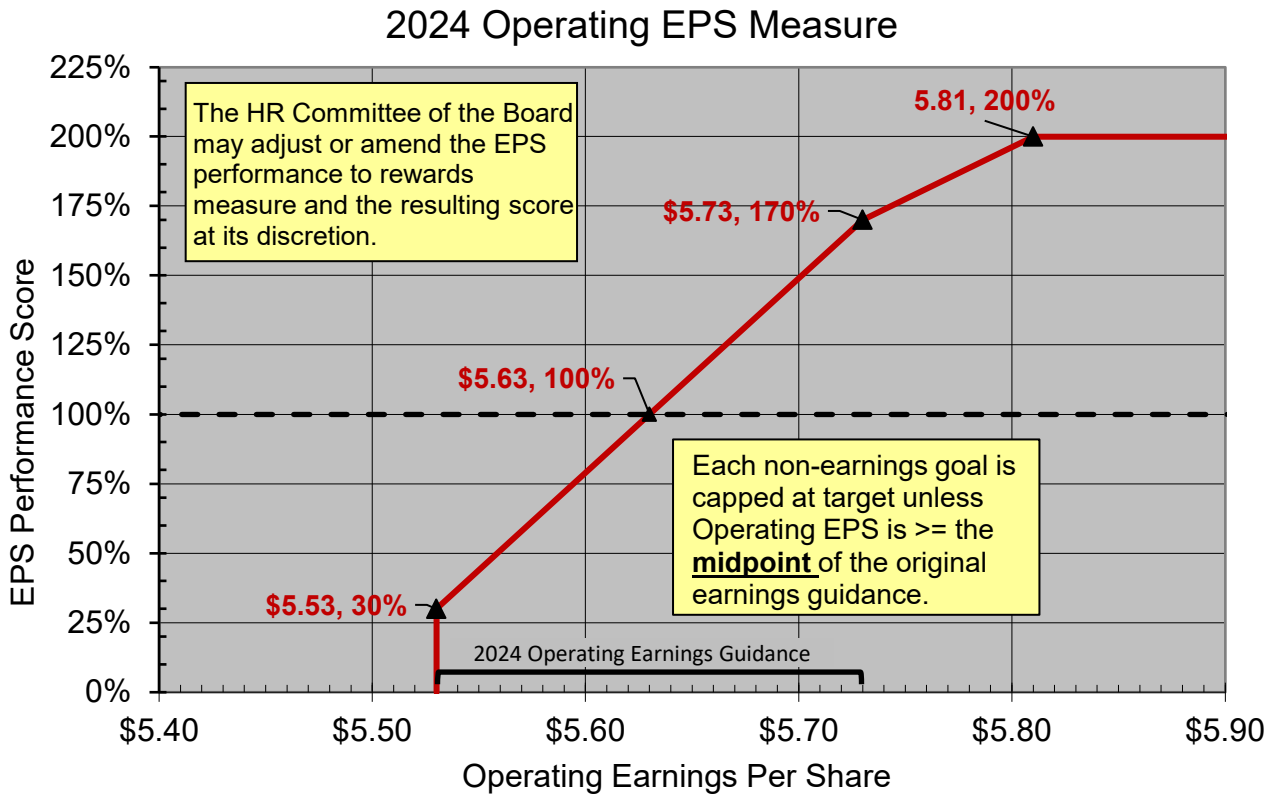
Each non-earnings goal is capped at a target (1.0) score unless AEP achieves Operating EPS of at least $5.63 in operating earnings for 2024, which was the midpoint of the 2024 earnings guidance for investors when the goal was established.

Operating Earnings Per Share (60% Weight)

AEP is committed to generating sustainable value for all its stakeholders through its earnings and growth. Therefore 60% of annual incentive funding is tied to AEP's Operating Earnings Per Share ("Operating EPS"). This ensures that funding is commensurate with the Company's Operating EPS and the extent to which the Company can afford to pay annual incentive compensation while also serving the interests of its shareholders, customers, and other stakeholders. It also:

- Aligns employee interests with those of customers by strongly encouraging expense discipline,
- Ensures that AEP can meet its commitments to all other stakeholders, continue to invest in AEP's business, and maintain and enhance our electric system to meet customer needs to the same degree as incentive compensation is set aside for employees, and
- Further aligns the financial interests of all AEP employees with the results employees deliver to the Company and all its stakeholders.

The HR Committee of AEP's Board of Directors ("HR Committee") established the 2024 threshold, target, and maximum levels for the AEP Operating Earnings per Share goal early in 2024. The target level coincides with the midpoint of AEP's public earnings guidance.



Safety (20% Weight)

AEP continues to pursue zero harm by building the systems and fostering the development of a proactive safety culture that leads to the continuous improvement needed to support and sustain world-class safety performance.

The total weight for Safety measures was increased for 2024 from 16% to 20%. All performance measures for Safety for 2024 are proactive measures but the scores for these proactive measures are subject to a modifier that will reduce the overall safety score by 50% in the event of one or more fatal employee or contractor safety incidents.

Targeted CORE Visit Assessments (10% weight)

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm. Targeted CORE visits for employees will include verifying elements that present high risk to employees. Targeted CORE visits for contractors will be focused on pre-job briefings. Generation, Energy Delivery, Utilities, Fleet & Supply Chain, Electric Transmission Texas (ETT), Project Solutions and Safety & Health will identify front-line leaders and contractor oversight personnel who will be responsible for completing the assessments, along with safety personnel. Identified leaders will be assessed on their knowledge of selected focus areas and trained to address knowledge gaps. Identified leaders are asked to perform on average 8 CORE visits with crews, the results will be analyzed and corrective and preventative actions will be developed and implemented based on the

results. The process includes three components:

Step 1: Develop Targeted CORE visit baseline questionnaires and complete assessor knowledge evaluations.

Step 2: Perform Targeted CORE visit assessment. Identified leaders should complete on average 8 visits. Credit is earned as leaders complete their visits.

Step 3: Analyze data and develop corrective and preventative action plans.

Goals:

- Threshold (0% payout) –Step 1 completed.
- Target (100% payout) –Step 1 and 75% of visits performed. Incremental credit is earned once 75% of visits are performed.
- Maximum (200% payout) –Steps 1 and 3 completed and 100% of visits performed (Max score is target unless Step 3 is completed).

CORE Visit Effectiveness Reviews (10% weight):

CORE Visits are a versatile leadership tool and can be used to assess a variety of activities and work products. CORE Visits are about connecting with employees in a two-way dialogue to improve engagement and overall performance. CORE visit effectiveness reviews will consist of phone calls made by senior leaders to front-line leaders or contractor oversight personnel about a previous CORE visit they performed. These conversations will encourage in depth interactions with team members, reporting of 'Learning Opportunities' (LO) and 'Acceptable Practices' (AP), and documenting constructive comments with the overall goal of improving work as a result of the visit. Too many AP without documented LO may predict an unsafe worksite.

Generation, Energy Delivery, Utilities, Fleet & Supply Chain, Electric Transmission Texas (ETT), Project Solutions and Safety & Health will identify senior leaders, frontline leaders and contractor oversight personnel who will be involved in CORE Visit Effectiveness Reviews. Senior Leaders are asked to perform on average 24 effectiveness review calls. The process includes the following components:

- ❖ Leadership Engagement: CORE Visit Effectiveness Reviews performed and documented.
- ❖ CORE Visit Quality:
  - CORE visits performed by front-line leaders and contractor oversight personnel will be evaluated for % AP and % LO items that are documented. Improvement will be measured by having less CORE Visits with zero documented LO.
  - CORE visits performed by front-line leaders and contractor oversight personnel will be evaluated for the % increase in AP and LO comments that are documented. Improvement will be measured by the % increase in total comments documented.

Goals:

- Leadership Engagement (4% weight):
  - Threshold (0% payout) – 90% performed and documented.
  - Target (100% payout) – 95% performed and documented.
  - Maximum (200% payout) – 100% performed and documented.
- CORE Visit Quality (6% weight):
  - Decrease in Percent of CORE Visits with zero documented LO (3%):
    - Threshold (0% payout) – 10% improvement.

- Target (100% payout) – 20% improvement.
- Maximum (200% payout) – 30% improvement.

o Increase in Percent Comments Documented (3%):

- Threshold (0% payout) – 10% improvement.
- Target (100% payout) – 20% improvement.
- Maximum (200% payout) – 30% improvement.

Safety Performance Modifier – The overall safety score will be reduced by 50% (of the actual score) if there is one or more employee or contractor fatality.

Safety Performance Modifier Example	Weight	Score	Safety Performance Modifier	Overall Safety Score After Modifier
Targeted Core Visits	10%	1.650		
Core Visit Effectiveness Reviews				
Leadership Engagement	4%	1.830		
Decrease in CORE Visits with zero documented learning opportunities	3%	1.640		
Increase in Core Visits with comments documented	3%	1.750		
Total Safety	**20%**	**1.700**	**× 50%**	**0.850**

NERC Compliance (5% weight) – As measured by a reduction in NERC compliance incident count vs. three-year average baseline of 41 incidents. The measure focuses on the creation and utilization of repeatable internal controls as a primary discovery mechanism of noncompliance. Therefore, NERC compliance incidents are weighted differently depending on discovery method to encourage internal discovery and reporting of noncompliance with NERC Requirements and to prevent repeat violations as follows:

Discovery Category	Incident Count Factor	Description
Internally Documented Control in ARCS	0x	An incident found by a regularly performed control with an established Control Procedure in ARCS
Internally Identified	1x	A non-Focus Requirement incident not found via an established control
Internally Identified on Focus Requirement	1.5x	A Focus Requirement incident not found via an established control
Externally Identified	2.0x	An incident found in an audit, during audit preparation or by an external reviewer

A new (1.5x) multiplier for Focus Requirements was added for 2024 to discourage the occurrence of repeat violations. The 2024 Focus Requirements are: CIP-011 R1-BCSI – Information Protection, CIP-010 R1 – Configuration Change Management, CIP-004 R4 – Electronic Access Management, and FAC-008 (all Requirements) – Facility Ratings, and PRC-005 R3 – Protection System Maintenance. Any modifications to NERC Compliance Focus Requirement may be considered for inclusion in the next year's ICP criteria.

- Maximum (200% payout) – 25 Incident Count

- Target (100% payout) – 33 Incident Count
- Threshold (0% payout) – 41 Incident Count

Federal Assistance Funding Participation (LIHEAP and HEAP) (5% Weight) – Better ensuring that AEP's customers who need assistance paying their power bills receive assistance is an important way we can help our customers and the communities we serve. These Federal programs are the Low Income Home Energy Assistance Program (LIHEAP) and the Home Energy Assistance Program (HEAP). Participation improvement in these programs will be measured by the increase in the number of customer accounts that received posted funding, across the AEP footprint by 2% in 2024 as compared to 2023, excluding AEP Texas ERCOT due to its market design. States where funds are fully depleted will receive a minimum 1.0 (target) score. A customer weighted average of state jurisdictions will be used, if needed, to calculate the overall score.

- Threshold (0 payout): < 1% increase (cliff from 0.5 to 0.0 payout)
- 50% payout: 1% increase
- Target (100% payout): 2% increase
- Maximum (200% payout): ≥ 3% increase

SAIDI (5% weight) – SAIDI (System Average Interruption Duration Index) represents the average outage duration for each customer served. The targets were set based on the 5-year average SAIDI performance with the highest and lowest values removed to reduce the impact of abnormally high and low years.

- Operating Company Thresholds (0% payout) – 120% of target (115% for PSO[1])
- Operating Company Targets (100% payout) – Average SAIDI value, excluding jurisdictional major event days only
- Operating Company Maximums (200% payout) –80% of target (95% for PSO[1])

[1]The PSO threshold is set at plus 15% and maximum at minus 5% due to historically good SAIDI performance.

AEP performance is determined based on a customer weighted average of the Operating Company performance scores.

Engagement and Inclusion (5% weight) – The focus for 2024 will be to maintain participation in the employee engagement survey, which had participation rates of 86% and 94% of employees for 2022 and 2023, respectively.

- Maximum (200% payout) –96% participation (previously 92%)
- Target (100% payout) –93% participation (previously 89%)
- Threshold (0% payout) –90% participation (previously 86%)

Modifier

The Modifier allocates the available funding to each business unit and operating company based on the group's performance relative to the performance of other business units and operating companies with ICP goals. This produces performance differentiated ICP scores for each incentive group that precisely utilize the funding available, which eliminates the risk that ICP scores will produce awards in excess of or less than the available funding.

The modifier is calculated as the Overall Score for the Funding Measures divided by the Average Operating Performance Score (AOPS) for all business units and operating companies, except the Competitive Trading and Marketing function, as shown below:

$$\frac{Overall\ Funding\ Score}{AOPS} = Modifier$$

AOPS is a normalizing function. It is calculated as the average of the Operating Performance Scores for all incentive groups, except the Competitive Trading and Marketing function, weighted by the sum of the target incentive awards for all Participants in each incentive group.

Maximum Score

If the application of the Modifier results in an Overall Score for the Plan that exceeds 200% of target, then the Overall Score is capped at 200% of target.

Performance Adjustments

The HR Committee or the Plan Compensation Committee (see the Administration section below) may adjust scores and funding levels up or down for all employees, teams and ICP groups. A performance adjustment may be used to increase or decrease the Overall Score for the Plan to the extent that the applicable committee determines that such score does not appropriately reflect the group's performance. Such adjustments may be used to capture those aspects of a group's performance that are difficult to quantify or that were not adequately included in the performance measures established at the beginning of the year. For example, a Performance Adjustment might be used to reward a group for successfully completing an important project that was not anticipated at the time the ICP goals were established or that was not conducive for use as an ICP goal.

Individual Performance Adjustments

Managers are expected to reflect individual employee performance in their discretionary ICP award recommendations for all employees in SP20 salary plan positions. Individual performance adjustments should be based on an assessment of each employee's performance as indicated by their performance ratings and may be further adjusted based on performance relative to that of other similarly situated employees, expectations for the position, achievement of individual goals, contribution to department and business unit goals, and other appropriate and legal business factors. Managers are also expected to avoid a bias in favor of positions at either higher or lower salary grade levels in the organization.

Individual performance adjustments have a lower limit of 0% and no upper limit. However, the approval of a member of the Executive Leadership Team is required for individual awards in excess of a Participant's maximum award opportunity (see the Target and Maximum Awards section below) and managers are constrained by the ICP funding available for their group.

Eligible Earnings Paid by the Company

Regular Earnings – Straight Rate	Inclement Weather Pay
Paid Vacation	Lump Sum Merit and General Increases
Paid Holidays	Grievance Settlement for Wages
Paid Personal Days Off	Overtime – Nonexempt and Exempt

Sick Pay (Non-occupational & Occupational)	Shift, Sunday, and Other Premium Pay
Short Term Disability Pay	Military Pay
Paid Jury Duty	Trip Pay (River)
Paid Death in Family	Paid Union Business
Paid Rest Period	Pandemic Pay
Maternity Leave Pay	Parental Leave Pay

The above list is indicative of the types of earnings that are considered eligible earnings but is not all inclusive. Earnings other than one of the above types, as classified in AEP's payroll system, are generally not considered for ICP award determination purposes.

Target and Maximum Award Opportunity

The following chart shows target award percent by salary grade for unrepresented positions. The target award percent for represented positions in the SP20 salary plan is 3% less than those shown below.

Grade Structure		
Category	**Sub-Category or Grade**	**Target Award %***
All Unrepresented Employees in SP20 Salary Plan Positions	1	5%
	2	5%
	3	5%
	4	6%
	5	8%
	6	9%
	7	10%
	8	10%
	9	15%
	10	20%
	11	25%
	12	30%
	13	35%
	14	40%
	15	45%
	16	50%
	17	Varies
	18	Varies

Grade Structure		
Category	**Sub-Category or Grade**	**Target Award %***
	19	Varies
	20 (CEO)	Varies
Union Represented Employees	All Job Classifications for which Base Rates Are Specified on a Wage Schedule	3%
	All Other Job Classifications that Participate in Merit-Based Pay Adjustments	3% Less Than the Applicable SP20 Grade Shown Above
Unrepresented Employees	All Job Classifications for which Base Rates Are Specified on a Wage Schedule, Except salary plan N024 in Texas and Nuclear (salary plan N006)	3%
Unrepresented Employees in Texas on salary plans CPWT and N024 and Nuclear Employees on salary plan N006	All Wage Schedule Job Classifications on salary plan N024 and N006 and Journey-Level Job Classifications in Texas that Participate in the CPWT Merit Plan	5%
*As a percent of eligible earnings		

To enable managers to differentiate discretionary awards based on individual employee performance in all circumstances, including when scores are at or near the 200% maximum score, Participant's Maximum Award % is the greater of:

- Two times his or her Target Award % or
- The Overall Score for the Plan plus 50% of the target score.

This enables managers to differentiate awards positively by up to 50% of an employee's target award even if the Overall Score for the Plan is between 150% and 200% of the target score. The approval of a member of AEP's Executive Leadership Team in the Participant's chain of command is required for awards in excess of a Participant's Maximum Award %.

The dollar value of a Participant's target and maximum award opportunity is their Target Award % or Maximum Award %, respectively, multiplied by their eligible earnings.

The total award opportunity for employees who change jobs is determined using a blended target award percent.

Award Calculation

Because the Plan includes discretionary factors, attainment of performance objectives does not guarantee the payment of awards. All performance objective scores are subject to senior AEP management and HR Committee approval. Scores are generally presented for final approval in February each year after AEP's financial results and incentive scores have been audited and confirmed. The final score for each performance objective is rounded to three decimal places (e.g.,

100.0% or 1.000).

Board Policy on Recouping Incentive Compensation

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy shall govern.

You are agreeing to reimburse AEP for compensation under the Plan if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results;

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. The Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

The Recoupment Policy defined "Cover Employee" as of March 8, 2023 to include all employees in grades 15 and higher positions, all operating company presidents and all officer direct reports to the CEO.

Administration

Plan Compensation Committee

The Plan is administered by the HR Committee with respect to executives under the HR Committee's purview and a Plan Compensation Committee consisting of AEP's CEO, CFO, General Counsel, and

Chief Human Resources Officer with respect to all other employees, in either case ("the Committee"). The CEO of American Electric Power Company, Inc. may change the composition and number of members of the Plan Compensation Committee at any time for any reason. The Committee may delegate day-to-day authority to administer the Plan, as it deems appropriate. In lieu of an official meeting, the Committee may act by written or electronic consent of a majority of its members. The Committee's interpretations of Plan provisions are conclusive and binding on all Participants.

The Committee has sole authority to amend or terminate the Plan and may do so at any time, for any reason, either with or without notice. The Committee may adopt, delete, modify, or adjust performance metrics and weights at any time, including after the conclusion of a Plan Year. Such changes might be made if, for example, the Committee determines that changes in AEP's structure or other significant business situations would produce an Overall Score or awards for a Plan Year that the Committee does not consider to be appropriately reflective of the underlying economics or performance of the business. The Committee may also modify the eligibility criteria for the Plan, add or delete individual Participants or groups of Participants and adjust any or all award payouts.

Executive Leadership Team members with management responsibility for a business unit or staff function served by the Plan have the authority to increase or decrease the award pool for any group under their purview, excluding the Executive Leadership Team scorecard or other ICP plan in which they participate, provided that such adjustments do not increase the sum of all such award pools under their purview.

Plan Year

A "Plan Year" begins on January 1st and ends on December 31st of each year for which the Plan is in effect.

Participation

All full-time and regular part-time AEP employees who are actively employed during the Plan Year will be "Participants" in the Plan for such Plan Year except:

1. Employees participating in any other AEP **annual** or **sales** incentive plan, for the entirety of the Plan Year,
2. Employees participating in any other plan or agreement that explicitly excludes their participation in the Plan or annual incentive compensation plans in general,
3. Employees represented by unions that decline the opportunity to participate in the Plan or all similar incentive plans,
4. Temporary, cooperative employees, interns, and contract workers, and
5. Employees hired by AEP on or after December 1st of such Plan Year.

Participation in an incentive compensation plan in any Plan Year shall not confer any right to continued employment or to continued participation in the Plan or successor plan for any subsequent Plan Year.

Participant Responsibility

Plan Participants are expected to comply with all applicable Company policies and directives as well as all applicable laws and regulations. Failure to do so may have many serious consequences, including but not limited to forfeiture of award eligibility in the current and future Plan Years as well

as termination of employment.

Award Eligibility

Participants must be employed by AEP on the award payment date to be eligible to receive an award for that Plan Year, except as otherwise noted below.

Participants remain eligible for an award, based on their eligible earnings for a Plan Year, if their employment with AEP is terminated effective after the sixth month of the Plan Year due to their Retirement. For the purposes of the Plan, "Retirement" means a termination of employment for any reason other than for cause, resignation in lieu of discharge for cause, or as part of a voluntary or involuntary severance or layoff, after the Participant attains at least age 55 and ten years of AEP service.

Participants remain eligible to receive an award, based on their eligible earnings for the Plan Year, if he or she dies after the sixth month of the Plan Year. In the event of a Participant's death, any award to which the Participant would otherwise be entitled will become payable to the Participant's estate or as otherwise specified by applicable state law.

If a Participant transfers between positions that are eligible and ineligible to participate in the Plan, but the Participant remains an AEP employee on the award payment date, then the Participant is eligible for a partial award for the Plan Year. The Participant's total award opportunity for the partial year is calculated based on the time that he or she held an eligible position as specified in the "Target and Maximum Award Opportunity" section above.

Employees who become inactive during the Plan Year due to participation in an AEP long-term disability plan or other Leave of Absence but who remain an AEP employee on the award payment date are eligible to receive an award for that Plan Year to the extent that they were paid eligible earnings for the Plan Year. However, long-term disability benefits are not ICP eligible earnings.

Satisfaction of eligibility criteria does not guarantee the payment of any discretionary awards.

Termination of Active Employment **at or after the end of the Plan Year** Due to Voluntary and Involuntary Severance and Layoffs

Participants remain eligible for an award, based on their eligible earnings for a Plan Year, if their employment with AEP is terminated effective at or after the end of the Plan Year as part of a voluntary or involuntary severance program or a layoff as defined under a collective bargaining agreement or an applicable Supplemental Handbook.

Termination of Active Employment **During the Plan Year** Due to Voluntary and Involuntary Severance and Layoffs

Participants with both discretionary and non-discretionary award opportunities are **ineligible** for an award if their **active** AEP employment is terminated during the Plan Year as part of a voluntary or involuntary severance program or a layoff, as defined under a collective bargaining agreement or the Supplemental Handbook, and he or she is not rehired during the Plan Year. Severed employees are ineligible for an award for such Plan Year even if they fail to meet the qualifications for severance benefits (e.g., if they would fail to timely sign and return, a Severance and Release of All Claims Agreement). Severed participants are not eligible for an ICP award for the Plan Year in which their **active** employment ends irrespective of whether they are placed on a paid Leave of Absence or

vacation to bridge their service to a benefit milestone in accordance with the terms of the applicable AEP severance plan.

Award Payment
Award payment will be made within 2-1/2 months after the end of the Plan Year or as soon as practical thereafter if it is impractical, either administratively or economically, to make payments within this time period.

Approval

The Plan is hereby approved by:

_____

EVP or Higher Name Date

EVP Title

Appendix 1



Utilities

2024 Incentive Compensation Plan

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1.0 Introduction

1.1 Why is an Incentive Compensation Plan (ICP) important?

An Incentive Compensation Plan (ICP) is a cash or non-cash form of compensation that an employee earns on top of their regular, base salary. This plan is strategically formulated to motivate the performance or targeted achievement of the employee and is usually variable. ICPs are an excellent initiative to show appreciation for all those working underneath the company umbrella.

When initiated the right way, an ICP can deliver great benefits for team members, contribute to the long-term business success of AEP, and support the longevity of AEP's customer base. AEP recognizes that by providing a work environment that is fulfilling for everyone, the company is helping to encourage each person's passion to succeed - that effort has to include compensation. An ICP metrics reflects what is important to company stakeholders that includes AEP customers, shareholders, communities, and employees that is demonstrated by AEP's efforts to:

- **Support Zero Harm** – AEP is committed to ensure everyone goes home the same or in better condition than when they arrived at work.
- **Promote Diversity and Inclusion** – AEP encourages and supports a diverse and inclusive workforce and long-term strategy that sustains a culture in which employees, customers, and suppliers feel respected, valued, and connected.
- **Advocate Affordable Electricity** – AEP work to supply its customers with electricity at an affordable price.
- **Support Investor Returns** – AEP provides returns for its investors, enabling AEP to continue serving customers with stable and affordable electricity.
- **Affirm Our Electricity Provision** – AEP furnishes electricity to its customer in a reliable and efficient manner.

1.2 What is new for AEP in 2024?

- AEP's Safety Metrics focus on proactive leading measures and all metrics will be subject to a 50% fatality modifier.
- Our customer focused metric has added Medallia survey results as a layer of information with our current performance of JD Power.
- Newly added metrics include:
  - **Invoice Processing** – Process Standardization and Invoice Processing Dashboard.
  - **Big Data/Technology** – 4 Objectives: 1) Leverage AMI Data; 2) Data Driven Optimization of Vegetation Cycles; 3) DACR Deployment; 4) Field Mobility
  - **LIHEAP** - Improve federal assistance funding participation, Low Income Home Energy Assistance Program (LIHEAP) and Home Energy Assistance Program (HEAP).

1.3 2024 Utilities' ICP Scorecard

Table 1: 2024 Utilities' ICP Scorecard

Metric	Weight	0.0	1.0	2.0
High Energy Event Sharing (SIF)	10.0%	6.000	9	12
Employee Targeted CORE Visit Assessment	5.0%	0	1-3 (75% visits)	1-4 (100% visits)
Contractor Targeted CORE Visit Assessment	5.0%	0	1-2 (75% visits)	1-3 (100% visits)
Targeted CORE Visit Effectiveness	10.0%	90%	95%	100%
Culture Survey Participation	5.0%	90%	93%	96%
Operating Earnings	10.0%	85%	Meets CB	115%
Return on Equity	10.0%	-100 bps	-50 bps	-25 bps
Medallia JD Power Blend	10.0%	% change in score more than 1% point worse than segment score, when negative	% change equal to or better than segment change	% change at least twice more than segment
LIHEAP	5.0%	<1% increase	2%	≥ 3% increase
SAIDI Actual	10.0%	120%	3 Year Trend or Avg	80%
Reliability Work Plans	5.0%	0%	50%	100%
Forestry Management Optimization	5.0%	0.00	2.00	3.00
Invoice Processing	5.0%	0.00	1.00	2.00
Big Data/Technology	5.0%	0.00	2.00	4.00
100%				

2.0 Safety and Compliance

2.1 Why is Safety and Compliance important to Utilities?

No aspect of operations is more important than the health and safety of people. AEP's customer needs are met in harmony with environmental protection to provide that additional layer of security that AEP believes should go beyond just good customer service.

2.2 Serious Injury and Fatality Event Sharing

Serious injuries and fatalities (SIFs) continue to plague the utility industry. A common denominator to SIF events is the presence of high energy. High energy is present in the work performed by our employees and contractors. As part of AEP's emphasis on continuous learning, we want to encourage sharing and learning from work performed when high energy is present.

- High Energy employee and contractor events that result in injury or illness.
    - Twelve high energy injury or illness events will be shared and must meet the following criteria:
        - High energy is present
        - There is a high energy incident
        - A DART injury, DART illness or fatality is sustained
- High Energy is often present in employee and contractor good catch, injury, illness and equipment damage events.
    - Twelve events where high energy is present will be shared and must meet the following criteria:
        - High energy is present
        - A DART injury, DART illness or fatality is NOT sustained
- Events will be appropriately documented using a Safety & Health Alert form or other means. Business unit leaders will then share the information with their teams.
- This ICP is a shared measurement across business units.
- The 10% weighting has two components and are independent of each other:
    - Appropriately share high energy DART events (5%)
    - Appropriately share high energy events that did not result in a DART (5%)
- Notes:
    - The Vice President of Safety & Health reserves the right to not require sharing of an event. The Vice President Safety & Health also reserves the right to require sharing of an event that does not meet the criteria for sharing; these events will not be included in the ICP.

- Events occurring after November 1, 2024, are not required to be shared for ICP scoring purposes. Scoring will be adjusted if there are not twelve qualifying events for each component.
- Multiple events may be grouped and shared under one alert if similar in nature. Each event shared receives credit for ICP scoring purposes.
- S&H professionals will classify events based on the EEI Safety Classification and Learning Model.
- **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 2: ICP Targets

	SIF DART	SIF Non-DART
Targets	**Events Shared**	**Events Shared**
2.0	12	12
1.0	9	9
0.0	6	6

2.3 Employee Targeted CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm. High Energy employee and contractor events that result in injury or illness.

- Employee Targeted CORE visits in 2024 will include verifying elements that present high risk to employees and execution of 2023 corrective and preventative actions.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include frontline leaders who have employees in the field performing physical work. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.
- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Execute the 2023 Targeted CORE Visit corrective and preventative actions.
    - Step 2: Develop the baseline questionnaire and complete the assessor knowledge evaluation.

- Step 3: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
- Step 4: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment, or process/standard.

- Notes:
  - Generation includes Generating Assets and Generation Shared Services.
  - Cook Nuclear and Renewables are not included in this metric.
  - CORE visits will still be performed by other leaders that are not included in this metric.
  - Refer to exemption process to add or remove leaders for this metric.
  - Incremental credit is earned for Step 3 visits once 75% of visits are performed.
  - Max score is 1.0 unless Step 4 is completed.
  - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 3: ICP Targets

Targets	Complete Steps
2.0	1-4 (100% visits)
1.0	1-3 (75% visits)
0.0	0

2.4 Contractor Target CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm.

- The Contractor Targeted CORE visit topic in 2024 will be Pre-job Briefings. Visits will include verifying elements that present high risk to employees.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include contractor oversight personnel. Contractor oversight personnel includes construction managers/superintendents, construction coordinators, foresters, inspectors, etc. who are familiar with the work performed by contractors in the field. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.

- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Develop Pre-job Briefing Targeted CORE visit baseline questionnaire and complete the assessor knowledge evaluation.
    - Step 2: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
    - Step 3: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment or process/standard.
- Notes:
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - Incremental credit is earned for Step 2 visits once 75% of visits are performed.
    - Max score is 1.0 unless Step 3 is completed.

      Fatality Modifier: Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 4: ICP Targets

Targets	Complete Steps
2.0	1-3 (100% visits)
1.0	1-2 (75% visits)
0.0	0

2.5 CORE Visit Effectiveness Reviews

This metric connects senior leaders with front-line leaders to discuss the CORE visits they are performing. CORE Visits are a versatile leadership tool and can be used to assess a variety of activities and work products. CORE visit effectiveness reviews will consist of phone calls made by senior leaders to frontline leaders or contractor oversight personnel to review a previous CORE visit they performed. These conversations will encourage in depth interactions with team members, reporting of ‘At-Risk’ and ‘Safe’ conditions and behaviors, and documenting constructive comments with the overall goal of improving work as a result of the visit. Too many 100% safe inspections are predictive of higher injury rates.

- Generation, Energy Delivery, Utilities, Fleet & Supply Chain, Electric Transmission Texas (ETT), Project Solutions and Safety & Health will identify senior leaders, frontline leaders and contractor oversight personnel who are included in this metric. Senior leaders will consist of Plant Managers and above for Generation and Directors and above for Energy Delivery, Utilities, Fleet & Supply Chain, ETT and Safety & Health.
- Each identified senior leader will perform 24 CORE Visit effectiveness review calls with frontline leaders and oversight personnel within their own organization. Each month Safety & Health will pair senior leaders with front-line leaders and notify them of the visit to be discussed. The senior leader must document their discussion in Guardian. Business units will be responsible for tracking and reporting progress. All visits need documented in Guardian by 1/3/2025 to receive credit.
- This ICP is a shared measurement across business units.
- This metric has an engagement and quality component.
    - Leadership Engagement (4%): Perform and document 24 CORE Visit Effectiveness Reviews. The intent is to perform two visits each month.
    - CORE Visit Quality (6%):
        - CORE visits performed by front-line leaders will be evaluated for % Safe and % At-Risk visits. Improvement will be measured by having less 100% Safe CORE visits (3%)
        - CORE visits performed by front-line leaders will be evaluated for the % increase in Safe and At-Risk comments that are documented. Improvement will be measured by the % increase in total comments documented (3%)
- Notes:
    - The baseline to measure quality improvement will be established using 2023 CORE visits performed by frontline leaders and contractor oversight personnel by 12/15/2023.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - “At-Risk” conditions and behaviors provide Learning Opportunities. “Safe” conditions and behaviors represent Acceptable Practices.
    - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 5: ICP Targets

Targets	Visits %	Decrease % 100% safe visits	Increase % Comments Documented
2.0	100%	30%	30%
1.0	95%	20%	20%
0.0	90%	10%	10%

3.0 Workforce and Culture

3.1 Why is Workforce and Culture important to Utilities?

AEP is a dynamic and growing energy company that serves increasingly diverse communities and customer base. This requires AEP to have a diverse and inclusive workforce, while fostering a long-term strategy to sustain a culture in which our employees, customers, and suppliers feel heard, respected, valued, and connected. Diversity and inclusion are integral elements of AEPs values that is represented by everyone having a seat at the company table. These characteristics are crucial to sustaining AEP's corporate culture that is fundamental to AEP's continued business success. Diversity and inclusion contribute to the overall growth and development of AEP employees, as well as to the communities AEP serves by ensuring everyone has an equal voice and access to opportunities within the workplace.

3.2 Culture Survey Participation

The 2024 culture goal is to maintain participation in AEP's employee engagement survey,

- AEP's participation rate in 2022 was 86% of employees.
- AEP's participation in 2023 was 94% of employees.

Table 6: ICP Targets

Targets	% Participation
2.0	96%
1.0	93%
0.0	90%

Note: Operating companies will be scored on an individual basis against the AEP targets.

4.0 Business Performance

4.1 Why is Business Performance important to Utilities?

Providing returns for investors to enables AEP to continue serving our customers stable and affordable electricity.

4.2 Operating Earnings

The Utilities' Group operating earnings objective for 2024 is to meet or beat annual Earnings targets for Operating Companies in line with corporate expectations:

- AEP Utilities' Business Performance focus in 2024 will be achieving a control budget net income target for each Operating Company. These net income targets shall have a minimum (0.00 ICP payout) of 85% of the control budget target, and a maximum (2.00 ICP Payout) of 115% of Control Budget.
- If Operating Earnings targets are modified during 2024, these modifications will need to be approved by Corporate Planning & Budgeting leadership as well as Utility Company Leadership. Changes will be communicated via email to Utility leaders and employees, along with a link to an amended (modified) ICP plan document with such changes included.

Table 7: 2024 Operating Earnings ($000s)

Company	0.00	1.00	2.00
[redacted]			
KPCO	76,429.07	89,916.55	103,404.03
[redacted]			

Table 8: ICP Targets

Targets	% of Control Budget
2.0	115%
1.0	Meets CB
0.0	85%

4.3 Return On Equity

Return on Equity (ROE) is a business performance metric that shows how much income a company generates per dollar of invested capital. It reflects how efficiently a company uses its capital to generate profit that is addressed by the following:

- ROE is calculated as follows: 12 months Operating Earnings divided by the average Equity (13 months rolling average)
- Authorized ROE refers to the level of ROE approved by the applicable regulatory commission.
- Actual ROE is the calculation based on a company's actual financial results.
- Achieving a company's authorized ROE can be complicated by factors such as assets or expenses disallowed in a rate case, regulatory lag (time between capital investment and the first opportunity to earn on it via base rates or rider mechanism), changing economic conditions, legislative constructs and other financial and operational events.

Table 9: 2024 Return on Equity

Company	Authorized ROE	0.00	1.00	1.50	2.00
[redacted]					
KPCO	9.75%	8.75%	9.25%	9.75%	10.00%
[redacted]					

Table 10: ICP Targets

Targets	Basis Points
2.0	+25
1.5	Authorized
1.0	-50
0.0	-100

5.0 Affordability

5.1 Why is Affordability important to Utilities?

Providing our customers with electricity at an affordable price is important especially to the customer, but also to AEP.

5.2 Medallia and JD Power Blend

Utilize Medallia Reputation Survey results (approx. 6k responses per OPCO each year), which are highly correlated to J.D. Power, to compare performance to the industry. This will allow success in an industry with declining satisfaction where AEP is faring better than peers. These scores will be calculated on a quarterly basis.

Methodology:

- The goal is to perform better than the industry, even if scores are declining.
- Utilize J. D. Power to determine industry performance (baseline) for PQR and Communications satisfaction using the corresponding segment (region/size) and Medallia responses for current performance.
- Calculate a rate of change for Medallia questions and corresponding J.D. Power questions.
- Both questions use an 11-point score (0-10); compare % of 9s and 10s for current and prior year.
- The goal is to change at a rate better than the corresponding segment.
- An 0.50 adder will be awarded for operating companies above segment average for J.D. Power factor ranking.

Example:

% of customers responding 9 or 10 in Medallia reliability question

ICP score determined using the chart below. PSO would earn a 1.0. Even though their score decreased (-4.0%) from 2022, it was at a lower rate than the segment (-5.9)

Power Quality & Reliability	2022 YE	2023 YTD	-/+ change from '22YE to '23YTD	ICP Performance	Comments
Public Service Co. of Oklahoma	62.2%	59.7%	-4.0%	1.50	1.0 – % change equal to or better than segment change
J. D. Power South Midsize	49.4%	46.5%	-5.9%		0.50 Adder = Above segment average for J.D. Power factor ranking

PSO is compared to their JDP segment (South Midsize) for PQR factor

% of customers responding 9 or 10 in JDP to Overall PQR question

% change from prior year = (2023 %-2022 %) /2022

An additional opportunity to earn a 0.50 if the JDP factor score is above the segment average

Table 11: ICP Targets

Targets	Milestones Completed
2.0	% change at least twice more than segment
1.5	% change at least one and a half times better than segment
1.0	% change equal to or better than segment change
0.5	% change is less than 1% point of negative segment score or positive change but less than segment
0.0	% change in score more than 1% point worse than segment score, when negative

5.3 Federal Assistance Funding Participation (LIHEAP and HEAP)

Improve federal assistance funding participation, Low Income Home Energy Assistance Program (LIHEAP) and Home Energy Assistance Program (HEAP), measure by increase in the number of customer accounts that received posted funding, by operating company and across the AEP footprint by 2% in 2024 as compared to 2023. AEP Texas ERCOT excluded due to market design. States where funds are fully depleted will receive a minimum 1.0 (target) score. A customer weighted average of state jurisdictions will be used, if needed, to calculate the overall score.

Table 12: ICP Targets

Targets	% increase
2.0	≥ 3% increase
1.0	2% increase
0.5	1% increase
0.0	<1% increase (cliff from 0.5 to 0.0 payout)

5.4 Texas Low Income/Hard to Reach Energy Efficiency Programs

The Texas' regulatory environment prohibits AEP Texas from participating in LIHEAP programs. However, AEP Texas has identified an opportunity to make meaningful contributions and support the LIHEAP initiative of affordability.

- AEP Texas has a peak demand goal of 21.55 MW and a 37,756 MWh energy goal for the entire 2024 portfolio. Texas Rule requires Low Income/Hard to Reach to be no less than 5% of the whole portfolio, therefore for the purposes of this ICP matrix, we will use 10% of our overall energy goal (3,775,560 kWh) as the 0.50 target. We then increase the goal by 10% for a 1.0 target, 20% for the 1.5 target and 30% for the 2.0 target.

- AEP Texas will increase its focus on Low Income/Hard to Reach Energy Efficiency programs targeting the same eligible customer segment as the LIHEAP assistance programs, throughout the AEP Texas footprint.
    - Additional Outreach to community action agencies.
    - Additional Energy Efficiency education.

The energy reduction goals are as follows:

Table 13: ICP Targets

Targets	kWh
2.0	5,399,051
1.5	4,983,739
1.0	4,153,116
0.5	3,775,560
0.0	3,398,000

6.0 Operations

6.1 Why is Operations important to Utilities?

Providing electricity to our customers in a reliable and efficient manner is important to both the customer and AEP.

6.2 SAIDI (System Average Interruption Duration Index) Actual

The SAIDI measure in 2024 will adhere to IEEE's standard SAIDI Definition 1366-1998.

- SAIDI, or System Average Interruption Duration Index, represents the total number of minutes the average customer has experienced interruption over a 12-month time period.
- The SAIDI measure includes Transmission and excludes major events (industry definition of Jurisdictional Major Event Days).
- Target setting consists of evaluating the last five years of SAIDI performance with the highest and lowest values removed to reduce the impact of abnormally high or low scores.

Table 14: 2024 ICP Operating Unit Targets

2024 ICP Operating Unit Targets			
OpUnit	**0.00**	**1.00**	**2.00**
[redacted]			
AEP-KYP	513.825	428.188	342.550
[redacted]			

Table 15: ICP Targets

Targets	% of Target**
2.0	80%
1.0	3 Year Trend or Avg.
0.0	120%
* PSO Min/Max= +15%/-5% based on their historically lower (AEP) SAIDI minute performance and other related factors	

6.3 Forestry Management Optimization

The Forestry Management Optimization supports AEP Enterprise wide Vegetation Management strategic partnership with Asplundh Tree Expert that requires the execution of three process improvement opportunities or innovative solutions to support this strategic partnership.

Milestones and Measures:

1. Complete review and revise (if necessary) current trim standards for each jurisdiction by 10/31/2024. Successful completion of this goal will be measured through the documented acknowledgment by the VP-Operations for each Operating Company contained within the signature page of the Trim Standard Document.
2. Submit the 2025 Forestry work plan by June 30, 2024. (Exception: SWEPCO plan will be submitted by Aug 15th to accommodate regulatory commitments). Successful completion of this goal will be measured by documented email acknowledgement from the VP-Operations for each Operating Company that the plan was received by its due date.
3. Run Forestry Optimization tool for each jurisdiction and train operating company personnel of use (pending tool availability on or around 10/31/2024). Successful completion of this goal will be measured through email documentation provided by VP-Operations for each Operating company by December 31, 2024, stating that the training was successfully completed to their satisfaction.

Note: Tool availability date on or around 10/31/2024 is meant to establish an adequate timeframe to complete training activities by end of year. Otherwise, this goal will quality for an approved ICP exception at the discretion of the EVP of the business unit.

Table 16: ICP Targets

Targets	Milestones Completed
2.0	3
1.0	2
0.0	0

Note: Jurisdictions will be scored on an individual basis.

6.4 Invoice Processing

The objective of this ICP initiative is to examine operating company invoice management processes to identify efficiency improvements in both time and resources. Goals include:

Goal #1: Process Standardization: End-to-end study and mapping of sequential processes that underpin how/when a vendor gets paid after work is performed (preapproval, red lining and invoice processing et al).

- Map the current end-to-end process in each Operating company, identify variations, best practices, bottlenecks, and redundancies. – Mid Q3' 2024
- Identify end-to-end process KPIs and associated definitions in a proof of concept, conduct OPCO reviews and finalize KPIs - Q3' 2024
- Rollout KPIs and communicate to the Operating Companies – Q4' 2024
- WHY?
    - Current state end-to-end process mapping will enable identification of process bottlenecks, redundancies and will enable efficiencies in invoice processing throughput and expediency.
    - Process standardization will allow for efficient utilization of resources and enable pooled utilization of invoice processing resources rather than current distributed resources.
    - The above-mentioned process standardization enables quicker troubleshooting, swift response to backlog identification and targeted deployment of controls.

Goal #2: Develop and deploy an Invoice Processing performance reporting dashboard that tracks timesheets and invoices along the standard process. This dashboard will monitor performance by key data attributes (OPCo, Vendor, Distribution/Transmission, Department/Group, Timesheet/Invoice Status, and processing time of each key subprocess and the entire process. The dashboard information will be utilized to make efficient resource management and deployment decisions across OPCOs.

- WHY?
    - Invoice processing performance dashboard (performance against our Net 45 days payment terms) will provide much needed transparency against our invoice processing performance. It enables timely identification of performance issues (2023 Actalent, TRC) especially for high $, high volume vendors and allows for proactive deployment of resources targeted at high $ high volume invoice backlogs.
    - Utilize the dashboard information to make efficient resource management and deployment decisions across OPCOs.
    - Dashboard Due Dates:
        - Ver 1.0 – Proof of Concept – March 31, 2024
            - User Testing -Two weeks after ECA black out period ends
            - Substantially Complete Dashboard – **6 Weeks after ECA Black Out ends**
            - Additional Dashboard attributes (including UVL reporting) will be part of ongoing Dashboard versions during 2024

Table 17: ICP Targets

Targets	Milestones Completed
2.0	2
1.0	1
0.0	0

6.5 Reliability Work Plans

The OPCo Reliability Work Plans are a critical component to improving the customer experience, particularly as it relates to system reliability and the number of minutes customers endure service interruption each year.

Details for OPCo plans located in Appendix A.

Table 18: ICP Targets

Targets	Plan Completion
2.0	100%
1.0	50%
0.0	0%

6.6 Big Data/Technology

- The objective of this ICP initiative is to optimize existing reliability programs to enhance effectiveness at the lowest total cost of service to deliver an improved customer experience balanced with affordability. There's a wealth of information in the grid – capturing, compiling, and analyzing it yields insights that help us make better decisions, pre-emptively correct problem areas and better prioritized and optimize use of resources.
- The benefits of this initiative include: improved reliability and power quality through predictive equipment failures and momentary outage investigations; enhanced customer satisfaction through advanced notification of scheduled outages and proactive alerts of issues with customer equipment; and the minimization of total cost of service for customers through optimization of required inspections, more effective work planning, and centralized back-office functions.
- Scoring of this initiative will be based on the number of successful initiatives out of [5].
- Goals for this initiative include:
- Process standardization for leveraging AMI Data that supports data acquisition and quality, analytics aimed at organizational effectiveness, and supporting a regulatory strategy to use big data for customer benefits. As an example, current data -driven programs include but are not limited to transformer failure prediction, hot meter sockets and blink module. A work team that includes OPCo and Utilities' Group Reporting & Analytics individuals will be assembled to better scope the requirements for standardization, which will include but not be limited to the following scoping parameters:
- Tooling & Back Office –
- Who does the work? (MRO, Reliability, Line)
- When we respond? (thresholds)

- What we do; standard remedy? (replace, fix, investigate)
- Reporting on success (Feedback loop, Images)
- Coordinated R&D – We can always get more predictive, new sensors
- Additionally, as part of this ICP initiative, there will be a formal External Benchmarking effort that identifies associations and other industry groups focused on Big data analytics in which we will actively participate in sharing best practices in using big data to improve organizational effectiveness.
- DACR Deployment- The success of this goal will be determined by the development and approval of a roll-up (total utilities) 2025 – 2030 accelerated DACR deployment plan. The plan will be developed as part of a larger team effort in coordination with the UPLT. The accelerated plan will be presented to Executive Sponsors by Sept 30, 2024. Plan funding will be determined at a later date.
- Data Driven Risk Assessment of Distribution Systems. The success of this assessment will be identified by completing the following actions by 12/31/2024:
- Identify inspection programs currently in place and regulatory requirements for each jurisdiction.
- Determine mechanisms currently in place for each operating company to track inspection results and/or repairs
- Establish common methodology/platform to track progress of necessary repairs identified through existing inspection programs.
- Field Mobility – Develop training modules and formal written plan to train Business Partners and/or External contractors 12/31/2024. Success will be determined by email acknowledgement by VP - Distribution Planning & Performance – that the training Modules and written plans were completed by 12/31/2024. Actual training will take place during 2025.
- Operating Companies to provide a list of personnel requiring training for audit purposes by 05/30/2024. The list will not include current early adopters that are part of testing and already trained.

- Note: The 12/31/2024 due date is contingent on Field Mobility Assessment and Crew Manager modules being delivered and functional by 10/31/2024 by the AEP Technology Business Unit; otherwise, this goal will qualify for an approved ICP exception at the discretion of the EVP - Utilities.

Table 19: ICP Targets

Targets	Plan Completion
2.0	4 goals achieved
1.0	2 goals achieved
0.0	0 goals achieved

Appendix A: Reliability Initiatives by Operating Company

APCO Reliability Initiatives		
Topic	**Description**	**Target**
Grid Modernization	Install DACR Line Devices	16 Circuits
Vegetation Management	Clear Forestry Line Miles	6,000 miles
Equipment Repair	Cutout Replacement	11,000 cutouts completed

I&M Reliability Initiatives		
Topic	**Description**	**Target**
Distribution Automation	Commission and monitor I&M GridSmart Distribution Automation schemes.	16 Schemes
Vegetation Management	Clear/maintain vegetation in Indiana and Michigan	2,000 Miles
Roadside Relocation	Complete the relocation of planned portions of the distribution circuits	20 Miles
Circuit Ties	Complete the planned line rebuilds as well as installation of smart reclosers	32 Miles
Advanced Metering Infrastructure	Install AMI Meters	123,400 Meters

KPCO Reliability Initiatives		
Topic	**Description**	**Target**
Pole Replacements	Guidance of poles greater than 50 years	140 poles
Cutout replacements	Inspect cutouts to determine if replacement is needed due to nearing failure and make replacements for those nearing failure.	700 cutouts
Unfused taps	Install protection devices on unfused taps	420 devices
Sectionalizing	Install manual switches for step restoration	140 Switches
TOR Widening	Remove 2,500 trees for every $1M direct Capital	2,500 trees/$1M direct Capital

Ohio Reliability Initiatives		
Topic	**Description**	**Target**
Reliability Planning	Develop a construction-ready reliability work plan to assess backlog for AEP Ohio	1 year
System Level Reliability	Complete a capital optimization assessment to prioritize work for long term distribution investment plans	1 year
CCR- Emergent Reliability	Use data driven drone assessments to assess circuit(s) for root cause of sensitive customers experiencing momentary outages and identify solutions	1 year
CCR- Small Pocket Reliability	Develop plan for poor performing reliability pockets (assessment and identify solutions)	1 year
CCR- Sectionalizing tool advancement	Develop a deployment plan to utilize technology to minimize impact of temporary outages on circuits in the Central Ohio footprint	1 year

PSO Reliability Initiatives		
Topic	**Description**	**Target**
Worst Performing Circuits	Complete patrols and maintenance on 5% of PSO's worst performing circuits as determined by PSO's Chapter 35 regulatory filing criteria.	1 year
Vegetation Management	Complete 2024 vegetation management plan of ~$22M by year end.	1 year
GEAR Plan (Distribution Rider)	Timely submittal of plan and quarterly updates to PUD.	1 year
Outage Review Process	Continue review calls as needed to discuss the prior month’s top outages with the distribution leadership team. Capture and share lessons learned from each outage discussed.	1 year

SWEPCO Reliability Initiatives		
Topic	**Description**	**Target**
Overhead Inspections	Maintain 5-year OH inspection cycle.	4,568.2 miles
Underground Inspections	Maintain 5-year URD inspection cycle.	20,869 units
Worst Performing Circuits	Address WPCs per state regulatory requirements.	47 Circuits
Repeat Outages	Address all repeat outages per set time range by district.	516 devices*
Veg Mgmt jarraff Cycle	Mechanically trim with jarraff towards appropriate cycle for each jurisdiction.	770 miles
Veg Mgmt Spray Cycle	Progress towards 3-4 year spray cycle.	5,500 miles

Texas Reliability Initiatives		
Topic	**Description**	**Target**
Vegetation Management	Trim Right-Of-Way vegetation	780 miles
Pole Replacement	Replace reject poles	2000 poles
Recloser Replacement	Replace 34 rec. units, hydraulic with vac. & upgrades	34 units replaced by 12/31
Worst Performing Feeder jobs	Complete work aimed at WPF mitigation	25 jobs completed by 12/31

Appendix B: Operating Earnings – 2024 Control Budget

Net Income - 2024 Control Budget													
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
[redacted]													
KPCO	15,237	7,440	7,471	1,658	4,339	6,453	8,277	8,771	3,311	4,231	10,659	12,067	89,917
[redacted]													

Appendix C: Average Equity – 2024 Control Budget

Average Equity - 2024 Control Budget													
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
[redacted]													
KPCO	936,003	940,339	945,304	950,169	955,606	961,047	967,241	973,613	979,921	986,447	993,752	1,001,579	1,001,579
[redacted]													

Appendix D: Safety and Health ICP Addendum

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

Purpose	The purpose of this addendum is to supplement the 2024 Safety and Health ICP Plan and further clarify participants and how the metrics are calculated.
Participants	**Business Units** participating in the 2024 Safety and Health ICP include Energy Delivery, Generation, and Utilities. Cook Nuclear and Renewables are not included in the ICP measurements. • **Energy Delivery** includes personnel reporting up to and including the SVP of Energy Delivery. • **Generation** includes personnel reporting up to and including the SVP of Generating Assets and VP of Generation Shared Services. • **Utilities** includes personnel reporting up to and including the EVP of Utilities. This includes all Operating Companies (OPCOs). **Corporate/Shared Services** will participate in some of the ICP measurements as indicated below. • **Electric Transmission Texas (ETT)**: Participates in CORE Visit Effectiveness Reviews. • **Fleet and Supply Chain**: Participates in CORE Visit Effectiveness Reviews. • **Project Solutions:** Participates in the Contractor Targeted CORE Visit Assessment and CORE Visit Effectiveness Reviews. • **Safety and Health:** Participates in all Safety and Health ICP metrics. • **EVP Energy Services:** Participates in CORE Visit Effectiveness Reviews.
Fatality Modifier	A Fatality Modifier will be applied if one or more employee or contractor fatality occurs in the calendar year. The Fatality Modifier will reduce the actual score of each Goal by 50% in the Business Unit or the Operating Company (OPCO) where the fatality event occurred. **Business Units** are Energy Delivery and Generation. **Operating Companies (OPCOs)** are AEP Ohio, AEP Texas, Appalachian Power, Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma (PSO) and Southwestern Electric Power Company (SWEPCO).
Calculation and Scoring of Metrics	All 2024 Safety and Health ICP metrics are shared measurements across business units. **SIF Event Sharing** includes two independent components. Each component will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The two scores will be averaged together to produce one score for the metric. The Fatality Modifier will be applied to the single score. Employee and contractor events occurring and shared in 2024 are the only ones that receive credit in 2024. • Generation, Energy Delivery and Utilities Grand Central Safety & Health Committees are each responsible for creating and sharing four alerts for high energy events that do not result in a DART. Credit is earned when the event is shared.

ADDENDUM

2024 SAFETY AND HEALTH ICP PLAN

Employee Targeted CORE Visit Assessment* includes four steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

Contractor Targeted CORE Visit Assessment* includes three steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

CORE Visit Effectiveness Reviews* has three independent components. A score will be calculated for each component and the three will be combined together based on the Goals in the 2024 Safety and Health ICP Plan Details to a single score. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

- Baseline calculations include CORE Visits performed by identified AEP frontline and contractor oversight personnel. The baseline includes all templates with safe and at-risk conditions.
- The baseline uses identified personnel as of 12/15/2023 and includes visits performed between 01/01/2023 through 12/15/2023. The baseline was finalized 1/19/2024.
- Electric Transmission Texas (ETT) Senior Leaders will review visits performed by Energy Delivery contractor oversight personnel.
- Quality Calculations:
  - Decrease in percentage of 100% Safe Visits:

    $$\frac{\text{Total Visits that did not contain any At-Risk Conditions}}{\text{Total Visits Performed}}$$

  - Increase in percent of comments (notes) documented:

    $$\frac{\text{Total Visits that contained at least one Comment}}{\text{Total Visits Performed}}$$

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

***Adding and Removing Names**

Adding and Removing Names from Employee and Contractor Targeted CORE Visit Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those managers/supervisors new in the role prior to March 1st will be added for ICP purposes.
  - Managers/supervisors new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

Adding and Removing Names from CORE Visit Effectiveness Review Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those senior leaders, frontline leaders, and contractor oversight personnel new in the role prior to March 1st will be added for ICP purposes.
  - Senior leaders, frontline leaders, and contractor oversight personnel new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

DocuSigned by: Michelle L Marsh EF6567D0897F4BE... 4/16/2024 | 1:15 PM EDT

DocuSigned by: Peggy Lin 4C8BF70485BD44F... 4/18/2024 | 12:58 PM EDT

DocuSigned by: Christian Bram E27434EFE1A34E4... 4/19/2024 | 1:17 PM EDT



Energy Delivery

2024 Incentive Compensation Plan

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1.0 Introduction

1.1 Why is an Incentive Compensation Plan (ICP) important?

An Incentive Compensation Plan (ICP) is a cash or non-cash form of compensation that an employee earns on top of their regular, base salary. This plan is strategically formulated to motivate the performance or targeted achievement of the employee and is usually variable. ICPs are an excellent initiative to show appreciation for all those working underneath the company umbrella.

When initiated the right way, an ICP can deliver great benefits for team members, contribute to the long-term business success of AEP, and support the longevity of AEP's customer base. AEP recognizes that by providing a work environment that is fulfilling for everyone, the company is helping to encourage each person's passion to succeed - that effort has to include compensation. An ICP metrics reflects what is important to company stakeholders that includes AEP customers, shareholders, communities, and employees that is demonstrated by AEP's efforts to:

- **Support Zero Harm** – AEP is committed to ensure everyone goes home the same or in better condition than when they arrived at work.
- **Promote Diversity and Inclusion** – AEP encourages and supports a diverse and inclusive workforce and long-term strategy that sustains a culture in which employees, customers, and suppliers feel respected, valued, and connected.
- **Advocate Affordable Electricity** – AEP work to supply its customers with electricity at an affordable price.
- **Support Investor Returns** – AEP provides returns for its investors, enabling AEP to continue serving customers with stable and affordable electricity.
- **Affirm Our Electricity Provision** – AEP furnishes electricity to its customer in a reliable and efficient manner.

1.2 What is new for AEP in 2024?

- AEP's Safety Metrics focus on proactive leading measures and all metrics will be subject to a 50% fatality modifier.
- Newly added metrics include:
    - **Workforce** – Establish clear roles, responsibilities, and training for teams within Energy Delivery to encourage efficiency and employee success.
    - **Real Time Operations** – Continue to Execute on Real Time operational Tool implementation plans to ensure AEP can properly operate the "Grid of the Future".
    - **Identify Efficiency Opportunities –** Optimize workflow and structure by studying core work practices to determine opportunities for streamlining Energy Delivery.
    - **FAC 008 Rating Audit Response and Improvement Activities**

1.3 2024 Energy Delivery ICP Scorecard

Table 1: 2024 Energy Delivery ICP Scorecard

ICP Metric		Targets and Ranges		
Safety & Compliance	**Metric Weight**	**0.0**	**1.0**	**2.0**
Serious Injury & Fatality Event Sharing	10.00%	6	9	12
Employee Targeted CORE visit Assessment	5.00%	0.000	Steps 1-3 (75% visits)	Steps 1-4 (100% visits)
Contractor Targeted CORE visit Assessment	5.00%	1.000	Steps 1-2 (75% visits)	Steps 1-3 (100% visits)
CORE Visit Effectiveness Reviews	10.00%	90%	95%	100%
NERC Compliance Improvement	5.00%	29	23	18
Total Safety & Compliance	**35.00%**			
Workforce & Culture				
Culture Metric	5.00%	90%	93%	96%
Workforce	5.00%	0%	15%	20%
Total Workforce & Culture	**10.00%**			
Business Performance				
AEPTHC Earnings ($M)	10.00%	$683,885.95	$777,143.12	$870,400.30
Operating Earnings ($M)	10.00%	$1,906,272.05	$2,242,673.00	$2,579,073.95
Return on Equity	10.00%	8.53%	9.03%	9.78%
Total Business Performance	**30.00%**			
Affordability				
Plant in Service ($B)	5.00%	$3.105	$3.278	$3.376
Total Affordability	**5.00%**			
Operations				
SAIDI	2.50%	39.17	32.64	26.11
Real time Operations	2.50%	2 subtasks achieved	4 subtasks achieved	6 subtasks achieved
FAC 008 Rating Audit Response and Improvement	5.00%	4	6	8
Forestry Management Optimization	2.50%	0 milestones	2 milestones	3 milestones
TRIND Score Improvement	2.50%	47.95	50.35	52.75
DEM with Break and Fix Capital	2.50%	1,200	1,280	1,316
Identify Efficiency Opportunities	2.50%	2 opportunities approved	4 opportunities approved	6 opportunities approved
Total Operations	**20.00%**			
ICP Score	**100.00%**			

2.0 Safety and Compliance

2.1 Why is Safety and Compliance important to Energy Delivery?

No aspect of operations is more important than the health and safety of people. AEP's customer needs are met in harmony with environmental protection to provide that additional layer of security that AEP believes should go beyond just good customer service.

2.2 Serious Injury and Fatality Event Sharing

Serious injuries and fatalities (SIFs) continue to plague the utility industry. A common denominator to SIF events is the presence of high energy. High energy is present in the work performed by our employees and contractors. As part of AEP's emphasis on continuous learning, we want to encourage sharing and learning from work performed when high energy is present.

- High Energy employee and contractor events that result in injury or illness.
    - Twelve high energy injury or illness events will be shared and must meet the following criteria:
        - High energy is present
        - There is a high energy incident
        - A DART injury, DART illness or fatality is sustained
- High Energy is often present in employee and contractor good catch, injury, illness and equipment damage events.
    - Twelve events where high energy is present will be shared and must meet the following criteria:
        - High energy is present
        - A DART injury, DART illness or fatality is NOT sustained
- Events will be appropriately documented using a Safety & Health Alert form or other means. Business unit leaders will then share the information with their teams.
- This ICP is a shared measurement across business units.
- The 10% weighting has two components and are independent of each other:
    - Appropriately share high energy DART events (5%)
    - Appropriately share high energy events that did not result in a DART (5%)
- Notes:
    - The Vice President of Safety & Health reserves the right to not require sharing of an event. The Vice President Safety & Health also reserves the right to require sharing of an event that does not meet the criteria for sharing; these events will not be included in the ICP.

- Events occurring after November 1, 2024, are not required to be shared for ICP scoring purposes. Scoring will be adjusted if there are not twelve qualifying events for each component.
- Multiple events may be grouped and shared under one alert if similar in nature. Each event shared receives credit for ICP scoring purposes.
- S&H professionals will classify events based on the EEI Safety Classification and Learning Model.
- **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 2: ICP Targets

	SIF DART	SIF Non-DART
Targets	**Events Shared**	**Events Shared**
2.0	12	12
1.0	9	9
0.0	6	6

2.3 Employee Targeted CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm. High Energy employee and contractor events that result in injury or illness.

- Employee Targeted CORE visits in 2024 will include verifying elements that present high risk to employees and execution of 2023 corrective and preventative actions.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include frontline leaders who have employees in the field performing physical work. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.
- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Execute the 2023 Targeted CORE Visit corrective and preventative actions.
    - Step 2: Develop the baseline questionnaire and complete the assessor knowledge evaluation.

- Step 3: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
- Step 4: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment, or process/standard.

- Notes:
  - Generation includes Generating Assets and Generation Shared Services.
  - Cook Nuclear and Renewables are not included in this metric.
  - CORE visits will still be performed by other leaders that are not included in this metric.
  - Refer to exemption process to add or remove leaders for this metric.
  - Incremental credit is earned for Step 3 visits once 75% of visits are performed.
  - Max score is 1.0 unless Step 4 is completed.
  - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 3: ICP Targets

Targets	Complete Steps
2.0	1-4 (100% visits)
1.0	1-3 (75% visits)
0.0	0

2.4 Contractor Target CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm.

- The Contractor Targeted CORE visit topic in 2024 will be Pre-job Briefings. Visits will include verifying elements that present high risk to employees.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include contractor oversight personnel. Contractor oversight personnel includes construction managers/superintendents, construction coordinators, foresters, inspectors, etc. who are familiar with the work performed by contractors in the field. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.

- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Develop Pre-job Briefing Targeted CORE visit baseline questionnaire and complete the assessor knowledge evaluation.
    - Step 2: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
    - Step 3: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment or process/standard.
- Notes:
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - Incremental credit is earned for Step 3 visits once 75% of visits are performed.
    - Max score is 1.0 unless Step 2 is completed.
    - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 4: ICP Targets

Targets	Complete Steps
2.0	1-3 (100% visits)
1.0	1-2 (75% visits)
0.0	0

2.5 CORE Visit Effectiveness Reviews

This metric connects senior leaders with front-line leaders to discuss the CORE visits they are performing. CORE Visits are a versatile leadership tool and can be used to assess a variety of activities and work products. CORE visit effectiveness reviews will consist of phone calls made by senior leaders to frontline leaders or contractor oversight personnel to review a previous CORE visit they performed. These conversations will encourage in depth interactions with team members, reporting of ‘At-Risk’ and ‘Safe’ conditions and behaviors, and documenting constructive comments with the overall goal of improving work as a result of the visit. Too many 100% safe inspections are predictive of higher injury rates.

- Generation, Energy Delivery, Utilities, Fleet & Supply Chain, Electric Transmission Texas (ETT), Project Solutions and Safety & Health will identify senior leaders, frontline leaders and contractor oversight personnel who are included in this metric. Senior leaders will consist of Plant Managers and above for Generation and Directors and above for Energy Delivery, Utilities, Fleet & Supply Chain, ETT and Safety & Health.
- Each identified senior leader will perform 24 CORE Visit effectiveness review calls with frontline leaders and oversight personnel within their own organization. Each month Safety & Health will pair senior leaders with front-line leaders and notify them of the visit to be discussed. The senior leader must document their discussion in Guardian. Business units will be responsible for tracking and reporting progress. All visits need documented in Guardian by 1/3/2025 to receive credit.
- This ICP is a shared measurement across business units.
- This metric has an engagement and quality component.
    - Leadership Engagement (4%): Perform and document 24 CORE Visit Effectiveness Reviews. The intent is to perform two visits each month.
    - CORE Visit Quality (6%):
        - CORE visits performed by front-line leaders will be evaluated for % Safe and % At-Risk visits. Improvement will be measured by having less 100% Safe CORE visits (3%)
        - CORE visits performed by front-line leaders will be evaluated for the % increase in Safe and At-Risk comments that are documented. Improvement will be measured by the % increase in total comments documented (3%)
- Notes:
    - The baseline to measure quality improvement will be established using 2023 CORE visits performed by frontline leaders and contractor oversight personnel by 12/15/2023.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - “At-Risk” conditions and behaviors provide Learning Opportunities. “Safe” conditions and behaviors represent Acceptable Practices.
    - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality.

Table 5: ICP Targets

Targets	Visits %	Decrease % 100% safe visits	Increase % Comments Documented
2.0	100%	30%	30%
1.0	95%	20%	20%
0.0	90%	10%	10%

2.6 NERC Compliance Improvement

The purpose of the NERC Compliance ICP Metric is to encourage internal discovery and reporting of noncompliance with NERC Requirements. It focuses on the creation and utilization of repeatable internal controls as a primary discovery mechanism of noncompliance.

As measured by a reduction in NERC compliance incident count vs. three-year average baseline of 41 incidents for all of AEP. The measure focuses on the creation and utilization of repeatable internal controls as a primary discovery mechanism of noncompliance. Therefore, NERC compliance incidents are weighted differently depending on discovery method to encourage internal discovery and reporting of noncompliance with NERC Requirements and to prevent repeat violations as follows:

Discovery Category	Incident Count Factor	Description
Internally Documented Control or resulting from a Mitigation Plan milestone	0x	An incident found by a regularly performed control with an established and documented control or as a result from a Mitigation Plan milestone
Internally Identified	1x	A non-Focus Requirement incident not found via an established control
Internally Identified on Focus Requirement	1.5x	A Focus Requirement incident not found via an established control
Externally Identified	2.0x	An incident found in an audit, during audit preparation or by an external reviewer

A new (1.5x) multiplier for Focus Requirements was added for 2024 to discourage the occurrence of repeat violations. The 2024 Focus Requirements are: CIP-011 R1-BCSI - Information Protection, CIP-010 R1 - Configuration Change Management, CIP-004 R4 - Electronic Access Management, and FAC-008 (all Requirements) - Facility Ratings, and PRC-005 R3 - Protection System Maintenance.

Instances must have been discovered, caused, and deemed reportable in 2024.

Table 6: ICP Targets

Targets	Reportable Incidents
2.0	18
1.0	23
0.0	29

3.0 Workforce and Culture

3.1 Why is Workforce and Culture important to Energy Delivery?

AEP is a dynamic and growing energy company that serves increasingly diverse communities and customer base. This requires AEP to have a diverse and inclusive workforce, while fostering a long-term strategy to sustain a culture in which our employees, customers, and suppliers feel heard, respected, valued, and connected. Diversity and inclusion are integral elements of AEPs values that is represented by everyone having a seat at the company table. These characteristics are crucial to sustaining AEP's corporate culture that is fundamental to AEP's continued business success. Diversity and inclusion contribute to the overall growth and development of AEP employees, as well as to the communities AEP serves by ensuring everyone has an equal voice and access to opportunities within the workplace.

3.2 Culture Survey Participation

The 2024 culture goal is to maintain participation in AEP's employee engagement survey,

- AEP's participation rate in 2022 was 86% of employees.
- AEP's participation in 2023 was 94% of employees.

Table 7: ICP Targets

Targets	% Participation
2.0	96%
1.0	93%
0.0	90%

3.3 Workforce

Actively support the performance of your team.

- Review the score provided to each of DBs direct reports.

Each senior leader will:

- Identify and create solutions for all duplicative work within and between Energy Delivery groups.
- Each director and above will evaluate and adjust their team's roles, responsibilities, and training for teams within Energy Delivery to encourage efficiency and employee success.

Table 8: ICP Targets

Targets	Teams Reviewed
2.0	20% of directors and above
1.0	15% of directors and above
0.0	0%

4.0 Business Performance

4.1 Why is Business Performance important to Energy Delivery?

Providing returns for investors enables AEP to continue serving our customers stable and affordable electricity.

4.2 AEPTHC Earnings

The AEPTHC operating earnings objective for 2024 is to meet or beat annual earnings target in line with corporate expectations:

- AEPTHC business performance focus in 2024 is the achievement APETHC 2024 Operating Earnings control budget target. Min/Max Thresholds: The Operating Earnings target shall have a minimum (0.00 ICP payout) of 88% of the control budget target, and a maximum (2.00 ICP Payout) of 112% of Control Budget.

- If Operating Earnings targets are modified during 2024, these modifications will need to be approved by Corporate Planning & Budgeting leadership as well as Business Unit Leadership. Changes will be communicated via email to Energy Delivery leaders and employees, along with a link to an amended (modified) ICP plan document with such changes included.

Table 9: 2024 AEPTHC Earnings

Targets	Operating Earnings
2.0	$893.3M
1.0	$797.6M
0.0	$701.9M

4.3 Operating Earnings

The Energy Delivery operating earnings objective for 2024 is to meet or beat annual earnings targets for Regulated Operating Companies in line with corporate expectations:

- AEP Energy Delivery's business performance focus in 2024 is the achievement AEP's Regulated Utilities 2024 Operating Earnings control budget target. Min/Max Thresholds: The Operating Earnings target shall have a minimum (0.00 ICP payout) of 85% of the control budget target, and a maximum (2.00 ICP Payout) of 115% of Control Budget.
- If Operating Earnings targets are modified during 2024, these modifications require approval from Corporate Planning & Budgeting leadership, as well as Business Unit Leadership. Changes will be communicated via email to leaders and employees, along with a link to an amended (modified) ICP plan document that describes all intended changes.

Table 10: 2024 Regulated Operating Earnings ($000s)

	0.00	1.00	2.00
[redacted]			
KPCO	76,429	89,917	103,404
[redacted]			
Total Regulated	**1,906,272**	**2,242,673**	**2,579,073**

Table 11: 2024 Regulated Operating Earnings

Targets	Operating Earnings
2.0	115%
1.0	100%
0.0	85%

4.4 Return on Equity

Return on Equity (ROE) is a business performance metric that shows how much income a company generates per dollar of invested capital. It reflects how efficiently a company uses its capital to generate profit that is addressed by the following:

- ROE is calculated as follows: 12 months Operating Earnings divided by the average Equity (13 months rolling average)
- Authorized ROE refers to the level of ROE approved by the applicable regulatory commission.
- Actual ROE is the calculation based on a company's actual financial results.
- Achieving a company's authorized ROE can be complicated by factors such as assets or expenses disallowed in a rate case, regulatory lag (time between capital investment and the first opportunity to earn on it via base rates or rider mechanism), changing economic conditions, legislative constructs, and other financial and operational events.

Table 12: 2024 Return on Equity

2024 Regulated Return on Equity - Weighted				
	0.00	**1.00**	**1.50**	**2.00**
[redacted]				
KPCO	8.75%	9.25%	9.75%	10.00%
[redacted]				
Total Regulated	8.55%	9.05%	9.55%	9.80%

Table 13: ICP Targets

Targets	Basis Points
2.0	+25 bps
1.5	Authorized
1.0	-50 bps
0.0	-100 bps

5.0 Affordability

5.1 Why is Affordability important to Energy Delivery?

Providing our customers with electricity at an affordable price is important especially to the customer, but also to AEP.

5.2 Plant in Service

Energy Services Transmission will measure its 2024 Plant In-Service performance for all OPCo's, Transco's and JV's. Targets and actuals exclude Buildings, IT, and Transource. Plant-in-Service performance provides the basis for return on equity in future years and leads to earnings growth.

Table 14: 2024 Plant in Service Targets

Affiliate	2024 Target
[redacted]	
Kentucky	$ 128
[redacted]	
TransCo Kentucky	$ 0
[redacted]	
Grand Total	**$ 3,278**

Table 15: ICP Targets

Targets	% of Control
2.0	**103%**
1.0	**100%**
0.0	**92%**

6.0 Operations

6.1 Why is Operations important to Energy Delivery?

Providing electricity to our customers in a reliable and efficient manner is important to both the customer and AEP.

6.2 SAIDI Actual

The SAIDI measure in 2024 will adhere to IEEE's standard SAIDI Definition 1366-1998.

- SAIDI, or System Average Interruption Duration Index, represents the total number of minutes the average customer has experienced interruption over a 12-month time period. The SAIDI measure includes Transmission and excludes major events (industry definition of Jurisdictional Major Event Days).
- The SAIDI measure includes Transmission and excludes major events (traditional definition).

Table 26: ICP Targets

Targets	SAIDI
2.0	26.11
1.0	32.64
0.0	39.17

6.3 TRIND Score Improvement

TRIND is a set of values that have been selected to track NATF (North American Transmission Forum) member performance over time. It aggregates key indicators that effects overall performance scores and proves members meaningful objectives to pursue their strategic plans. The TRIND utilizes an algorithm of inventory outages to determine its performance score. Each piece of the algorithm is

weighted and normalized using all submitted membership data and allows for a comparative view of performance regardless of company size.

As TRIND is calculated by NATF the following year, AEP will calculate the score using previous years inputs with current year outages.

Note: Use past three-year average AEP NATF TRIND and comparison to NATF member average TRIND.

Table 17: ICP Targets

Targets	TRIND
2.0	52.75
1.0	50.35
0.0	47.95

6.4 Forestry Management Optimization

The Forestry Management Optimization supports AEP Enterprise wide Vegetation Management strategic partnership with Asplundh Tree Expert that requires the execution of three process improvement opportunities or innovative solutions to support this strategic partnership.

Milestones and Measures:

1. Complete review and revise (if necessary) current trim standards for Energy Delivery by 10/31/2024. Successful completion of this goal will be measured through the documented acknowledgment by the SVP – Energy Delivery contained within the signature page of the Trim Standard Document.
2. Submit the 2025 Forestry work plan by June 1, 2024. Successful completion of this goal will be measured by documented acknowledgement (email) from the SVP – Energy Delivery] that the Plan was received by its due date.
3. Complete Energy Delivery technology pilot program. Successful completion of this goal will be measured through email documentation provided by SVP – Energy Delivery by December 31, 2024, stating that the pilot program was successfully completed to their satisfaction.

Note: Scored on an individual basis.

Table 18: ICP Targets

Targets	Goals Completed
2.0	3
1.0	2
0.0	0

6.4 DEM with Break and Fix Capital

The goal is to reduce the backlog of defective equipment in substations that is tracked by Energy Delivery Operations. The Defective Equipment Mitigation (DEM) program that has been in effect for 4 years, enables Transmission Field Services (TFS) to partner with an outside engineering company (OEC) to replace like for like defective equipment that may affect grid reliability and customer service. Numerous defects are identified every week and some immediately mitigated. In 2023, the ICP goal was created by using the prior 3-year average completed cases with the target 10% higher. The program documented 1,092 defective cases completed in 2021, followed by 1,203 in 2022 and 1,504 in 2023. The 2023 completed cases results benefited from the goal being established on 1/3/2024 and communicated immediately to field service. Field services completed more cases in its first quarter than remaining quarters and exceeded its target goal.

For 2024, the ICP goal has several factors to consider: the ICP goal was not established in the first quarter [first quarter completion results only 60% of the prior year quarter result], significant O&M reductions have been targeted, supply chain delivery time has not improved from prior years and the DEM program and OEC partner has recently expanded to manage emergency failures, potentially shifting from ongoing project support when required. The ICP goals are still considered to be aggressive incentive to meet the goal of reducing the backlog given the current factors. The program documented in Q2-Q4, 865 defective cases completed in 2021, followed by 901 in 2022 and 1,024 in 2023.

Using the 3-year average completed cases in Q2-Q4 with a 2.0 target of 10% more cases completed and appended to actuals for Q1 2024 for a year end set target of 1,316 completed cases or an average of 114 per month in Q2-Q4. Likewise, 1.0 target of 5% would be 1280 or an average expectation of 109 cases per month in Q2-Q4. Energy Delivery will monitor and report on progress of target monthly and adjust action plans accordingly.

Table 19: ICP Targets

Targets	Completed cases
2.0	1,316
1.0	1,280
0.0	1,200

6.5 Real Time Operations

Continue to Execute on Real Time operational Tool implementation plans to ensure AEP can properly operate the "Grid of the Future."

OSI SCADA:

- May - SCADA parallel Ops begins
- July - Cutover begins

OSI EMS:

- June - Application Tuning begins
- October - Parallel Ops begins
- Nov - Cutover begins

ADMS/DERMS:

- March - Business process work complete
- June - ADMS SCADA Display work complete
- Sept - FAT Case Execution Complete

Table 20: ICP Targets

Targets	Subtasks achieved
2.0	6
1.0	4
0.0	2

6.6 Identify Efficiency Opportunities

Optimize workflow and structure by studying core work practices to determine opportunities for streamlining Energy Delivery while ensuring Corrective Maintenance, Preventative Maintenance, Compliance, Technical Support and Capital commitments are met. Efficiency Opportunities should result in permanent ongoing savings for Energy Delivery and/or AEP.

Documentation of workflows and related compliance checks. Ensure accurate Service Corp billing and reduce where possible. Future state: work with internal audit to audit workflows. Report out of internal labor and outside services positions repurposed within AEP or Energy Delivery in 2024 with estimated going forward benefits.

Efficiency opportunities will be identified and presented to Energy Services EVP by December 15, 2024, for approval. Goal will score out on the basis approval with a threshold of two (2) opportunities, target of four (4) opportunities and maximum of six (6) opportunities.

Table 21: ICP Targets

Targets	Efficiency Ops Approved
2.0	6
1.0	4
0.0	2

6.7 FAC 008 Rating Audit Response and Improvement Activities

Complete the eight (8) 2024 FAC-008 Facility Rating Audit Responses and Improvement Activities by their scheduled due dates. Details are listed in Appendix D.

Table 22: ICP Targets

Targets	Mitigations
2.0	8
1.0	6
0.0	4

Appendix A: Operating Earnings – 2024 Control Budget

Net Income - 2024 Control Budget													
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
[redacted]													
KPCO	15,237	7,440	7,471	1,658	4,339	6,453	8,277	8,771	3,311	4,231	10,659	12,067	89,917
[redacted]													
T&D Total	*66,602*	*53,597*	*58,098*	*49,967*	*71,382*	*67,977*	*83,912*	*87,321*	*58,995*	*63,786*	*53,073*	*62,433*	*777,143*
Regulated Total	*242,149*	*164,416*	*142,558*	*83,948*	*174,676*	*207,778*	*259,497*	*280,736*	*152,680*	*164,230*	*162,795*	*207,210*	*2,242,673*
Trans HoldCo	*68,144*	*61,412*	*67,211*	*66,002*	*68,472*	*63,387*	*69,559*	*71,935*	*67,570*	*66,675*	*63,115*	*67,785*	*801,266*
Total Segments	*310,293*	*225,828*	*209,768*	*149,950*	*243,148*	*271,164*	*329,056*	*352,671*	*220,250*	*230,905*	*225,910*	*274,995*	*3,043,939*

Appendix B: Average Equity – 2024 Control Budget

Average Equity - 2024 Control Budget													
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
[redacted]													
KPCO	936,003	940,339	945,304	950,169	955,606	961,047	967,241	973,613	979,921	986,447	993,752	1,001,579	1,001,579
[redacted]													
Regulated Total	*23,928,894*	*24,113,970*	*24,297,441*	*24,469,667*	*24,621,326*	*24,774,752*	*24,924,366*	*25,057,830*	*25,194,230*	*25,313,281*	*25,428,785*	*25,571,900*	*25,571,900*
Trans HoldCo	*6,959,011*	*7,001,568*	*7,045,556*	*7,092,028*	*7,139,356*	*7,191,152*	*7,243,734*	*7,289,263*	*7,337,458*	*7,386,021*	*7,434,642*	*7,478,188*	*7,478,188*
Total Segments	*30,887,906*	*31,115,538*	*31,342,997*	*31,561,695*	*31,760,682*	*31,965,903*	*32,168,100*	*32,347,093*	*32,531,687*	*32,699,303*	*32,863,427*	*33,050,087*	*33,050,087*

Appendix C: Authorized ROEs – Weighted

Authorized ROEs - Weighted	
	2023
[redacted]	
KPCO	9.75%
[redacted]	
T&D Total	9.53%
Total Regulated	**9.55%**

Appendix D: FAC 008 Facility Rating Milestones

1.0 Reportable to Region - 4/15/2024

Update facility ratings database to match Most Limiting Series Element (MLSE) identified during onsite portion of the 2023 audit (in accordance with AEP's established Facility Ratings Methodology). The audit findings were addressed as follows:

***Audit prep finding #1*:** Albion-Skinner 138 kV - Transmission Line Team will update the appropriate rating in PDS (T-Line system of record), which will notify Transmission Planning to make the corresponding update in TPS (planning system of record).

***Audit prep finding #2*:** Waverly-Ware 138kV - Transmission Planning will make the correct rating adjustment in TPS (Kremlin at the time of the incident).

***Audit prep finding #3*:** Cabin Creek 138kV - A new Communication workbook will be created reflecting the revised CT ratio and the updated protection system ratings. A Field verification will be performed to confirm that CT ratio change had been implemented in the field. Transmission Planning to make the corresponding update in TPS (planning system of record).

***Audit prep finding #4*:** Claytor 138kV - Transmission Planning Team and PCE Team will work together to confirm correct thermal values exist and update ratings in TPS accordingly. During the 2023 RF Audit, the following findings were identified during facility walkdowns performed by RF in conjunction with AEP FAC-008 Team:

Walkdown Finding #1 Hyatt – Vassell 345 kV (130781) - Station Engineer will make the correction in IPS, which will notify Transmission Planning to make the corresponding update in TPS (planning system of record).

Walkdown Finding #2 Hyatt – Tangy 345 kV (131110) - Station Engineer will make the correction in IPS, which will notify Transmission Planning to make the corresponding update in TPS (planning system of record).

Walkdown Finding #3 Beatty – Bixby 345 kV (130010) - Station Engineer will make the correction in IPS, which will notify Transmission Planning to make the corresponding update in TPS (planning system of record).

Walkdown Finding #4 West Millersport 345kV Transformer #1 - This transmission facility had a communication workbook that was created in 2018. As a part of the communication workbook, the voltage levels for the high and low sides of the transformer are included. An error was made in populating the low side voltage whereby a voltage level of 115kV was used instead of 138kV. This resulted in a reported CT thermal limit that was lower than it actually was. The communication workbook was corrected, and this resulted in an increase in the Facility Rating.

2.0 Reportable to Region 7/1/2024

Extent of Condition - IPS Review AEP will complete a comprehensive review of “Inservice” and “Retired Assets” in IPS looking back over the past year. During the past year, AEP's tracking of these attributes

was diminished due to a reporting error. This activity will ensure the correct statuses are applied to in-service facilities and retired assets are removed.

By performing this extent of condition AEP will identify the discrepancies that could have been the result of personnel not implementing AEP's Facility Rating Methodology accurately. AEP will notify RF of the issues found during the completion of this milestone through the quarterly communication requirements established between RF and AEP.

3.0 Reportable to Region 7/1/2024

Extent of Condition - Comm Workbook to IPS ResolutionAEP will complete an initial review of the data contained in the IPS Database and the corresponding Comm Workbook for each facility, with a focus on specific data points that correlate to an MLSE change.

Create a query that compares data points such as the CT Ratio. The CT Ratio can be found in both AEP's Comm Workbooks and IPS for T-Lines that are BES assets. The CT Ratio in both systems should match, so a discrepancy between the systems could potentially lead to an MLSE change and a possible change to the Facility Rating. By performing this extent of condition AEP will identify the discrepancies that could have been the result of personnel not implementing AEP's Facility Rating Methodology accurately. AEP will notify RF of the issues found during the completion of this milestone through the quarterly communication requirements established between RF and AEP.

4.0 Reportable to Region 8/1/2024

Initiate 3 Year Walkdown - Document a high-level plan to perform walkdowns (facility verifications) on 100% of FAC-008 applicable assets in approximately 3 years, across all AEP Regions. AEP intends to include the use of emerging technologies such as LiDAR in support of its Walkdown program.

Throughout the execution of the plan, reporting of walkdown progress and findings will be made to RF in accordance with previously established quarterly reporting obligations, and MLSE/Facility Rating changes will be provided in accordance with established CMEP practices.

5.0 Reportable to Region 9/1/2024

Prevents Reoccurrence - Publish Walkdown program documentation -vDocument walkdown process, including known tools and technologies, used to execute the walkdown and the evidence produced. This documentation will also include the steps taken to ensure the one-line diagrams are reviewed as part of the walkdown process and how any drawing related discrepancies are to be updated. This documentation will establish clear expectations when reviewing walkdown results.

6.0 Reportable to Region 11/1/2024

Prevent Reoccurrence - Update Facility Ratings Process Update the Transmission Facility Ratings Process document to support process adherence and ensure future ratings changes are processed correctly, which may include the following:

- The use of emerging technologies such as LiDAR to help increase visibility of a facility and accuracy of ratings data.

- Implementing preventative Internal controls/process gates to limit inaccurate implementation of this new process.

7.0 Reportable to Region 12/1/2024

Second Line of Defense Control Establish a new ARCS Detective Control Procedure (CP) to periodically sample walkdown data and independently verify established walkdown processes were followed and the evidence captured is appropriate. This control will be performed by the Enterprise Nerc Reliability Assurance's Risk and Controls Team as a second line of defense that will help reenforce process adherence.

8.0 Reportable to Region 12/31/2024

Communication of Facility Ratings Process Update - Develop a training and communication strategy around sharing the updates to the Transmission Facility Ratings Process and maintaining ongoing awareness of FAC-008 policies.

- Determine the target audience.
- Review existing communication tools and adjust accordingly.
- Determine the frequency (one time, ongoing, etc.).

Appendix E: Safety and Health ICP Addendum

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

Purpose	The purpose of this addendum is to supplement the 2024 Safety and Health ICP Plan and further clarify participants and how the metrics are calculated.
Participants	**Business Units** participating in the 2024 Safety and Health ICP include Energy Delivery, Generation, and Utilities. Cook Nuclear and Renewables are not included in the ICP measurements. • **Energy Delivery** includes personnel reporting up to and including the SVP of Energy Delivery. • **Generation** includes personnel reporting up to and including the SVP of Generating Assets and VP of Generation Shared Services. • **Utilities** includes personnel reporting up to and including the EVP of Utilities. This includes all Operating Companies (OPCOs). **Corporate/Shared Services** will participate in some of the ICP measurements as indicated below. • **Electric Transmission Texas (ETT)**: Participates in CORE Visit Effectiveness Reviews. • **Fleet and Supply Chain**: Participates in CORE Visit Effectiveness Reviews. • **Project Solutions:** Participates in the Contractor Targeted CORE Visit Assessment and CORE Visit Effectiveness Reviews. • **Safety and Health:** Participates in all Safety and Health ICP metrics. • **EVP Energy Services:** Participates in CORE Visit Effectiveness Reviews.
Fatality Modifier	A Fatality Modifier will be applied if one or more employee or contractor fatality occurs in the calendar year. The Fatality Modifier will reduce the actual score of each Goal by 50% in the Business Unit or the Operating Company (OPCO) where the fatality event occurred. **Business Units** are Energy Delivery and Generation. **Operating Companies (OPCOs)** are AEP Ohio, AEP Texas, Appalachian Power, Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma (PSO) and Southwestern Electric Power Company (SWEPCO).
Calculation and Scoring of Metrics	All 2024 Safety and Health ICP metrics are shared measurements across business units. **SIF Event Sharing** includes two independent components. Each component will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The two scores will be averaged together to produce one score for the metric. The Fatality Modifier will be applied to the single score. Employee and contractor events occurring and shared in 2024 are the only ones that receive credit in 2024. • Generation, Energy Delivery and Utilities Grand Central Safety & Health Committees are each responsible for creating and sharing four alerts for high energy events that do not result in a DART. Credit is earned when the event is shared.

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

Employee Targeted CORE Visit Assessment* includes four steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

Contractor Targeted CORE Visit Assessment* includes three steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

CORE Visit Effectiveness Reviews* has three independent components. A score will be calculated for each component and the three will be combined together based on the Goals in the 2024 Safety and Health ICP Plan Details to a single score. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

- Baseline calculations include CORE Visits performed by identified AEP frontline and contractor oversight personnel. The baseline includes all templates with safe and at-risk conditions.
- The baseline uses identified personnel as of 12/15/2023 and includes visits performed between 01/01/2023 through 12/15/2023. The baseline was finalized 1/19/2024.
- Electric Transmission Texas (ETT) Senior Leaders will review visits performed by Energy Delivery contractor oversight personnel.
- Quality Calculations:
  - Decrease in percentage of 100% Safe Visits:

$$\frac{\text{Total Visits that did not contain any At-Risk Conditions}}{\text{Total Visits Performed}}$$

  - Increase in percent of comments (notes) documented:

$$\frac{\text{Total Visits that contained at least one Comment}}{\text{Total Visits Performed}}$$

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

***Adding and Removing Names**

Adding and Removing Names from Employee and Contractor Targeted CORE Visit Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those managers/supervisors new in the role prior to March 1st will be added for ICP purposes.
  - Managers/supervisors new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

Adding and Removing Names from CORE Visit Effectiveness Review Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those senior leaders, frontline leaders, and contractor oversight personnel new in the role prior to March 1st will be added for ICP purposes.
  - Senior leaders, frontline leaders, and contractor oversight personnel new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

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DocuSigned by: Peggy Lin 4C8BF70485BD44F... 4/18/2024 | 12:58 PM EDT

DocuSigned by: Christian Beam E27434EFE1A34E4... 4/19/2024 | 1:17 PM EDT



Generation

2024 Incentive Compensation Plan

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1.0 Introduction

1.1 Why is an Incentive Compensation Plan (ICP) important?

An Incentive Compensation Plan (ICP) is a cash or non-cash form of compensation that an employee earns on top of their regular, base salary. This plan is strategically formulated to motivate the performance or targeted achievement of the employee and is usually variable. ICPs are an excellent initiative to show appreciation for all those working underneath the company umbrella.

When initiated the right way, an ICP can deliver great benefits for team members, contribute to the long-term business success of AEP, and support the longevity of AEP's customer base. AEP recognizes that by providing a work environment that is fulfilling for everyone, the company is helping to encourage each person's passion to succeed - that effort has to include compensation. An ICP metrics reflects what is important to company stakeholders that includes AEP customers, shareholders, communities, and employees that is demonstrated by AEP's efforts to:

- **Support Zero Harm** – AEP is committed to ensure everyone goes home the same or in better condition than when they arrived at work.
- **Promote Diversity and Inclusion** – AEP encourages and supports a diverse and inclusive workforce and long-term strategy that sustains a culture in which employees, customers, and suppliers feel respected, valued, and connected.
- **Advocate Affordable Electricity** – AEP work to supply its customers with electricity at an affordable price.
- **Support Investor Returns** – AEP provides returns for its investors, enabling AEP to continue serving customers with stable and affordable electricity.
- **Affirm Our Electricity Provision** – AEP furnishes electricity to its customer in a reliable and efficient manner.

1.2 What is new for AEP in 2024?

- AEP's Safety Metrics focus on proactive leading measures and all metrics will be subject to a 50% fatality modifier.
- **NERC Cold Weather Compliance –** Complete the AEP Cold Weather program to meet NERC requirements.

1.3. 2024 Generation ICP Scorecard

Table 1: 2024 Generation ICP Scorecard

ICP Metric		Targets and Ranges		
Safety & Compliance	**Metric Weight**	**0.0**	**1.0**	**2.0**
Serious Injury & Fatality Event Sharing	10.00%	6	9	12
Employee Targeted CORE visit Assessment	5.00%	0.000	Steps 1-3 (75% visits)	Steps 1-4 (100% visits)
Contractor Targeted CORE visit Assessment	5.00%	1.000	Steps 1-2 (75% visits)	Steps 1-3 (100% visits)
CORE Visit Effectiveness Reviews	10.00%	90%	95%	100%
Environmental Event Reduction	5.00%	43	31	19
Total Safety & Compliance	**35.00%**			
Workforce & Culture				
Culture Survey Participation	5.00%	90%	93%	96%
Total Workforce & Culture	**5.00%**			
Business Performance				
FutureGen O&M ($M)	5.00%	$20.7	$24.4	$26.8
FutureGen Overall ($M)	5.00%	$87.6	$103.0	$113.3
Operating Earnings ($M)	10.00%	$1,245,700	$1,465,529	$1,685,359
Return on Equity	10.00%	8.57%	9.07%	9.82%
Total Business Performance	**30.00%**			
Operations				
EFORv	7.50%	11.90%	9.50%	7.20%
EFORd	7.50%	14.60%	11.70%	8.80%
Zero Emission Dispatchable Gen Mix*	5.00%	0	*	2
Small Modular Reactor FEED Study	5.00%	0	3	5
NERC Cold Weather Compliance**	5.00%	0	**	2
Total Operations	**30.00%**			
ICP Score	**100.00%**			

* 1 out of 2 milestones = 0.5 score

**Anything less than the 2 milestones is a 0

2.0 Safety and Compliance

2.1 Why is Safety and Compliance important to Generation?

No aspect of operations is more important than the health and safety of people. AEP's customer needs are met in harmony with environmental protection to provide that additional layer of security that AEP believes should go beyond just good customer service.

2.2 Serious Injury and Fatality Event Sharing

Serious injuries and fatalities (SIFs) continue to plague the utility industry. A common denominator to SIF events is the presence of high energy. High energy is present in the work performed by our employees and contractors. As part of AEP's emphasis on continuous learning, we want to encourage sharing and learning from work performed when high energy is present.

- High Energy employee and contractor events that result in injury or illness.
    - Twelve high energy injury or illness events will be shared and must meet the following criteria:
        - High energy is present
        - There is a high energy incident
        - A DART injury, DART illness or fatality is sustained
- High Energy is often present in employee and contractor good catch, injury, illness and equipment damage events.
    - Twelve events where high energy is present will be shared and must meet the following criteria:
        - High energy is present
        - A DART injury, DART illness or fatality is NOT sustained
- Events will be appropriately documented using a Safety & Health Alert form or other means. Business unit leaders will then share the information with their teams.
- This ICP is a shared measurement across business units.
- The 10% weighting has two components and are independent of each other:
    - Appropriately share high energy DART events (5%)
    - Appropriately share high energy events that did not result in a DART (5%)
- Notes:
    - The Vice President of Safety & Health reserves the right to not require sharing of an event. The Vice President Safety & Health also reserves the right to require sharing of an event that does not meet the criteria for sharing; these events will not be included in the ICP.

- Events occurring after November 1, 2024, are not required to be shared for ICP scoring purposes. Scoring will be adjusted if there are not twelve qualifying events for each component.
- Multiple events may be grouped and shared under one alert if similar in nature. Each event shared receives credit for ICP scoring purposes.
- S&H professionals will classify events based on the EEI Safety Classification and Learning Model.

- **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 2: ICP Targets

	SIF DART	SIF Non-DART
Targets	**Events Shared**	**Events Shared**
2.0	12	12
1.0	9	9
0.0	6	6

2.3 Employee Targeted CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm. High Energy employee and contractor events that result in injury or illness.

- Employee Targeted CORE visits in 2024 will include verifying elements that present high risk to employees and execution of 2023 corrective and preventative actions.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include frontline leaders who have employees in the field performing physical work. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.
- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Execute the 2023 Targeted CORE Visit corrective and preventative actions.
    - Step 2: Develop the baseline questionnaire and complete the assessor knowledge evaluation.

- Step 3: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
- Step 4: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment, or process/standard.

- Notes:
  - Generation includes Generating Assets and Generation Shared Services.
  - Cook Nuclear and Renewables are not included in this metric.
  - CORE visits will still be performed by other leaders that are not included in this metric.
  - Refer to exemption process to add or remove leaders for this metric.
  - Incremental credit is earned for Step 3 visits once 75% of visits are performed.
  - Max score is 1.0 unless Step 4 is completed.
  - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 3: ICP Targets

Targets	Complete Steps
2.0	1-4 (100% visits)
1.0	1-3 (75% visits)
0.0	0

2.4 Contractor Target CORE Visit Assessment

The Targeted CORE Visit Assessment process provides a structured approach to ensure that controls and procedures are understood and implemented. This process is a leading indicator in preventing harm.

- The Contractor Targeted CORE visit topic in 2024 will be Pre-job Briefings. Visits will include verifying elements that present high risk to employees.
- Generation, Energy Delivery, Utilities and Project Solutions will identify leaders that are included in this metric and will include contractor oversight personnel. Contractor oversight personnel includes construction managers/superintendents, construction coordinators, foresters, inspectors, etc. who are familiar with the work performed by contractors in the field. Safety professionals will participate and be assigned to a specific business unit. Each identified leader will perform a minimum of 8 Targeted CORE Visit Assessments during the year. Each business unit will be responsible for tracking and reporting progress.
- Requirements are defined in the Targeted CORE Visit Assessment Standards.

- This ICP is a shared measurement across business units.
- The process has the following components:
    - Step 1: Develop Pre-job Briefing Targeted CORE visit baseline questionnaire and complete the assessor knowledge evaluation.
    - Step 2: Perform and document the Targeted CORE Visit Assessment. Identified leaders will complete 8 visits. The intent is for leaders to perform 4 visits in Q2 and 4 visits in Q3. All visits need documented in Guardian by 10/15/2024 to receive credit.
    - Step 3: Analyze the data and develop corrective and preventative action plans. These will fall into 4-mitigation options: education, task management, targeted assessment or process/standard.
- Notes:
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - Incremental credit is earned for Step 2 visits once 75% of visits are performed.
    - Max score is 1.0 unless Step 3 is completed.
    - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 4: ICP Targets

Targets	Complete Steps
2.0	1-3 (100% visits)
1.0	1-2 (75% visits)
0.0	0

2.5 CORE Visit Effectiveness Reviews

This metric connects senior leaders with front-line leaders to discuss the CORE visits they are performing. CORE Visits are a versatile leadership tool and can be used to assess a variety of activities and work products. CORE visit effectiveness reviews will consist of phone calls made by senior leaders to frontline leaders or contractor oversight personnel to review a previous CORE visit they performed. These conversations will encourage in depth interactions with team members, reporting of ‘At-Risk’ and ‘Safe’ conditions and behaviors, and documenting constructive comments with the overall goal of improving work as a result of the visit. Too many 100% safe inspections are predictive of higher injury rates.

- Generation, Energy Delivery, Utilities, Fleet & Supply Chain, Electric Transmission Texas (ETT), Project Solutions and Safety & Health will identify senior leaders, frontline leaders and contractor oversight personnel who are included in this metric. Senior leaders will consist of Plant Managers and above for Generation and Directors and above for Energy Delivery, Utilities, Fleet & Supply Chain, ETT and Safety & Health.
- Each identified senior leader will perform 24 CORE Visit effectiveness review calls with frontline leaders and oversight personnel within their own organization. Each month Safety & Health will pair senior leaders with front-line leaders and notify them of the visit to be discussed. The senior leader must document their discussion in Guardian. Business units will be responsible for tracking and reporting progress. All visits need documented in Guardian by 1/3/2025 to receive credit.
- This ICP is a shared measurement across business units.
- This metric has an engagement and quality component.
    - Leadership Engagement (4%): Perform and document 24 CORE Visit Effectiveness Reviews. The intent is to perform two visits each month.
    - CORE Visit Quality (6%):
        - CORE visits performed by front-line leaders will be evaluated for % Safe and % At-Risk visits. Improvement will be measured by having less 100% Safe CORE visits (3%)
        - CORE visits performed by front-line leaders will be evaluated for the % increase in Safe and At-Risk comments that are documented. Improvement will be measured by the % increase in total comments documented (3%)
- Notes:
    - The baseline to measure quality improvement will be established using 2023 CORE visits performed by frontline leaders and contractor oversight personnel by 12/15/2023.
    - CORE visits will still be performed by other leaders that are not included in this metric.
    - Generation includes Generating Assets and Generation Shared Services.
    - Cook Nuclear and Renewables are not included in this metric.
    - Refer to exemption process to add or remove leaders for this metric.
    - “At-Risk” conditions and behaviors provide Learning Opportunities. “Safe” conditions and behaviors represent Acceptable Practices.
    - **Fatality Modifier:** Reduce the actual score by 50% if there is one or more employee or contractor fatality in the Business Unit or OPCO where the fatality event occurred.

Table 5: ICP Targets

Targets	Visits %	Decrease % 100% safe visits	Increase % Comments Documented
2.0	100%	30%	30%
1.0	95%	20%	20%
0.0	90%	10%	10%

2.6 Environmental Event Reduction

Pursue greatness by focusing on multiple types of environmental events to drive efforts to identify the underlying causes and proactively take measures to prevent them.

EER Measure - An Environmental Event Report (EER) in Generation that meets any one of the following criteria:

- Reportable spill or release to the environment.
- Upset, bypass, or control equipment or monitor failure events deemed reportable under permit conditions or regulatory requirements except for stack monitor downtime.
- Exceedance of any permitted or otherwise regulated limitation excluding benchmark values and stack opacity.
- Stack monitor downtime >5% for a reporting period.
- A monthly stack opacity exceedance rate >2%.
- Failure to meet waste manifesting exception reporting requirements.
- Failure to meet regulatory or regulatory required implementation plan deadlines such as:
    - Performance of sampling or testing,
    - Submittal of reports, notifications, or applications,
    - Conducting inspections.

EET Measure - An Environmental Enforcement Tracker (EET) in Generation where the enforcement action results in a fine >$1000 that is paid during the current year for an event that occurred within that calendar year or the previous two calendar years. EETs that meet this definition will count twice toward the metric. If such an event was already counted once according to the EER measures, this EET will only count one time toward the metric.

Extenuating Circumstances – An EER or EET deemed due to Extenuating Circumstances shall count as zero (0) toward the annual ICP Metric target

Formula: Total Events = EER Measure + EET Measure

Baseline: The metric baseline is 31. It is calculated in accordance with the Generation Environmental ICP Metric Standard using data from years 2021 through 2023 of the Total Events metric as described above. These totals are based on the facilities operated by AEP at the end of 2023.

Table 6: ICP Targets

Targets	EERs
2.0	19
1.0	31
0.0	43

3.0 Workforce and Culture

3.1 Why is Workforce and Culture important to Generation?

AEP is a dynamic and growing energy company that serves increasingly diverse communities and customer base. This requires AEP to have a diverse and inclusive workforce, while fostering a long-term strategy to sustain a culture in which our employees, customers, and suppliers feel heard, respected, valued, and connected. Diversity and inclusion are integral elements of AEPs values that is represented by everyone having a seat at the company table. These characteristics are crucial to sustaining AEP's corporate culture that is fundamental to AEP's continued business success. Diversity and inclusion contribute to the overall growth and development of AEP employees, as well as to the communities AEP serves by ensuring everyone has an equal voice and access to opportunities within the workplace.

3.2 Culture Survey Participation

The 2024 Generation culture goal is to maintain participation in AEP's employee engagement survey,

- AEP's participation rate in 2022 was 86% of employees
- AEP's participation in 2023 was 94% of employees

Table 7: ICP Targets

Targets	% Participation
2.0	96%
1.0	93%
0.0	90%

4.0 Business Performance

4.1 Why is Business Performance important to Generation?

Providing returns for investors enables AEP to continue serving our customers stable and affordable electricity.

4.2 FutureGen

The goal of this initiative is to identify targeted sustainable savings that have completed implementation plans (stage L4 and beyond) with impact forecasted to be realized in 2024. The savings categories included in total are O&M (Hard & Soft savings), Fuel, Capital, Purchased Power, Reagents, Removal, and Earnings offset. The Generation Transformation Office will be responsible for working with generation personnel to track all calendarized forecasted savings submitted to WAVE for implementation.

Target is determined by Generating Assets and Generation Shared Services and tracked/facilitated by the Generation Transformation Office. Savings type is broken out O&M 60% weight and Total (all cost types) 40% weight.

Table 8: 2024 FutureGen

Targets	Dollars
2.0	$113.3M Total; $26.8M O&M
1.0	$103M Total; $24.4M O&M
0.0	$87.6.4M Total; $20.7M O&M

4.3 Operating Earnings

The Generation operating earnings objective for 2024 is to meet or beat annual earnings targets for Vertically Integrated Operating Companies in line with corporate expectations:

- AEP Generation's business performance focus in 2024 is the achievement AEP's Vertically Integrated 2024 Operating Earnings control budget target. Min/Max Thresholds: The Operating Earnings target shall have a minimum (0.00 ICP payout) of 85% of the control budget target, and a maximum (2.00 ICP Payout) of 115% of Control Budget.
- If Operating Earnings targets are modified during 2024, these modifications require approval from Corporate Planning & Budgeting leadership, as well as Business Unit Leadership. Changes will be communicated via email to leaders and employees, along with a link to an amended (modified) ICP plan document that describes all intended changes.

Table 9: 2024 Vertically Integrated Operating Earnings ($000s)

	0.00	1.00	2.00
[redacted]			
KPCO	76,429	89,917	103,404
[redacted]			
Total VIU	**1,245,700**	**1,465,529**	**1,685,359**

4.4 Return on Equity

Return on Equity (ROE) is a business performance metric that shows how much income a company generates per dollar of invested capital. It reflects how efficiently a company uses its capital to generate profit that is addressed by the following:

- ROE is calculated as follows: 12 months Operating Earnings divided by the average Equity (13 months rolling average)
- Authorized ROE refers to the level of ROE approved by the applicable regulatory commission.
- Actual ROE is the calculation based on a company's actual financial results.
- Achieving a company's authorized ROE can be complicated by factors such as assets or expenses disallowed in a rate case, regulatory lag (time between capital investment and the first opportunity to earn on it via base rates or rider mechanism), changing economic conditions, legislative constructs, and other financial and operational events.

Table 10: 2024 Return on Equity

	0.00	1.00	1.50	2.00
[redacted]				
KPCO	8.75%	9.25%	9.75%	10.00%
[redacted]				
Total VIU	**8.57%**	**9.07%**	**9.57%**	**9.82%**

5.0 Operations

5.1 Why is Operations important to Generation?

Providing electricity to our customers in a reliable and efficient manner is important to both the customer and AEP.

5.2 EFORv

- EFORv is an AEP defined metric designed to represent a measure of the value lost due to forced outages.
- EFOR (Equivalent Forced Outage Rate) is a NERC defined performance metric representing the percentage of time a unit is in a Forced Outage state.
    - Neither EFOR nor EFORv are impacted by planned and maintenance outages.
- Individual units will be weighted based on generation YTD 2024 plus preceding two calendar years to determine fleet ICP result.
- Variances from the definition will require Generation SVP approval.
- **Formula: EFORv = 1-Actual Available Revenue Rate/Base Available Revenue Rate**

Units included in Metric					
APCO	**I&M**	**KPCO**	**WPCO**	**PSO**	**SWEPCO**
AM 1-3	RP 1-2	BS 1	ML 1-2	CPS 1	ARS 5
CE 1-6				NE 1-3	FLC 1
CR 1-2				RVS 1-4	KXL 5
DR 1				SWS 2-5	LBM3-4
MT 1				TPS 2&4	MAT 1-4
					STALL
					TURK 1
					WLK 1-3
					WSH 1&3

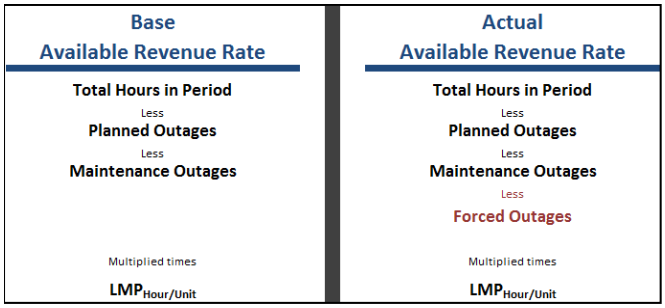


Table 21: ICP Targets

Targets	EFORv
2.0	7.2%
1.0	9.5%
0.0	11.9%

5.3 EFORd

- EFORd (Equivalent Forced Outage Rate Demand) is a NERC defined performance metric representing the percentage of time a unit is forced out but in demand by the RTO.
- NERC methodology will be utilized for all RTO's (PJM & SPP) to calculate EFORd utilizing GADS data.
- Planned outage and maintenance outages are not factored in the EFORd metric.
- Individual units will be weighted using a NERC methodology (capacity based) to determine fleet ICP result with the following exceptions:
    - In the event a unit's EFORd cannot be calculated due to the absence of any required component, such as Service Hours, that unit will not be included in the overall results.
- Variances from the definition or listed exceptions will require Generation SVP approval
- **Formula: EFORd = ((FOHd+EFDHd)/(SH+FOHd))*100%**

Units included in Metric					
APCO	**I&M**	**KPCO**	**WPCO**	**PSO**	**SWEPCO**
AM 1-3	RP 1-2	BS 1	ML 1-2	CPS 1	ARS 5
CE 1-6				NE 1-3	FLC 1
CR 1-2				RVS 1-4	KXL 5
DR 1				SWS 2-5	LBM3-4
MT 1				TPS 2&4	MAT 1-4
					STALL
					TURK 1
					WLK 1-3
					WSH 1&3

$$EFORd = \frac{[FOHd + (EFDHd)] \times 100\%}{[SH + FOHd]}$$

where

FOHd = f x FOH

EFDHd = (EFDH – EFDHRS) if reserve shutdown events reported, or
= (fp x EFDH) if no reserve shutdown events reported – an approximation.

fp = (SH/AH)

$$f = \left(\frac{1}{r} + \frac{1}{T}\right) \Big/ \left(\frac{1}{r} + \frac{1}{T} + \frac{1}{D}\right)$$

r=Average Forced outage deration = (FOH) / (# of FO occurrences)
D=Average demand time = (SH) / (# of unit actual starts)
T=Average reserve shutdown time = (RSH) / (# of unit attempted starts)

Table 12: ICP Targets

Targets	EFORd
2.0	8.8%
1.0	11.7%
0.0	14.6%

5.4 Zero Emission Dispatchable Gen Mix

Develop the strategy and implement the 2024 milestones to achieve AEP's zero emission dispatchable Generation Mix.

Milestones:

1. Assist Fundamentals group modeling 111d scenario by 3/31/2024.
2. Decision gate for US Zero Carbon by 2050 scenario modeling. Identify milestones/schedule by 4/30 if proceed.

Table 13: ICP Targets

Targets	Milestones
2.0	2
0.5	1
0.0	0

5.5 Small Modular Reactor FEED Study

Upon AEP Board approval, start the Small Module Reactor FEED study and Early Site Permit application.

Milestones:

1. Complete I&M preliminary siting study by 5/31/2024
2. If ELT approves moving forward w/APCO ESP, determine 2024 milestones & schedule by EO April 2024
3. Issue ESP RFP for bid by APCO 183 Revision approval + 30 days
4. Submit QAPD to NRC by APCO 183 Revision approval + 120 days
5. Complete draft Site Diligence Report for a site in Virginia by APCO 183 Revision approval + 150 days

Table 143: ICP Targets

Targets	Milestones
2.0	5
0.5	3
0.0	0

5.6 NERC Cold Weather Compliance

Complete the AEP Cold Weather proactive program to meet NERC requirements to prepare for cold weather and be available to market during peak winter demand. Anything less than two milestones completed will result in a zero score.

Milestones:

1. Final approval of the documented AEP generating facilities extreme cold weather compliance obligations by 6/30/24.
2. Generation EOP-012-2 Corrective Action Plans for 2024 cold weather events developed in conformance with the standard by 10/1/24.

Table 15: ICP Targets

Targets	Milestones
2.0	2
1.0	*
0.0	0

Appendix A: Operating Earnings – 2024 Control Budget

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
[redacted]												
KPCO	15,237	7,440	7,471	1,658	4,339	6,453	8,277	8,771	3,311	4,231	10,659	12,067
[redacted]												
VIU Total	*166,816*	*106,461*	*77,417*	*27,924*	*98,600*	*152,379*	*190,592*	*206,105*	*94,613*	*103,798*	*102,519*	*138,305*

Appendix B: Average Equity – 2024 Control Budget

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	2024
[redacted]													
KPCO	936,003	940,339	945,304	950,169	955,606	961,047	967,241	973,613	979,921	986,447	993,752	1,001,579	1,001,579
[redacted]													
VIU Total	*16,110,722*	*16,176,061*	*16,245,860*	*16,307,942*	*16,364,314*	*16,427,829*	*16,488,442*	*16,533,600*	*16,582,684*	*16,632,984*	*16,679,211*	*16,750,550*	*16,750,550*

Appendix C: Authorized ROEs – Weighted

Authorized ROEs - Weighted	
	2024
[redacted]	
KPCO	9.75%
[redacted]	
VIU Total	***9.57%***

Appendix D: Safety and Health ICP Addendum

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

Purpose	The purpose of this addendum is to supplement the 2024 Safety and Health ICP Plan and further clarify participants and how the metrics are calculated.
Participants	**Business Units** participating in the 2024 Safety and Health ICP include Energy Delivery, Generation, and Utilities. Cook Nuclear and Renewables are not included in the ICP measurements. • **Energy Delivery** includes personnel reporting up to and including the SVP of Energy Delivery. • **Generation** includes personnel reporting up to and including the SVP of Generating Assets and VP of Generation Shared Services. • **Utilities** includes personnel reporting up to and including the EVP of Utilities. This includes all Operating Companies (OPCOs). **Corporate/Shared Services** will participate in some of the ICP measurements as indicated below. • **Electric Transmission Texas (ETT)**: Participates in CORE Visit Effectiveness Reviews. • **Fleet and Supply Chain**: Participates in CORE Visit Effectiveness Reviews. • **Project Solutions:** Participates in the Contractor Targeted CORE Visit Assessment and CORE Visit Effectiveness Reviews. • **Safety and Health:** Participates in all Safety and Health ICP metrics. • **EVP Energy Services:** Participates in CORE Visit Effectiveness Reviews.
Fatality Modifier	A Fatality Modifier will be applied if one or more employee or contractor fatality occurs in the calendar year. The Fatality Modifier will reduce the actual score of each Goal by 50% in the Business Unit or the Operating Company (OPCO) where the fatality event occurred. **Business Units** are Energy Delivery and Generation. **Operating Companies (OPCOs)** are AEP Ohio, AEP Texas, Appalachian Power, Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma (PSO) and Southwestern Electric Power Company (SWEPCO).
Calculation and Scoring of Metrics	All 2024 Safety and Health ICP metrics are shared measurements across business units. **SIF Event Sharing** includes two independent components. Each component will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The two scores will be averaged together to produce one score for the metric. The Fatality Modifier will be applied to the single score. Employee and contractor events occurring and shared in 2024 are the only ones that receive credit in 2024. • Generation, Energy Delivery and Utilities Grand Central Safety & Health Committees are each responsible for creating and sharing four alerts for high energy events that do not result in a DART. Credit is earned when the event is shared.

ADDENDUM

2024 SAFETY AND HEALTH ICP PLAN

Employee Targeted CORE Visit Assessment* includes four steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

Contractor Targeted CORE Visit Assessment* includes three steps. Business Units will be scored based on the Goals in the 2024 Safety and Health ICP Plan Details. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

CORE Visit Effectiveness Reviews* has three independent components. A score will be calculated for each component and the three will be combined together based on the Goals in the 2024 Safety and Health ICP Plan Details to a single score. The Fatality Modifier will be applied to the single score in the Business Unit or the OPCO where the fatality event occurred.

- Baseline calculations include CORE Visits performed by identified AEP frontline and contractor oversight personnel. The baseline includes all templates with safe and at-risk conditions.
- The baseline uses identified personnel as of 12/15/2023 and includes visits performed between 01/01/2023 through 12/15/2023. The baseline was finalized 1/19/2024.
- Electric Transmission Texas (ETT) Senior Leaders will review visits performed by Energy Delivery contractor oversight personnel.
- Quality Calculations:
  - Decrease in percentage of 100% Safe Visits:

    $$\frac{\text{Total Visits that did not contain any At-Risk Conditions}}{\text{Total Visits Performed}}$$

  - Increase in percent of comments (notes) documented:

    $$\frac{\text{Total Visits that contained at least one Comment}}{\text{Total Visits Performed}}$$

ADDENDUM
2024 SAFETY AND HEALTH ICP PLAN

***Adding and Removing Names**

Adding and Removing Names from Employee and Contractor Targeted CORE Visit Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those managers/supervisors new in the role prior to March 1st will be added for ICP purposes.
  - Managers/supervisors new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

Adding and Removing Names from CORE Visit Effectiveness Review Lists

- Reasons for removal include:
  a. Termination or retirement
     - Supervisors will email Danielle Tweed and Mike Keesey with the name of the person to be added or removed from the list.
  b. Long-term absence
     - Variance Request must be submitted to the Safety and Health Leadership Team for review. All Variance Requests will be sent to Ryan Dobbins.
- Reasons to add:
  - Only those senior leaders, frontline leaders, and contractor oversight personnel new in the role prior to March 1st will be added for ICP purposes.
  - Senior leaders, frontline leaders, and contractor oversight personnel new in the role after March 1st may participate but visits will not be included for ICP purposes.
- Safety & Health Vice President reserves the right to make exceptions to the above guidelines.

DocuSigned by: Michelle L Marsh EF6567D0897F4BE... 4/16/2024 | 1:15 PM EDT

DocuSigned by: Peggy Lin 4C8BF70485BD44F... 4/18/2024 | 12:58 PM EDT

DocuSigned by: Christian Bram E27434EFE1A34E4... 4/19/2024 | 1:17 PM EDT

American Electric Power

2025 Annual Incentive Compensation Plan

Introduction

The objectives of the American Electric Power 2025 Annual Incentive Compensation Plan (ICP) (the "Plan") are to:

- Attract, retain, engage, and motivate employees to operate American Electric Power and its subsidiaries (the "Company") efficiently and effectively for the benefit of all stakeholders, including customers, shareholders, employees, and the communities we serve.
- Encourage the development of a high-performance culture that is focused on achieving AEP's core principles.
- Utilize a comprehensive framework of balanced scorecards and SMART goals to enhance organizational performance and achieve AEP's strategic and operational objectives.
- Ensure alignment of top priorities across all organizational levels.

2025 Overview

The purpose of the Plan is to enhance performance and deliver sustainable value to all stakeholders while fostering a high-performance culture that drives the achievement of annual performance objectives and continuous improvement.

For 2025 there are separate scorecards for most of the direct reports to AEP's CEO (Executive Leaders). Employees who report directly or indirectly to an executive leader with a scorecard will participate in the Plan based on their executive leader's scorecard. If an Executive Leader does not have a separate scorecard, their group will participate in the ICP program based on the weighted average score of all scorecards.[1] The competitive Generation and Marketing group does not participate in the Plan for 2025 and is not included in APS described below.

The AEP Scorecard sets the total ICP funding. This alignment of ICP goals across AEP ensures that overall payout to all Participants is commensurate with AEP's overall performance.

[1] Weighted by the sum of the target awards for all Participants in each group with a separate ICP scorecard.

Awards are determined based on AEP's performance and, if applicable, the performance of the respective Executive Leader's scorecard, as well as individual employee performance for those employees with discretionary awards.

The funding for the Plan is provided by a balanced scorecard of Key Performance Indicators (KPIs) for each AEP Core Principles. Each Core Principle is equally weighted and each KPI within each Core Principle is equally weighted. The 2025 AEP Scorecard KPIs are:



AEP Scorecard KPIs

KPIs are selected to focus employees' efforts on priorities and objectives that are specific, measurable, achievable, relevant, and have a clear timeframe. These KPIs are crucial for our constituents and, when possible, provide a "line of sight" that allows employees to understand how their work and performance contribute to the Company's overall performance and their annual ICP awards. This approach aims to foster high employee engagement and drive both employee and Company performance improvement.

Linking the Company's KPIs to incentive compensation highlights their significance, aligns team and individual efforts towards achieving them, engages employees in this process, and creates a shared motivation and outcome across all levels to meet these goals.

Scores for AEP Scorecard KPIs may range from 0% to 200% of the target.

ICP Funding

The maximum funding is 200%. The ("Committee") (see Committee section below) has discretionary authority to adjust annual incentive funding.

Each non-earnings goal is capped at the Operating EPS score if AEP's Operating EPS is below target ($5.90). This also means that there will not be any ICP payout if Operating EPS is below the midpoint of earnings guidance ($5.85).

Executive Leader Scorecards

The 2025 KPIs and their respective weights vary by Executive Leader scorecard. Each executive leader is responsible for communicating their scorecard to employees in the operating company, business unit or functions under their purview.

Executive Leader scorecard results will be calculated for each scorecard as the sum of each KPI score multiplied by its weight.

If the executive leader does not have a separate scorecard, employees will participate in the ICP program based on the average score of all scorecards,[2]

Changes from prior years:

- Executive Leader scorecards will have a maximum achievement value of 100% of target, rather than the 200% maximum score used in past years.

- Most Executive Leader scorecards will have KPIs with only two potential scores (0% or 100%) meaning there will not be any incremental value or partial credit if the target is not achieved.

As in the past, the results for all Executive Leader scorecards, are statistically normalized, meaning that overall score for each scorecard is divided by the average overall score[3] for all scorecards, as described in the Calculation section below. While the above changes will reduce the scores for Executive Leader scorecards compared to prior years; statistically normalizing these scores and multiplying the results by the overall funding score, which has a 200% maximum, will exactly allocate all the available funding, as was the case in prior years. Therefore, all else being equal, these changes will not reduce aggregate incentive payouts.

[2] Weighted by the sum of the target awards for all Participants in each ICP group with a separate scorecard.

[3] Weighted by the sum of the target awards for all Participants in each ICP group with a separate scorecard.

Calculation

The available funding is allocated to each executive leader and their ICP group based on their scorecard results relative to the scorecard results of other executive leaders with a scorecard. This produces performance differentiated ICP scores for each incentive group that precisely utilize the funding available, which eliminates the risk that ICP scores will produce awards that are more or less than the available funding.

This allocation uses the Average Performance Score (APS) as a statistical normalizing function. APS is calculated as the average of all Executive Leader scorecard results, weighted by the sum of the target awards for all Participants in each incentive group.

Scorecard	2025 Result	Sum of Target Awards for All Participants		% of Total ICP Target		Weighted Result	
Executive Leader 1	0.925	$ 2,000,000	×	20.0%	=	0.185	
Executive Leader 2	0.786	$ 5,000,000	×	50.0%	=	0.393	
Executive Leader 3	0.585	$ 3,000,000	×	30.0%	=	0.176	
		$ 10,000,000				**0.754**	**= APS**

The ("Overall Score") for each ICP Scorecard is calculated by multiplying the Executive Leader ICP scorecard results by the AEP Scorecard Result, which is assumed to 1.049 in this example, and then dividing by APS as shown below.

Scorecard	2025 Result		AEP Scorecard Result		APS		Overall Score
Executive Leader 1	0.925	×	1.049	÷	0.754	=	**128.8%**
Executive Leader 2	0.786	×	1.049	÷	0.754	=	**109.4%**
Executive Leader 3	0.585	×	1.049	÷	0.754	=	**81.4%**

As a check, the total ICP payout is exactly equal to the AEP Scorecard result multiplied by the sum of all target ICP awards, which shows that this methodology exactly allocates all the available funding.

Scorecard	Overall Score		Sum of Targets		ICP Payout
Executive Leader 1	128.8%	×	$ 2,000,000	=	$ 2,575,514
Executive Leader 2	109.4%	×	$ 5,000,000	=	$ 5,471,228
Executive Leader 3	81.4%	×	$ 3,000,000	=	$ 2,443,258
			Total Payout:		**$ 10,490,000**

AEP Scorecard Result		Sum of Targets		Total Payout
1.049	×	$ 10,000,000	=	**$ 10,490,000**

The score for all Executive Leaders who do not have a separate scorecard and other Participants who directly or indirectly report to these Executive Leaders is the AEP scorecard result.

Maximum Score

If the Overall Score for the Plan exceeds 200%, then the Overall Score is capped at 200%.

Performance Adjustments

The Committee (see Plan Compensation Committee section below) may adjust (up or down) any of the Plan scores, including scores for specific KPIs, the AEP Scorecard, and any or all executive leader scorecard results. A performance adjustment may be used, for example, to increase or decrease scores for the Plan to the extent that the Committee determines that such score does not appropriately reflect the group's performance. Such adjustments may be used to capture those aspects of a group's performance that are difficult to quantify or that were not adequately included in the performance measures established at the beginning of the year. For example, a Performance Adjustment might be used to reward a group for successfully completing an important project that was not anticipated at the time the KPIs were established or that was ill suited for use as a KPI.

Individual Performance Adjustments

Managers are expected to reflect individual employee performance in their discretionary ICP award recommendations for all employees in positions with discretionary ICP awards.[4] Individual discretionary performance adjustments should be based on an assessment of each employee's performance as indicated by their performance ratings and may be further adjusted based on:

- Performance relative to that of other similarly situated employees
- Expectations for the position
- Achievement of individual goals
- Compliance with Company policies, laws, and regulations
- Contribution to department and business unit KPIs
- Other appropriate and legal business factors

[4] You may refer to your profile in Workday to determine whether you are eligible for a discretionary or nondiscretionary ICP award.

AEP's Email Phishing Accountability Policy provides that, in addition to other disciplinary actions, if an employee with a discretionary ICP award fails three phishing tests in a rolling 12-month period, a 50% reduction will be applied to their individual discretionary ICP award amount for the year in which the third failure occurred. If an employee with a discretionary ICP award fails four phishing tests in a rolling 12-month period, their ICP award will be eliminated for the year in which the fourth failure occurred.

Managers are expected to avoid a bias in favor of positions at either higher or lower salary grade levels in the organization in making discretionary adjustments.

Individual performance adjustments have a lower limit of 0% of the funded value and no upper limit. However, the approval of an applicable Executive Leader in the participant's chain of command is required for individual awards that exceed the Participant's maximum award opportunity (see the Target and Maximum Awards section below). Managers are also constrained by the ICP funding made available for their group by their Executive Leader.

Eligible Earnings Paid by the Company

Generally base wages, paid time off and pay premiums are considered ICP eligible earnings. The following list is indicative, but is not all inclusive, of the types of earnings that are considered ICP eligible earnings. Other types of earnings are generally not considered for ICP award determination purposes. The Committee or their delegees have the sole discretion for determining the types of earnings that are ICP eligible earnings.

Regular Earnings – Straight Rate	Inclement Weather Pay
Paid Vacation	Lump Sum Merit and General Increases
Paid Holidays	Grievance Settlement for Wages
Paid Personal Days Off	Overtime – Nonexempt and Exempt
Sick Pay (Non-occupational & Occupational)	Shift, Sunday, and Other Premium Pay
Short Term Disability Pay	Military Pay
Paid Jury Duty	Trip Pay (River)
Paid Death in Family	Paid Union Business
Paid Rest Period	
Maternity Leave Pay	Parental Leave Pay

Target and Maximum Award Opportunity

The following chart provides an overview of the target award percentage for each employee group, as a percent of eligible earnings.

Salary Plan and Union Representation	**Target Award %**

Unrepresented Employees: SP20 Salary Plan Positions	Position's SP20 Grade Target: 2025 Pay Structure
Represented Employees: SP20 Salary Plan Positions	3% Less Than the Position's Applicable SP20 Grade Target: 2025 Pay Structure
Union Represented Employees: All Job Classifications for which Base Rates Are Specified on a Wage Schedule, except salary plan U046 and U071.	[redacted]
Union Represented Employees: All Other Job Classifications that Participate in Merit-Based Pay Adjustments	[redacted]
Employees on salary plans CPWT, N024, N006, N028, U046 and U071. • CPWT and N024 are unrepresented journey level positions in Texas that participate in the Merit Plan. • N006 is comprised of unrepresented nuclear employees. • N028 is comprised of unrepresented customer operations employees. • U046 is comprised of represented Cook Coal Terminal employees. • U071 is comprised of represented journey level positions in PSO.	[redacted]

To enable managers to differentiate discretionary awards based on individual employee performance in all circumstances, including when scores are at or near the 200% maximum score, Participant's Maximum Award % is the greater of:

- Two times his or her Target Award % or
- The Overall Score for the applicable ICP Scorecard plus 50% of the target score.

This enables managers to differentiate awards positively by up to 50% of an employee's target award even if the Overall Score for the Plan is between 150% and 200% of the target score. The approval of an Executive Leader in the Participant's chain of command is required for awards more than a Participant's Maximum Award %.

The dollar value of a Participant's target and maximum award opportunity is their Target Award % or Maximum Award %, respectively, multiplied by their eligible earnings.

The total award opportunity for employees who change jobs and have a change in ICP target percent and or assigned scorecard, is calculated based on the time spent in each ICP eligible position and or assigned scorecard multiplied by their eligible earnings for the performance period.

Start Date	End Date	% of Time in Position	Target ICP %	ICP Result	Eligible Earnings	2025 ICP Funding
1/1/2025	5/10/2025	35.8%	10%	104.9%	$114,110	$4,285.31
5/11/2025	12/31/2025	64.2%	15%	88.6%	$114,110	$9,736.07
Total						$14,021.38

Award Calculation

Because the Plan includes discretionary factors, attainment of performance objectives does not guarantee the payment of awards. All KPI scores are subject to Committee

approval. Scores are generally presented for final approval in February each year after AEP's financial results and incentive scores have been audited. The final score for each KPI is rounded to three decimal places (e.g., 100% or 1.000).

Board Policy on Recouping Incentive Compensation

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy shall govern.

You are agreeing to reimburse AEP for compensation under the Plan if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results;

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. The Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

The Recoupment Policy defined "Cover Employee" as of March 8, 2023, to include all employees in grade 15 and higher positions, all operating company presidents, and all officer direct reports to the CEO.

Administration

Plan Compensation Committee:
The Plan is administered by the HR Committee with respect to executives under the HR Committee's purview and a Plan Compensation Committee consisting of AEP's CEO, CFO, General Counsel, and Chief Human Resources Officer with respect to all other employees, in either case ("the Committee"). The CEO of American Electric Power Company, Inc. may change the composition and number of members of the Plan Compensation Committee at any time for any reason. The Committee may delegate day-to-day authority to administer the Plan, as it deems appropriate. In lieu of an official meeting, the Committee may act by written or electronic consent of a majority of its members. The Committee's interpretations of Plan provisions are conclusive and binding on all Participants.

The Committee has sole authority to amend or terminate the Plan and may do so at any time, for any reason, either with or without notice. The Committee may adopt, delete, modify, or adjust performance metrics and weights at any time, including after the conclusion of a Plan Year. Such changes might be made if, for example, the Committee determines that changes in AEP's structure or other significant business situations would produce an Overall Score or awards for a Plan Year that the Committee does not consider to appropriately reflect the underlying economics or performance of the business. The Committee may also modify the eligibility criteria for the Plan, add or delete individual Participants or groups of Participants and adjust any or all award payouts.

Executive Leadership with management responsibility for a business unit or staff function served by the Plan have the authority to increase or decrease the award pool for any group under their purview, excluding adjustments that apply to themselves, provided that such adjustments do not increase the sum of all award pools under their purview.

Plan Year:
A "Plan Year" begins on January 1st and ends on December 31st of each year for which the Plan is in effect.

Participation:
All full-time and regular part-time AEP employees who are actively employed during the Plan Year will be "Participants" in the Plan for such Plan Year except:

1. Employees participating in any other AEP annual or sales incentive plan, for the entirety of the Plan Year,

2. Employees participating in any other plan or agreement that explicitly excludes their participation in the Plan or annual incentive compensation plans in general,
3. Employees represented by unions that decline the opportunity to participate in the Plan or all similar incentive plans,
4. Temporary, cooperative employees, interns, and contract workers, and
5. Employees hired by AEP on or after December 1st of the Plan Year.

Participation in the Plan or similar plans in any Plan Year shall not confer any right to continued employment or to continued participation in the Plan or successor plan for any subsequent Plan Year.

Participant Responsibility:
Plan Participants are expected to comply with all applicable Company policies and directives as well as all applicable laws and regulations. Failure to do so may have many serious consequences, including, but not limited to, forfeiture of award eligibility in the current and future Plan Years as well as termination of employment.

Award Eligibility:
Participants must be employed by AEP on the award payment date to be eligible to receive an award for that Plan Year, except as otherwise noted below.

Participants remain eligible for an award, based on their eligible earnings for a Plan Year, if their employment with AEP is terminated effective after the sixth month of the Plan Year due to their Retirement. For the purposes of the Plan, "Retirement" means your employment with AEP Terminates under circumstances that satisfy all the following conditions:

(i) as of your Termination Date, you have at least 65 "Points", attained age 55 and completed at least five (5) years of AEP service as an employee on the payroll of AEP;
(ii) your Termination is not for Cause (including resignation in lieu of discharge for Cause); and
(iii) your Termination is not part of a voluntary or involuntary severance or layoff.

"Points" are the sum of:

A. your attained age in whole years, plus
B. your years of AEP service as an employee on the payroll of AEP in whole years.

"Cause" means any one or more of the following grounds as determined by AEP: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your AEP employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of AEP;

(iii) engagement in activities or conduct injurious to the best interest or reputation of AEP as determined by your AEP employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with AEP; (vi) violation of any of AEP's rules of conduct of behavior, such as may be provided in any employee handbook or policy or as AEP may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with AEP which is injurious to the best interest or reputation of AEP as determined by your AEP employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

Participants remain eligible to receive an award, based on their eligible earnings for the Plan Year, if he or she dies after the sixth month of the Plan Year. In the event of a Participant's death, any award to which the Participant would otherwise be entitled will become payable to the Participant's estate or as otherwise specified by applicable state law.

If a Participant transfers between positions that are eligible and ineligible to participate in the Plan, but the Participant remains an AEP employee on the award payment date, then the Participant is eligible for a partial award for the Plan Year. The Participant's total award opportunity for the partial year is calculated based on the time that he or she held a position eligible to participate in the Plan as specified in the "Target and Maximum Award Opportunity" section above.

Employees who become inactive during the Plan Year due to participation in an AEP long-term disability plan or other approved leave of absence but who remain an AEP employee on the award payment date are eligible to receive an award for that Plan Year to the extent that they were paid eligible earnings for the Plan Year. However, long-term disability benefits are not ICP eligible earnings.

Termination of Active Employment at or after the end of the Plan Year Due to Voluntary and Involuntary Severance and Layoffs:
Participants remain eligible for an award, based on their eligible earnings for a Plan Year, if their employment with AEP is terminated effective at or after the end of the Plan Year as part of a voluntary or involuntary severance program or as part of a layoff as defined under a collective bargaining agreement or an applicable Supplemental Handbook.

Satisfaction of eligibility criteria does not guarantee the payment of any discretionary awards.

Termination of Active Employment During the Plan Year Due to Voluntary and Involuntary Severance and Layoffs:
Participants with both discretionary and non-discretionary award opportunities are ineligible for an award if their active AEP employment is terminated during the Plan Year as part of a voluntary or involuntary severance program or as part of a layoff, as defined under a collective bargaining agreement or an applicable Supplemental Handbook, and he or she is not rehired during the Plan Year. Severed employees are ineligible for an award for such Plan Year even if they fail to meet the qualifications for severance benefits (e.g., if they would fail to timely sign and return a Severance and Release of All Claims Agreement). Severed participants are not eligible for an ICP award for the Plan Year in which their active employment ends irrespective of whether they are placed on a paid Leave of Absence or vacation to bridge their service to a benefit milestone in accordance with the terms of the applicable AEP severance plan. If severed and rehired during the Plan Year, ICP eligible earnings for the participant includes pay received during the Plan Year prior to the participant's severance.

Award Payment:
Award payment will be made within 2-1/2 months after the end of the Plan Year, or as soon as practical thereafter if it is administratively or economically impractical to make payments within this timeframe.

Approval

The Plan is hereby approved by:



Phillip R. Ulrich Date
EVP, Chief HR Officer

AEP Scorecard

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Customer Satisfaction (JD Power avg rank)	8.33%	88.33	102.67	93.17	89.17	
Perfect Power	8.33%	N/A	N/A	13.19%	11.87%	
Total Recordable Incident Rate	4.17%	0.719	0.690	0.913	0.822	
DART Rate	4.17%	0.424	0.384	0.556	0.500	
Safety Improvement Plan & Training	4.17%	N/A	N/A	N/A	Achieve	
Engage, Train & Develop Plan	4.17%	N/A	N/A	N/A	Achieve	
Achieve Plan ROE	16.67%	9.13%	8.78%	9.05%	9.375%	
Environmental Respect Index	16.67%	N/A	N/A	139	123	
Delivery SAIDI (T&D)	8.33%	272.85	219.39	234.19	219.20	
Transmission Reliability Index	8.33%	43.43	50.87	49.01	2.5% Improvement	
Financial Performance Operating EPS	16.67%	5.090	5.250	5.6178	[redacted]	

Customer Service: Customer Satisfaction (JD Power avg rank)

Goal Description

Customer Satisfaction (8.33%) – J.D. Power overall satisfaction rank for each OPCO compared to all other utilities (151). Achieve a 10% performance improvement based on a 10% increase in the difference between the current rank and the top quartile (75th percentile or higher). APCO and KY will have a lower target which reflects a 50% increase in 2024 percentile to account for their respective degree of difficulty.

- Threshold (0%) = 93.17 (actual 2024 average of OPCO ranking)
- Target (100%) = 89.17 (average of OCPO target ranking)
- Maximum (200%) = 87.17 (average of OPCO ranking)

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Customer Service: Customer Satisfaction (JD Power avg rank)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power (JD Power rank)	141	138	144	140	
[redacted]					
AEP (JD Power avg rank)	**88.33**	**102.67**	**93.17**	**89.17**	

AEP 2025 Customer Satisfaction Target ≤ 89.17 Ranking

[redacted]

Customer Service: Perfect Power

Goal Description

Perfect Power (8.33%) – Improvement in the number of customers experiencing ≥ 13 interruptions TTM (interruptions per meter). Meter interruptions < 8 seconds will be excluded. Continuous improvement targets establish threshold at 2024 year-end results with 10% improvement for target score and 20% improvement for maximum score.

- Threshold (0%) = 13.19% (actual 2024 baseline)
- Target (100%) = 11.87% (10% improvement)
- Maximum (200%) = 10.55% (20% improvement)

Perfect power to be measured with AMI penetration of 86% with remaining non-AMI meters less accurate measure of momentary outages. Baseline to be set based on % of AMI and non-AMI meters at beginning of 2025.

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Customer Service: Perfect Power (≥ 13 interruptions)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	N/A	N/A	0.68%	0.61%	
[redacted]					
AEP			**13.19%**	**11.87%**	

AEP 2025 Perfect Power Target ≤ 11.87%

Employee Commitment: Total Recordable Incident Rate

Goal Description

Total Recordable Incident Rate (4.17%) – TRIR = (Total Number of OSHA Recordables * 200,000) ÷ Total Hours Worked.

- Threshold (0%) = TRIR vs. 0% improvement (0.913)
- Target (100%) = TRIR vs. 10% improvement (0.822)
- Maximum (200%) = TRIR vs. Avg of 2022 and 2023 rate (0.705)

TRIR performance will be measured against actual 2024 AEP Total Company Performance.

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Employee Commitment: Total Recordable Incident Rate

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

AEP 2025 TRIR Target ≤ 0.822 Rate

Employee Commitment: DART Rate

Goal Description

DART Rate (4.17%) – "DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

- Threshold (0%) = DART vs. 0% improvement (0.556)
- Target (100%) = DART vs. 10% improvement (0.500)
- Maximum (200%) = DART vs. Avg of 2022 and 2023 rate (0.404)

DART performance will be measured against actual 2024 AEP Total Company Performance.

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Employee Commitment: DART Rate

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

AEP 2025 DART Target ≤ 0.500 Rate

Employee Commitment: Safety Improvement Plan & Training

Goal Description

Safety Improvement Plan & Training (4.17%) – Each Operating Company and applicable Business Units complete assessments to identify trends, shared learnings in safety operations and action plans for continued improvement. This goal will help establish a clear and consistent direction for safety and health performance while aligning the organization to achieve common goals.

The following milestones have been identified to achieve this goal:

Milestone 1: Develop the assessment scope and project plan (i.e., resources, timeline and schedule, deliverables, etc.).

Milestone 2: Execute the assessment process and project plan.

Milestone 3: Develop and implement safety and health training that emphasizes our reporting culture and dedication to providing a safe work environment.

Milestone 4: Evaluate and communicate the assessment findings.

Milestone 5: Develop action plans targeted at improving injury and illness rates.

Milestone 6: Select and implement a minimum of one action from the plan in 2025.

- Threshold (0%) = N/A
- Target (100%) = Milestones 1-4 completed
- Maximum (200%) = Milestones 1-6 completed

Employee Commitment: Engage, Train & Develop Plan

Goal Description

Engage, Train & Develop Plan (4.17%) – Develop and baseline 2026 KPIs and targets for Engage, Train & Develop to support continuous improvement in each of these employee commitment categories. The timeline is outlined as follows:

Milestone 1: Develop the Engage, Train, and Develop KPI Roadmap by end of Q1.

Milestone 2: Establish baseline KPIs and ensure alignment with executive leadership by the end of Q3.

Milestone 3: Build organizational understanding by end of Q3.

Milestone 4: Deploy KPIs into 2026 AEP scorecard.

- Threshold (0%) = N/A
- Target (100%) = Achieve milestones 1-3
- Maximum (200%) = Achieve milestones 1-4

Regulatory & Legislative Integrity: Achieve Plan ROE

Goal Description

Achieve Plan Return on Equity (16.67%) – Target based on regulated ROE required to achieve 2025 earning guidance with the forecasted ROE (9.3%) set as the starting point for award payouts.

- Threshold (0%) = 9.30% (2025 forecasted regulated ROE)
- Target (100%) = 9.375%
- Maximum (200%) = 9.45%

Based upon 2025 Control Budget data and sensitivity of 0.05 EPS = 7.5bps.

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is 20 bps below target.

Regulatory & Legislative Integrity: Achieve Plan ROE

	2025 Authorized	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]						
Kentucky Power	9.75%	5.35%	3.71%	4.44%	5.400%	
[redacted]						
AEP (Regulated)		**9.13%**	**8.78%**	**9.05%**	**9.375%**	

AEP 2025 Achieve Plan ROE Target ≥ 9.375%

Continuous Improvement Targets:

[redacted]

Environmental Respect: Environmental Respect Index

Goal Description

Environmental Respect Index (16.67%) - Reduce the number of EERs (Environmental Event Reports) received in the performance year.

- Threshold (0%) = 139 EERs (actual 2024 baseline)
- Target (100%) = 123 EERs (12% reduction from 2024 baseline)
- Maximum (200%) = 111 EERs (20% reduction from 2024 baseline)

Event Types

- *Air Permit Deviation*
- *Chemical Spill or Release*
- *Inspection - missed or inadequate*
- *Reporting - missed or inadequate*
- *Training - missed or inadequate*
- *Oil Spill*
- *Recordkeeping Deficiency*
- *Regulatory Plan Inaccuracy*
- *Sampling or Testing Related*
- *Stack Monitor Downtime*
- *Opacity Exceedance Rate > 2%*
- *Stormwater Control Deficiency*
- *Unauthorized Wastewater Discharge*
- *Unpermitted Construction Activity*
- *Water Permit Exceedance*
- *Improper Waste Management*

Note: 2025 will be a baseline-setting year for Transmission. Transmission EERs registered in 2025 will be documented in the EER database but will not count against the corporate ERI score.

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Environmental Respect: Environmental Respect Index

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	N/A	N/A	0	0	
[redacted]					
Projects & Services	N/A	N/A	19	17	
Transmission (TOPS Developing Baseline)	N/A	N/A	36	32	
AEP	**N/A**	**N/A**	**139**	**123**	

AEP 2025 ERI Target ≤ 123 Events

Operational Excellence: Delivery SAIDI (T&D)

Goal Description

Delivery SAIDI (T&D) (8.33%) – Performance Metric is IEEE SAIDI (System Average Interruption Duration Index) benchmarking standard (Operating Unit Major Event Day Exclusion). AEP Roll-Up (system) performance will be customer weighted based on end of 2024 static customer counts.

- Threshold (0%) = 234.19 (actual 2024 baseline)
- Target (100%) = 219.20 (6.4% improvement)
- Maximum (200%) = 210.77 (10% improvement)

Business Unit Incremental Scoring: This KPI provides incremental credit between threshold and target, where threshold is previous year's actual performance.

Operational Excellence: Delivery SAIDI (T&D)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	490.62	331.76	405.85	382.00	
[redacted]					
AEP (OPCO consolidated)	**272.85**	**219.39**	**234.19**	**219.20**	

AEP 2025 Delivery SAIDI Target ≤ 219.20 Minutes

Operational Excellence: Transmission Reliability Index (TRIND)

Goal Description

Transmission TRIND (8.33%) – Year over year performance improvement based on NATF TRIND definition.

Target 2.5% improvement from 2024 to 2025

- Threshold (0%) = 2024 AEP Year End TRIND, adjusted for AEP and NATF data refinement
- Target (100%) = 2.5% improvement
- Maximum (200%) = 5% improvement

Operational Excellence: Transmission Reliability Index

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Transmission	43.43	50.87	49.01	2.5% Improvement	
AEP	**43.43**	**50.87**	**49.01**	**2.5% Improvement**	

AEP 2025 Transmission Reliability Index Target ≥ 2.5% Improvement

The 2025 target is based on a 2.5% improvement over the 2024 performance, realtive to peers.

Financial Strength: Financial Performance Operating Earnings / EPS

Goal Description

Operating Earnings / EPS [redacted] – Targets based on 2025 earnings guidance with [redacted] set as the starting point for award payouts. [redacted]

- Threshold (0-50%) = [redacted]
- Target (100%) = [redacted]
- Maximum (200%) = [redacted]

Non-earnings scores are capped at the EPS score if Operating EPS is below [redacted] *no payout if EPS is below the* [redacted]

Operating Companies & Trans HoldCo = Operating Earnings

Financial Strength: Financial Performance Operating EPS

2025 Operating EPS Chart



Financial Strength: Financial Performance Operating Earnings / EPS

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	$48M	$35M	$43M	$47M	
[redacted]					
Transmission	$674M	$740M	$799M	$837M	
AEP (EPS)	**$5.09**	**$5.25**	**TBD**	[redacted]	

AEP 2025 Operating Earnings Per Share Target ≥ [redacted]

Operating Companies & Trans HoldCo = Operating Earnings

Continuous Improvement Targets:

[redacted]

Kentucky Power Scorecard: Wiseman

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Customer Satisfaction (JD Power rank)	8.33%	141	138	144	≤140	
Perfect Power ≥ 13 interruptions (%)	8.33%	N/A	N/A	0.68	≤0.61	
Total Recordable Incident Rate	4.16%	1.547	1.550	0.794	≤0.715	
DART Rate	4.16%	0.774	1.937	0.794	≤0.715	
Phishing Failure Rate (%)	4.16%	1.96	1.06	1.52	≤1.0	
Engage, Train & Develop	4.16%	N/A	N/A	N/A	Achieve	
Achieve Plan ROE (%)	8.33%	5.35	3.71	4.44	≥5.40	
Reduce NOVs (Number of Events)	8.33%	N/A	N/A	0	=0	
Environmental Respect Index (Number of Events)	16.67%	N/A	N/A	0	=0	
Delivery SAIDI - T&D (Minutes)	8.33%	490.62	331.76	405.85	≤382.00	
EFORd (%)	8.33%	4.17	3.52	1.78	≤1.77	
Operating Earnings ($)	5.56%	48M	35M	43M	≥47M	
O&M Budget ($)	5.56%	28M	48M	48M	≤48M	
FFO/Debt (%)	5.56%	9.50	5.80	8.84	≥8.70	

2025 Customer Satisfaction (JD Power) ICP Funding Goal

KPI/Data Owner: Stacey Gabbard / Heather Mann

System of Record: J. D. Power

Frequency: Quarterly (Mar, Jun, Sep, Dec)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes		Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
						Roll up - Enterprise	

- The **AEP Total** metric will be the average of the JD Power overall satisfaction ranks for each OPCO compared to all other utilities (151) and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **Customer** metric will mirror the AEP Total metric and be reported on the Customer scorecard.
- Each **OPCO** metric be their OPCO's unique JD Power overall satisfaction ranking and will be reported on the respective OPCO scorecard.

Methodology:

Use an average of J.D. Power overall satisfaction ranks for each OPCO compared to all other utilities (151). Achieve a 10% performance improvement based upon a 10% increase in the difference between the current rank and the top quartile (75th percentile or higher). [redacted]and KYPCO will have a reduced target reflective of a 50% absolute improvement over their actual 2024 performance, to account for their respective degree of difficulty.

J.D. Power provides ranking compared to other utilities. Additionally, AEP will continue to use Medallia reputation survey data from customers to track progress. Medallia provides actionable data to help improve ranking and is highly correlated with J. D. Power satisfaction.

AEP Funding:

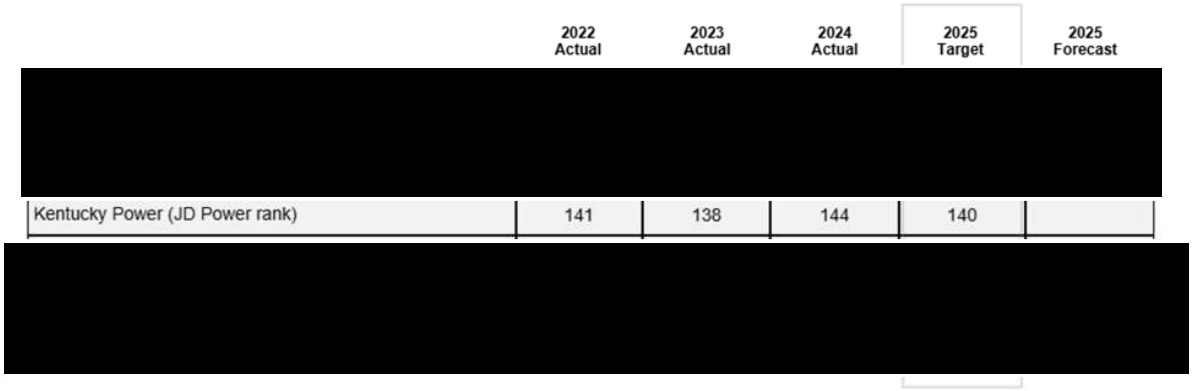
- Threshold (0.0) – 93.17 (actual 2024 average of OPCO ranking)
- Target (1.0) – 89.17 (average OPCO target ranking)
- Maximum (2.0) – 87.17 (average ranking)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO Targets:

- Threshold (0.0) - Actual 2024 performance
- Target (1.0) - 10% of the improvement needed to achieve top quartile 75%
  (Exception in place for [redacted] and KYPCO – See notes)

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)



Customer Ops Targets:

- Threshold (0.0) – 93.17 (actual 2024 average of OPCO ranking)
- Target (1.0) – 89.17 (average OPCO target ranking)

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

NOTES:

- [redacted] and KYPCO will have a reduced target which correlates to a 50% absolute increase in their 2024 percentile ranking to account for their respective degree of difficulty.
- [redacted]
- J.D. Power results are received at the end of each quarter. Year end results are cumulative not averaged by quarter.
- J.D. Power uses the combined legacy companies in the APCO rankings (WP and KP).

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Updated to include specifics around the Customer Ops target, missing from initial issue	T. Bethel	3/5/2025

2025 Perfect Power ICP Funding Goal

KPI/Data Owner: Shane Lies / George Sharp

System of Record: DOVS; Data Lake (blink tables); Hadoop (platform to house and manage data)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)

- The **AEP Total** metric will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- Each **OPCO** metric will be reported on the respective OPCO scorecard.

Methodology:

Improvement in the number of customers experiencing ≥13 interruptions TTM (interruptions per meter). Momentary interruptions of less than 8 seconds will be excluded. Continuous improvement targets establish threshold at 2024 year-end results with 10% improvement for target score, and 20% improvement for maximum score.

AMI penetration by OPCO (11/30/2024): APCO, and PSO=~100% AMI; I&M= 99%; Ohio=77%; SWEPCO =59%; KY=0%

AMI meter counts will be frozen on 1/1/25 for purposes of target setting and performance measurement throughout the year.

Momentary Interruptions ≥8 seconds will come from the Blink Module (AMI Big Data Storage), sustained interruptions will come from DOVS (outage system of record)

AEP Texas AMI Blink tables were only recently enabled and will not have enough data to provide reliable performance measurements in 2025. Interruptions will only be counted from the DOVS system through 2025. The DOVS system does not provide data for momentary interruptions.

AMI meter counts will be frozen on 1/1/25 for purposes of target setting and performance measurement throughout the year. Premises upgraded to AMI in 2025 will not have momentary interruptions counted towards the ICP version of perfect power until 2026 to maintain consistent with the 2024 baseline measurement.

AEP Texas Target Setting Methodology

The percentage of AEP Texas customers who experienced >=13 interruptions in 2024 is 0.10%. Using the methodology defined above, the AEP Texas 2025 target is 0.025%, which represents an approximately 75% reduction in the number of customers who experienced >=13 interruptions during 2024.

AEP Funding:

- Threshold (0.0) – 13.19% (to be updated with 2024 year-end performance)
- Target (1.0) – 11.87% (10% improvement from threshold)
- Maximum (2.0) – 10.55% (20% improvement from threshold)

(incremental credit is earned between 0.0 and 2.0 scores; targets will be adjusted with 2024 year-end performance data)

OPCO Targets:

- Threshold (0.0) - Actual 2024 performance
- Target (1.0) - 10% improvement from threshold (2024 year-end performance)
- Target (1.0) - AEP Texas will have a modified target, methodology described above.

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

Scorecard	2024 Actuals	2025 Target
[redacted]		
Kentucky Power	0.68%	≤0.61%
[redacted]		

Notes:

- For AEP Texas, Kentucky, and any non-AMI meters in the other jurisdictions, we'll "freeze" the meter capabilities (non-AMI and AMI) on 1/1/2025 (snapshot). If AMI on 1/1, AMI meter data will be utilized; if non-AMI, outage data will be extracted from DOVs. If a non-AMI meter gets replaced with an AMI meter, DOVs data will be utilized during 2025 for that customer/premise. A full perfect power meter capabilities re-baseline at end of 2025 with a new "snapshot" for 2026 measurements

- AEP Texas meters will be treated as non-AMI for the duration of 2025 as recording capabilities for momentary outages was only enabled at the end of 2024; there is no current history to baseline against. AEP Texas will function as all other AMI companies by the start of 2026.

- APCO includes all affiliates.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Change Request #18 - Performance measurement methodology changed to exclude meter interruptions less than 8 seconds in duration. This change results in a recalculation of 2024 actuals and 2025 targets	T. Bethel	4/29/2025

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 Achieve Plan ROE ICP Funding Goal

KPI/Data Owner: Kate Sturgess / Megan Pratt

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
		Roll up - Enterprise					

- The **AEP Total** metric will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level. This measure will also be reported on the **CFO** scorecard.
- Each **OPCO** metric will be reported on the respective OPCO scorecard.

Methodology:

Target based upon regulated ROE required to achieve 2025 earnings guidance with forecasted ROE (9.3%) set as the starting point for award payouts.

Based upon 2025 Control Budget data and sensitivity of 0.05 EPS = 7.5bps.

AEP Funding:

- Threshold (0.0) – 9.30% (2025 forecasted regulated ROE)
- Target (1.0) – 9.375% ([redacted]
- Maximum (2.0) – 9.45%

(incremental credit is earned between 0.0 and 2.0 scores)

CFO Targets:

- Target (1.0) – 9.375% [redacted]

(to achieve credit for this goal the target must be met, no incremental credit)

OPCO Targets:

- Threshold (0.0) - Each OPCO can begin achieving credit at 20bps below 2025 target (earning within 0.2% of target plan ROE).

- Target (1.0) - Each OPCO will have a target plan ROE in support of meeting the corporate target.

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2025 Authorized	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]						
Kentucky Power	9.75%	5.35%	3.71%	4.44%	5.400%	
[redacted]						
AEP (Regulated)		**9.13%**	**8.78%**	**9.05%**	**9.375%**	

Notes:

Continuous Improvement Targets:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Update to define the CFO target, missing from the original issue.	T. Bethel	3/5/2025
3.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie. Also updated the Data Owner from Bobby Myers to Megan Pratt.	T. Bethel	5/20/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 Reduce NOVs Target

Data Owner: Gary Spitznogle / Christopher Long

System of Record: EET (Environmental Enforcement Tracker)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

- Each **OPCO, Transmission,** and **P&S** metric will be reported on the respective OPCO/BU scorecard.

Methodology:

Reduce the number of violations received in the performance year. An NOV represents any form of enforcement action which is a documented correspondence from an agency of an alleged deviation or non-compliance with a regulatory requirement.

Excludes any NOVs received related to coal ash pond closures that were completed more than 2 years prior to the current year.

OPCO & BU Targets:

- Target (1.0) - Each OPCO, Transmission, and P&S have a continuous improvement target reduction in support of meeting the 20% reduction from 2024 baseline

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.
- It was discussed whether to add Safety citations (OSHA/MSHA) and NERC violations to this KPI. It was decided not to expand the scope of this KPI since there has been a miniscule amount of safety citations over the last three years (<5) and there is already a KPI on the Transmission scorecard to reduce NERC Violations by 20%. Adding them here would be redundant. Additionally, the NERC violations are split almost evenly between Transmission and IT/Security, with a miniscule amount in other organizations.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Removed references to AEP scorecard from the applicable scorecards section and cleaned up stranded comments	T. Bethel	4/2/2025
3.0	See Change Request #14 Revised to move 5 NOVs from 2024 Projects & Services to Transmission, revised to create 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 Environmental Respect Index ICP Funding Goal

KPI / Data Owner: Gary Spitznogle / Christopher Long

System of Record: MESH Environmental Event Reporting app

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

Methodology:

The Environmental Respect Index is made up of Environmental Event Reports (EERs). An environmental event is a spill, leak, or release to the environment or a non-conformance with an environmental permit or regulatory requirement.

EERs must be entered within 24 hours of discovery. Any employee can identify a potential EER and must follow the EER Standard, located further down in this document, for prompt notification of the condition to the Environmental Services Department (ESD). Only members of ESD can enter or edit EER data.

The following types of EERs shall be entered into the Environmental Event Reporting app in accordance with the instructions provided in the app:

1. Agency reportable spill or release to the environment.
2. Upset, bypass, or control equipment or monitor failure events deemed reportable under permit conditions or regulatory requirements except for stack monitor downtime.
3. Exceedance of any permitted or otherwise regulated limitation excluding benchmark values and stack opacity.
4. Stack monitor downtime >5% for a reporting period.
5. A monthly stack opacity exceedance rate >2%.
6. Failure to meet waste manifesting exception reporting requirements.
7. Unpermitted or unauthorized construction activity.
8. Failure to meet regulatory or regulatory-required implementation plan requirements such as:
    a. Performance of sampling or testing,
    b. Updating plans within required timeframes,
    c. Submittal of reports, notifications, or applications,
    d. Conducting inspections,
    e. Failure to initiate stabilization required by Stormwater Pollution Prevention Plans (SWPPPs) within required timeframes,

f. Failure to initiate corrective actions identified during inspections within required timeframes. Note: Corrective actions identified during a SWPPP inspection that are initiated prior to the next inspection are not considered EERs.

EER Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/_layouts/15/Doc.aspx?sourcedoc=%7B2FB97289-FBEE-45DD-B6BA-CF8126E58337%7D&file=105.docm&action=default&mobileredirect=true

ERI Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/library/184.docm?d=w678ab89b2e28449c9bcf785dc7d23bcc&csf=1&web=1&e=xIGg9v

AEP Funding:

- Threshold (0.0) – 139 EERS (2024 actual performance)
- Target (1.0) – 123 EERS (12% reduction from 2024 actual performance)
- Maximum (2.0) – 111 EERs (20% reduction from 2024 actual performance)

BU Targets:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – See table below

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2024 EERs	Calculated 10% Reduction	Suggested 2025 EER Target	Resultant Improvement
[redacted]				
KY	0	0.0	0	0%
[redacted]				
Transmission*	36	32.4	32	11%
Project & Services	19	17.1	17	11%
Corporate Wide	**139**	**125.1**	**123****	**12%**

Table revised to reflect the new Transmission Organization and creation of Transmission Project Solutions. 36 EERs from 2024 moved from Projects & Service to Transmission.

***** 2025 will be a baseline-setting year for Transmission System Operations.

** 123 is sum of BU targets, which will result in a 12% reduction from 2024 performance

Notes:

Corporate roll-up and BU-specific Environmental Respect Index reports summarizing the performance of the preceding month will be sent from ESD in the first week of the month. The numbers will be tracked against the target score in a graphic to make progress visually clear. Additional details about event type will also be provided as a means of identifying areas requiring greater attention. Event types are as follows:

- Air Permit Deviation
- Chemical Spill or Release
- Inspection - missed or inadequate
- Reporting - missed or inadequate
- Training - missed or inadequate
- Oil Spill
- Recordkeeping Deficiency
- Regulatory Plan Inaccuracy
- Sampling or Testing Related
- Stack Monitor Downtime
- Opacity Exceedance Rate > 2%
- Stormwater Control Deficiency
- Unauthorized Wastewater Discharge
- Unpermitted Construction Activity
- Water Permit Exceedance
- Improper Waste Management

EERs from 2024 that are not entered into the database by January 15, 2025, will count as an EER in 2025 and will not be included in the 2024 baseline.

APCO includes Wheeling Power and Kingsport Power Companies.

The ERI baseline data was calculated by exporting data from the EER app into this spreadsheet. The following actions were completed within the spreadsheet to conform to the new EER and ERI Standards (linked above):

- The Responsible Organization field was evaluated to determine if the event applied to an Operating Company or Projects & Services (Project Solutions or Environmental),
- Event Types were updated to the new standard applied in the revised EER app,
- The ICP Metric column in the spreadsheet was adjusted to reflect the current ERI Standard. The word “Extenuating” is used to remove events that do not count toward the 2025 ERI under section 2.2.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	See Change Request #13 Revised to move 36 EERs from 2024 Projects & Services to Transmission, and creation of 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 Delivery SAIDI (T&D) ICP Funding Goal

KPI/Data Owner: Shane Lies / George Sharp

System of Record: EDDS Reliability Database (ULTDB01)

Frequency: Monthly (10th business day)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
OPCO consolidated	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- Each **OPCO** metric will be reported on the respective OPCO scorecard.

Methodology:

Performance Metric is IEEE SAIDI (System Average Interruption Duration Index) benchmarking standard (Operating Unit Major Event Day (MED) Exclusion). AEP Roll-Up (system) performance will be customer weighted based on end of 2024 static customer counts.

What is a MED vs. Jurisdictional Major Event Days (JMED) Exclusion Criteria:

Operating unit MED exclusions apply to the 7 operating units within AEP while Jurisdictional MED (JMED) exclusions apply to specific company state combinations within each of the 7 operating units. Operating unit MED exclusions apply to the entire operating unit within AEP, while Jurisdictional MED exclusions apply to the specific company-state combinations within each of the operating units.

AEP Funding:

- Threshold (0.0) – 234.19 - no incremental improvement over 2024 actual performance
- Target (1.0) – 219.20 - 6.4% incremental improvement over 2024 actual performance
- Maximum (2.0) – 210.77 - 10% improvement over 2024 actual performance

OPCO Targets:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – Each OPCO will have a target that represents continuous improvement (reduction) from their respective 2024 baseline. See table below for targets.

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	490.62	331.76	405.85	382.00	
[redacted]					
AEP (OPCO consolidated)	**272.85**	**219.39**	**234.19**	**219.20**	

Notes:

- APCO includes all affiliates.
- AEP Ohio target will be a 10% reduction (148) from the 2025 target (165) agreed to with the PUCO.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025

2025 EFORd Targets

KPI / Data Owner: Brian Sherrick / Stacey Stoffer & Stephanie Criswell

System of Record: Power GADs

Frequency: 2 business days after numbers are finalized (normally 14th of month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
			x	x	x	x	x
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)

Methodology:

EFORd (Equivalent Forced Outage Rate Demand) is a NERC defined performance metric representing the percentage of time a unit is forced out but in demand by the RTO.

Formula: EFORd = ((FOHd+EFDHd)/(SH+FOHd)) * 100%

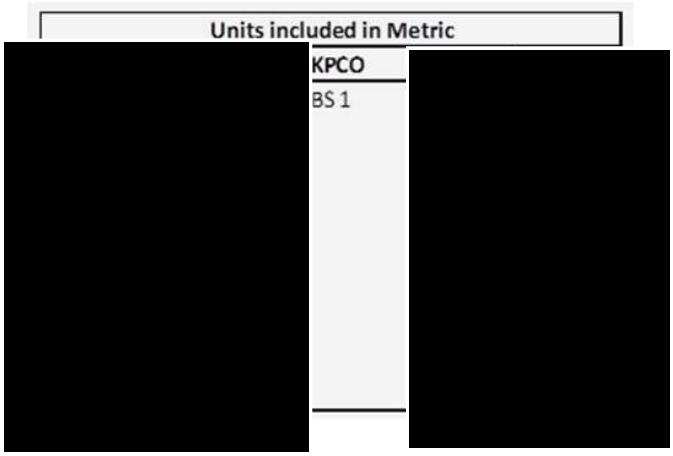
NERC methodology will be utilized for all RTO's (PJM & SPP) to calculate EFORd utilizing GADS data.

Planned outage and maintenance outages are not factored in the EFORd metric.

Individual units will be weighted using a NERC methodology (capacity based) to determine fleet ICP result with the following exceptions:

- In the event a unit's EFORd cannot be calculated due to the absence of any required component, such as Service Hours, that unit will not be included in the overall results.

Variances from the definition or listed exceptions will require at a minimum OPCo President approval



$$EFORd = \frac{[FOHd + (EFDHd)]}{[SH + FOHd]} \times 100\%$$

where

FOHd = f x FOH

EFDHd = (EFDH – EFDHRS) if reserve shutdown events reported, or
= (fp x EFDH) if no reserve shutdown events reported – an approximation.

fp = (SH/AH)

$$f = \left(\frac{1}{r} + \frac{1}{T}\right) / \left(\frac{1}{r} + \frac{1}{T} + \frac{1}{D}\right)$$

r=Average Forced outage deration = (FOH) / (# of FO occurrences)
D=Average demand time = (SH) / (# of unit actual starts)
T=Average reserve shutdown time = (RSH) / (# of unit attempted starts)

OPCO Targets:

- Target (1.0) - ≤ EFORd value in table below

(to achieve credit for this goal the target must be met, no incremental credit)

[redacted]

| KY | 1.77% |

[redacted]

Notes:

- Targets were created utilizing the 2022-2024 performance history and expected future performance improvement proposed by each facility. These were then adjusted and/or accepted by Generation VP's and OPCO presidents.
- WPCO Performance (and target) is included in APCO's scorecard utilizing the NERC weighted average methodology for calculation.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative change. Shane Lies removed as KPI owner and replace with Brian Sherrick. George Sharp removed as Data Owner and replaced with Stacey Stoffer.	T. Bethel	8/11/2025
3.0	Change Request 33 – Correcting APCO target from 7.90 to 7.80 to align with approved scorecard.	T. Bethel	9/19/2025

2025 Financial Performance Operating EPS ICP Funding Goal

KPI/Data Owner: Kate Sturgess / Megan Pratt

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP EPS	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Earnings		AEP EPS					

- The **AEP Total** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.
- Each **OPCO** metric will be the target Operating Earnings and reported on the respective OPCO scorecards.
- The **AEP Trans** metric will be the target Operating Earnings for the Trans HoldCo and reported on the Transmission scorecard.
- The **CFO** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.

Methodology:

Targets based on 2025 earnings guidance with the midpoint of guidance ($5.85) set as threshold, the starting point for award payouts. No payout if earnings are below the midpoint of 2025 earnings guidance.

Non-earnings scores are capped at the EPS score if Operating EPS is below target ($5.90), no payout if EPS is below the midpoint of guidance ($5.85).

AEP Funding:

- Threshold (0.5) – $5.85 (midpoint of guidance)
- Target (1.0) – $5.90
- Maximum (2.0) – $5.95 (top of guidance)

(incremental credit is earned between 0.5 and 2.0 scores)

[redacted]

OPCO/Transmission Targets:

- Target (1.0) – individual earnings targets required to meet company Operating EPS target

CFO Targets:

- Target (1.0) – [redacted]

(to achieve credit for this goal the target must be met, no incremental value)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	$48M	$35M	$43M	$47M	
[redacted]					
Transmission	$674M	$740M	$799M	$837M	
AEP (EPS)	**$5.09**	**$5.25**	TBD	[redacted]	

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie. Also updated Data Owner from Bobby Myers to Megan Pratt.	T. Bethel	5/20/2025
3.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 FFO/Debt Target

KPI/Data Owner: Matthew Fransen (Marc Hunter) / Zach Wnek

System of Record: AEP's Credit Ratios Report published monthly by Financial Reporting, reference to Moody's External View FFO to Total Debt as adjusted for deferred fuel.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
Yes		Roll-up Enterprise					

Methodology:

The AEP score (reported on the CFO scorecard) will be measured based upon the 2025 Control Budget and is adjusted for the Minority Sale use of proceeds (12.8% Control Budget +50bps improvement to FFO-Debt; adjusted Target is 13.3%).

The individual OPCO and Transmission targets will reflect the 2025 Control Budget.

All Control Budget values are adjusted for deferred fuel, if applicable, to align with the Moody's methodology.

CFO Target:

- Target (1.0) – 13.30%

OPCO/Transmission Targets:

- Target (1.0) – 2025 "Corrected" Budget values from table below

(to achieve credit for this goal the target must be met; no incremental credit)

Company	Moody's Senior Unsecured Rating and FFO/Debt				2025	Corrected
	Rating	Upgrade	Mid	Downgrade	Control	Budget
[redacted]						
KY	Baa3	14.0%	12.50%	11.0%	9.09%	8.70%
[redacted]						
AEP Transmission HoldCo	A2	20.0%	17.50%	15.0%	19.18%	18.80%
AEP*	Baa2	15.0%	14.00%	13.0%	13.60%	13.30%

* Control budget is adjusted for Minority Sale use of proceeds (+50 bps improvement to FFO-Debt)

Notes:

- APCO to include all affiliates, including Wheeling Power and Kingsport Power
- AEP Transmission represents the HoldCo

Version Control:

Rev	Description of Change(s)	By	Date
1.0	1.) Per email from Noah Hollis on 2/12/2025, the 2025 targets were updated to reflect a correction to the calculation that was erroneously excluded.	T. Bethel	2/13/2025
2.0	Administrative change to backup KPI Owner and Data Owner. Changed backup KPI Owner from Noah Hollis to Marc Hunter. Changed Data Owner from Jennifer Patton to Zach Wnek.	T. Bethel	5/20/2025

Transmission Scorecard: Cannon

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Transmission Investment Pipeline	8.33%	N/A	N/A	N/A	≥1.0	
Customer Interconnection Facilities	8.33%	N/A	N/A	N/A	≥0.75	
Total Recordable Incident Rate	4.17%	0.564	0.678	0.836	≤0.752	
DART Rate	4.17%	0.474	0.395	0.461	≤0.415	
Phishing Failure Rate (%)	4.17%	1.96	1.06	1.52	≤1.0	
Engage, Train & Develop	4.17%	N/A	N/A	N/A	Achieve	
IRP Filings & Resource Adequacy	4.17%	N/A	N/A	N/A	Achieve	
NERC Compliance: Violation Reduction	4.17%	16	13	10	≤8	
FAC-008 Field Verification (%)	4.17%	N/A	N/A	36	≥1639	
Reduce NOVs (Number of Events)	4.17%	N/A	N/A	5	≤4	
Environmental Respect Index (Number of Events)	16.67%	N/A	N/A	36	≤32	
Transmission Reliability Index	5.55%	43.43	50.87	49.01	≥2.5% Improvement	
Transmission SAIDI (Minutes)	5.55%	32.9	31.2	27.3	≤25.52	
Deliver Capital Projects ($)	5.55%	$3.059B	$3.069B	$3.884B	$3.986B +/- 1.35%	
Plant Inservice ($)	4.17%	N/A	N/A	2.99B	=3.4B	
Operating Earnings ($)	4.17%	674M	740M	799M	≥837M	
O&M Budget ($)	4.17%	295M	306M	335M	≥385M	
FFO/Debt - AEP TransCo (%)	4.17%	19.50	19.10	18.22	≥18.80	

AMERICAN ELECTRIC POWER

2025 Transmission Investment Pipeline Target

KPI/Data Owner: Kamran Ali

System of Record: Ecosys data from RPPC dashboard

Frequency: Monthly

Applicable Scorecard:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology: Measures the development of 5-year transmission investment portfolio relative to the budget target. Target for measurement will be set according to the 5-year capital target set in the most recent Transmission Investment Review Committee (IRC). AEP Transmission has developed and maintains a Regional Planning Portfolio Committee (RPPC) report that measures progress on portfolio development on a monthly basis. The RPPC dashboard will be utilized to determine if the portfolio exceeds the targeted 5-year budget target.

BU Targets:

- Target (1.0) – ≥1.0 (5-year Portfolio under development exceeds the 5-year budget target.)

(to achieve credit for this goal the target must be met, no incremental credit)

Planning 2025 – Power BI Report Server



Notes:

- Only projects at or beyond Project Lifecycle Management Process (PLMP) Gate 0.5 will qualify for inclusion in satisfying the goal.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/19/2025
2.0	Added Note: Only projects at or beyond Project Lifecycle Management Process (PLMP) Gate 0.5 will qualify for inclusion in satisfying the goal.	B. Valasek	2/27/2025

2025 Customer Interconnection Facilities Target

KPI/Data Owner: Kamran Ali, Shawn Robinson

System of Record: P6

Frequency: Monthly

Applicable Scorecard:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology: Measure the timeliness of achieving the scheduled in-service date of transmission facilities for customer interconnections. Scheduled in-service dates will be derived from project scheduling system (Ecosys/P6) in January of 2025 for load interconnections and Generator Interconnection Agreement (GIA) for generator interconnections.

BU Targets:

- Target (1.0) – ≥0.75

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- In the preceding year before measurement, a dashboard of all Customer Projects planned to be in-service in the coming year will be established that includes the Scheduled In-Service date for each asset. At the conclusion of each measurement year, a score will be calculated for each Customer Project based on deviation from the Scheduled In-Service date by subtracting the Actual In-Service date from Scheduled In-Service date. Projects that are delayed because of Qualifying Events outside AEP's control can be excluded, based upon a documented process for such Qualifying Events. Scores will be measured as the sum of individual project scores, weighted by the total MW of each respective customer being served by the project, divided by the total number of projects.
    - A project with an "Actual In-Service" date after the "Scheduled In-Service" date will get a score of 0.
    - A project with an "Actual In-Service" date on or before the "Scheduled In-Service" date will get a score of 1.

Definitions:

- "Customer Projects" will include new generation or load interconnections at the Transmission level. Distribution service requests will be excluded even though the Transmission team is responsible for engineering, design, and execution.
- "Asset" is defined as a Transmission Line or Substation including Switch Stations.
- "Actual In-Service" is defined as completion of AEP activities and work for the customer to receive service. It does not mean energization of facilities.
- "Qualifying events" are primarily delays resulting from variables that are under the control or influence of the customer / third party. One other example would be the RTO cancelling previously scheduled outage.
- Project lists with Scheduled in-Service dates to be provided and updated quarterly, with any changes fully justified and tied to a Qualifying event.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Added "…from project scheduling system (Ecosys/P6) in January of 2025…" and deleted "…the Letter of Agreement (LOA) / Electric Services Agreement (ESA)…" from Methodology section. Deleted "By December 15th…" from first sentence in Notes.	B. Valasek	2/27/2025
3.0	Administrative change to remove Juliet Majtenyi and David Ball from KPI/Data Ownership section and replace with Shawn Robinson.	B. Valasek	4/2/2025

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 IRP Filings & Resource Adequacy Target

KPI/Data Owner: Kamran Ali

System of Record: IRP-maintained schedule

Frequency: Monthly

Applicable Scorecard:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology: Measure achievement of key schedule dates that support Operating Company resource adequacy needs identification and procurement. Measured dates will include:

- Filing IRPs that meet State Commission-required filing dates.

State	IRP Filing Date
SWEPCO-AR	2/14/2025
I&M-IN	3/28/2025
APCO-VA	5/13/2025
APCO-WV	12/31/2025*
WP-WV	12/31/2025*

Note: Dates for WV filings are subject to the final schedule established by the commission.

BU Targets:

- Target (1.0) - all dates achieved

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- IRP filing dates may be changed in adherence with state jurisdictional requirements; modified filings dates must be verified by sign-off from the Operating Company VP of Regulatory and Finance.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative Change – Replace Josh Burkholder with Kamran Ali as the KPI/Data Owner.	T. Bethel	5/30/2025
3.0	CR#21 to change date for APCO-VA from 4/28/25 to 5/13/25.	T. Bethel	7/9/2025

2025 NERC Compliance: Violation Reduction Target (Transmission)

KPI/Data Owner: Summer Moses / Philemon Korir (Lauren Clear)

System of Record: ARCS

Frequency: Monthly

Applicable Scorecard:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology: Incentivize implementing effective controls and reducing NERC incidents, especially around the key areas of (1) repeat violations, (2) externally identified incidents, and (3) system events/breaches.

BU Targets:

- Minimum (0.5): Incremental improvement over 2024 actuals
- Target (1.0): ≥20% reduction compared to previous year in violation count (see below)

(to achieve credit for this goal the target must be met, incremental value of 50% can be earned by achieving improvement over 2024 actual performance)

Notes:

- AEP Trans measurement is based on the incidents caused within the AEP Trans organization
- Removed ENRA from AEP Transmission organization effective March 20, 2025 reorganization. See announcement: AEP AEP Now: Investing in Growth: Announcing the Creation of a New AEP Transmission Organization.

2024 Actuals:

- AEP Trans: 10 (of the 23, 10 incidents were caused within AEP Transmission)
-

Year	CIP	O&P	Total
2025			
2024	17	6	23
2023	24	15	39
2022	30	12	42
2021	29	15	44

2025 Targets:

- AEP Trans: 8 (20% improvement from 10 incidents in 2024)

Date Basis:

- Incidents determined reportable by ENRA Oversight between 1/1/2024 to 12/31/2024 count towards 2025 basis
- Incident counts are based on ENRA Oversight Review (EOR) Date
- EOR date is when an incident is independently determined to be either reportable or not reportable
- EOR date ensures that all incidents are accounted for YoY

Notes:

- Discovery Dates are also used in other NERC program metrics reporting.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; Added incremental credit provision.	T. Bethel	2/17/2025
2.0	See Change Request #16 Revision to remove references to CITO targets.	T. Bethel	4/22/2025
3.0	Administrative change to replace Zach McCullough with Summer Moses as the KPI owner	T. Bethel	7/28/2025

2025 FAC-008 Field Verifications Target

KPI Owner: David Ball / Kamran Ali / Shawn Robinson

Data Owner: Matt Veith / Ed Gilabert

System of Record: Master Facility List

Frequency: Monthly (supported by weekly reporting)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology:

Track number of completed FAC-008 field verifications ("walkdowns") completed in 2025.

BU Targets:

- **TARGET (1.0) –** Complete ≥1639 facility field verifications in 2025, which puts AEP on track for April 2027 completion of mitigation.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- Master Facility List is in development. Planned to be ready in Q1 2025.
- The total number of facilities is being evaluated, and the actual target number of facilities will be available in Q1 2025 and replace the percentages above.
- Facilities must meet the "definition of done" as established by the FAC-008 project team and include walkdown, planning implementation, operational changes (if applicable), and QA/QC.
- Data will be available daily with standard weekly reports. However, progress will not be flat (i.e., there will be a ramp up).

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change from a % target to a "Number of Facilities" target	T. Bethel	3/11/2025
3.0	Change Request #23 - Remove the FAC-008 Field Verifications KPI from the Project & Services scorecard. Administrative change to replace KPI Owners Zach McCullough/Jason Briant with David Ball/Kamran Ali/Shawn Robinson; and Data Owner Jason Bryant with Matt Veith and Ed Gilabert.	T. Bethel	5/9/2025

2025 Reduce NOVs Target

Data Owner: Gary Spitznogle / Christopher Long

System of Record: EET (Environmental Enforcement Tracker)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

- Each **OPCO, Transmission,** and **P&S** metric will be reported on the respective OPCO/BU scorecard.

Methodology:

Reduce the number of violations received in the performance year. An NOV represents any form of enforcement action which is a documented correspondence from an agency of an alleged deviation or non-compliance with a regulatory requirement.

Excludes any NOVs received related to coal ash pond closures that were completed more than 2 years prior to the current year.

OPCO & BU Targets:

- Target (1.0) - Each OPCO, Transmission, and P&S have a continuous improvement target reduction in support of meeting the 20% reduction from 2024 baseline

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.
- It was discussed whether to add Safety citations (OSHA/MSHA) and NERC violations to this KPI. It was decided not to expand the scope of this KPI since there has been a miniscule amount of safety citations over the last three years (<5) and there is already a KPI on the Transmission scorecard to reduce NERC Violations by 20%. Adding them here would be redundant. Additionally, the NERC violations are split almost evenly between Transmission and IT/Security, with a miniscule amount in other organizations.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Removed references to AEP scorecard from the applicable scorecards section and cleaned up stranded comments	T. Bethel	4/2/2025
3.0	See Change Request #14 Revised to move 5 NOVs from 2024 Projects & Services to Transmission, revised to create 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 Environmental Respect Index ICP Funding Goal

KPI / Data Owner: Gary Spitznogle / Christopher Long

System of Record: MESH Environmental Event Reporting app

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

Methodology:

The Environmental Respect Index is made up of Environmental Event Reports (EERs). An environmental event is a spill, leak, or release to the environment or a non-conformance with an environmental permit or regulatory requirement.

EERs must be entered within 24 hours of discovery. Any employee can identify a potential EER and must follow the EER Standard, located further down in this document, for prompt notification of the condition to the Environmental Services Department (ESD). Only members of ESD can enter or edit EER data.

The following types of EERs shall be entered into the Environmental Event Reporting app in accordance with the instructions provided in the app:

1. Agency reportable spill or release to the environment.
2. Upset, bypass, or control equipment or monitor failure events deemed reportable under permit conditions or regulatory requirements except for stack monitor downtime.
3. Exceedance of any permitted or otherwise regulated limitation excluding benchmark values and stack opacity.
4. Stack monitor downtime >5% for a reporting period.
5. A monthly stack opacity exceedance rate >2%.
6. Failure to meet waste manifesting exception reporting requirements.
7. Unpermitted or unauthorized construction activity.
8. Failure to meet regulatory or regulatory-required implementation plan requirements such as:
    a. Performance of sampling or testing,
    b. Updating plans within required timeframes,
    c. Submittal of reports, notifications, or applications,
    d. Conducting inspections,
    e. Failure to initiate stabilization required by Stormwater Pollution Prevention Plans (SWPPPs) within required timeframes,

f. Failure to initiate corrective actions identified during inspections within required timeframes. Note: Corrective actions identified during a SWPPP inspection that are initiated prior to the next inspection are not considered EERs.

EER Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/_layouts/15/Doc.aspx?sourcedoc=%7B2FB97289-FBEE-45DD-B6BA-CF8126E58337%7D&file=105.docm&action=default&mobileredirect=true

ERI Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/library/184.docm?d=w678ab89b2e28449c9bcf785dc7d23bcc&csf=1&web=1&e=xIGg9v

AEP Funding:

- Threshold (0.0) – 139 EERS (2024 actual performance)
- Target (1.0) – 123 EERS (12% reduction from 2024 actual performance)
- Maximum (2.0) – 111 EERs (20% reduction from 2024 actual performance)

BU Targets:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – See table below

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2024 EERs	Calculated 10% Reduction	Suggested 2025 EER Target	Resultant Improvement
[redacted]				
KY	0	0.0	0	0%
[redacted]				
Transmission*	36	32.4	32	11%
Project & Services	19	17.1	17	11%
Corporate Wide	**139**	**125.1**	**123****	**12%**

Table revised to reflect the new Transmission Organization and creation of Transmission Project Solutions. 36 EERs from 2024 moved from Projects & Service to Transmission.

***** 2025 will be a baseline-setting year for Transmission System Operations.

** 123 is sum of BU targets, which will result in a 12% reduction from 2024 performance

Notes:

Corporate roll-up and BU-specific Environmental Respect Index reports summarizing the performance of the preceding month will be sent from ESD in the first week of the month. The numbers will be tracked against the target score in a graphic to make progress visually clear. Additional details about event type will also be provided as a means of identifying areas requiring greater attention. Event types are as follows:

- Air Permit Deviation
- Chemical Spill or Release
- Inspection - missed or inadequate
- Reporting - missed or inadequate
- Training - missed or inadequate
- Oil Spill
- Recordkeeping Deficiency
- Regulatory Plan Inaccuracy
- Sampling or Testing Related
- Stack Monitor Downtime
- Opacity Exceedance Rate > 2%
- Stormwater Control Deficiency
- Unauthorized Wastewater Discharge
- Unpermitted Construction Activity
- Water Permit Exceedance
- Improper Waste Management

EERs from 2024 that are not entered into the database by January 15, 2025, will count as an EER in 2025 and will not be included in the 2024 baseline.

APCO includes Wheeling Power and Kingsport Power Companies.

The ERI baseline data was calculated by exporting data from the EER app into this spreadsheet. The following actions were completed within the spreadsheet to conform to the new EER and ERI Standards (linked above):

- The Responsible Organization field was evaluated to determine if the event applied to an Operating Company or Projects & Services (Project Solutions or Environmental),
- Event Types were updated to the new standard applied in the revised EER app,
- The ICP Metric column in the spreadsheet was adjusted to reflect the current ERI Standard. The word “Extenuating” is used to remove events that do not count toward the 2025 ERI under section 2.2.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	See Change Request #13 Revised to move 36 EERs from 2024 Projects & Services to Transmission, and creation of 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 Transmission Reliability Index ICP Funding Goal

KPI/Data Owner: David Ball / George Sharp

System of Record: Transmission/OAM_Data_Repo_Sharepoint

Frequency: Bi-annual (1/15/2024 and 4/30/2024)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Yes							
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes							

Methodology: Year over year performance improvement based upon NATF (North American Transmission Forum) TRIND definition.

The TRIND Index is derived from the collection of common reliability attributes (such as outage durations, cause codes, equipment impacted, etc.) which are then statistically normalized to track member performance over time and comparatively across the NATF membership.

TRIND is weighted to measure reliability using all Transmission voltage levels.

TRIND utilizes a unique algorithm of system facility inventory and unplanned, controllable, and uncontrollable outages to calculate a member's performance score. The algorithm is weighted to normalized membership data and allows for a comparative reliability view across membership.

2025 Performance Basis – 2024 YE Adjustment for AEP and NATF Data Refinement

The NATF provides annual adjustments to the algorithm that determines each peer company's relative score and ranking based on numerous factors such as number of circuits and their configuration. AEP is aligning the data for our Transmission facilities in the outage reporting system with our current Transmission model. To that end, AEP will use its existing process to determine the 2025 performance basis that is consistent with these alignment efforts.

> **Note:** This alignment may also require AEP to adjust the TRIND score goal number from its initial 2025 basis; however, the improvement target will remain 2.5% and 5.0%. The NATF will provide its first look into the relative impact that all Peer utility adjustments have on its algorithm by April 2025. At that time, AEP may adjust its 2025 performance basis score to ensure consistency with the NATF TRIND scoring process. As stated, improvement targets (2.5% and 5.0%) do not change because of this adjustment.

AEP Funding:

- Threshold (0.0) – 0% (Note, this basis may be adjusted by 4/30/2025 to adhere to consistency with the NATF TRIND scoring process)
- Target (1.0) – 2.5% improvement from Threshold, relative to peers
- Maximum (2.0) – 5% improvement from Threshold, relative to peers

(incremental credit is earned between 0.0 and 2.0 scores; targets will be adjusted with 2024 year-end performance data)

Transmission Target:

- Target (1.0) – 2.5% improvement from threshold

(to achieve credit for this goal the target must be met)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Language & Target Change to reflect 2.5% improvement over estimated 2024 EOY performance (49.01) per conversation between David Ball and Phil Ulrich	G. Sharp	3/20/2025

2025 Transmission SAIDI Target

KPI/Data Owner: David Ball / George Sharp

System of Record: EDDS Reliability Database (ULTDB01)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes							

- This KPI will only be reported on the **Transmission** scorecard.

Methodology: Performance Metric is Transmission's contribution to overall SAIDI, or System Average Interruption Duration Index, and based on customer outages logged in the customer outage system of record with a cause code of D Station, T Station, or T Line with an impact of AEP Total SAIDI. Consistent with our methodology for calculating Total SAIDI, Transmission SAIDI will exclude operating unit level major event days established using the IEEE 1366 2.5 Beta methodology. The target and performance are based on the customer weighted average (2024 static counts) of each Operating Company's T-SAIDI Performance, rolled up to one score.

BU Targets:

1. Target (1.0) - The target will represent a 6.6% improvement (reduction) from the respective 2024 baseline

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- Actual 2024 values expected by January 15, 2025.
- Target reflects the customer weighted target of each of the Operating Companies for Delivery SAIDI (T&D).

2022 Actual	2023 Actual	2024 Actual	2025 Target
32.9	31.2	27.3	25.5

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Deliver Capital Projects (Capital Budget) Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers / Emi Sauer

System of Record: Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Yes				Yes	Yes		

- The **BU Scorecards** (AEP Trans, CITO, and P&S) metrics will represent their respective capital budget performance against the control budget for their respective organization.

Methodology:

Compare the Control Budget to actual for direct costs capital to confirm that the actual capital spend is within +/- 1.35% of the Control Budget.

Direct Costs refers to a category of expenses that the organization.

Out-of-Target Costs are classified as non-controllable and include, but are not limited to:

- Fringes
- Incentives
- Property Taxes
- Billings

Out-of-Target costs are monitored by CP&B, and any amounts attributed to a specific department are adjusted during monthly reporting.

Exclusions are limited to fund transfers that net to zero among groups, and any Board approved incremental or shifts that advance spending from future years. Exclusions may also be granted for variances associated with asset acquisitions (newly constructed build-transfer acquisitions or acquisitions of existing facilities), for which delays and/or accelerations are largely outside of AEP's control. These adjustments are overseen and approved by CP&B.

BU Targets:

- Target (1.0) - Variance is within 1.35% of the Control Budget (+/-)

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/19/2025
2.0	Updated P&S control budget and variance from $4153M to $4138M	T. Bethel	4/2/2025
3.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/20/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg. Deleted table with control budget data since the financial systems maintain the approved changes to the control budget.	T. Bethel	8/30/2025

2025 Plant Inservice Target

KPI / Data Owner: Ashley Beasley

System of Record: N/A

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology:

Transmission will measure its 2025 Plant In-Service (PIS) performance for all OPCos, Transcos, and JV's. Targets and actuals exclude Buildings and IT. The in-service dates and capital dollars associated with the projects are used to calculate the FERC formula rates and provide the basis for return on equity in future years and leads to earnings growth. Transmission PIS investment targets will be adjusted for any impacts caused by capital transfers, RTO clearance constraints, and customer delays or cancellations to determine the final score.

BU Targets:

- Target (1.0) $\geq$ $3.9B

(*to achieve credit for this goal the target must be met, no incremental value)*

Notes:

- N/A

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	See Change Request #15 Revised to transfer ownership of this KPI from Project & Services to Transmission, to align with new Transmission organization, specifically the creation of Transmission Project Solutions	T. Bethel	4/22/2025
3.0	See Change Request #31 Revised target from $3.4B to $3.9B to account for Transmission Ops to ensure accurate accounting for the PIS metric.	T. Bethel	7/25/2025

2025 Financial Performance Operating EPS ICP Funding Goal

KPI/Data Owner: Kate Sturgess / Megan Pratt

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP EPS	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Earnings		AEP EPS					

- The **AEP Total** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.
- Each **OPCO** metric will be the target Operating Earnings and reported on the respective OPCO scorecards.
- The **AEP Trans** metric will be the target Operating Earnings for the Trans HoldCo and reported on the Transmission scorecard.
- The **CFO** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.

Methodology:

Targets based on 2025 earnings guidance with the midpoint of guidance ($5.85) set as threshold, the starting point for award payouts. No payout if earnings are below the midpoint of 2025 earnings guidance.

Non-earnings scores are capped at the EPS score if Operating EPS is below target ($5.90), no payout if EPS is below the midpoint of guidance ($5.85).

AEP Funding:

- Threshold (0.5) – $5.85 (midpoint of guidance)
- Target (1.0) – $5.90
- Maximum (2.0) – $5.95 (top of guidance)

(incremental credit is earned between 0.5 and 2.0 scores)

[redacted]

OPCO/Transmission Targets:

- Target (1.0) – individual earnings targets required to meet company Operating EPS target

CFO Targets:

- Target (1.0) – [redacted]

(to achieve credit for this goal the target must be met, no incremental value)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	$48M	$35M	$43M	$47M	
[redacted]					
Transmission	$674M	$740M	$799M	$837M	
AEP (EPS)	**$5.09**	**$5.25**	TBD	[redacted]	

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie. Also updated Data Owner from Bobby Myers to Megan Pratt.	T. Bethel	5/20/2025
3.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 FFO/Debt Target

KPI/Data Owner: Matthew Fransen (Marc Hunter) / Zach Wnek

System of Record: AEP's Credit Ratios Report published monthly by Financial Reporting, reference to Moody's External View FFO to Total Debt as adjusted for deferred fuel.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
Yes		Roll-up Enterprise					

Methodology:

The AEP score (reported on the CFO scorecard) will be measured based upon the 2025 Control Budget and is adjusted for the Minority Sale use of proceeds (12.8% Control Budget +50bps improvement to FFO-Debt; adjusted Target is 13.3%).

The individual OPCO and Transmission targets will reflect the 2025 Control Budget.

All Control Budget values are adjusted for deferred fuel, if applicable, to align with the Moody's methodology.

CFO Target:

- Target (1.0) – 13.30%

OPCO/Transmission Targets:

- Target (1.0) – 2025 "Corrected" Budget values from table below

(to achieve credit for this goal the target must be met; no incremental credit)

Company	Moody's Senior Unsecured Rating and FFO/Debt				2025	Corrected
	Rating	Upgrade	Mid	Downgrade	Control	Budget
[redacted]						
KY	Baa3	14.0%	12.50%	11.0%	9.09%	8.70%
[redacted]						
AEP Transmission HoldCo	A2	20.0%	17.50%	15.0%	19.18%	18.80%
AEP*	Baa2	15.0%	14.00%	13.0%	13.60%	13.30%

* Control budget is adjusted for Minority Sale use of proceeds (+50 bps improvement to FFO-Debt)

Notes:

- APCO to include all affiliates, including Wheeling Power and Kingsport Power
- AEP Transmission represents the HoldCo

Version Control:

Rev	Description of Change(s)	By	Date
1.0	1.) Per email from Noah Hollis on 2/12/2025, the 2025 targets were updated to reflect a correction to the calculation that was erroneously excluded.	T. Bethel	2/13/2025
2.0	Administrative change to backup KPI Owner and Data Owner. Changed backup KPI Owner from Noah Hollis to Marc Hunter. Changed Data Owner from Jennifer Patton to Zach Wnek.	T. Bethel	5/20/2025

Chief Commercial Officer Scorecard: Hall

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Fuel Cost Control (%)	8.33%	N/A	-6	-2.1	+/- 2.0	
National Account Customer Satisfaction (%)	8.33%	N/A	N/A	N/A	≥75	
Total Recordable Incident Rate (SC)	4.16%	0.235	0.157	0.282	≤0.254	
DART Rate (SC)	4.16%	0.149	0.110	0.149	≤0.134	
Phishing Failure Rate (%)	4.16%	1.96	1.06	1.52	≤1.0	
Engage, Train and Develop	4.16%	N/A	N/A	N/A	Achieve	
NERC, FERC & Coast Guard Compliance	8.33%	0	0	0	=0	
Resource Adequacy (MW)	8.33%	N/A	N/A	N/A	≥2,908	
New BTM Customer Solutions (MW)	8.33%	0	0	25	≥500	
New Zero Carbon Generation (MW)	8.33%	N/A	N/A	N/A	≥2,261	
Dispatch Performance (%)	16.67%	96.6	96.2	96.4	≥96.0	
O&M Budget ($)	8.33%	16M	18M	17M	≤14M	
UBD Gross Profit ($)	8.33%	21M	23M	28M	≥25M	

2025 Fuel Cost Control Target

KPI / Data Owner: Hassan Akinkuolie

System of Record: N/A, utilizes AEP Actual Energy Fuel Cost and Fuel Factors

Frequency: Monthly on the 12th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

This metric will measure the aggregate fuel costs for energy (net of off-system sales) to be within a certain % of the fuel factors in effect across the year for our Regulated Operating Company's (excluding Kentucky Power).

Cost components measured are energy only related which include direct coal, natural gas, wind, solar, and fuel oil supply as well as purchase power costs incurred to support the AEP Operating Companies' energy resource requirements. Long-Term purchased power (LTPP), transportation and related services costs, such as direct freight charges, affiliate barge transportation costs, the cost of reagents, coal terminal/transloading costs, railcar maintenance costs, and fuel handling are also subject to this metric.

Formula: Load Weighted Average Actual Energy cost / Load Weighted Average Fuel Factors = % variance.

The 2025 target is +-2% defined above. Our variance for the past years is as follows:

Year	**Variance %**
2023 (Jul-Dec)	-6%
2024 YTD (Jan-Dec)	-2.1%

BU Targets:

- Target (1.0) +-2% variance of Actual Costs to Fuel Factors

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- A tighter variance aligns with our focus on the customer and their success.

Details: The fuel cost variance goal is intended to provide consistency in price and avoid fuel deferments where we must seek commission approval to be reimbursed for dollars that were not properly collected in real time. We need to be proactive in securing fuel, and energy, for our customers so that costs are more predictable, and no one is surprised after an unpredictable event. Hedging does occasionally mean that costs are a little higher because we are paying the insurance premium; however, if we can keep our fuel costs within 2% of the commission approved fuel factors than we should be able to keep deferred fuel balances in check resulting in happier commissions, customers, and shareholders. If we only pushed for lower fuel costs there would be an incentive to take on too much price risk that would end up in price hikes to customers to collect unhedged fuel purchases, potential disallowances, and negative regulatory outcomes.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 National Account Customer Satisfaction Target

KPI / Data Owner: Tim Wells

System of Record: Medallia (Customer Operations)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

The National Account team will develop a customer satisfaction survey to be completed by AEP National Accounts contacts. To begin, the initial survey will develop a baseline measure for overall satisfaction with AEP's National Accounts program to develop a baseline measure. The team will then develop additional survey(s) throughout the year to develop action plans and a basis for the future. In 2025, the initial performance metric will be set at 75% 4 and 5 scores on a 5-point scale, with the goal adjusted by mid-year to reflect actual customer feedback. Data will be refreshed mid-year and in Q4.

BU Targets:

- Target (1.0) - 75% 4 and 5 scores on a 5-point scale initially. The EOY target will be adjusted based on the initial baseline.

(to achieve credit for this goal the target must be met, no incremental value)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 NERC, FERC & Coast Guard Compliance Target

KPI / Data Owner: Chris Leopold

System of Record: ARCS

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

Comply with all RTO, NERC, FERC, Coast Guard and SOX requirements. Maintain a self-reporting culture, with Zero Findings in all Potential Compliance Incidents (PCI) and encourage implementation and continued documentation of effective internal controls and incident prevention.

- "Findings" refers to "findings of violation" in the rules of procedure or requirements of the entity as determined by the Office of Enforcement of the NERC, FERC, Coast Guard, SEC, and DOJ, resulting in financial penalty or admission of guilt.
- NERC Potential Compliance Incidents as determined reportable through a review by Enterprise NERC Reliability and Assurance (ENRA) and documented in ARCS.

BU Targets:

- Target (1.0) - Zero findings in all compliance incidents, and Zero PCI identified by an external method of discovery.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

Methods of Discovery

- **Internal Control:** a regularly performed control
- **Internal Documented Control (in ARCS):** same as above, but with an established Control Procedure in ARCS (even if the execution of the control is performed in another system)
- **Internal Check:** an intentional check of an application or process which is not part of an established control
- **Internal Happenstance:** the potential noncompliance was "stumbled upon" without an established control or intentional check
- **External Event Prep:** within 90 days of a scheduled event (e.g. audit, spot check, guided self-certification) as part of preparation for the event

- **External Request:** found as a result of responding to a regional request, e.g. audit request, RFI, NERC Workbook
- **External Finding:** found by the auditors during the "on-site" event (e.g. audit, spot check)
- **External Recommendation:** an item that a region determines to be noncompliance, but is not agreed to by AEP (e.g. an audit finding that AEP will contest)
- **Extent of Condition:** the potential noncompliance was discovered through a Mitigation Plan's Extent of Condition milestone, or through informal similar activities.
- **System Event:** the potential noncompliance was identified during the investigation of a customer or BES outage, BES equipment damage, or loss of visibility, control or protection.
- **Security Breach:** the potential noncompliance was identified because of abnormal activity or 'bad actor' that compromised reliability, confidentiality, integrity or availability of AEP systems, assets, facilities, or data.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Resource Adequacy Target

KPI / Data Owner: Regulated Infrastructure Development (Michael Deggendorf / Zach Dowley)

System of Record: OPCO approved targets (total accredited capacity MWs) for executed contracts, in 2025

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

- Review of resource adequacy needs in coordination with Integrated Resource Planning, Commercial Operations, Capital Planning and Budgeting, and OPCO leadership
- Establish OPCO approved acquisition targets (measured in accredited capacity MW) for the year for each of the following:
    - Executed Agreements (resulting from active RFPs, bilateral engagement, capacity solicitations, etc.)

BU Targets:

Target (1.0) - 2,908 MW of total accredited capacity (MWs) negotiated and signed in 2025

(to achieve credit for this goal the target must be met, no incremental value)

OPCO	Signed Accredited MW
PSO	355
SWEPCO	0
APCO	71
KPC	0
I&M	2,483
Total	**2,908 MW**

Notes:

- Consideration for an OPCO Modifier – OPCOs can modify target amounts during the year if company's resource adequacy needs are modified by changes in RTO rules, ELCCs, or other factor outside the control of AEP
- Target changes must follow an approved change control process.
- Goal requires only that resources are negotiated and signed.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/18/2025

2025 New BTM Customer Solutions Target

KPI / Data Owner: David Kulha

System of Record: (N/A) Executed Customer Contracts

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

Execute 500 MW of Customer Sited Renewable Energy Resource Agreements.

AEP has primarily identified fuel cells as a viable option for providing power to customers in situations where there are constraints with receiving power from the grid or other unique circumstances. These customer agreements are a bridge solution so that customers can receive power while the infrastructure for grid connected service is built. The Regulated Commercial Operations team, in partnership with the operating companies, are accountable for leading the execution of the customer agreements.

BU Targets:

- Threshold (0.0) – Execute 250 MW of Customer Sited Renewable Energy Resource Agreements
- Target (1.0) – Execute 500 MW of Customer Sited Renewable Energy Resource Agreements

(to achieve credit for this goal the target must be met, incremental credit achievable between threshold 0.0 and target 1.0)

Notes:

- 11/5/24: Cologix: Customer Sited Renewable Energy Resource Agreement executed for 25 MW.
- Under negotiation: AWS Customer Sited Renewable Energy Resource Agreement for 72.9 MW.
- The Bloom contract was for a 100 MW purchase. It did include an option, at no cost to AEP, to purchase up to an extra 900 MW at a fixed cost by December 31, 2025. Our 3+9 budget forecast is 247.9 MW of Bloom projects. The target of 500 MW would still have us more than doubling the volume in the budget (providing significant upside to AEP).
- BTM – Behind the Meter

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; Added Threshold value to allow for incremental credit	T. Bethel	2/17/2025

2025 New Zero Carbon Generation Target

KPI / Data Owner: Regulated Infrastructure Development (Michael Deggendorf / Zach Dowley)

System of Record: Ownership and PPA MW (nameplate) of non-emitting (renewable or nuclear) generation and energy storage resources. Values represent state regulatory approved MWs for renewable generation received in the year.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

- Establish zero-carbon MW targets (measured in nameplate capacity MW) in coordination with OPCO leadership for the year
- Sum all approved MW of non-emitting generation and energy storage resources

BU Targets:

- Target (1.0) - 2,261 MW of non-carbon resources negotiated and signed in 2025

(to achieve credit for this goal the target must be met, no incremental value)

OPCO	Signed Nameplate MW
PSO	766
SWEPCO	0
APCO	200
KPC	0
I&M	1,295
Total	**2,261 MW**

Notes:

- Goal requires only that resources are negotiated and signed.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/18/2025

2025 Dispatch Performance Target

KPI / Data Owner: Chris Leopold

System of Record: PI

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

The Dispatch Performance Score measures the timeliness and accuracy of Real Time Market Operations personnel dispatching generating units from base-point signals sent from the applicable RTO. The specific target was determined by the previous three years' preliminary data. The Year-to-date score will be calculated by the Technology PI Team and a link to the score will be embedded on the PIVISION PI Dispatch Matrix.

- Performance scores are calculated within PI Dispatch Matrix on a 5-min interval with a 5-min time-shift to allow for dispatcher evaluation and response, while unit is "Released to Dispatch".
- Performance score considers Dispatcher's awareness of current load trend and ability to anticipate basepoint trend.

BU Targets:

- Target (1.0) - Achieve an average Dispatch Performance Score of ≥96.0% across all controlled units, as calculated using the Dispatch Matrix.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 UBD Gross Profit Target

KPI / Data Owner: Tim Wells

System of Record: Utility Business Development Database

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
	X						

Methodology:

The UBD (Utility Business Development) Team will measure gross profits for 2025 from a combination of Associated Business Development and AEP T&D Services projects.

BU Targets:

- Target (1.0) - $25 million in gross profits is the EOY target.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

Chief Financial Officer Scorecard: Mihalik

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Tax Value Created ($)	10%	$15M	$25M	$55M	≥30M	
Audit Savings ($)	10%	$2.8M	$2.9M	$8.5M	≥3M	
Total Recordable Incident Rate (SC)	5%	0.235	0.157	0.282	≤0.254	
DART Rate (SC)	5%	0.149	0.110	0.149	≤0.134	
Phishing Failure Rate (%)	5%	1.96	1.06	1.52	≤1.0	
Engage, Train & Develop	5%	N/A	N/A	N/A	Achieve	
Achieve Plan ROE - AEP (%)	10%	9.13	8.78	9.05	≥9.375	
Use of Technology Solutions to Improve Regulatory Filings (# of Filings)	10%	0	0	0	≥2	
N/A						
Percent of Invoices Processed per Contract Terms	10%	77	74	77	Achieve & ≥80	
M&S Inventory ($)	10%	718M	924M	853M	869M +/- 50M	
Financial Performance Operating EPS – AEP ($)	6.67%	5.090	5.250	5.620	≥5.900	
O&M Budget – AEP ($)	6.67%	2.404B	2.480B	2.405B	≤2.570B	
FFO/Debt - AEP (%)	6.67%	13.15	12.74	13.35	≥13.30	

2025 Tax Value Created Target

KPI / Data Owner: Dan Mueller, VP Tax

System of Record: PeopleSoft, UI Planner, PowerPlan

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
		X					

Methodology:

The Tax Value Creation KPI is a measurement of reduced tax obligations from forecast and/or avoided tax obligations from taxing authority assessments. The 2025 Target is based on historical tax savings data from 2022 through 2024 in conjunction with 2025's tax forecast. More specifically, the 2025 target is a 20% increase from 2023's tax value creation as 2024 had large one-time successes that drove annual value creation above reasonable expectations going forward. For purposes of this KPI, Tax Value will only be measured in the year in which an agreement (i.e. audit, protest, settlement, refund) with the taxing authority becomes final.

BU Targets:

- Target (1.0) ≥ $30M of tax value created

(to achieve credit for this goal the target must be met, no incremental value)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

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KPI / Data Owner: Andy Reis and Elizabeth Richte

System of Record: Final audit reports t ap ing (d). summarized and referenced in an excel file.

eq cy hly

Applicable Scorecards: CFO

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	CCO (all)	CFO (iha ik)	CHRO (ch)	(h)	P&S (es)		Nuclear (u)

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Audit savings derived from contract and operational audits during 2025. These will be documented within final audit reports that will be agreed to by the business process owner. Our audit goal is to improve the overall control processes thereby driving down 'audit savings' because the controls would prohibit having to identify issues that result in recovering dollars. Issues that we found in the past should have remediations that prevent it from becoming an issue in the future. Our annual target continues to be $3 n p r y .

BU Targets:

Target (1.0) ≥ $3 million of savings

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Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 Achieve Plan ROE ICP Funding Goal

KPI/Data Owner: Kate Sturgess / Megan Pratt

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
		Roll up - Enterprise					

- The **AEP Total** metric will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level. This measure will also be reported on the **CFO** scorecard.
- Each **OPCO** metric will be reported on the respective OPCO scorecard.

Methodology:

Target based upon regulated ROE required to achieve 2025 earnings guidance with forecasted ROE (9.3%) set as the starting point for award payouts.

Based upon 2025 Control Budget data and sensitivity of 0.05 EPS = 7.5bps.

AEP Funding:

- Threshold (0.0) – 9.30% (2025 forecasted regulated ROE)
- Target (1.0) – 9.375% [redacted]
- Maximum (2.0) – 9.45%

(incremental credit is earned between 0.0 and 2.0 scores)

CFO Targets:

- Target (1.0) – 9.375% [redacted]

(to achieve credit for this goal the target must be met, no incremental credit)

OPCO Targets:

- Threshold (0.0) - Each OPCO can begin achieving credit at 20bps below 2025 target (earning within 0.2% of target plan ROE).

- Target (1.0) - Each OPCO will have a target plan ROE in support of meeting the corporate target.

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2025 Authorized	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]						
Kentucky Power	9.75%	5.35%	3.71%	4.44%	5.400%	
[redacted]						
AEP (Regulated)		**9.13%**	**8.78%**	**9.05%**	**9.375%**	

Notes:

Continuous Improvement Targets:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Update to define the CFO target, missing from the original issue.	T. Bethel	3/5/2025
3.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie. Also updated the Data Owner from Bobby Myers to Megan Pratt.	T. Bethel	5/20/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 Use of Technology Solutions to Improve Regulatory Filings Target

KPI / Data Owner: Eric Wittine

System of Record: Audit Log of solution selected

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
		X					

Methodology:

This KPI is measuring the use of technology to improve the quality of filings. One of the technologies that will be leveraged is a specific module within ChatAEP that checks the quality of writing.

The 2025 target is to use this technology in at least 2 new filings to verify the quality of Testimony writing and Discovery responses. This technology is still in development, needs to be tested and rolled out.

BU Targets:

- Target (1.0) - The 2025 target is to use the technology in ≥ 2 filings.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative Change: Updated KPI Owner from Kernesa Samana to Eric Wittine.	T. Bethel	5/12/2025

2025 Percent of Invoices Processed per Contract Terms Target

KPI / Data Owner: Kate Sturgess / Jeffrey Hoersdig

System of Record: 2025 system of record will be the project plan documentation. Subsequent to 2025, the KPI will be measured with data from the PeopleSoft Accounts Payable module.

Frequency: Monthly project updates will be provided. Subsequent to 2025, KPI metrics will be provided monthly.

Applicable Scorecards: CFO (Mihalik)

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
		X					

Methodology:

This KPI will be a measure of the percentage of vendor invoices paid on-time as a percentage of total vendor invoices processed. The paid on-time date is based upon the due date listed on each invoice. The measurement includes data from all applicable sources of vendor invoices subject to Procurement Acquisition Standards.

The target for 2025 is to achieve a paid-on-time metric of 80%. In addition, a project plan will be delivered to identify process and system issues and implement needed changes that will bring AEP to first quartile performance in vendor payments. The 80% target for 2025 is a baseline target and improvement targets will be identified for future years to reach the first quartile performance.

BU Targets:

- Incremental (0.5) - Achieve one of the following objectives
- Target (1.0) - Achieve both of the following objectives

  Objectives:
  - Paid-on-time metric of ≥ 80%
  - Achieve project plan objectives listed below in the notes section

(to achieve full credit for this goal the target must be met, incremental credit is achievable as described)

Notes:

- The project plan will include (1) an analysis of adherence to current guidelines within each vendor payment feeder system; (2) a review of process steps within each vendor payment feeder system to identify opportunities for simplification and standardization; and (3) a review of the need for each vendor payment feeder system to drive toward fewer systems and touchpoints.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; Updated language per Phil's recommendation to include a paid-on-time metric of >= 80% and achievement of all 3 project plan objectives outlined in Notes section.	T. Bethel	2/14/2025
2.0	Change Request #30 - Restore the goal to its intended purpose by adding an incremental target to the existing KPI for 2025. The additional goal is to deliver a comprehensive plan to identify process and system issues and implement needed changes that will bring AEP into the first quartile performance in vendor performance.	M. Pratt	7/19/2025

2025 M&S Inventory Target

KPI / Data Owner: Craig Rhoades / Holly Sullivan & Edith Lindsay

System of Record: Maximo

Frequency: Monthly reporting will be provided

Applicable Scorecards: CFO (Mihalik)

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
		X					

Methodology:

The KPI tracks the Material & Supplies inventory dollars in Maximo for Transmission, Telecom, Distribution, Generation and Cook Nuclear locations operated by AEP. M&S inventory dollars for non-regulated and retired/sold storerooms are not included. M&S ordered or returned per the Long-Lead time Material & Equipment Order Exceptions procedure/processes will be excluded from this goal.

The 2025 year-end optimization target balances inventory reductions with necessary increases to support growth in renewable generation, increased capital spending of 25%, and new commercial customers in Transmission.

BU Targets:

- Target (1.0) = $869M +/- $50M

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Added language to clarify methodology per email from Craig Rhoades and Amanda Torgerson dated 3/4/25. “M&S ordered or returned per the Long-Lead time Material & Equipment Order Exceptions procedure/processes will be excluded from this goal.”	T. Bethel	3/4/2025
3.0	Administrative change to update data owners. Amanda Torgerson removed and replace by Holly Sullivan.	T. Bethel	8/11/2025

2025 Financial Performance Operating EPS ICP Funding Goal

KPI/Data Owner: Kate Sturgess / Megan Pratt

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP EPS	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings	Earnings
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Earnings		AEP EPS					

- The **AEP Total** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.
- Each **OPCO** metric will be the target Operating Earnings and reported on the respective OPCO scorecards.
- The **AEP Trans** metric will be the target Operating Earnings for the Trans HoldCo and reported on the Transmission scorecard.
- The **CFO** metric will be the company Operating Earnings per Share (EPS) and will be reported on the AEP Scorecard at Bill Fehrman's level.

Methodology:

Targets based on 2025 earnings guidance with the midpoint of guidance ($5.85) set as threshold, the starting point for award payouts. No payout if earnings are below the midpoint of 2025 earnings guidance.

Non-earnings scores are capped at the EPS score if Operating EPS is below target ($5.90), no payout if EPS is below the midpoint of guidance ($5.85).

AEP Funding:

- Threshold (0.5) – $5.85 (midpoint of guidance)
- Target (1.0) – $5.90
- Maximum (2.0) – $5.95 (top of guidance)

(incremental credit is earned between 0.5 and 2.0 scores)

[redacted]

OPCO/Transmission Targets:

- Target (1.0) – individual earnings targets required to meet company Operating EPS target

CFO Targets:

- Target (1.0) – [redacted]

(to achieve credit for this goal the target must be met, no incremental value)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	$48M	$35M	$43M	$47M	
[redacted]					
Transmission	$674M	$740M	$799M	$837M	
AEP (EPS)	**$5.09**	**$5.25**	TBD	[redacted]	

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie. Also updated Data Owner from Bobby Myers to Megan Pratt.	T. Bethel	5/20/2025
3.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 FFO/Debt Target

KPI/Data Owner: Matthew Fransen (Marc Hunter) / Zach Wnek

System of Record: AEP's Credit Ratios Report published monthly by Financial Reporting, reference to Moody's External View FFO to Total Debt as adjusted for deferred fuel.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
Yes		Roll-up Enterprise					

Methodology:

The AEP score (reported on the CFO scorecard) will be measured based upon the 2025 Control Budget and is adjusted for the Minority Sale use of proceeds (12.8% Control Budget +50bps improvement to FFO-Debt; adjusted Target is 13.3%).

The individual OPCO and Transmission targets will reflect the 2025 Control Budget.

All Control Budget values are adjusted for deferred fuel, if applicable, to align with the Moody's methodology.

CFO Target:

- Target (1.0) – 13.30%

OPCO/Transmission Targets:

- Target (1.0) – 2025 "Corrected" Budget values from table below

(to achieve credit for this goal the target must be met; no incremental credit)

Company	Moody's Senior Unsecured Rating and FFO/Debt				2025	Corrected
	Rating	Upgrade	Mid	Downgrade	Control	Budget
[redacted]						
KY	Baa3	14.0%	12.50%	11.0%	9.09%	8.70%
[redacted]						
AEP Transmission HoldCo	A2	20.0%	17.50%	15.0%	19.18%	18.80%
AEP*	Baa2	15.0%	14.00%	13.0%	13.60%	13.30%

* Control budget is adjusted for Minority Sale use of proceeds (+50 bps improvement to FFO-Debt)

Notes:

- APCO to include all affiliates, including Wheeling Power and Kingsport Power
- AEP Transmission represents the HoldCo

Version Control:

Rev	Description of Change(s)	By	Date
1.0	1.) Per email from Noah Hollis on 2/12/2025, the 2025 targets were updated to reflect a correction to the calculation that was erroneously excluded.	T. Bethel	2/13/2025
2.0	Administrative change to backup KPI Owner and Data Owner. Changed backup KPI Owner from Noah Hollis to Marc Hunter. Changed Data Owner from Jennifer Patton to Zach Wnek.	T. Bethel	5/20/2025

Chief HR Officer Scorecard: Ulrich

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Deliver Customer Operations Associate Staffing & Turnover Reduction Plan	20%	N/A	N/A	N/A	Achieve	
Phishing Failure Rate (%)	6.67%	1.96	1.06	1.52	≤1.0	
Engage, Train & Develop	6.67%	N/A	N/A	N/A	Achieve	
Safety Improvement Plan & Training	6.67%	N/A	N/A	N/A	Achieve	
Brand & Reputation Building Program	20%	N/A	N/A	N/A	Achieve	
N/A						
Build Training Center of Excellence Program	10%	N/A	N/A	N/A	Achieve	
Code of Excellence (with IBEW)	10%	N/A	N/A	N/A	Achieve	
O&M Budget ($)	20%	44M	43M	41M	≤46M	

2025 Deliver Customer Operations Associate Staffing & Turnover Reduction Plan Target

KPI / Data Owner: Katie Grayem / Amy Perkins (Jeff Conley)

System of Record: NICE IEX

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
			X			X	

Methodology:

1. Identify & Implement Recruiting and Sourcing to Improve Candidate Quality
   - Status: In Progress
   - Details: Consistently review all potential candidates' resumes before moving to the interview stage. Management sign-off required on all resume reviews before offers are made to candidates.
   - Review Frequency: Monthly
2. Identify & Implement Development Opportunities for Agents to Improve Retention
   - Status: In Progress
   - Details: Identify top performers based on key metrics (North Star metrics: OSTAT at 74% and issues resolved at 71%) to provide them with development opportunities (peer coaching, and new hire assessments.)
   - Review Frequency: Monthly
3. Review Improvements to Wages That Enhance Retention
   - Status: In Progress
   - Details: Recruit in territories where AEP offers competitive salaries compared to other entry-level jobs in the demographic area.
   - Review Frequency: Quarterly

BU Targets:

- Target (1.0) - Achieve 2 of 2 actions below

(to achieve credit for this goal the target must be met, no incremental value)

1. Develop benchmarking comparator group of utility peers with similar operation profiles and make necessary adjustments to customer operations associate performance targets based on finding.

- Participate in the 2025 EEI Chartwell study and research to identify similar utility profiles to use as benchmark (non-represented workforce, 24/7 service hours, and JD Power Top Quartile Customer Satisfaction results). Review and revise the KPI and performance targets for Customer Operations Associates based on the findings.

2. Improve Voluntary Turnover Year over Year
   - Improve Overall Turnover – a voluntary turnover rate <34% by the end of 2025 for Customer Operations Associates, showing improvement compared to our year-end 2024 rate.

Notes:

YOY Voluntary Turnover		
2024	**2023**	**2022**
34%	37%	36%

YOY Turnover (TO) Trends

	2024			2023			2022	
Avg Staff	512			507			512	
TO	331	65%		300	59%		237	46%
vol TO	172	34%		186	37%		184	36%
invol TO	159	31%		114	22%		53	10%

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 Safety Improvement Plan & Training ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: TBD

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Yes							
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
			Yes				

Methodology:
Corporate Safety and Health will partner with each Operating Company (OpCo) and applicable Business Units (BU) to execute safety and health performance assessments aimed at identifying trends, shared learnings in safety operations and action plans for continued improvement. This goal will help establish a clear and consistent direction for safety and health performance while aligning the organization to achieve common goals.

This process will assess safety and health aspects of each OpCo/BU by focusing on the following: trends in both leading and lagging safety performance data in recent years; safety culture and perception at various levels of the OpCo/BU; leadership and employee commitment; and overall strategic initiatives that are driving individual OpCo/BU safety improvement plans. Corporate Safety & Health will provide the methodology, safety performance data, guidance materials and work packages while each OpCo/BU will participate and provide resources to execute the goal.

When the assessments are complete, Corporate Safety and Health will share the results and collaborate with each OPCO/BU on action plans to aid in a consistent approach to improve employee injury and illness rates.

The following milestones have been identified to achieve this goal:

Milestone 1 | Develop the assessment scope and project plan (i.e. resources, timeline and schedule, deliverables, etc.).

- Responsible Parties: Corporate Safety & Health

Milestone 2 | Execute the assessment process and project plan.

- Responsible Parties: Corporate Safety & Health, OpCo/BUs

Milestone 3 | Develop and implement safety and health training that emphasizes our reporting culture and dedication to providing a safe work environment.

- Responsible Parties: Corporate Safety & Health, OpCo/BUs

Milestone 4 | Evaluate and communicate the assessment findings.

- Responsible Parties: Corporate Safety & Health, OpCo/BUs

Milestone 5 | Develop action plans targeted at improving injury and illness rates.

- Responsible Parties: Corporate Safety & Health, OpCo/BUs

Milestone 6 | Select and implement a minimum of one action from the plan in 2025.

- Responsible Parties: OpCo/BUs

AEP Funding:

- Threshold (0.0) – N/A
- Target (1.0) – Milestones 1 – 4 complete
- Maximum (2.0) – Milestones 1 – 6 complete

(incremental credit is earned between 0.0 and 2.0 scores)

CHRO Target:

- Target (1.0) - Milestones 1-4 complete

(to achieve credit for this goal the target must be met, no incremental value).

Notes:

- The methodology and project plan(s) associated with this goal will be maintained as "living documents" for agile execution due to the collaborative nature with each OpCo/BU.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Brand & Reputation Building Program Target

KPI / Data Owner(s): Teri Kerrigan/Chris Brathwaite

System of Record:

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
			Yes				

Methodology:

Initiate the Stakeholder Value Study in the first quarter of 2025 to assess our brand reputation across AEP and OpCos.

Key Objectives:

- Finalize the partner contract in early Q1, clearly defining project goals, milestones, and deliverables.
- Conduct surveys and interviews with stakeholders from various groups during Q1/Q2.
- In Q2/Q3, transform the final report and recommendations into a concrete brand and messaging strategy for 2025 and beyond.

BU Targets:

- Target (1.0) – Achieve 2 out of 3 objectives

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- This project's success will be heavily dependent on the participation of a wide variety of internal and external stakeholders to arrive at a set of deep data points that drive our future marketing decisions.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Build Training Center of Excellence Program Target

KPI / Data Owner: Jennifer Alexander

System of Record: Project Plan, T&D Training Schedules, Manager Surveys, Budget Files

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Risch)	P&S (Lies)		Nuclear (Ferneau)
			Yes				

Methodology:

Initiate the establishment of a Center of Excellence dedicated to enhancing Distribution apprenticeship programs.

Key Objectives:

- **Establishment of Operational Excellence in Existing Facilities:**
  - Develop and implement Standard Operating Procedures for all class coordination.
  - Establish training and expectations for housekeeping protocols.
  - Update all materials associated with apprenticeship programs.
  - Create a governance process for the maintenance of materials and agendas.
  - Revise document sharing platforms to ensure a single source of truth.

- **Process Innovation for Trainer Excellence:**
  - Reimagine and establish processes to empower best-in-class trainers including job description, compensation review and formal rotations.

- **Development of a Business Case and Multi-Year Facilities Plan:**
  - Construct a comprehensive business case and a multi-year facilities strategic plan.

Baseline Metrics:

- Instructor Utilization
- Guest Instructor Utilization
- Current Cost Per Apprentice
- NPS Score

BU Target:

- Target (1.0) – Achieve 2 out of 3 key objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander as the KPI Owner	T. Bethel	5/6/2025

2025 Code of Excellence (with IBEW) Target

KPI / Data Owner: Jim Fawcett

System of Record: TBD

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
			Yes				

Methodology:

Increase engagement between the union and company leadership with a joint effort accountability program.

Key objectives:

- Come to agreement with the IBEW leadership for deployment of Code of Excellence at AEP
- Complete Code of Excellence training and implementation at pilot operating company
- Launch of Code of Excellence at all operating companies.

BU Target:

- Target (1.0) - Achieve 2 out of 3 objectives

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

Information Technology Scorecard: Eckert

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Customer Info System (CIS)	10%	N/A	Achieve	N/A	Achieve	
IT Service Desk Responsiveness	10%	Achieve	Achieve	Achieve	Achieve	
Phishing Failure Rate (Team) (%)	6.67%	1.96	1.06	1.52	<1.0	
Engage, Train & Develop	6.67%	N/A	N/A	N/A	Achieve	
Identity & Access Management Program	6.67%	N/A	N/A	N/A	Achieve	
Regulatory Plans for IT/Cyber	10%	Achieve	Achieve	Achieve	Achieve	
NERC CIP Compliance: Violation Reduction	10%	30	21	17	≤14	
N/A						
Deliver IT Projects	15%	Achieve	Achieve	Achieve	Achieve	
Reduce IT Vulnerabilities & No Cyber Events (%)	5%	N/A	N/A	N/A	≥20	
Capital Budget (IT/Security) ($)	10%	292M	299M	263M	272M +/- 1.35%	
O&M Budget (IT/Security) ($)	10%	247M	248M	248M	≤249M	

2025 Customer Information System (CIS) Program

KPI/Data Owner: Anne Murphy / Julie Standley

System of Record: PortfolioNow project record, Technology Planning & Governance document repository

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
				X			

- The **CITO** metric will be a roll up of the milestones for the CIS program and will be reported on the CITO scorecard.

Methodology:

The CIS transformation program to plan for replacement of AEP's core meter-to-cash business applications and call center agent desktop application.

The target performance in 2025 establishes team preparedness and the creation of a new phase of work focused on Customer Data. Performance will be monitored against milestones on a monthly basis.

- Target (1.0) – Meet milestones of the project plan below

(to achieve credit for this goal the target must be met, no incremental credit)

Project Targets:

- Start team and partner resource plan – Q1
- Data First Solution & CIS Program Plan – Q4

Notes:

- N/A

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/17/2025
2.0	Change Request #22 – change project targets to reflect new project scope that focuses on a data-first solution & CIS program plan.	T. Bethel	7/9/2025

2025 IT Service Desk Responsiveness Target

KPI / Data Owner: Steven Martin / Heather Levita

System of Record: Metrics are produced through the Genesys telephony system used by Service Desk agent

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

Methodology:

The metric targets were produced using industry standard targets of an IT service desk.

Additional implementation goals produced based on a combination of feedback and best practices.

Objectives:

1. Achieve Service Desk Metrics measured for the overall year
    a. Average Speed to Answer (ASA) < 45 seconds
    b. Call Abandonment Rate < 5%
    c. First Contact Resolution (FCR) >= 80%
    d. Call volume < 10,000 calls per month
2. Establish 2nd level support call-back process by end of Q1.
3. Establish end-user feedback group by end of Q1.

BU Targets:

- Target (1.0) – Achieve all 3 objectives listed above.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative change to add Steven Martin as the KPI Owner.	T. Bethel	5/20/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 Identity & Access Management Program Target

KPI/Data Owner: Kristin Lowery / Bob Kehm

System of Record: PortfolioNow project record, Technology Planning & Governance document repository, Jira

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

- The **CITO** metric will be a roll up of the milestones to relaunch the CIT program and will be reported on the CITO scorecard.

Methodology:

Accomplish objectives related to the Privileged Access Management program including least privileged access principle and discovering privileged access and remediating it in CyberArk.

Accomplish objectives related to further securing applications through the implementation of Multi Factor Authentication (MFA).

Performance will be monitored against milestones on a monthly basis.

CITO Target:

Target (1.0): - Meet the milestones of the projects below.

(to achieve credit for this goal the target must be met, no incremental credit)

<u>Privileged Access Management:</u>

- Complete remediation of 6 of 10. – End of 2025
- Start discovery of privileged service accounts in Q2.
- Complete full inventory of privileged service accounts. – End of 2025

<u>Multi Factor Authentication (MFA):</u>

- Complete assessment and categorization of all remaining externally facing systems to determine if they should be decommissioned, removed from external access, or have MFA implemented. – End of 2025

- Implement MFA for 15 of 52 known applications. – End of 2025

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; Updated language per Phil's recommendation to frame in the context of completion and being more aggressive given security risk.	T. Bethel	2/12/2025
2.0	Administrative change to replace Joe Brenner with Kristin Lowery as KPI Owner.	T. Bethel	5/20/2025

2025 Regulatory Plans for IT/Cyber Target

KPI / Data Owner: Ven Miriyala / Andrea Shepherd

System of Record: Corporate regulatory schedule adherence and supporting testimony and/or filing documentation.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

Methodology:

Measures successful contribution of meaningful, approved Technology and Security testimony and data detail to support the current regulatory filing timetable below. This plan is owned by the OpCos and central Regulatory team so will be subject to change by those organizations.

BU Targets:

- Target (1.0) – Meet accurate and meaningful testimony and data submissions as applicable in line with regulatory filing due dates provided below. Filing dates are subject to change by the owning Operating Company.

Name	Filing date
2025 AEP Ohio Base Distribution Rate Case	5/2/2025
2025 ETT Base Rate Case	1/31/2025
2025 I&M IN Base Rate Case	6/30/2025
2025 KPCo Base Rate Case	3/31/2025
2025 SWEPCO AR Base Rate Case	3/3/2025
2025 SWEPCO TX Base Rate Case	10/31/2025
2025 (2024 TY) SWEPCO LA FRP	4/1/2025

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- Timing of filing is ultimately owned by the Operating Companies and central Regulatory team, so completion is dependent on timeframes dictated by those owning organizations.
- Level of effort and documentation differs by jurisdiction based on the nature and testimony included in the filing.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative change to add Ven Miriyala as the KPI Owner.	T. Bethel	5/20/2025

2025 NERC Compliance: Violation Reduction Target (CITO)

KPI/Data Owner: Summer Moses / Philemon Korir (Lauren Clear)

System of Record: ARCS

Frequency: Monthly

Applicable Scorecard:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

Methodology: Incentivize implementing effective controls and reducing NERC incidents, especially around the key areas of (1) repeat violations, (2) externally identified incidents, and (3) system events/breaches.

BU Targets:

- Minimum (0.5): Incremental improvement over 2024 actuals
- Target (1.0): ≥20% reduction compared to previous year in violation count (see below)

(to achieve credit for this goal the target must be met, incremental value of 50% can be earned by achieving improvement over 2024 actual performance)

Notes:

- CITO measurement is based on the total number of CIP incidents (regardless of Causing BU)

2024 Actuals:

- CITO: 17

Year	CIP	O&P	Total
2025			
2024	17	6	23
2023	24	15	39
2022	30	12	42
2021	29	15	44

2025 Targets:

- CITO: 14 (20% improvement from 17 incidents in 2024)

Date Basis:

- Incidents determined reportable by ENRA Oversight between 1/1/2024 to 12/31/2024 count towards 2025 basis
- Incident counts are based on ENRA Oversight Review (EOR) Date
- EOR date is when an incident is independently determined to be either reportable or not reportable
- EOR date ensures that all incidents are accounted for YoY

Notes:

- Discovery Dates are also used in other NERC program metrics reporting.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; Added incremental credit provision.	T. Bethel	2/17/2025
2.0	See Change Request #16 Revision to remove references to Transmission targets.	T. Bethel	4/22/2025
3.0	Administrative change to replace Zach McCullough with Summer Moses as the KPI owner	T. Bethel	7/28/2025

2025 Deliver IT Projects Target

KPI / Data Owner: Anne Murphy / Greg McDonald; Ven Miriyala; Latoya Rooker

System of Record: Project deliverables (PMO sharepoint site)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

Methodology:

Measures achievement of key milestones on six major projects (listed below). Feedback will be captured from the owning portfolio / COE director and VP with project management evidence of completion.

Project Targets:

- ADMS – Initial deployment delivered by end of Q3 2025.
- Field Mobility – Complete planning, design, and configuration of new Oracle Field Services platform by end of year. Completion of these milestones in 2025 will ensure the program stays on track for final testing and implementation in 2026.
- FAC-008 – Deliver scope on-time, within budget, with quality in alignment with project scope/charter by year end 2025 (to ultimately support April 2027 NERC commitment).
- Workday – Last major release delivered by end of Q1 2025.
- Utility network – Implement infrastructure and Esri ArcGIS version 11.3 in non-production environment by end of July 2025. Complete utility network data model by end of 2025. Completion of these milestones will ensure we deliver the fully integrated utility network model in 2027.
- On-board new renewable assets – Deliver all IT / cyber work to enable business driven “go-live” dates (dates TBD / will evolve throughout year)

BU Target:

- Target (1.0) – Meet milestones on all technology projects above.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- Timing is dependent upon business unit engagement and prioritization. Milestones may be subject to change based on business unit priority.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Administrative change to add Anne Murphy as the KPI Owner. Replace Andrea Shepherd with Greg McDonald, Ven Miriyala and LaToya Rooker as Data Owners.	T. Bethel	5/20/2025

2025 Reduce IT Vulnerabilities & No Cyber Events Target

KPI / Data Owner: Kristin Lowery / Kim Fellner (Chris Wright)

System of Record: Tenable

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
				X			

Methodology:

Describe the KPI:

- Aging Critical / High Vulnerability Reduction

What is being measured:

- 'Aging Volume' of Critical and High vulnerabilities, as of 1/1/2025 and measuring a 20% reduction by 12/31/2025.

How it will be measured:

- Baseline or starting volume, as of 1/1/2025. Measure reduction on the aging volume using monthly vulnerability volume reporting.
- Volume will be starting volume, minus any vulnerabilities on an approved SLA Exception Plan. (SLA Exception Plan is a grouping of vulnerabilities where the work required will exceed standard Vulnerability SLA based on severity of Critical (30 days) or High (60 days).

Describe the 2025 target performance and the basis for setting the target:

- 20% reduction over 2024 year-end baseline.

Timing of when performance data is refreshed:

- Data is reported monthly.

BU Targets:

Target (1.0) - 20% reduction from the baseline number of aging vulnerabilities as of 1/1/2025, AND no cyber events.

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- Primary Data Owner - Kimberly Fellner, Back up Data Owner - Christopher Wright

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/17/2025

2025 Deliver Capital Projects (Capital Budget) Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers / Emi Sauer

System of Record: Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Yes				Yes	Yes		

- The **BU Scorecards** (AEP Trans, CITO, and P&S) metrics will represent their respective capital budget performance against the control budget for their respective organization.

Methodology:

Compare the Control Budget to actual for direct costs capital to confirm that the actual capital spend is within +/- 1.35% of the Control Budget.

Direct Costs refers to a category of expenses that the organization.

Out-of-Target Costs are classified as non-controllable and include, but are not limited to:

- Fringes
- Incentives
- Property Taxes
- Billings

Out-of-Target costs are monitored by CP&B, and any amounts attributed to a specific department are adjusted during monthly reporting.

Exclusions are limited to fund transfers that net to zero among groups, and any Board approved incremental or shifts that advance spending from future years. Exclusions may also be granted for variances associated with asset acquisitions (newly constructed build-transfer acquisitions or acquisitions of existing facilities), for which delays and/or accelerations are largely outside of AEP's control. These adjustments are overseen and approved by CP&B.

BU Targets:

- Target (1.0) - Variance is within 1.35% of the Control Budget (+/-)

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/19/2025
2.0	Updated P&S control budget and variance from $4153M to $4138M	T. Bethel	4/2/2025
3.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/20/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg. Deleted table with control budget data since the financial systems maintain the approved changes to the control budget.	T. Bethel	8/30/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

Customer Ops Scorecard: Gabbard

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
Customer Satisfaction (JD Power avg rank)	8.33%	88.33	102.67	93.17	≤89.17	
Call Resolution Rate (Medallia % "Yes")	8.33%	72.3	70.0	70.9	≥72.0	
Agent Satisfaction Rate (Medallia % "9 or 10")	8.33%	73.6	73.0	73.9	≥75.0	
Total Recordable Incident Rate (SC)	6.25%	0.235	0.157	0.282	≤0.254	
DART Rate (SC)	6.25%	0.149	0.110	0.149	≤0.134	
Phishing Failure Rate (%)	6.25%	1.96	1.06	1.52	≤1.0	
Deliver Customer Operations Associate Staffing & Turnover Reduction Plan (with HR)	6.25%	N/A	N/A	N/A	Achieve	
N/A						
N/A						
Regulated Bill Accuracy (%)	8.33%	N/A	N/A	99.5	≥99.6	
Call Center Average Speed to Answer (ASA) (Seconds)	8.33%	159	73	84	<84	
Customer Info System (CIS) Prog (with IT)	8.33%	N/A	N/A	N/A	Achieve	
O&M Budget ($)	8.33%	78M	74M	76M	≤75M	
Bad Debt to Revenue Ratio (%)	8.33%	N/A	N/A	0.263	≤0.325	
Increase Paperless Billing Adoption Rate (%)	8.33%	N/A	N/A	55	≥56	

2025 Customer Satisfaction (JD Power) ICP Funding Goal

KPI/Data Owner: Stacey Gabbard / Heather Mann

System of Record: J. D. Power

Frequency: Quarterly (Mar, Jun, Sep, Dec)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes		Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
						Roll up - Enterprise	

- The **AEP Total** metric will be the average of the JD Power overall satisfaction ranks for each OPCO compared to all other utilities (151) and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **Customer** metric will mirror the AEP Total metric and be reported on the Customer scorecard.
- Each **OPCO** metric be their OPCO's unique JD Power overall satisfaction ranking and will be reported on the respective OPCO scorecard.

Methodology:

Use an average of J.D. Power overall satisfaction ranks for each OPCO compared to all other utilities (151). Achieve a 10% performance improvement based upon a 10% increase in the difference between the current rank and the top quartile (75th percentile or higher). [redacted]and KYPCO will have a reduced target reflective of a 50% absolute improvement over their actual 2024 performance, to account for their respective degree of difficulty.

J.D. Power provides ranking compared to other utilities. Additionally, AEP will continue to use Medallia reputation survey data from customers to track progress. Medallia provides actionable data to help improve ranking and is highly correlated with J. D. Power satisfaction.

AEP Funding:

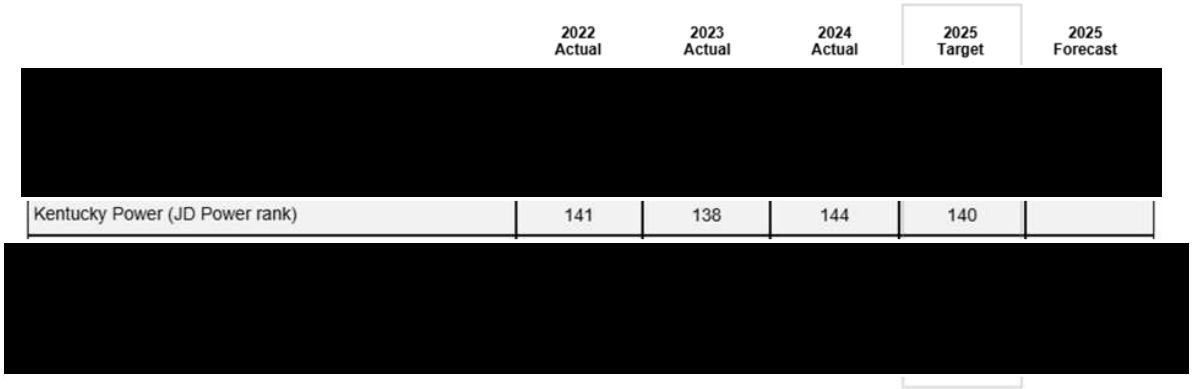
- Threshold (0.0) – 93.17 (actual 2024 average of OPCO ranking)
- Target (1.0) – 89.17 (average OPCO target ranking)
- Maximum (2.0) – 87.17 (average ranking)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO Targets:

- Threshold (0.0) - Actual 2024 performance
- Target (1.0) - 10% of the improvement needed to achieve top quartile 75%
  (Exception in place for [redacted] and KYPCO – See notes)

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)



Customer Ops Targets:

- Threshold (0.0) – 93.17 (actual 2024 average of OPCO ranking)
- Target (1.0) – 89.17 (average OPCO target ranking)

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

NOTES:

- [redacted] and KYPCO will have a reduced target which correlates to a 50% absolute increase in their 2024 percentile ranking to account for their respective degree of difficulty.
- [redacted]
- J.D. Power results are received at the end of each quarter. Year end results are cumulative not averaged by quarter.
- J.D. Power uses the combined legacy companies in the APCO rankings (WP and KP).

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Updated to include specifics around the Customer Ops target, missing from initial issue	T. Bethel	3/5/2025

2025 Call Resolution Rate (Medallia % "Yes") Target

KPI / Data Owner: Stacey Gabbard / Heather Mann

System of Record: Medallia

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Cust Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

Use the issue resolution question from the Medallia Contact Center Survey for customers who spoke to a call center agent. This score will represent the % of customers responding "yes" to the issue resolution question.

The goal for 2025 is to achieve 72% of issues resolved. This is a 1% increase from 2024. Ultimately by 2029 we have a 5-year glide path to achieve 80%.

Example:

2024 Final	2025	2026	2027	2028	2029
70.9%	72%	74%	76%	78%	80%

BU Targets:

- Target (1.0) – 72%

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

The 80% glide path target is set before identifying a suitable benchmark with other peers using similar tools like Medallia to measure. This goal is currently a stretch goal with the assumption that some work will be completed with the OPCo's and IT to allow agents to provide more clarity and insight into service orders that need to be completed.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Agent Satisfaction Rate (Medallia % 9 or 10) Target

KPI / Data Owner: Stacey Gabbard / Heather Mann

System of Record: Medallia

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Cust Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

Use the agent satisfaction question from the Medallia Contact Center Survey for customers who spoke to a call center agent. This score will represent the % of customers responding 9 or 10 to the Medallia agent satisfaction question.

The goal for 2025 is to achieve 75% OSAT with agent. This is a 1% increase from 2024. Ultimately by 2029 we have a 5-year glide path to achieve 80%.

Example:

2024 Final	2025	2026	2027	2028	2029
73.9%	75%	76%	77.5%	79%	80%

BU Targets:

- Target (1.0) – 75%

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- The 80% glide path target is set before identifying a suitable benchmark with other peers using similar tools like Medallia to measure. In addition, the team is looking at tools to help us get a larger sample size of calls to evaluate vs the smaller sample size of Medallia responses.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	0.774	1.937	0.794	0.715	
[redacted]					
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Deliver Customer Operations Associate Staffing & Turnover Reduction Plan Target

KPI / Data Owner: Katie Grayem / Amy Perkins (Jeff Conley)

System of Record: NICE IEX

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
			X			X	

Methodology:

1. Identify & Implement Recruiting and Sourcing to Improve Candidate Quality
   - Status: In Progress
   - Details: Consistently review all potential candidates' resumes before moving to the interview stage. Management sign-off required on all resume reviews before offers are made to candidates.
   - Review Frequency: Monthly
2. Identify & Implement Development Opportunities for Agents to Improve Retention
   - Status: In Progress
   - Details: Identify top performers based on key metrics (North Star metrics: OSTAT at 74% and issues resolved at 71%) to provide them with development opportunities (peer coaching, and new hire assessments.)
   - Review Frequency: Monthly
3. Review Improvements to Wages That Enhance Retention
   - Status: In Progress
   - Details: Recruit in territories where AEP offers competitive salaries compared to other entry-level jobs in the demographic area.
   - Review Frequency: Quarterly

BU Targets:

- Target (1.0) - Achieve 2 of 2 actions below

(to achieve credit for this goal the target must be met, no incremental value)

1. Develop benchmarking comparator group of utility peers with similar operation profiles and make necessary adjustments to customer operations associate performance targets based on finding.

- Participate in the 2025 EEI Chartwell study and research to identify similar utility profiles to use as benchmark (non-represented workforce, 24/7 service hours, and JD Power Top Quartile Customer Satisfaction results). Review and revise the KPI and performance targets for Customer Operations Associates based on the findings.

2. Improve Voluntary Turnover Year over Year
   - Improve Overall Turnover – a voluntary turnover rate <34% by the end of 2025 for Customer Operations Associates, showing improvement compared to our year-end 2024 rate.

Notes:

YOY Voluntary Turnover		
2024	**2023**	**2022**
34%	37%	36%

YOY Turnover (TO) Trends

	2024			2023			2022	
Avg Staff	512			507			512	
TO	331	65%		300	59%		237	46%
vol TO	172	34%		186	37%		184	36%
invol TO	159	31%		114	22%		53	10%

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Regulated Bill Accuracy Target

KPI / Data Owner: Stacey Gabbard / Jay Hoffman (Billy Brumfield and Carmon Swinson-Lake)

System of Record: CIS (MACSS)

Frequency: Monthly (on or around the 15th of the month due to the billing cycle)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Cust. Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

This KPI supports operational excellence priorities, and supports customer service, by delivering accurate bills for our customers without need for cancel/adjust/rebill events. Accurate bills build credibility among customers and regulators, protect healthy financial performance, reduce the need for customer calls or contacts to investigate errors, and maximize efficiency by preventing the need for rework. Despite significant impacts on the team following recent resource changes – as well as existing performance at an excellent rate of success – the 2025 target strives for continuous improvement by raising the goal. Performance requires timely attention to manual workflows that kick-out billing exceptions for a variety of control and/or manual intervention reasons (e.g., verifying bill adjustments made by customer service agents). The 2025 target also considers ongoing Billing team development as employees build experience with the new Customer Information System (CCS) for special contract accounts while still handling the majority of transactions that are still processed through the legacy CIS (MACSS).

The KPI is calculated by taking the number of customer bills not requiring a cancel/adjust/rebill action and dividing by the total number of customer bills that are to be presented per month.

Bills for wholesale customers are excluded from this calculation.

BU Targets:

- Target (1.0) – 98.7% of 2025 customer bills presented accurately.

(to achieve credit for this goal the target must be met, no incremental value)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #20 - Revise measurement methodology to more thoroughly reflect customer experience from all re-bills. This will result in a target change from 99.6% to 98.7%.	T. Bethel	7/9/2025

2025 Call Center Average Speed to Answer (ASA) Target

KPI / Data Owner: Stacey Gabbard / Craig Davis

System of Record: Genesys

Frequency: Yearly goal, but tracked daily, weekly, monthly, and Yearly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Cust Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

ASA is the average wait time a customer waits to get their request answered. Calls that get sent to the internal and external IVR (interactive voice recognition) will be counted as 0 seconds and calls answered by agents will use a field in Genesys to indicate wait time.

The goal for 2025 is to achieve a 84 second yearly ASA. There will be some months that the average will be above 84 seconds and some that are below, but staffing models are created to stay within budget and to meet service level agreement.

BU Targets:

- Target (1.0) - < 84s

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Customer Info System (CIS) Prog (with IT) Target

KPI/Data Owner: Josh Burkholder

System of Record: Project Planning Milestones

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Nuclear (Ferneau)
						X	

- The **Customer Operations** metric will be a roll up of the milestones for the CIT program and will be reported on the Customer scorecard.

Methodology:

The CIS transformation program to plan for replacement of AEP's core meter-to-cash business applications and call center agent desktop application.

The target performance in 2025 establishes team preparedness to begin solution design by the end of year. Performance will be monitored against milestones on a monthly basis.

- Target (1.0) – Meet milestones of the project plan below

(to achieve credit for this goal the target must be met, no incremental credit)

Project Targets:

- Complete Comprehensive Business Case Document – Q1
- Data First Solution & CIS Program Plan - Q4

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Changed KPI owner from Amy Jones to Josh Burkholder	T. Bethel	4/8/2025
3.0	Change Request #24 – change project targets to reflect new project scope that focuses on a data-first solution & CIS program plan.	T. Bethel	7/9/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

2025 Bad Debt to Revenue Ratio Target

KPI / Data Owner: Stacey Gabbard / Jay Hoffman (Billy Brumfield and Carmon Swinson-Lake)

System of Record: CIS (MACSS)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Cust. Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

This KPI supports financial strength priorities by minimizing customer account balance charge-offs related to bad debt. Despite several macroeconomic uncertainties over the past few years, Customer Operations has maintained a charge-off-to-revenue percentage below industry average (benchmarked at approx. 0.5%). Customer Operations leverages internal resources that produce a 5x return on labor cost to achieve these results. This 2025 target maintains favorable performance expectations relative to industry average while keeping in mind ongoing economic and resource volatility, holding steady at the 2024 target level. The target also considers planned changes to agent and direct collections call handling practices driving more customer-centric issue resolution that could result in reasonable balance adjustments. The KPI is calculated by taking the total amount of regulated utility customer revenue (excluding ERCOT) charged off due to bad debt in 2025, subtracting any reinstatements, and dividing by the total regulated customer revenue for 2025. This calculation encompasses all customer classes, including residential, commercial, industrial, and public utility sectors.

BU Targets:

- Target (1.0) ≤0.325% of 2025 customer revenue charged-off.

(to achieve credit for this goal the target must be met, no incremental value)

BU Targets:

- Additional Context: We are trying to balance bad debt charge-offs while empowering agents to explore creative arrangements that help our customers (like negotiating deposits), which may actually increase charge-offs. In support o our customer ocus, we eliminated our Direct Collections team ($1m savings) and converted to automated calls.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/17/2025

2025 Increase Paperless Billing Adoption Rate Target

KPI / Data Owner: Stacey Gabbard / Jay Hoffman (Billy Brumfield and Carmon Swinson-Lake)

System of Record: CIS (MACSS)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Cust. Ops (Gabbard)	Nuclear (Ferneau)
						X	

Methodology:

This KPI supports environment priorities by minimizing paper consumption, while also serving to mitigate costs associated with printing and postage. AEP has promoted customer enrollment in paperless billing for many years, with the largest growth rates already having been achieved. Still, we will continue to utilize customer communication channels to promote paperless enrollment and achieve incremental growth year-over-year. This target represents a 1.8% enrollment increase rate over 2024, which is in line with recent growth rate trends. The KPI is measured by the number of residential customers enrolled in paperless billing divided by the total number of residential customers.

BU Targets:

- Target (1.0) – 56.0% of customers enrolled in paperless/electronic billing.

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

Federal Affairs Scorecard: Duncan

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
N/A						
Phishing Failure Rate (%)	8.33%	1.96	1.06	1.52	≤1.0	
Federal LIHEAP Funding	8.33%	N/A	N/A	N/A	Achieve	
Revamp AEP PAC	8.33%	N/A	N/A	N/A	Achieve	
119th Congress Engagement Plan	8.33%	N/A	N/A	N/A	Achieve	
Federal Agency Engagement Plan	8.33%	N/A	N/A	N/A	Achieve	
National Organizations Engagement Plan	8.33%	N/A	N/A	N/A	Achieve	
Environmental Regulation Engagement Plan	12.5%	N/A	N/A	N/A	Achieve	
Secure Favorable PTC Guidance	12.5%	N/A	N/A	N/A	Achieve	
N/A						
New Grant Award Notifications ($)	8.33%	0M	75M	34M	≥22M	
Close on DOE LPO $1.6B Loan	8.33%	N/A	N/A	N/A	Achieve	
Execute on Tax Initiatives	8.33%	N/A	N/A	N/A	Achieve	

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Federal LHEAP Funding Target

KPI / Data Owner: Nick Jackson

System of Record: Federal Government Budget

Frequency: Quarterly (Congressional appropriations cycle doesn't move monthly)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Customer (Gabbard)
						X	

Methodology:

Secure $5.1 billion or more in federal LIHEAP funding in 2025 in partnership with operating companies and customer organization.

- Organize AEP's first LIHEAP Action Day with operating company and customer organization participation

BU Targets:

- Target (1.0) – Achieve objective listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

The Low-Income Home Energy Assistance Program (LIHEAP) is a critical component of the social safety net. The program provides heating and cooling assistance to households experiencing economic crises, or otherwise vulnerable to unsafe indoor temperatures. LIHEAP is an exceptionally efficient and targeted program, with state block grants flowing to local agencies to eligible households on a short-term basis to prevent utility disconnections or provide assistance with the cost of heating and cooling homes. In FY23, LIHEAP successfully obligated more than 95% of the $5.1 billion funds appropriated by Congress, and served nearly 6 million households. The objective is to have Congress appropriate $5.1 billion or more in FY25.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Revamp AEP PAC Target

KPI / Data Owner: Alicia Cannon

System of Record: DDC (outside consultant that tracks our PAC receipts)

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Revamp AEP PAC by executing on the 2025 plan outlined below.

- Coordinate with SAGAC on execution of description of work as outlined in contract including benchmarking with OPCO's, participating in weekly calls and executing education and solicitation campaign
- Develop AEP PAC charity match program
- Work with operating companies to identify and onboard PAC committee chairs and outline 2025 goals and expectations, include OPCO external affairs teams
- Create incentive program for PAC Chairs recognizing the committee that raises the most money in 2025 with a trip to Washington, D.C.
- Coordinate with OPCO External Affairs teams to host four PAC member events with Members of Congress in the service territory
- Increase 2025 PAC receipts to $600,000 (up from $497,000)

BU Targets:

- Target (1.0) – Achieve 4 out of 6 objectives listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 119th Congress Engagement Plan Target

KPI / Data Owner: Emily Duncan

System of Record: Federal Affairs Team

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Execute engagement plan for 119th Congress to ensure AEP's priorities are included in key legislation in relevant areas (transmission, siting and permitting, tax (under separate tax plan), environmental, nuclear, etc.). This plan should include leveraging operating company and SME expertise.

1. Arrange meetings with Members of Congress for operating company presidents in 2025 (either in district or in DC)
2. Develop proactive transmission legislative priorities in coordination with the Grid Solution team
3. Advocate for these transmission legislative priorities with relevant Congressional staff and members
4. If a transmission package is introduced, ensure that some, if not all, of AEP's legislative priorities are included therein
5. Develop proactive siting and permitting legislative priorities in coordination with the Environmental and Legal teams
6. Advocate for these siting and permitting legislative priorities with relevant Congressional staff and members
7. If a siting and permitting package is introduced, ensure that some, if not all, of AEP's legislative priorities are included therein
8. Review and refine nuclear legislative priorities in coordination with the nuclear and generation teams as well as NEI
9. Advocate for these nuclear legislative priorities with relevant Congressional staff and members
10. If a nuclear package is introduced, ensure that some, if not all, of AEP's legislative priorities are included therein
11. Meet with the staff for every Member of Congress in our service territory
12. Meet with all Tier 1 and Tier 2 (as defined by the Federal Affairs Team) Members of Congress in our service territory
13. Develop relationships with key committee staff in the Senate and the House

BU Targets:

- Target (1.0) – Achieve 7 out of 13 objectives listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- This plan is predicated on an active and productive 119th Congress.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/25/2025

2025 Federal Agency Engagement Plan Target

KPI / Data Owner: Tracy Hammond

System of Record: Federal Affairs Team

Frequency: Quarterly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Execute federal agency engagement plan to ensure AEP's positions are known to key decision makers within the Trump Administration on relevant AEP policy. This plan should include leveraging operating company and SME expertise.

This plan should:

- Support federal grant applications and federal loans through advocacy, stakeholder engagement and intelligence gathering
- Coordinate federal agency messaging and communication across AEP and OpCos
- Expand outreach and education to targeted DOE offices and personnel
- Identify and pursue additional engagement opportunities with federal agencies to elevate AEP's presence and build additional relationships

Objectives:

- Develop customized stakeholder engagement plans for priority federal grant and loan applications
- Establish AEP as a trusted resource for Trump political appointees and professional career staff
- Meet with political and career officials with the following DOE offices:
    - Nuclear Energy
    - Electricity
    - Grid Deployment
    - Policy
    - Cybersecurity, Energy Security & Emergency Response

BU Targets

Target (1.0) – Achieve 3 out of 3 objectives listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	CR #37 - Remove the objective "Coordinate advocacy efforts with EEI to encourage DOE & CISA/DHS to enter into MOU to harmonize cyber reporting requirements", due to organizational realignment. The objective covers work that is now being done in another part of the organization. Revise the target to be "Achieve 3 out of 3 objectives listed above".	B. Cultice	9/19/2025

2025 National Organizations Engagement Plan Target

KPI / Data Owner: Alicia Cannon

System of Record: Federal Affairs team

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Execute 2025 engagement plan for national organizations. This plan should include speaking opportunities as well as collaboration with operating companies to effectively engage on AEP federal and state priorities.

- Secure three speaking invitations on issues important to AEP
- Plan AEP's annual NCSL conference engagement maximizing operating company participation

BU Targets:

- Target (1.0) – Achieve 2 out of 2 objectives listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

AEP is a member of the following national organizations: National Governors Association, Republicans Governors Association, Democratic Governors Association, Republican Attorneys General Association, National Council of State Legislators, Midwest Governors Association, Republican Legislative Campaign Committee and Republican Lieutenant Governors Association

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Environmental Regulation Engagement Plan Target

KPI / Data Owner: Tracy Hammond

System of Record: Federal Affairs Team

Frequency: Quarterly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Execute on environmental regulation engagement plan over the course of the first two years of the Trump Administration to secure more favorable CCR, ELG and GHG regulations. This plan should include quarterly action items such as external meetings with EPA, trade associations and coalition partners, as well as details on how to leverage outside consultants and internal SMEs to achieve the objective.

- Develop materials, narratives and messages that articulate AEP's policy positions concerns CCR, ELG and GHG regulations
- Secure meetings with the senior leadership at EPA
- Secure meetings with White House/Executive Office of the President
- Schedule CCR Site Visits in Charleston WV area
- Develop relationships with senior political leadership of EPA's Offices for Air, Water, and Land & Emergency Management
- Develop relationships with career officials within each office
- Better align EEI's and USWAG's approaches to CCR and ELG regulatory advocacy with AEP's approach as much as possible
- Form ad hoc coalition of like-minded utilities, if needed, to push for CCR regulatory change
- Develop suite of legislative solutions, if needed

BU Targets:

- Target (1.0) – Achieve 6 out of 9 above objectives

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

Coal Combustion Residuals (CCR) "Coal Ash" Regulations

On May 8, 2024, EPA implemented changes to the CCR regulations for inactive surface impoundments at inactive electric utilities' sites (legacy CCR impoundments). The costs to comply with these new regulations will be in the billions of dollars. Revised CCR regulations should incorporate the following:

- A risk-based analysis as the foundation for any additional work at legacy sites
- Expanded timelines and increased flexibilities for compliance
- Increased deference to state programs and site closures completed under those state programs
- Reinstated allowable beneficial use of coal ash

ELG Regulations (Effluent Guidelines)

On May 9, 2024, the EPA issued a final rule on effluent limits from the discharge of coal plants under the Clean Water Act. AEP supports a return to the 2020 ELG regulations finalized by the Trump Administration that do NOT mandate zero liquid discharge (ZLG) requirements. AEP and other utilities made substantial investments to comply with the 2020 rule that are now obsolete under the current regulations. These ZLG rules threaten grid reliability and affordability by requiring the closure of coal plants or the additional investment of millions of dollars in compliance costs that would be borne by AEP customers.

GHG 111 Regulations

AEP does NOT believe that carbon capture and sequestration (CCS) technology has been adequately demonstrated, and thus, should not be required as the only means to meet emissions reductions targets for existing coal and new natural gas fired generating units. AEP supports the removal of these requirements.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Secure Favorable PTC Guidance Target

KPI / Data Owner: Tracy Hammond

System of Record: Federal Affairs and Tax teams

Frequency: Quarterly (Treasury Department doesn't move quickly enough for monthly updates)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Get Treasury to 1) add nuclear PTC guidance to the Trump Administration Greenbook in 2025 and 2) issue the guidance by the end of 2026 on determining "Gross Receipts" for a regulated nuclear facility and provide options including utilizing a traditional utility revenue requirement.

BU Targets:

- Target (1.0) – Achieve one of two objectives listed above in 2025

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- While the Nuclear PTC became effective 1/1/24, taxpayers have yet to receive guidance from Treasury/IRS interpreting the statute to indicate to taxpayers the appropriate methods for accurately calculating the credit.
- Specifically, AEP and the industry have asked the Treasury and IRS for guidance on determining "Gross Receipts" for a regulated nuclear facility and provided options including utilizing locational marginal price (LMP) and traditional utility revenue requirement.
    - For AEP's Cook Plant, either method is expected to annually generate a tax credit, but the traditional revenue requirement would be more predictable and more reflective of regulated facilities' gross receipts.
    - Relying on the market-driven LMP carries the risk of potentially pricing the PTC value to zero (higher risk and more volatile given it is market-driven).
- AEP anticipates an average credit of $100M annually (using revenue requirement) which would flow back to I&M customers.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 New Grant Award Notifications Target

KPI / Data Owner: Scott Osterholt

System of Record: Grants team

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Secure $22.5M in new grant award notifications in 2025.

- Conduct one-on-one meetings with each of the 7 OPCOs by the end of the year and prior to their rate case filing to discuss their 2025 rate case plans and identify specific areas where the federal grants corporate team can provide assistance.
- Provide tailored support to each of the OPCOs with a planned rate case in developing testimony and strategic responses for their rate case applications, ensuring all discovery support is delivered by the established regulatory timelines for the state jurisdiction.
- Collaborate with all OPCOs to create a grant plan by the end of April 2025 along with presenting new grant opportunities for their review, with a goal of securing the OPCO's support for pursuing a collective goal of 12 applications systemwide.

BU Targets:

- Threshold (0.0) – Less than three objectives completed
- Incremental (.75) – All three objectives completed
- Target (1.0) – $22.5M

(to achieve full credit for this goal the target must be met, incremental credit is achievable as described)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Close on DOE LPO $1.6B Loan Target

KPI / Data Owner: Scott Osterholt

System of Record: Grants Team

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Facilitate the process to secure an offer to proceed and close the $1.6B loan from the DOE LPO (Loan Programs Office) for the Transco reconductor and rebuild transmission projects.

BU Targets:

- Threshold (0.0) – Failure to secure loan closure offer by end of 2025
- Incremental (.75) – Achievement equates to successful loan closure offer in Q4 of 2025
- Target (1.0) – Achievement equates to successful loan closure offer by September 30, 2025 (end of Federal Government Fiscal Year 2025)

(to achieve full credit for this goal the target must be met, incremental credit is achievable as described)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Execute on Tax Initiatives Target

KPI / Data Owner: Emily Duncan

System of Record: Federal Affairs Team

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)	Fed Affairs (Duncan)	Nuclear (Ferneau)
						X	

Methodology:

Maintain or extend clean energy production and investment tax credits, the nuclear PTC and maintain transferability mechanisms in 2025 tax reform.

Objectives

- Execute on tax reform engagement plan, which will include a monthly timeline for external and internal meetings with key partners on Capitol Hill, trade associations, and coalitions.

BU Targets:

- Target (1.0) – Achieve the objective listed above

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

AEP's customers are relying on a significant volume of clean energy tax credits ($2.7B through 2031) which underpin AEP's long-range generation capital plan, including renewable PTCs ($0.4B), renewable ITCs ($1.5B) as well as the nuclear PTC ($0.8B).

As of January 2025, AEP had $5.5B in approved owned projects scheduled to come online from 2025-2027. This represents 2.3 GW in new generation. The projects are located in Illinois, Indiana, Kansas, Ohio, Oklahoma, and Texas. These projects expect to create more than 20,000 direct, indirect and induced jobs in these states during the construction phase.

All of these incentives have a positive impact on lowering our customers' bills. Reducing or eliminating the clean energy tax credits would increase electricity prices and put those savings at risk. In fact, if the clean energy tax credits were repealed, AEP customers could lose as much as $1.9B in savings through 2031.

These incentives are also helping us accelerate growth in innovative technologies not only to meet U.S. electricity demand, but also to keep the U.S. globally competitive. We are seeing significant demand

growth in our states, principally from data centers and large manufacturers. In 2024, across AEP's 11-state footprint, we served more than 36GW of demand, and we currently have an additional 20GW of incremental demand under contract through 2029—a nearly 60% increase in demand.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

Projects & Services Scorecard: Lies

CUSTOMER SERVICE



- **Industry-best customer experience**

EMPLOYEE COMMITMENT



- **Safe & secure workplace**
- **Engaged, trained & developed employees**

REGULATORY & LEGISLATIVE INTEGRITY



- **Balanced regulatory outcomes**
- **Trusted industry leadership**

ENVIRONMENTAL RESPECT



- **Creative sustainable solutions**

OPERATIONAL EXCELLENCE



- **World class asset performance**

FINANCIAL STRENGTH



- **Strong financial discipline**

KPI	WGHT	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
N/A						
Total Recordable Incident Rate (SC)	5.0%	0.235	0.157	0.282	≤0.254	
DART Rate (SC)	5.0%	0.149	0.110	0.149	≤0.134	
Phishing Failure Rate (%)	5.0%	1.96	1.06	1.52	≤1.0	
Engage, Train & Develop	5.0%	N/A	N/A	N/A	Achieve	
Reduce NOVs (Number of Events)	20.0%	N/A	N/A	3	≤2	
Environmental Respect Index (Number of Events)	6.67%	N/A	N/A	19	≤17	
SMR Project Implementation	6.67%	N/A	N/A	N/A	Achieve	
Renewables Projects Implementation	6.67%	N/A	N/A	N/A	Achieve	
Wildfire Program Implementation	10.0%	N/A	N/A	N/A	Achieve	
Deliver Capital Projects ($)	10.0%	1715M	564M	763M	4057M +/- 1.35%	
O&M Budget ($)	20.0%	96M	99M	65M	≤108M	

2025 Total Recordable Incident Rate ICP Funding Goal

KPI / Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

Methodology:

AEP is using Total Recordable Incident Rate (TRIR) to place additional emphasis and focus on events that are causing work-related injuries and illnesses to our employees.

Total Recordable Incident Rate. TRIR = (Total Number of OSHA Recordables x 200,000) ÷ Total Hours Worked. TRIR performance will be measured as a percent reduction against actual 2024 AEP total company performance.

AEP Funding:

- Threshold (0.0) – TRIR = 2024 actual performance (0.913)
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance (0.822)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.705)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – TRIR = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
[redacted]					
Kentucky Power	1.547	1.550	0.794	0.715	
[redacted]					
Service Corp	0.235	0.157	0.282	0.254	
Transmission	0.564	0.678	0.836	0.752	
AEP	**0.719**	**0.690**	**0.913**	**0.822**	

Notes:

[redacted]

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 DART Rate ICP Funding Goal

KPI/Data Owner: Jim Goodnite / Justin Tolpa

System of Record: Safety and Health Event Management System (SHEMS)

Frequency: Monthly (timing aligns with when work hours are available; can estimate if needed, then true up following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Svc Corp	Svc Corp			Svc Corp	Svc Corp	

- The **AEP Total** metrics will be a roll up of the entire enterprise and will be reported on the AEP Scorecard at Bill Fehrman's level.
- The **OPCO** metrics will be specific to the respective OPCO (distribution and generation) and will be reported on the respective OPCO scorecard.
- The **AEP Trans** metrics will be a roll up of Grid Solutions and Transmission organization and will be reported on the AEP Trans scorecard.
- The **Service Corp** metrics will include the following organizations (Gabbard, Hall, Lies, and Mihalik) and be reported on respective scorecards.

AEP Methodology:

AEP is using DART Rate to place additional emphasis and focus on work-related injuries and illnesses that result in days away, restrictions or job transfers for our employees.

"DART rate" stands for "Days Away, Restricted, or Transferred" rate, which is a safety metric used to measure the number of work-related injuries and illnesses that result in employees missing work, being placed on restricted duty, or being transferred to different tasks; essentially measuring the result of work-related injuries and illnesses.

DART Rate = (Total Number of DART Events x 200,000) ÷ Total Hours Worked

AEP Funding:

- Threshold (0.0) – DART Rate = 2024 actual performance (0.556)
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance (0.500)
- Maximum (2.0) – TRIR = average of 2022 and 2023 actual performance (0.404)

(incremental credit is earned between 0.0 and 2.0 scores)

OPCO / BU Target:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – DART Rate = 10% improvement from 2024 actual performance
    - OPCO and Transmission will be measured against their specific 2024 performance
    - The remaining BU's will be measured against the roll-up Service Corporation 2024 performance

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2022 Actual	2023 Actual	2024 Actual	2025 Target	2025 Forecast
AEP Ohio	0.957	0.752	1.367	1.230	
AEP Texas	0.553	0.898	0.923	0.831	
Appalachian Power	0.830	0.453	0.820	0.738	
Indiana Michigan Power	0.119	0.598	0.485	0.437	
Kentucky Power	0.774	1.937	0.794	0.715	
PSO	0.793	0.507	1.143	1.029	
SWEPCO	0.660	0.755	1.258	1.132	
Service Corp	0.149	0.110	0.149	0.134	
Transmission	0.474	0.395	0.461	0.415	
AEP	**0.424**	**0.384**	**0.556**	**0.500**	

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	Administrative change to update KPI Owner from Ryan Dobbins to Jim Goodnite. Added Justin Tolpa as Data Owner.	T. Bethel	8/2/2025

2025 Phishing Failure Rate Target

KPI / Data Owner: Kristin Lowery / Kate Mabbett (Brad Murphy)

System of Record: Proofpoint & Excel Spreadsheets

Frequency: Monthly (1st Tuesday of following month)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nuclear (Ferneau)							
Yes							

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Describe the KPI: Decrease AEP phishing failure rate to drive reduction in phishing test click-through rates.

What is being measured: Phishing test failure rate calculation

How it will be measured: Organization Total Failures per month divided by Organization Total users tested

Describe the 2025 target performance and the basis for setting the target: We want to reduce clicks to near zero to protect AEP as our employees are part of our security defense in depth approach. Getting this to under a percent clicked in testing enables us to not be overly reliant on other security phishing controls.

Timing of when performance data is refreshed: First Tuesday of following month (e.g. Jan calculations will be provided, Tuesday, Feb 4th)

BU / OPCO Targets:

- Target (1.0) - ≤1% failure rate

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.

- Metrics will not be provided or tracked at the individual department levels below the BU scorecards through this process.
- Includes employees and contract workforce.
- Vanessa Davis will serve as backup data owner to Kate Mabbett.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Engage, Train & Develop Target

KPI / Data Owner: Jennifer Alexander

System of Record: Workday

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)	Customer (Gabbard)	Fed Affairs (Duncan)
Yes	Yes	Yes	Yes	Yes	Yes		

- Each **OPCO** and **Business Unit** metric will be reported on each respective OPCO and BU scorecard.

Methodology:

Increase engagement, leadership training, and development by achieving two key objectives.

Key objectives:

- Each attendee at the Executive Leadership Conference will complete an assessment and create Individual Development Plans related to opportunities identified. Individual development plans will be created and tracked in Workday.
- Succession plans in place for every CEO direct report with actions to build “ready now” successors.

BU / OPCO Targets:

- Target (1.0) - Achieve 2 out of 2 objectives

(to achieve credit for this goal the target must be met, no incremental credit)

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Replaced Lori Petti with Jennifer Alexander at the KPI Owner	T. Bethel	5/6/2025

2025 Reduce NOVs Target

Data Owner: Gary Spitznogle / Christopher Long

System of Record: EET (Environmental Enforcement Tracker)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

- Each **OPCO, Transmission,** and **P&S** metric will be reported on the respective OPCO/BU scorecard.

Methodology:

Reduce the number of violations received in the performance year. An NOV represents any form of enforcement action which is a documented correspondence from an agency of an alleged deviation or non-compliance with a regulatory requirement.

Excludes any NOVs received related to coal ash pond closures that were completed more than 2 years prior to the current year.

OPCO & BU Targets:

- Target (1.0) - Each OPCO, Transmission, and P&S have a continuous improvement target reduction in support of meeting the 20% reduction from 2024 baseline

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- APCO includes Wheeling Power and Kingsport Power Companies.
- It was discussed whether to add Safety citations (OSHA/MSHA) and NERC violations to this KPI. It was decided not to expand the scope of this KPI since there has been a miniscule amount of safety citations over the last three years (<5) and there is already a KPI on the Transmission scorecard to reduce NERC Violations by 20%. Adding them here would be redundant. Additionally, the NERC violations are split almost evenly between Transmission and IT/Security, with a miniscule amount in other organizations.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Removed references to AEP scorecard from the applicable scorecards section and cleaned up stranded comments	T. Bethel	4/2/2025
3.0	See Change Request #14 Revised to move 5 NOVs from 2024 Projects & Services to Transmission, revised to create 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 Environmental Respect Index ICP Funding Goal

KPI / Data Owner: Gary Spitznogle / Christopher Long

System of Record: MESH Environmental Event Reporting app

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
Roll up - Enterprise	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
Yes					Yes		

Methodology:

The Environmental Respect Index is made up of Environmental Event Reports (EERs). An environmental event is a spill, leak, or release to the environment or a non-conformance with an environmental permit or regulatory requirement.

EERs must be entered within 24 hours of discovery. Any employee can identify a potential EER and must follow the EER Standard, located further down in this document, for prompt notification of the condition to the Environmental Services Department (ESD). Only members of ESD can enter or edit EER data.

The following types of EERs shall be entered into the Environmental Event Reporting app in accordance with the instructions provided in the app:

1. Agency reportable spill or release to the environment.
2. Upset, bypass, or control equipment or monitor failure events deemed reportable under permit conditions or regulatory requirements except for stack monitor downtime.
3. Exceedance of any permitted or otherwise regulated limitation excluding benchmark values and stack opacity.
4. Stack monitor downtime >5% for a reporting period.
5. A monthly stack opacity exceedance rate >2%.
6. Failure to meet waste manifesting exception reporting requirements.
7. Unpermitted or unauthorized construction activity.
8. Failure to meet regulatory or regulatory-required implementation plan requirements such as:
    a. Performance of sampling or testing,
    b. Updating plans within required timeframes,
    c. Submittal of reports, notifications, or applications,
    d. Conducting inspections,
    e. Failure to initiate stabilization required by Stormwater Pollution Prevention Plans (SWPPPs) within required timeframes,

f. Failure to initiate corrective actions identified during inspections within required timeframes. Note: Corrective actions identified during a SWPPP inspection that are initiated prior to the next inspection are not considered EERs.

EER Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/_layouts/15/Doc.aspx?sourcedoc=%7B2FB97289-FBEE-45DD-B6BA-CF8126E58337%7D&file=105.docm&action=default&mobileredirect=true

ERI Standard:
https://aepenergy.sharepoint.com/:w:/r/sites/envsw/library/184.docm?d=w678ab89b2e28449c9bcf785dc7d23bcc&csf=1&web=1&e=xIGg9v

AEP Funding:

- Threshold (0.0) – 139 EERS (2024 actual performance)
- Target (1.0) – 123 EERS (12% reduction from 2024 actual performance)
- Maximum (2.0) – 111 EERs (20% reduction from 2024 actual performance)

BU Targets:

- Threshold (0.0) – Actual 2024 performance
- Target (1.0) – See table below

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

	2024 EERs	Calculated 10% Reduction	Suggested 2025 EER Target	Resultant Improvement
[redacted]				
KY	0	0.0	0	0%
[redacted]				
Transmission*	36	32.4	32	11%
Project & Services	19	17.1	17	11%
Corporate Wide	**139**	**125.1**	**123****	**12%**

Table revised to reflect the new Transmission Organization and creation of Transmission Project Solutions. 36 EERs from 2024 moved from Projects & Service to Transmission.

***** 2025 will be a baseline-setting year for Transmission System Operations.

** 123 is sum of BU targets, which will result in a 12% reduction from 2024 performance

Notes:

Corporate roll-up and BU-specific Environmental Respect Index reports summarizing the performance of the preceding month will be sent from ESD in the first week of the month. The numbers will be tracked against the target score in a graphic to make progress visually clear. Additional details about event type will also be provided as a means of identifying areas requiring greater attention. Event types are as follows:

- Air Permit Deviation
- Chemical Spill or Release
- Inspection - missed or inadequate
- Reporting - missed or inadequate
- Training - missed or inadequate
- Oil Spill
- Recordkeeping Deficiency
- Regulatory Plan Inaccuracy
- Sampling or Testing Related
- Stack Monitor Downtime
- Opacity Exceedance Rate > 2%
- Stormwater Control Deficiency
- Unauthorized Wastewater Discharge
- Unpermitted Construction Activity
- Water Permit Exceedance
- Improper Waste Management

EERs from 2024 that are not entered into the database by January 15, 2025, will count as an EER in 2025 and will not be included in the 2024 baseline.

APCO includes Wheeling Power and Kingsport Power Companies.

The ERI baseline data was calculated by exporting data from the EER app into this spreadsheet. The following actions were completed within the spreadsheet to conform to the new EER and ERI Standards (linked above):

- The Responsible Organization field was evaluated to determine if the event applied to an Operating Company or Projects & Services (Project Solutions or Environmental),
- Event Types were updated to the new standard applied in the revised EER app,
- The ICP Metric column in the spreadsheet was adjusted to reflect the current ERI Standard. The word “Extenuating” is used to remove events that do not count toward the 2025 ERI under section 2.2.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/15/2025
2.0	See Change Request #13 Revised to move 36 EERs from 2024 Projects & Services to Transmission, and creation of 2025 targets for Transmission.	T. Bethel	4/22/2025

2025 SMR Project Implementation Target

KPI / Data Owner: Brian Sherrick (Joe Yeagler – backup)

System of Record: N/A

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
					X		

Methodology:

SMR Project Implementation: Complete > 80% of SMR 2025 development activities on time.

1. 1/17 – Submit DOE SMR Funding Opportunity application(s)
2. 2/1 – Submit QAPD to NRC
3. APCO approval + 45 days [target 2/28] – Route ESP contract
4. 5/16 – Submit APCO VA SMR early development activities regulatory filing
5. ESP contract issued and trees cleared + 180 days [target 8/31] – Joshua Falls Monitoring Wells installed
6. Additional activities TBD for I&M Tier I DOE FOA; to be approved by Projects and Services EVP and I&M COO

BU Targets:

- Target (1.0) - Complete > 80% of the SMR 2025 development activities on time.

(to achieve credit for this goal the target must be met, no incremental value)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025

2025 Renewables Projects Implementation Target

KPI / Data Owner: Joe Yeagler

System of Record: N/A

Frequency: Monthly (projection)

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Bradish)	CCO (Hall)	CFO (Zebula)	CHRO (Ulrich)	CITO (Murphy)	P&S (Lies)		Nuclear (Ferneau)
					X		

Methodology:

New renewables generation projects execution, as measured by the total nameplate capacity megawatt (MW) value of Purchase & Sale Agreement (PSA) projects that achieve Substantial Completion in 2025.

As of December 2024, the following projects are forecasted to achieve Substantial Completion (as defined in the respective PSA) in 2025:

- Flat Ridge IV Wind (PSO – 135 MW)
- Flat Ridge V Wind (PSO – 153 MW)
- Pixley Solar (PSO – 189 MW)
- Top Hat Wind (APCO – 204 MW)
- Wagon Wheel Wind (SWEPCO – 600 MW)

Considering the lack of control over the actual execution of these developer-led build-transfer projects, and with the expected date of Substantial Completion for Wagon Wheel Wind being very late in the year, along with the risk that backfeed power will not be available from the interconnecting utility for Wagon Wheel Wind (Oklahoma Gas & Electric) in time to support achieving Substantial Completion in 2025, Wagon Wheel Wind will be excluded from the measurement.

BU Targets:

- Threshold (0.0) – 2 of the projects achieve Substantial Completion by December 31
- Incremental (0.5) – 3 of the projects achieve Substantial Completion by December 31
- Target (1.0) – 4 of the projects achieve Substantial Completion by December 31

(to achieve full credit for this goal the target must be met; incremental credit achievable between threshold 0.0 and target 1.0)

Notes:

- Substantial Completion is defined within each of the respective Purchase and Sale Agreements.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue; updated with definition for "Substantial Completion; clarified target language.	T. Bethel	2/17/2025

2025 Wildfire Program Implementation Target

KPI / Data Owner: Kevin Simpson

System of Record: As milestones are completed, a completion document will be submitted to the EVP Projects and Services detailing the manner in which the milestone was satisfied.

Frequency: Monthly

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert)	P&S (Lies)		Nuclear (Ferneau)
X							

Methodology:

The methodology for this KPI is milestone based. Five milestones have been selected for completion in 2025.

BU Targets:

- Target (1.0) – Completion of all of the milestones on time listed below.

(to achieve credit for this goal the target must be met, no incremental credit)

Milestones:

- On board an Emergency Preparedness leader and develop an emergency response plan for wildfires by 9/26/2025.
- Conduct benchmarking of a California utility considered to be an industry leader in wildfire Mitigation and incorporate those learnings into the AEP Wildfire Mitigation Plan by 9/26/2025.
- Execute an outreach and communication plan to educate the operating companies on the AEP Wildfire Mitigation Plan by 7/25/2025.
- Revise the AEP Wildfire Mitigation Plan to incorporate all the changes required by Texas legislation by 9/26/2025.
- Complete the wildfire assessments and incorporate the results into the AEP Wildfire Mitigation Plan by 9/26/2025.

Notes:

- Notes

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request 35 – Due to Leadership changes, the Wildfire program transitioned from P&S to Transmission on July 28.	T. Bethel	9/19/2025

2025 Deliver Capital Projects (Capital Budget) Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers / Emi Sauer

System of Record: Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)		Nuclear (Ferneau)
Yes				Yes	Yes		

- The **BU Scorecards** (AEP Trans, CITO, and P&S) metrics will represent their respective capital budget performance against the control budget for their respective organization.

Methodology:

Compare the Control Budget to actual for direct costs capital to confirm that the actual capital spend is within +/- 1.35% of the Control Budget.

Direct Costs refers to a category of expenses that the organization.

Out-of-Target Costs are classified as non-controllable and include, but are not limited to:

- Fringes
- Incentives
- Property Taxes
- Billings

Out-of-Target costs are monitored by CP&B, and any amounts attributed to a specific department are adjusted during monthly reporting.

Exclusions are limited to fund transfers that net to zero among groups, and any Board approved incremental or shifts that advance spending from future years. Exclusions may also be granted for variances associated with asset acquisitions (newly constructed build-transfer acquisitions or acquisitions of existing facilities), for which delays and/or accelerations are largely outside of AEP's control. These adjustments are overseen and approved by CP&B.

BU Targets:

- Target (1.0) - Variance is within 1.35% of the Control Budget (+/-)

(to achieve credit for this goal the target must be met, no incremental credit)

Notes:

- None

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/19/2025
2.0	Updated P&S control budget and variance from $4153M to $4138M	T. Bethel	4/2/2025
3.0	Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/20/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg. Deleted table with control budget data since the financial systems maintain the approved changes to the control budget.	T. Bethel	8/30/2025

2025 O&M Budget Targets

KPI/Data Owner: Kate Sturgess / Bobby Myers & Emi Sauer

System of Record: Peoplesoft Finance; Enterprise Performance Management (EPM)

Frequency: Monthly by the 10th business day

Applicable Scorecards:

AEP Total (Fehrman)	AEP Ohio (Reitter)	AEP Texas (Talavera)	APCO (Walker)	I&M (Baker)	KYPCo (Wiseman)	PSO (Strahler)	SWEPCO (Mattison)
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AEP Trans (Cannon)	CCO (Hall)	CFO (Mihalik)	CHRO (Ulrich)	CITO (Eckert & Kumar)	P&S (Caudill & Sherrick)	Customer (Gabbard)	Nuclear (Ferneau)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

- The **BU/OPCO Scorecards** metrics will represent their respective O&M budget performance against the control budget including any updated approved target changes for their organization/department.

Methodology:

Compare the Control Budget to actual for Direct Organizational Non-Earnings Offset O&M.

Scorecard Target Calculation:

The scorecard target is determined by utilizing the control budget for the initial target. Throughout the year, adjustments to the scorecard target will occur due to net zero fund transfers. Approved reductions are exempt from the scorecard target.

Terminology:

- **Direct Organizational Non-Earnings Offset O&M**: Operations and Maintenance costs assigned directly to a department, reflecting the organization's actual spending. This O&M contributes to earnings.
- **2025 Control**: The Board-approved budget for the year that remains unchanged throughout the year.
- **2025 Target**: This is set at the 2025 Control Budget plus approved net zero fund transfers.
- **2025 "month" YE (Forecast):** Control budget plus approved funding actions, in total this represents the organization's year end projection.
- **2025 "month" YTD (Actuals):** This represents the actual financial results recorded from the beginning of the year to the end of the specified month

BU Targets:

- Target (1.0) - Achieve the organizational budget (scorecard target) required to fund the ICP pool

(to achieve credit for this goal the target must be met, no incremental credit)

Examples of scorecard target calculation:

	Org/Department A		Org/Department B	
$M	Financial Target	Scorecard Target	Financial Target	Scorecard Target
Control	$ 100.00	$ 100.00	$ 200.00	$ 200.00
Net Zero Fund Transfers	$ 15.00	$ 15.00	$ (15.00)	$ (15.00)
Approved Incremental	$ 5.00	-	$ 2.00	-
Reductions	$ (2.00)	-	$ (1.00)	-
Total	$ 118.00	$ 115.00	$ 186.00	$ 185.00

Notes:

- Actuals exclude mutual assistance expenses between operating companies in direct organizations because those costs are reimbursed and therefore do not affect earnings.

Version Control:

Rev	Description of Change(s)	By	Date
1.0	Initial Issue	T. Bethel	2/21/2025
2.0	Change Request #19 - This change removes the 1.3% reductions and approved incrementals from the target. Administrative change to KPI Owner. Changed from Bill Allen to Matt McKenzie.	T. Bethel	5/1/2025
3.0	Change Request 34 – This change excludes mutual assistance expenses between operating companies because those costs are reimbursed and therefore do not affect earnings.	M. McKenzie	8/23/2025
4.0	Administrative change to KPI Owner. Changed from Matt McKenzie to Kate Sturgess following reorg.	T. Bethel	8/30/2025

AMERICAN ELECTRIC POWER SYSTEM 2015 LONG-TERM INCENTIVE PLAN

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American Electric Power System
2015 Long-Term Incentive Plan

(Amended and Restated on September 21, 2016)

ARTICLE 1 - ESTABLISHMENT, EFFECTIVENESS, PURPOSE AND DURATION

Section 1.01. Establishment. American Electric Power Company, Inc., a New York corporation (hereinafter referred to as the "**Company**"), establishes an incentive compensation plan to be known as the American Electric Power System 2015 Long-Term Incentive Plan (hereinafter referred to as this "**Plan**"), as set forth in this document.

Section 1.02. Effectiveness. This Plan shall become effective upon shareholder approval (the "**Effective Date**") and shall remain in effect as provided in Section 1.04. Subject to the approval of the Company's shareholders of this Plan, no further awards shall be granted under the Prior Plan as of the Effective Date.

Section 1.03. Purpose of This Plan. The purposes of the Plan are to: (a) strengthen the alignment of interests between those Employees and Directors of the Company and its Subsidiaries who share responsibility for the success of the business and those of the Company's shareholders, (b) facilitate the use of long-term incentive compensation and the provisions of market competitive total compensation to Employees, (c) increase Employee ownership of shares of the Company's common stock to encourage ownership behaviors, and (d) encourage Plan Participant retention. This Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

Section 1.04. Duration of This Plan. Unless sooner terminated as provided herein, this Plan shall terminate ten years from the Effective Date. After this Plan is terminated, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and this Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the earlier of (a) adoption of this Plan by the Board, or (b) the Effective Date.

ARTICLE 2 - DEFINITIONS

Whenever used in this Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

"**Affiliate**" means any corporation or other entity (including, but not limited to, a partnership or a limited liability company) that is affiliated with the Company through stock or equity ownership or otherwise, including each Subsidiary and any other corporation or entity designated as an Affiliate for purposes of this Plan by the Committee.

"**Aggregate Share Authorization**" has the meaning set forth in Section 4.01.

"**Annual Award Limit**" has the meaning set forth in Section 4.03.

"**Award**" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, or Other Stock-Based Awards, in each case subject to the terms of this Plan.

"**Award Agreement**" means either (i) an agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan, or (ii) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, Internet, or other non-paper Award Agreements, and the use of electronic, Internet, or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

"**Board**" or "**Board of Directors**" means the Board of Directors of the Company.

"**Cash-Based Award**" means an Award, denominated in cash, granted to a Participant as described in Article 10.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations or other published guidance thereunder and any successor or similar provision.

"**Committee**" means the Human Resources Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan. The members of the Committee shall be appointed from time to time by the Board. The Committee shall consist of three or more persons, each of whom qualifies as a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act and as an "outside director" within the meaning of Code Section 162 (m).

"**Company**" has the meaning set forth in Section 1.01, and any successor thereto as provided in Article 21.

"**Covered Employee**" means any Participant who, in the sole judgment of the Committee, could be treated as a "covered employee" under Section 162(m) at the time income

may be recognized by such Participant in connection with an Award that is intended to qualify for exemption under Section 162(m).

"**Director**" means any individual who is a member of the Board of Directors of the Company and who is not an Employee of the Company.

"**Director Award**" means any Award granted, whether singly, in combination, or in tandem, to a Participant who is a Director pursuant to such applicable terms, conditions, and limitations as the Board may establish in accordance with this Plan.

"**Effective Date**" has the meaning set forth in Section 1.02.

"**Employee**" means any individual designated as an employee of the Company, its Affiliates, and/or its Subsidiaries on any of their payroll records.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time. For purposes of this Plan, references to sections of the Exchange Act shall be deemed to include references to any applicable regulations or other published guidance thereunder and any successor or similar provision.

"**Fair Market Value**" or "**FMV**" means a price that is based on the opening, closing, actual, high, low, or average selling prices of a Share reported on the New York Stock Exchange ("**NYSE**") or other established stock exchange (or exchanges) on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise or unless otherwise specified in an Award Agreement, Fair Market Value shall be the closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which Shares were publicly traded). In the event that Shares are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of their Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

"**Full Value Award**" means an Award other than an Award in the form of a Nonqualified Stock Option, Incentive Stock Option or Stock Appreciation Right, and which is settled by the issuance of Shares.

"**Grant Price**" means the price established at the time of grant of an SAR pursuant to Article 7, used to determine whether there is any payment due upon exercise of the SAR.

"**Incentive Stock Option**" or "**ISO**" means an Option to purchase Shares granted under Article 6 to an Employee that is designated as an Incentive Stock Option and intended to meet the requirements of Code Section 422.

"**Nonqualified Stock Option**" or "**NQSO**" means an Option that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

"**Option**" means an Incentive Stock Option or a Nonqualified Stock Option, as granted pursuant to Article 6.

"**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option.

"**Option Term**" means the period of time during which an Option is exercisable as the Committee shall determine at the time of grant; provided, however, no Option shall be exercisable later than the tenth anniversary of its grant date.

"**Other Stock-Based Award**" means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Article 10.

"**Participant**" means any eligible individual as set forth in Article 5 to whom an Award is granted.

"**Performance-Based Compensation**" means compensation under an Award that is intended to satisfy the requirements of Code Section 162(m) for certain performance-based compensation paid to Covered Employees.

"**Performance Measures**" means measures as described in Article 12 on which the performance goals are based and which are approved by the Company's shareholders pursuant to this Plan in order to satisfy the requirements for Performance-Based Compensation.

"**Performance Period**" means the period of time during which pre-established performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share**" means an Award granted pursuant to Article 9 that is denominated in Shares, the value of which at the time it is payable is determined based on achievement of corresponding performance criteria.

"**Performance Unit**" means an Award granted under Article 9 that is denominated in dollars, the value of which at the time it is payable is determined based on achievement of corresponding performance criteria.

"**Period** of **Restriction**" means the period when Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the performance of services, the achievement of performance goals, or the occurrence of other events as determined by the Committee, in its discretion), as provided in Article 8.

"**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in

Section 13(d) thereof.

"**Plan**" has the meaning set forth in Section 1.01, as the same may be amended from time to time.

"**Plan Year**" means the calendar year.

"**Prior Plan**" means the Amended and Restated American Electric Power System Long-Term Incentive Plan, last approved by shareholders on April 27, 2010, as amended.

"**Prior Plan Award**" means an award granted under the Prior Plan that is outstanding as of the Effective Date.

"**Restricted Stock**" means an Award granted pursuant to Article 8, as set forth therein.

"**Restricted Stock Unit**" means an Award granted pursuant to Article 8, as set forth therein.

"**Share**" means a share of common stock of the Company.

"**Stock Appreciation Right**" or "**SAR**" means an Award, designated as an SAR, granted pursuant to Article 7.

"Stock Ownership Participant" means any eligible individual as set forth in Article 5 to whom an Award is granted that is subject to the Stock Ownership Requirement Plan.

"**Stock Ownership Requirement Plan**" means the American Electric Power System Stock Ownership Requirement Plan that imposes minimum stock ownership requirements on certain executives of the Company or an Affiliate.

"**Subsidiary**" means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of 50% or more by reason of stock ownership or otherwise.

ARTICLE 3 - ADMINISTRATION

Section 3.01. General. The Committee shall be responsible for administering this Plan, subject to this Article 3 and the other provisions of this Plan. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such individuals. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested persons.

Section 3.02. Authority of the Committee. The Committee shall have full discretionary power to interpret the terms and the intent of this Plan and any Award Agreement or other agreement or document ancillary to or in connection with this Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering this Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, construing any ambiguous provision of the Plan or any Award Agreement, and, subject to Article 18, adopting modifications and amendments to this Plan or any Award Agreement, including without limitation, any that are necessary to comply with or qualify for the laws of the countries and other jurisdictions in which the Company, its Affiliates, and/or its Subsidiaries operate.

Section 3.03 Delegation. To the extent permitted under applicable law, the Committee may delegate to one or more of its members or to one or more employees of the Company and/or its Subsidiaries, such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility that the Committee or such individuals may have under this Plan. The Committee may, by resolution, authorize one or more persons who are members of the Committee, members of the Board of Directors of the Company, or an officer of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees to be recipients of Awards; and (b) determine the size of any such Awards; provided, however, (i) the Committee shall not delegate such responsibilities to any such person for Awards granted to an Employee who is, on the relevant date, a Covered Employee or an officer or Director for purposes of Section 16 of the Exchange Act; (ii) the resolution providing such authorization sets forth the total number of Shares underlying Awards such person(s) may grant; and (iii) the person(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

ARTICLE 4 - SHARES SUBJECT TO THIS PLAN AND MAXIMUM AWARDS

Section 4.01. Number of Shares Available for Awards. (a) Subject to adjustment as provided in Section 4.04 , the maximum number of Shares available for grant to Participants under this Plan (the "Aggregate Share Authorization") shall be 10 million Shares. No further Awards may be granted under the Prior Plan as of the Effective Date. The number of shares issuable under the Prior Plan may, however, increase due to dividend shares and performance shares issued in connection with awards outstanding under the Prior Plan.

(b) To the extent that a Share is issued pursuant to the grant or exercise of a Full Value Award, it shall reduce the Aggregate Share Authorization by one Share; and, to the extent that a Share is issued pursuant to the grant or exercise of an Award other than a Full Value Award, it shall reduce the Aggregate Share Authorization by 0.286 of a Share.

(c) The maximum number of Shares that may be issued pursuant to ISOs under this Plan shall be equal to the Aggregate Share Authorization.

(d) The maximum aggregate value of Awards that may be granted to any Director under this Plan during any calendar year shall not exceed $700,000, as determined by the Board based on the value of any Award at the time of grant.

Section 4.02. Share Usage. (a) Shares covered by an Award shall be counted as used only to the extent they are actually issued. Except as provided in Section 4.02(b), any Shares related to Awards that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee's permission (prior to the issuance of Shares) for Awards not involving Shares, shall be available again for grant under this Plan.

(b) Any Award Shares tendered, exchanged or withheld to cover Option exercise costs, any Award Shares withheld to cover taxes, and all Shares underlying an Award of Stock Appreciation Rights once such Stock Appreciation Rights are exercised, shall be taken into account as Shares issued under this Plan.

Section 4.03. Annual Award Limits. The following limits (each an "**Annual Award Limit**" and, collectively, "**Annual Award Limits**") shall apply to grants of Awards under this Plan:

(a) ***Options***. The maximum aggregate number of Shares subject to Options granted in any one Plan Year to any one Participant shall be 2,000,000.

(b) ***SARs***. The maximum aggregate number of Shares subject to Stock Appreciation Rights granted in any one Plan Year to any one Participant shall be 2,000,000.

(c) ***Restricted Stock or Restricted Stock Units.*** The maximum aggregate grant with respect to Awards of Restricted Stock or Restricted Stock Units in any one Plan Year to any one Participant shall be 400,000 Shares.

(d) ***Performance Units or Performance Shares.*** The maximum aggregate number of Performance Units or Performance Shares that a Participant may be awarded in any one Plan Year shall be 400,000 Shares. As provided in Section 9.03, up to 2 Shares (or the cash value of 2 Shares) may be issued with respect to a Performance Unit or Performance Share, depending on the level of performance, plus any applicable Dividend Equivalents.

(e) ***Cash-Based Awards.*** The maximum aggregate amount awarded with respect to Cash-Based Awards to any one Participant in any one Plan Year may not exceed $15,000,000, determined as of the date of payment.

(f) ***Other Stock-Based Awards***. The maximum aggregate grant with respect to Other Stock- Based Awards pursuant to Section 10.02 in any one Plan Year to any one Participant shall be 400,000 Shares.

Section 4.04. Adjustments in Authorized Shares. (a) In the event of any corporate event or transaction (including, but not limited to, a change in the Shares or capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change in capital structure, number of outstanding Shares, or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, or in the event of unusual or nonrecurring events affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, the Committee, in order to prevent dilution or enlargement of Participants' rights under this Plan, shall substitute or adjust, as applicable, the number and kind of Shares that may be granted under this Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards. The Committee, in its discretion, shall determine the methodology or manner of making such substitution or adjustment.

(b) The Committee, in its sole discretion, may also make appropriate adjustments in the terms of any Awards under this Plan to reflect, or that relate to, the changes or distributions described in Section 4.04 and to modify any other terms of outstanding Awards, including modifications of performance goals and changes in the length of Performance Periods. The Committee shall not make any adjustment pursuant to this Section 4.04. that would (i) prevent Performance-Based Compensation from satisfying the requirements of Code Section 162(m), (ii) cause an Award that is otherwise exempt from Code Section 409A to become subject to Section 409A, or (iii) cause an Award that is subject to Code Section 409A to fail to satisfy the requirements of Section 409A. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan.

(c) Subject to the provisions of Article 18 and notwithstanding anything else herein to the contrary, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.

Section 4.05. Source of Shares. The Shares available for issuance under this Plan may be authorized and unissued Shares, treasury Shares or Shares acquired in the open market.

ARTICLE 5 - ELIGIBILITY AND PARTICIPATION

Section 5.01. Eligibility. Individuals eligible to participate in this Plan include all Employees and Directors.

Section 5.02. Actual Participation. Subject to the provisions of this Plan, the Committee may, from time to time, select from all eligible individuals those individuals to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by law, and the amount of each Award.

ARTICLE 6 - STOCK OPTIONS

Section 6.01. Grant of Options. Subject to the terms and provisions of this Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion; *provided* that ISOs may be granted only to eligible Employees of the Company or of any parent or subsidiary corporation (to the extent permitted under Code Sections 422 and 424).

Section 6.02. Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan.

Section 6.03. Option Price. The Option Price for each grant of an Option under this Plan shall be determined by the Committee in its sole discretion and shall be specified in the Award Agreement; *provided*, *however*, the Option Price must be at least equal to 100% of the FMV of Shares on the date of grant, subject to adjustment as provided for in Section 4.04.

Section 6.04. Term of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine and set forth in the Award Agreement at the time of grant; *provided, however*, no Option shall be exercisable later than the tenth anniversary date of its grant.

Section 6.05. Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant; *provided, however*, that no Option shall be exercisable within three (3)years from its grant date (but may vest no sooner than pro-rata during such period),provided, that up to five percent (5%) of the maximum number of Shares available for

issuance under this Plan may be granted without being subject to the foregoing restriction and the restriction set forth in Section 7.05. The foregoing five percent (5%) share issuance limit shall be subject to adjustment consistent with the adjustment provisions of Section 4.04.

Section 6.06. Payment. (a) Subject to Section 6.09, Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Shares shall become the property of the Participant on the exercise date, subject to any forfeiture conditions specified in the Option.

(b) A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price at the time of the exercise. The Option Price of any Option shall be payable to the Company in full either (i) in cash or its equivalent; (ii) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price; (iii) by a cashless (broker-assisted) exercise; (iv) by a combination of (i), (ii) and/or (iii); or (v) any other method approved or accepted by the Committee in its sole discretion. Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in United States dollars.

(c) Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver or cause to be delivered to the Participant a statement of holdings as evidence of book entry uncertificated Shares, or at the sole discretion of the Committee upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

Section 6.07. Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or under any blue sky or state securities laws applicable to such Shares.

Section 6.08. Termination of Employment. Each Participant's Award Agreement shall set forth the extent, if any, to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options granted pursuant to this Article 6, and may reflect distinctions based on the reasons for termination.

Section 6.09. Automatic Option Exercise. An Award Agreement may provide that if, on the last day of the term of an Option, the Fair Market Value of one Share exceeds the Option Price plus associated fees, if the Participant has not exercised the Option, and the Option has not otherwise expired, the Option shall be deemed to have been exercised by the Participant on such day. In such event, the Company shall deliver Shares to the Participant in accordance with this Section 6.09, reduced by the number of Shares required for payment of the exercise price and for payment of withholding taxes; any fractional Share shall be settled in cash.

Section 6.10. Stock Retention. So long as a Stock Ownership Participant has not met all applicable stock ownership requirements under the Stock Ownership Requirement Plan, the Stock Ownership Participant will be required to hold the Shares received upon the exercise of Options (net of any Shares used for payment of the exercise price of the Option and withholding taxes).

ARTICLE 7 - STOCK APPRECIATION RIGHTS

Section 7.01. Grant of SARs. Subject to the terms and conditions of this Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. Subject to the terms and conditions of this Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Participant and, consistent with the provisions of this Plan, the terms and conditions pertaining to such SARs.

Section 7.02. SAR Award Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the Grant Price, the maximum duration of the SAR, the number of Shares to which the SAR pertains, the conditions upon which an SAR shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan.

Section 7.03. Grant Price. The Grant Price for each grant of an SAR shall be determined by the Committee and shall be specified in the Award Agreement; *provided*, *however*, the Grant Price on the date of grant must be at least equal to 100% of the FMV of the Shares as determined on the date of grant.

Section 7.04. Term of SAR. The term of an SAR granted under this Plan shall be determined by the Committee, in its sole discretion, and set forth in the Award Agreement at the time of grant; *provided, however*, that no SAR shall be exercisable later than the tenth anniversary date of its grant**.**

Section 7.05. Exercise of SARs. SARs granted under this Article 7 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each

grant or for each Participant; *provided, however*, that no SAR shall be exercisable within three (3) years from its grant date (but may vest no sooner than pro-rata during such period), provided, that up to five percent (5%) of the maximum number of Shares available for issuance under this Plan may be granted without being subject to the foregoing restriction and the restriction set forth in Section 6.05. The foregoing five percent (5%) share issuance limit shall be subject to adjustment consistent with the adjustment provisions of Section 4.04.

Section 7.06. Settlement of SARs. Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company on the exercise date in an amount determined by multiplying: (a) the excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by (b) the number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares, or any combination thereof, or in any other manner approved by the Committee in its sole discretion. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

Section 7.07. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be uniform among all SARs granted pursuant to this Article 7, and may reflect distinctions based on the reasons for termination.

Section 7.08. Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of an SAR granted pursuant to this Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received upon exercise of an SAR for a specified period of time.

Section 7.09. Automatic SAR Exercise. An Award Agreement may provide that if, on the last day of the term of an SAR, the Fair Market Value of one Share exceeds the Grant Price of the SAR plus associated fees, if the Participant has not exercised the SAR, and the SAR has not otherwise expired, the SAR shall be deemed to have been exercised by the Participant on such day. In such event, the Company shall deliver payment to the Participant in accordance with the terms of settlement set forth in Section 7.06.

Section 7.10. Stock Retention. So long as a Stock Ownership Participant has not met all applicable stock ownership requirements under the Stock Ownership Requirement Plan, the Stock Ownership Participant will be required to hold the Shares received upon the exercise of any SAR (net of any Shares used for payment of withholding taxes).

ARTICLE 8 - RESTRICTED STOCK AND RESTRICTED STOCK UNITS

Section 8.01. Grant of Restricted Stock or Restricted Stock Units. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine. Restricted Stock Units shall be similar to Restricted Stock except that no Shares are actually awarded to the Participant on the date of grant.

Section 8.02. Restricted Stock or Restricted Stock Unit Award Agreement. Each Restricted Stock and/or Restricted Stock Unit grant shall be evidenced by an Award Agreement that shall specify the Period (s) of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.

Section 8.03. Other Restrictions. (a) The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions, and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units.

(b) To the extent deemed appropriate by the Committee, the Company may retain any certificates or statements of holdings representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

(c) Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse (including satisfaction of any applicable tax withholding obligations), and Restricted Stock Units shall be paid in cash, Shares, or a combination of cash and Shares as the Committee, in its sole discretion, shall determine.

Section 8.04. Certificate Legend. In addition to any legends placed on certificates or statements of holdings pursuant to Section 8.03, each certificate or statement of holdings representing Shares of Restricted Stock granted pursuant to this Plan may bear a legend restricting the transfer of such Shares.

Section 8.05. Voting Rights. Unless otherwise determined by the Committee and

set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may be granted the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

Section 8.06. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Restricted Stock and/or Restricted Stock Units following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Article 8, and may reflect distinctions based on the reasons for termination.

ARTICLE 9 - PERFORMANCE UNITS / PERFORMANCE SHARES

Section 9.01. Grant of Performance Units / Performance Shares. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Performance Units and/or Performance Shares to Participants in such amounts and upon such terms as the Committee shall determine.

Section 9.02. Value of Performance Units / Performance Shares. Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Units/Performance Shares that will be paid out to the Participant.

Section 9.03. Earning of Performance Units / Performance Shares. Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units/Performance Shares shall be entitled to receive payout as provided in Section 9.04 on the value and number of Performance Units/Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved. Regardless of the level of performance achieved, in no event will the number of Shares issued (or the amount of cash paid) with respect to a Performance Unit/Performance Share exceed 2 Shares (or the value of 2 Shares), plus any applicable Dividend Equivalents.

Section 9.04. Form and Timing of Payment of Performance Units / Performance Shares. Payment of earned Performance Units/Performance Shares shall be as determined by the Committee and as evidenced in the Award Agreement. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The

determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

Section 9.05. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Units and/or Performance Shares following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Awards of Performance Units or Performance Shares awarded pursuant to this Article 9, and may reflect distinctions based on the reasons for termination.

ARTICLE 10 - CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS

Section 10.01. Grant of Cash-Based Awards. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms as the Committee may determine.

Section 10.02. Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

Section 10.03. Value of Cash-Based and Other Stock-Based Awards. Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee. Each Other Stock- Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Cash-Based Awards or Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met.

Section 10.04. Payment of Cash-Based Awards and Other Stock-Based Awards. Payment, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

Section 10.05. Termination of Employment. The Committee shall determine

the extent to which the Participant shall have the right to receive Cash-Based Awards or Other Stock-Based Awards following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee. Such provisions may be included in the Award Agreement, but need not be uniform among all Awards of Cash-Based Awards or Other Stock-Based Awards granted pursuant to this Article 10, and may reflect distinctions based on the reasons for termination.

ARTICLE 11 - TRANSFERABILITY OF AWARDS

Except to the extent specifically provided by the terms of an Award Agreement, Awards shall be nontransferable. During the lifetime of a Participant, Awards shall be exercised only by such Participant or by his guardian or legal representative. Notwithstanding the foregoing, the Committee may provide in the terms of an Award Agreement that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other benefits specified under an Award Agreement following the Participant's death.

ARTICLE 12 - PERFORMANCE MEASURES

Section 12.01. Awards Under This Article 12. If an Award (other than an Option or SAR) is intended to qualify as Performance-Based Compensation, the Award shall be granted in accordance with the terms of this Article 12 and shall vest or be paid solely on account of the attainment of an objective performance goal based on one or more of the Performance Measures listed in Section 12.03.

Section 12.02. Performance Goals. The Committee shall establish the performance goal in writing not later than 90 days after the commencement of the Performance Period (or, if earlier, before 25% of the Performance Period has elapsed), and at a time when the outcome of the performance goal is still substantially uncertain. The performance goal shall state, in terms of an objective formula or standard, the method for determining the amount of compensation payable to the Participant if the performance goal is attained.

Section 12.03. Performance Measures. (a) The Performance Measures used to establish performance goals for Performance-Based Compensation shall be limited to the following business measures, which may be applied with respect to AEP, any Subsidiary or any business unit, and which may be measured on an absolute or relative-to-peer-group basis: earnings measures (including, for example, primary earnings per share, fully diluted earnings per share, net income, pre-tax income, operating income, earnings before interest, taxes, depreciation and amortization or any combination thereof, and net operating profits after taxes); expense control (including, for example, operations & maintenance expense, total expenditures, expense ratios, and expense reduction); customer measures (including, for

example, customer satisfaction, service cost, service levels, responsiveness, bad debt collections or losses, and reliability—such as outage frequency, outage duration, and frequency of momentary outages); safety measures (including, for example, recordable case rate, severity rate, and vehicle accident rate); diversity measures (including, for example, minority placement rate and utilization); environmental measures (including, for example, emissions, project completion milestones, regulatory/legislative/cost recovery goals, and notices of violation), revenue measures (including, for example, revenue and direct margin); stakeholder return measures (including, for example, total shareholder return, economic value added, cumulative shareholder value added, return on equity, return on capital, return on assets, dividend payout ratio and cash flow(s) – such as operating cash flows, free cash flow, discounted cash flow return on investment and cash flow in excess of cost of capital or any combination thereof); valuation measures (including, for example, stock price increase, price to book value ratio, and price to earnings ratio); capital and risk measures (including, for example, debt to equity ratio, dividend payout as percentage of net income and diversification of business opportunities); employee satisfaction; project measures (including, for example, completion of key milestones); production measures (including, for example, generating capacity factor, performance against the INPO index, generating equivalent availability, heat rates and production cost); and such other individual performance objective that is measured solely in terms of quantitative targets related to the Company, any Subsidiary or the Company's or Subsidiary's business.

(b) Any Performance Measure(s) may be used in a quantitative manner to measure the performance of the Company, Subsidiary, and/or Affiliate as a whole or any business unit of the Company, Subsidiary, and/or Affiliate or any combination thereof, as the Committee may deem appropriate. Any of the above Performance Measures may be used to measure performance relative to specified performance levels; a group of comparator companies; a published or special index that the Committee, in its sole discretion, deems appropriate; or various stock market indices. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of a performance goal or goals pursuant to the Performance Measures specified in this Article 12.

Section 12.04. Evaluation of Performance. Any Performance Measure(s) may be made subject to pre-specified adjustments to remove the effects of restructurings, dispositions, changes in tax or accounting rules, or similar non-recurring or extraordinary events to the extent consistent with the requirements of Code Section 162(m) for Performance-Based Compensation.

Section 12.05. Certification of Performance. No vesting or payment shall occur under an Award that is intended to qualify as Performance-Based Compensation until the Committee certifies that the performance goal and any other material terms of the Award have been satisfied.

Section 12.06. Adjustment of Performance-Based Compensation. Awards that are intended to qualify as Performance-Based Compensation may not be adjusted upward.

The Committee shall retain the discretion to adjust such Awards downward, either on a formula or discretionary basis or any combination, as the Committee determines.

Section 12.07. Committee Discretion. For the avoidance of doubt, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and the terms of this Article 12. In such event, among other things, the Committee may base the vesting or payment of such Awards on performance measures other than those set forth in Section 12.03**.**

ARTICLE 13 - DIRECTOR AWARDS

Subject to Section 4.01(d**),** the Board shall determine all Awards to Directors. The terms and conditions of any grant to any such Director shall be set forth in an Award Agreement.

ARTICLE 14 - DIVIDEND EQUIVALENTS

Any Participant selected by the Committee may be granted dividend equivalents based on the dividends declared on Shares that are subject to any Full Value Award, to be credited as of the dividend payment dates, during the period between the date on which the Full Value Award is granted and the date on which the Award vests or expires, as determined by the Committee. Such dividend equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee; *provided* that such dividend equivalents shall be subject to any performance conditions that apply to the underlying Award. Participants shall not accrue, be granted or be paid any dividends or dividend equivalents with respect to Shares that are subject to any Option or Stock Appreciation Right.

ARTICLE 15 - BENEFICIARY DESIGNATION

In the absence of any applicable beneficiary designation, benefits remaining unpaid or rights remaining unexercised at the Participant's death shall be paid to or exercised by the Participant's executor, administrator, or legal representative on behalf of the Participant's estate.

ARTICLE 16 - RIGHTS OF PARTICIPANTS

Section 16.01. Employment. (a) Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company, its Affiliates, and/or its Subsidiaries to terminate any Participant's employment or service on the Board or to the

Company at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a Director for any specified period of time.

(b) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company, its Affiliates, and/or its Subsidiaries.

Section 16.02. Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

Section 16.03. Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award unless and until the Participant becomes the record holder of any Shares associated with such Award.

ARTICLE 17 - CHANGE OF CONTROL

17.01. Effect of Change in Control. The Committee may, in an Award Agreement, provide for the effect of a Change in Control on an Award. Such provisions may include any one or more of the following: (a) the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from any Award, (b) the waiver or modification of performance or other conditions related to the payment or other rights under an Award; (c) provision for the cash settlement of an Award for an equivalent cash value, as determined by the Committee, or (d) such other modification or adjustment to an Award as the Committee deems appropriate to maintain and protect the rights and interests of Participants upon or following a Change in Control.

17.02. Definition of Change in Control. For purposes hereof, a "Change in Control" shall be deemed to have occurred if:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than any company owned, directly or indirectly, by the shareholders of AEP in substantially the same proportions as their ownership of shares Common Stock or a trustee or other fiduciary holding securities under an employee benefit plan of AEP, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 33-1/3 percent of the then outstanding voting stock of AEP;

(b) AEP consummates a merger or consolidation with any other entity, other than a merger or consolidation which would result in the voting securities of AEP outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 66-2/3% percent of the total voting power represented by the voting securities of AEP or such surviving entity outstanding immediately after such merger or consolidation; or

(c) the shareholders of AEP approve a plan of complete liquidation of AEP, or an agreement for the sale or disposition by AEP (in one transaction or a series of transactions) of all or substantially all of AEP's assets.

ARTICLE 18 - AMENDMENT AND TERMINATION

18.01 Amendment and Termination of the Plan and Awards. (a) Subject to subparagraphs (b) and (c) of this Section 18.01 and Section 18.03 of the Plan, the Board or the Committee may at any time amend or terminate the Plan or amend or terminate any outstanding Award.

(b) Except as provided for in Section 4.04, the terms of an outstanding Award may not be amended, without prior shareholder approval, to: (i) reduce the Option Price of an outstanding Option or to reduce the Grant Price of an outstanding SAR, or (ii) cancel an outstanding Option or SAR in exchange for other Options or SARs with an Option Price or Grant Price, as applicable, that is less than the Option Price of the cancelled Option or the Grant Price of the cancelled SAR, as applicable, or (iii) cancel an outstanding Option with an Option Price that is less than the Fair Market Value of a Share on the date of cancellation or cancel an outstanding SAR with a Grant Price that is less than the Fair Market Value of a Share on the date of cancellation in exchange for cash or another Award.

(c) Notwithstanding the foregoing, no amendment of this Plan shall be made without shareholder approval if shareholder approval is required pursuant to rules promulgated by any stock exchange or quotation system on which Shares are listed or quoted or by applicable U.S. state corporate laws or regulations, applicable U.S. federal laws or regulations and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

18.02 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. Subject to Section 12.05, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.04) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan. By accepting an Award under this Plan, a Participant agrees to any adjustment to the Award made pursuant to this Section 18.02 without further consideration or action.

18.03 Awards Previously Granted. Notwithstanding any other provision of this Plan to the contrary, other than Sections 18.02, 18.04 and 21.15, no termination or

amendment of this Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under this Plan, without the written consent of the Participant holding such Award.

18.04 Amendment to Conform to Law. Notwithstanding any other provision of this Plan to the contrary, the Board or Committee may amend the Plan or an Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or an Award Agreement to any law relating to plans of this or similar nature, and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 18.04 to the Plan and any Award without further consideration or action.

ARTICLE 19 - WITHHOLDING

The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan. Participants may elect to satisfy the withholding requirements, in whole or in part, by having the Company withhold shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. The Participant shall remain responsible at all times for paying any federal, state, and local income or employment tax due with respect to any Award, and the Company shall not be liable for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

ARTICLE 20 - SUCCESSORS

All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 21 - GENERAL PROVISIONS

Section 21.01. Forfeiture Events. (a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment for cause (as defined in the Award Agreement), termination of the Participant's provision of services to the Company, Affiliate, and/or Subsidiary, violation of material Company, Affiliate, and/or Subsidiary policies, breach of noncompetition, confidentiality, or

other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates, and/or its Subsidiaries.

(b) All Awards shall be subject to the Company's compensation recoupment policy as such policy may be in effect from time to time.

Section 21.02. Legend. The certificates or statements of holdings for Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

Section 21.03. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

Section 21.04. Severability. In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

Section 21.05. Requirements of Law. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 21.06. Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

Section 21.07. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

Section 21.08. Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

Section 21.09. Uncertificated Shares. To the extent that this Plan provides for issuance of certificates to reflect the transfer or issuance of Shares, the transfer or issuance of such Shares may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange upon which the Shares are listed.

Section 21.10. Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company, and/or its Subsidiaries, and/or its Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other individual. To the extent that any individual acquires a right to receive payments from the Company, its Subsidiaries, and/or its Affiliates under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company, a Subsidiary, or an Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company, a Subsidiary, or an Affiliate, as the case may be, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts.

Section 21.11. No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award unless authorized by the Committee. If the Committee does not authorize the issuance or delivery of fraction shares, then the Committee shall determine whether cash, Awards, or other property shall be granted or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

Section 21.12. Retirement and Welfare Plans. Neither Awards made under this Plan nor Shares or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under the Company's or any Subsidiary's or Affiliate's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

Section 21.13. Deferred Compensation. With respect to Awards subject to Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Code Section 409A, and the Plan is intended to be operated accordingly. The Committee may make changes in the terms or operation of the Plan and/or Awards (including changes that may have retroactive effect) deemed necessary or desirable to comply with Code Section 409A. The Company, however, makes no representation or covenants that the Plan or Awards will comply with Section 409A.

Section 21.14. Non-exclusivity of this Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

Section 21.15. No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or a Subsidiary's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or a Subsidiary or an Affiliate to take any action which such entity deems to be necessary or appropriate.

Section 21.16. Governing Law. The Plan and each Award Agreement shall be governed by the laws of the state of Ohio, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction. Unless otherwise provided in the Award Agreement, recipients of an Award under this Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Ohio, to resolve any and all issues that may arise out of or relate to this Plan or any related Award Agreement**.**

Section 21.17. Indemnification. (a) Subject to requirements and limitations of applicable law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company, a Subsidiary, or an Affiliate to whom authority was delegated in accordance with Article 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf, unless such loss, cost, liability, or expense is a result of his own willful misconduct or except as expressly provided by statute.

(b) The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Section 21.18. No Guarantee of Favorable Tax Treatment.
Notwithstanding any provision of the Plan to the contrary or any action taken by the Company, Subsidiaries, or the Board with respect to any income tax, social insurance, payroll tax, or other tax, the acceptance of an Award under the Plan represents the Participant's acknowledgement that the ultimate liability for any tax owed by the Participant is and remains the Participant's responsibility, and that the Company makes no representations or warranties about the tax treatment of any Award, and does not commit to structure any aspect of the Award to reduce or eliminate a Participant's tax liability, including without limitation, Code Section 409A.

PERFORMANCE SHARE AWARD AGREEMENT

AEP SYSTEM 2015 LONG-TERM INCENTIVE PLAN

This Award Agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP).

[Participant Name] is hereby granted the number of performance shares listed below effective January 1, 2022 (Effective Date):

Grant Date	Performance Period	Performance Shares
[Grant Date]	January 1, 2022 – December 31, 2024	**[# of Shares Granted]**

Overview
Performance shares are a type of long-term incentive compensation. They do not convey to you any voting, dividend, or other rights associated with shares of AEP Common Stock, but they do accrue Dividend Credits that are generally equal to the value of dividends paid on shares of AEP Common Stock. The value of each performance share that you may ultimately earn is dependent on the value of AEP Common Stock, while the number of performance shares that you may ultimately earn is dependent on the Overall Performance Score, which may range from 0% to 200% and is contingent on the vesting of your performance shares (see projection example on p. 8). The Overall Performance Score is based on the achievement of the Performance Measures established by the HR Committee of the Board of Directors of American Electric Power Company, Inc. (HR Committee) for this Performance Period. These performance shares generally will vest subject to your continuous AEP employment through the Vesting Date.

At the end of the Performance Period, these performance shares entitle you to a payment, to the extent they are not voluntarily or mandatorily deferred, of a number of shares of AEP Common Stock equal to the number of vested performance shares, including Dividend Credits (see Dividend Credits below), multiplied by the Overall Performance Score. Any fractional shares resulting from this calculation may be paid in AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Your performance share payment will be deferred if you have made or make a valid deferral election under the American Electric Power System Incentive Compensation Deferral Plan (ICDP) or if you are subject to an unsatisfied minimum stock ownership requirement pursuant to the American Electric Power System Stock Ownership Requirement Plan (SORP). If you have an unsatisfied minimum stock ownership requirement, your vested performance shares will be mandatorily deferred into "AEP Career Shares," to the extent needed to satisfy your applicable requirement. The remainder will be paid to you in shares of AEP Common Stock (less applicable taxes), with any fractional shares paid in AEP Common Stock, cash, additional income tax withholding or any combination thereof, at AEP's option.

Dividend Credits
Beginning after the later of the Effective Date or the Grant Date, dividend credits are awarded on all outstanding (un-canceled) performance shares as of the dividend record date as additional performance shares when a dividend is paid on AEP Common Stock. The number of additional performance shares awarded due to dividends is calculated by multiplying the value of the dividend on a per share basis by the number of performance shares credited to you as of the dividend record date and dividing this result by the closing price of AEP Common Stock on the dividend payment date. These additional performance shares are subject to the same performance measures and vesting requirements as the original underlying performance shares on which they were awarded. As such, they will be canceled if and to the extent that the underlying performance shares on which they were granted have been canceled. See "Payment of Earned Performance Shares"

section below regarding the handling of Dividend Credits in the event performance shares are paid between the dividend record date and the dividend payment date.

Performance Measure
The performance score for the three-year Performance Period will be determined by three performance measures:

Weight	Three-Year Performance Measure
50%	Operating EPS - Cumulative operating earnings per share (EPS) relative to a target approved by the HR Committee.
40%	Relative TSR - The percentile of AEP's total shareholder return (TSR) relative to a Comparator Group consisting of the 17 companies included in AEP's compensation peer group at the beginning of the Performance Period.
10%	Carbon Free Capacity - Measured at the end of the performance period as a percent of total AEP owned and PPA generation capacity. Carbon free capacity includes nuclear, hydro, wind, solar, demand-side management (energy efficiency, demand response) and storage.

The score for each performance measure may range from 0% to 200%. The HR Committee has adopted procedures for determining the Comparator Group for purposes of the TSR performance measure in the event there is a merger, acquisition, disposition, liquidation or other corporate transaction that affects AEP's compensation peer group during the Performance Period.

Overall Performance Score
The Overall Performance Score for the Performance Period will be the sum of the scores for the above performance measures each weighted as shown. The HR Committee may, at its sole discretion, reduce the performance score for any or all performance measures and, thereby, reduce or eliminate award payouts. The HR Committee may, at its sole discretion, reduce or eliminate award payouts for one or more individual participants. The HR Committee also has full discretionary authority to interpret the terms and intent of this Award Agreement.

Vesting Period
All outstanding (un-canceled) performance shares held with respect to the Performance Period will vest on the last day of the Performance Period (the Vesting Date), subject to your continuous AEP employment through that Vesting Date, except as described below under Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event and under Change in Control and Qualifying Termination.

Payment of Earned Performance Share Awards
<u>For those participants who are not subject to a minimum stock ownership requirement[1] or who timely satisfied all of their minimum stock ownership requirements</u>:

Following the conclusion of the vesting period and the approval by the HR Committee, earned performance shares will be either:
1. Paid in shares of AEP Common Stock to you (or to your beneficiary or estate in the event of your death); or
2. Deferred, if you make a timely deferral election pursuant to the ICDP. Eligible participants will be notified if and when they may make an "election to defer" pursuant to the ICDP.

<u>For those participants who do not timely satisfy their minimum stock ownership requirement</u>:

[1] Participants are notified if and when they are assigned a minimum stock ownership requirement.

If you are subject to an unsatisfied minimum stock ownership requirement in accordance with the SORP, your earned performance shares will be deferred into AEP Career Shares to the extent required to meet your requirement. The SORP currently requires the deferral of earned performance shares into AEP Career Shares to the extent required to meet each participant's applicable stock ownership requirement as of the applicable Determination Date (currently considered to be the later of the Grant Date or six months prior to the end of the Performance Period), less any additional AEP Career Shares that accrue due to dividends prior to the date the performance scores are approved by the HR Committee. The SORP also currently requires AEP Career Shares to be held until after a participant's employment with the Company Terminates. Earned performance shares mandatorily deferred into AEP Career Shares are converted to AEP Career Shares on a one for one basis. The balance of earned performance shares not deferred into AEP Career Shares, if any, will be paid or deferred as described in the paragraph above for participants not subject to minimum stock ownership requirements.

In the event performance shares are paid between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, from the underlying performance shares as of or following the dividend payment date.

Earned performance shares that are not deferred will be paid within 2-1/2 months following the Vesting Date unless payment at that time would violate federal securities laws or other applicable law or if payment at that time is impracticable due to circumstances prescribed under section 409A of the Internal Revenue Code. Payments are made by a deposit of shares into a brokerage account set up for you at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event

If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. The prorated portion that will remain outstanding will equal the number of whole months from the Effective Date through your Termination date divided by the number of whole months from the Effective Date through the Vesting Date. The prorated portion that remains outstanding will vest as of the Vesting Date and will be subjected to the applicable Overall Performance Score. Such performance shares will become payable after the conclusion of the three-year performance and vesting period in accordance with the "Payment of Earned Performance Share Awards" section above. See example on p. 9.

Termination (other than Qualifying Termination) for Reasons Other Than Death, Retirement or Triggering Event

In the event your employment is Terminated prior to the Vesting Date other than as a Qualifying Termination or for reasons other than your death, Retirement or as the result of a Triggering Event, all performance shares granted under this Award Agreement shall be canceled and your rights under this Award Agreement shall be forfeited.

Payment Upon Death

In the event of your death, amounts that otherwise would have become payable to you will be paid to the beneficiary or beneficiaries designated for purposes of the LTIP, or, if you have no such designated beneficiaries who survive you, to your estate. Such payments are expected to be made by a deposit of shares into a brokerage account set up for your beneficiary or your estate, as appropriate, at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

AEP Career Shares

Please refer to the terms of the SORP to determine how performance shares that are deferred into AEP Career Shares will be administered. An overview of the AEP minimum stock ownership requirements is available for those who are subject to such a requirement.

Definitions:
In addition to the terms defined elsewhere in this Award Agreement, the following shall be defined terms when used in this Award Agreement:

"**Cause**" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your Company employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of the Company; (iii) engagement in activities or conduct injurious to the best interest or reputation of the Company as determined by your Company employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with the Company; (vi) violation of any of the Company's rules of conduct of behavior, such as may be provided in any employee handbook or as the Company may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with the Company which is injurious to the best interest or reputation of the Company as determined by your Company employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"**Company**" means American Electric Power Company, Inc. and its subsidiaries and affiliates.

"Disability" or "Disabled" means you that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your lack of eligibility to participate in the LTD Plan.

"**Good Reason**" means

(i) an adverse change in your status, duties or responsibilities as an employee of the Company as in effect immediately prior to the Change In Control;

(ii) failure of the Company to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between the Company and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary in effect on the date of the Change In Control;

(iv) the taking of any action by the Company (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under the Company's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other employees of the Company holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of the Company to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by the Company of the terms of an employment agreement between the Company and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given the Company written notice of such circumstance, and (2) the Company shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to the Company shall specify (A) the effective date for your proposed Termination of employment (provided that such effective date may not precede the expiration of the period for the Company's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for Termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"**Qualifying Termination**" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable Company sick pay plan, short term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your Retirement, (v) by the Company for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by the Company without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"**Retirement**" means Termination of employment with the Company other than for Cause (A) after attaining age 55 and having completed at least ten (10) years of Company service or (B) pursuant to AEP's Mandatory Retirement Policy.

"**Termination**" means termination of employment with the Company for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the AEP Human Resources Committee from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with the Company will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of the Company or part thereof under circumstances that are not a Change in Control.

Capitalized terms that are not defined in this Award Agreement shall have the meaning set forth in the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time.

Recoupment of Incentive Compensation
By accepting this Award, you agree to reimburse the Company for compensation awarded, earned, received or paid to you under this Award Agreement with respect to the relevant time period if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

- You are a Covered Employee (as defined in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time), and

- This performance share award or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. By entering into this Award Agreement, you further agree and consent that the Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you.. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

Change in Control and Qualifying Termination

Notwithstanding any provision of the Plan to the contrary, if you incur a Qualifying Termination prior to the Vesting Date, (a) all of your outstanding performance shares shall be deemed to have been fully earned at a 100% Overall Performance Score as of the date of your Qualifying Termination, (b) all restrictions, terms and conditions applicable to all of your performance shares then outstanding shall be deemed lapsed and satisfied as of the date of your Qualifying Termination, and (c) performance shares held by you will be paid in a lump sum in cash, to you, as soon as administratively feasible after the date of your Qualifying Termination, but no later than 2-1/2 months following the calendar year of your Qualifying Termination.[2] For this purpose, the value of the performance shares shall be the closing market price of one share of AEP Common Stock for the date of your Qualifying Termination, or, if your Qualifying Termination is coincident with the date of the Change In Control, the value of your performance shares shall be determined by (i) if the Change in Control is the result of a tender or exchange offer for, merger of, or sale or disposition of all or substantially all of the assets of the Company, the consideration per share of Common Stock received by the shareholders in connection with such transaction, or, if (i) is not applicable, (ii) the closing price of a share of Common Stock on the date of the Change in Control. To the extent that the consideration paid in any such transaction described in (i) above consists all or in part of securities or other non-cash consideration, the value of such securities and other non-cash consideration shall be the fair market value as determined by such reasonable methods or procedures as shall be established by the Committee.

The Company shall reimburse you for the legal fees and related expenses incurred if you are required to seek to obtain or enforce your right to a distribution in connection with a Qualifying Termination as described in this section, provided that to the extent that any such reimbursements are taxable to you, the reimbursements shall be paid to you only if the fees and expenses are incurred prior to the date that the distribution is paid to you and you submit written documentation of such fees and expenses to the Company within 6 months after such fees and expenses are incurred. The amount of the fees and expenses that are eligible for reimbursement during one calendar year shall not affect the amount of

[2] However, (i) if you are a participant in the SORP, the availability of your performance shares upon your Qualifying Termination also will take into account the provisions of the SORP; and (ii) if you have submitted an effective election to defer payment of all or any portion of your performance shares pursuant to the ICDP, the availability of your performance shares following your Qualifying Termination will be determined in accordance with the provisions of the ICDP.

reimbursements to be provided in any subsequent calendar year. The reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the fee or expense was incurred. The right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

In the event that it is determined that you are properly entitled to a cash distribution under this section, you shall also be entitled to interest thereon at the prime rate of interest as published in *The Wall Street Journal* plus two percent from the date such distribution should have been made to and including the date it is made.

The determination of whether and when a "Change in Control of the Company" occurs with regard to outstanding performance shares will be made by reference to the terms of the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time, except as otherwise specified in this Award Agreement.

This Award Agreement becomes void if you do not accept it prior to the Vesting Date.



Nicholas K. Akins
President and Chief Executive Officer

[Name]

Performance Share Award Value Projection
For Example Purposes Only

	Date	Price/Share[1]	Shares Credited*	Share Balance	Value
Performance Shares Awarded	Q1, Y1	$89.00	61.000	61.000	$5,400.00
Dividend Credit[2]	Q2, Y1	$90.34	0.527	61.527	
Dividend Credit	Q3, Y1	$91.69	0.523	62.050	
Dividend Credit	Q4, Y1	$93.07	0.520	62.570	
Dividend Credit	Q1, Y2	$94.46	0.517	63.087	
Dividend Credit	Q2, Y2	$95.88	0.513	63.600	
Dividend Credit	Q3, Y2	$97.32	0.510	64.110	
Dividend Credit	Q4, Y2	$98.78	0.506	64.616	
Dividend Credit	Q1, Y3	$100.26	0.503	65.119	
Dividend Credit	Q2, Y3	$101.76	0.499	65.618	
Dividend Credit	Q3, Y3	$103.29	0.496	66.113	
Dividend Credit	Q4, Y3	$104.84	0.492	66.605	
			Operating EPS Score @ 120% of Target and 50% weight:	0.600	
			Relative Total Shareholder Return Score @ 125% of Target and 40% weight:	0.500	
			Carbon Free Capacity @ 90% of Target and 10% weight:	0.090	
			Award Score:	1.190	
			x Share Balance[3]:	66.605	
			Ending Share Balance:	79.260	
Value at End of Vesting Period:		$104.84		79.260	$8,309.45

* 75% of LTI planned amount (Value) divided by Price per Share at Grant

[1]This example assumes that dividends of $0.78 per share are paid as of the indicated dates and that the share price appreciates at a rate of 1.5% each quarter.

[2]Dividend Credits are not applied unless tied to dividends that are paid after the later of the Effective Date or the Grant Date defined in the Agreement.

[3]In the event performance shares are settled (paid) between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, as of the dividend payment date.

EXAMPLE

PERFORMANCE SHARE AWARD AGREEMENT

This Performance Share Award Agreement includes provisions for prorated vesting in the event that your employment is terminated (other than Qualifying Termination) due to your death, Retirement or a Triggering Event. The following example **assumes** that the award agreement provides the Effective Date and Vesting Date indicated below.

Effective Date:	**January 1, of year 1**
Vesting Date	**December 31, of year 3**

Prorated Vesting in the event of death, Retirement or a Triggering Event: If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. For example, if your employment Terminates on October 10th of year 1 for one or more of the above reasons, then the fractional percentage of your Granted RSUs that would remain outstanding would be determined as follows: there are 9 whole months from the Effective Date to the Termination Date divided by 36 whole months in the vesting period (9/36 or 25.0%) of your Granted performance shares (along with any additional Dividend Equivalent RSUs related to that portion) would remain outstanding and the remainder would be canceled as of your termination date. The shares that remain outstanding would continue to accrue additional performance shares due to Dividend Credits through the vesting date. After the conclusion of the Performance Period the outstanding shares would be multiplied by the applicable performance score and the resulting total would vest and become payable in accordance with the "Payment of Earned Performance Share Awards" section above.

RESTRICTED STOCK UNIT AWARD AGREEMENT

AEP SYSTEM LONG-TERM INCENTIVE PLAN

This award agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP) under which the restricted stock units described herein are awarded.

[Participant Name] is hereby granted the number of restricted stock units listed below:

Number of Restricted Stock Units Granted: **<<# Shares Granted>>**
Grant Date: **[Grant Date]**
Effective Date: January 1, 2022

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21, 2023 ("First Vesting Date")	33 1/3%
February 21, 2024	33 1/3%
February 21, 2025	33 1/3%

Restricted Stock Units ("RSUs")
This award agreement entitles you to the aggregate number of RSUs specified above ("Granted RSUs") each of which, if and when it vests, will convert to a single Share of AEP's Common Stock. Upon vesting, RSUs are converted to AEP Common Stock and delivered to you in accordance with the other terms and provisions of this Agreement. RSUs have no voting rights and are not entitled to receive any dividend declared on AEP Common Stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP Common Stock, as described below.

Dividend Equivalent RSUs
Beginning after the later of the Effective Date or the Grant Date, additional Dividend Equivalent RSUs with a value equal to the value of dividends paid on AEP Common Stock are credited on outstanding (un-canceled) RSUs. The number of additional RSUs awarded due to dividends is calculated as the value of the dividend for a number of Shares of AEP Common Stock equal to the number of outstanding RSUs on the dividend payment date divided by the closing price of AEP Common Stock on the dividend payment date.

No additional RSUs will be awarded as Dividend Equivalent RSUs after conversion of the related RSUs into Shares of AEP Common Stock. See Conversion of Vested Stock Units and Delivery of Shares, below.

Vesting of Granted RSUs
Your Granted RSUs shall vest, subject to your continuous AEP employment through the vesting date, in accordance with the above vesting schedule, except as otherwise provided for in this Agreement. See also the sections of this award agreement entitled Vesting of Dividend Equivalent RSUs and Accelerated Vesting of RSUs below.

Vesting of Dividend Equivalent RSUs
Dividend Equivalent RSUs vest at the same time as the Granted RSUs to which they relate vest. Also see the sections of this award agreement entitled Vesting of Granted RSUs above and Accelerated Vesting of RSUs below.

Accelerated Vesting of RSUs
RSUs may vest earlier than the dates shown in the Vesting Schedule, above, as follows:

Prorated Vesting for Severance: If you qualify for a Severance Date, as defined below, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest as of your Severance Date. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through the date your employment with AEP Terminates as the direct result of the Triggering Event divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date your employment with AEP Terminates as the direct result of the Triggering Event.

See attached Example.

RSUs that vest as a result of your severance shall be converted to AEP Common Stock and delivered to you as of your Severance Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: As of your Mandatory Retirement Date, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through your Mandatory Retirement Date divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of your Mandatory Retirement Date.

See attached Example.

RSUs that vest as a result of your Mandatory Retirement Date shall be converted to AEP Common Stock and delivered to you as of your Mandatory Retirement Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below. If you hold a salary grade 18 or higher position with AEP, the Shares of AEP Common Stock delivered to you by reason of this section shall be subject to transfer restrictions such that you will be required to retain ownership of such Shares until the second anniversary of your Mandatory Retirement Date, except that you will be permitted to cause the sale of so many of such Shares as would allow you to cover your liability for the applicable taxes directly associated with your receipt of those Shares.

Death: Upon your death prior to the Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into AEP Common Stock and delivered to your designated beneficiary or beneficiaries under the LTIP (or, if you have not effectively designated any beneficiary under the LTIP, to your estate) as soon as administratively practicable following your death.

Change In Control: Upon a Qualifying Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into Shares and delivered as of the date of the Qualifying Termination in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Other Terminations

Except as provided above under the Accelerated Vesting section with respect to a Change in Control and as provided in the following sentence involving circumstances that may give rise to a Severance Date for you, upon the Termination of your employment for any reason prior to your Mandatory Retirement Date or your death, any unvested Granted RSUs and unvested Dividend Equivalent RSUs shall be forfeited, and you shall have no rights or interests in or with respect to such unvested RSUs. If your employment with AEP is Terminated under circumstances that may give rise to a Severance Date for you, to the extent your unvested Granted RSUs and unvested Dividend Equivalent RSUs do not vest by reason of a Severance Date for you, they shall be forfeited as of the date it becomes certain that such Severance Date shall not occur.

Definitions

In addition to the terms defined elsewhere in this Agreement, the following shall be defined terms when used in this Agreement:

"AEP" means American Electric Power Company, Inc.; a New York corporation; and its subsidiaries and affiliates.

"Cause" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your AEP employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of AEP; (iii) engagement in

activities or conduct injurious to the best interest or reputation of AEP as determined by your AEP employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with AEP; (vi) violation of any of AEP's rules of conduct of behavior, such as may be provided in any employee handbook or as AEP may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with AEP which is injurious to the best interest or reputation of AEP as determined by your AEP employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"Disability" or "Disabled" means that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your not being in a classification eligible to participate in the LTD Plan.

"Good Reason" applies if a Change of Control occurred and means

(i) an adverse change in your status, duties or responsibilities as an employee of AEP as in effect immediately prior to the Change In Control;

(ii) failure of AEP to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between AEP and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary as in effect on the date of the Change In Control;

(iv) the taking of any action by AEP (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under AEP's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other

employees of AEP holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of AEP to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by AEP of the terms of an employment agreement between AEP and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given AEP written notice of such circumstance, and (2) AEP shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to AEP shall specify (A) the effective date for your proposed termination of employment (provided that such effective date may not precede the expiration of the period for AEP's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"Mandatory Retirement Date" means the date of your Termination, if all of the following conditions are satisfied: (i) you are an officer of AEP subject to mandatory retirement at age 65, and (ii) your employment with AEP Terminates on the date you attain age 65 or such later date specified by resolution of the Board of Directors of AEP (or such person or committee to whom the Board delegates the authority to make such determinations) adopted prior to the date you attain age 65.

"Qualifying Termination" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable AEP sick pay plan, short-term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your attaining your Mandatory Retirement Date, (v) by AEP for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by AEP without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"Severance Date" means the date that all of the following conditions are satisfied at least 4 business days before March 15 of the calendar year immediately following the calendar year in which your employment with AEP Terminates: (i) your Termination is not a Qualifying Termination, (ii) your employment with AEP is Terminated prior to your Mandatory Retirement Date in a manner that is the direct result of a Triggering Event and that is either (I) an involuntary Termination by the unilateral authority of AEP without Cause, and not due to your implicit or explicit request, where you are willing and able to continue performing services, or (II) a voluntary Termination by you pursuant to a window program that has been designed and implemented by AEP in a manner that is not inconsistent with the requirements imposed by regulatory or other authoritative guidance issued under Code Section 409A with respect to separation pay plans, (iii) you are presented with and then timely sign and return an effective Severance and Release of All Claims Agreement; (iv) on or before the date your Severance and Release of All Claims Agreement becomes irrevocable by you, you neither receive an offer of employment with a purchaser or successor employer nor an offer of employment with AEP that is at the same or higher base pay (determined without regard to overtime pay, bonuses, premium payments, incentive compensation or any other form of additional compensation) and that does not require relocation of your primary residence. For purposes of clause (ii), your employment will not be considered Terminated as the direct result of a Triggering Event if (A) your employment Terminates following the expiration of a specific term of employment previously identified between you and AEP, regardless of the reason for not extending or renewing your employment, or (B) you fail to continue to provide services to AEP up to and including the date established by AEP for the Termination of your employment pursuant to the Triggering Event, or (C) AEP does not present you with a Severance and Release of All Claims Agreement in connection with the Termination of your employment with AEP. AEP retains sole discretion over any determination of whether and when it will present you with a Severance and Release of All Claims Agreement and the terms of any such agreement.

"Severance and Release of All Claims Agreement" means a Severance and Release of All Claims Agreement in a form acceptable to AEP or its Subsidiary, whereby you agree to waive and release AEP, all AEP System companies and all of their respective officers, directors, employees, agents and representatives of and from any and all claims.

"Termination" means termination of employment with AEP for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the HRC from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with AEP will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of AEP or part thereof under circumstances that are not a Change in Control.

"Vesting Date" means each date set forth above in the Vesting Schedule.

RSUs Are Nontransferable
No RSUs shall be sold, exchanged, pledged, transferred, assigned, or otherwise encumbered, hypothecated or disposed of by you (or any beneficiary).

Recoupment of Incentive Compensation
By accepting this Award, you agree to reimburse AEP for compensation awarded, earned, received or paid to you under this Award agreement with respect to the relevant time period if the Board, in its discretion, determines that:

- You are a Covered Employee (as defined in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time), and
- This RSU award or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

Therefore, if and to the extent that, in the Board's view, the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on AEP to obtain reimbursement of such compensation, then you will be required to reimburse AEP for the value of such compensation paid to you. Any such reimbursement must be paid in full to AEP within ninety (90) days of AEP's issuance of its notice to you. By entering into this Agreement, you further agree and consent that AEP also may retain any deferred compensation previously credited to you and not paid, provided that AEP will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights AEP might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by AEP or otherwise based on applicable legal considerations, all of which are expressly retained by AEP.

Conversion of Vested Stock Units and Delivery of Shares

Conversion to AEP Common Stock: Upon vesting, each vested RSU (including each vested Granted RSU and each vested Dividend Equivalent RSU) shall be converted into a single share of AEP Common Stock for delivery in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below. Fractional RSUs that constitute less than a single share may be paid in Shares of AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Delivery of Shares of AEP Common Stock: The Shares of AEP Common Stock resulting from the conversion of your vested RSUs shall be delivered to you or to an account set up for your benefit with a broker/dealer designated by the Company (the "Broker/Dealer Account") within a reasonable time (generally 3 days) after such shares are converted as described in the section of this award agreement entitled Conversion to AEP Common Stock

or Cash Payment, above. Such Shares shall be delivered on or before March 15 of the calendar year following the calendar year during which the RSUs became vested.

AEP Common Stock and all LTIP participants remain subject to all applicable legal and regulatory restrictions such as insider trading restrictions and black-out periods and as otherwise specified by this award agreement (see, for example, the section of this award agreement entitled Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65).

Tax Withholding

AEP retains discretion to withhold any and all applicable income, employment and other taxes required to be withheld in connection with these RSUs. AEP may reduce the number of vested RSUs credited to you or the number of Shares of AEP Common Stock delivered to you to satisfy such tax withholding obligation. The amount of such reduction shall be based upon the Fair Market Value of AEP Common Stock at that time; provided, however, that any reduction to your vested RSUs for applicable tax withholding shall not exceed such limits as may be applicable to comply with the requirements of Code Section 409A.

LTIP Incorporated By Reference

This Agreement is subject in all respects to the terms and provisions of the LTIP, all the terms and provisions of which are made a part of and incorporated in this Agreement (as if they were expressly set forth herein). In the event of any conflict between the terms of this Agreement and the terms of the LTIP, the terms of the LTIP shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the LTIP.

No Special Employment Rights

Nothing contained in the LTIP or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue your employment for the Vesting Period or for any other period. Your employment with AEP is and will remain at all times "at-will."

Cancellation

The RSUs subject to this award agreement shall be canceled and be of no force or effect upon forfeiture in accordance with the terms and provisions of the relevant sections of this award agreement, including the section entitled Other Terminations, above.

Notice

Any Notice that may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via fax transmission, overnight courier service or certified mail, postage prepaid, properly addressed as follows:

Notice to AEP: If such notice is to AEP, to the attention of the Executive Compensation Department, American Electric Power, 1 Riverside Plaza, Columbus, OH 43215, or at such other address as AEP, by notice to you, may designate in writing from time to time.

Notice to You: If such notice is to you, at the address as shown on the records of AEP or at such other address as you, by notice to AEP, may designate in writing from time to time.

IN WITNESS WHEREOF, AEP has caused this Agreement to be executed by its duly authorized officer as of the Grant Date specified above. This Agreement will not become effective until you accept it. If you have not properly accepted this Agreement by the day immediately preceding the First Vesting Date (or, if later, by the last day of the second month after the Grant Date), (A) any Granted RSUs (and related Dividend Equivalent RSUs) to the extent not then vested shall be forfeited and (B) you shall be deemed to have accepted this Agreement only with respect to any RSUs and Dividend Equivalent RSUs that vested before the First Vesting Date.

AMERICAN ELECTRIC POWER COMPANY, INC.



By:_____
Nicholas K. Akins
President and Chief Executive Officer

EXAMPLES
RESTRICTED STOCK UNIT AWARD AGREEMENT

The Restricted Stock Unit Award Agreement includes provisions for prorated vesting for Severance and for Officers who Terminate Due to Mandatory Retirement at Age 65. The following examples **assume** that the award agreement provides the Effective Date and Vesting Schedule indicated below.

Effective Date: **January 1 of year 1**

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21 of year 2	33 1/3%
February 21 of year 3	33 1/3%
February 21 of year 4	33 1/3%

Prorated Vesting for Severance: If you would incur a Severance Date on October 10 of year 2 in connection with the Termination of your employment on September 30 of year 2 as the direct result of a Triggering Event, the fractional percentage of your Granted RSUs would be determined as follows: there are 21 whole months from the Effective Date to the Termination Date divided by 37 whole months in the vesting period (21/37 or 56.8%), reduced by the about 33.3% of your Granted RSUs that vested on Februay 21 of year 2, such that 23.5% (56.8% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Severance Date on October 10th of year 2.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: If you would incur a Mandatory Retirement Date on December 15th of year 2, the fractional percentage of your Granted RSUs would be determined as follows: there are 23 whole months from the Effective Date to the Mandatory Retirement Date divided by 37 whole months in the vesting period (23/37 or 62.2%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that 28.9% (62.2% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Mandatory Retirement Date on December 15th of year 2.

PERFORMANCE SHARE AWARD AGREEMENT

AEP SYSTEM 2015 LONG-TERM INCENTIVE PLAN

This Award Agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP).

[Participant Name] is hereby granted the number of performance shares listed below effective January 1, 2023 (Effective Date):

Grant Date	Performance Period	Performance Shares
[Grant Date]	January 1, 2023 – December 31, 2025	**[# of Shares Granted]**

Overview
Performance shares are a type of long-term incentive compensation. They do not convey to you any voting, dividend, or other rights associated with shares of AEP Common Stock, but they do accrue Dividend Credits that are generally equal to the value of dividends paid on shares of AEP Common Stock. The value of each performance share that you may ultimately earn is dependent on the value of AEP Common Stock, while the number of performance shares that you may ultimately earn is dependent on the Overall Performance Score, which may range from 0% to 200% and is contingent on the vesting of your performance shares (see projection example on p. 8). The Overall Performance Score is based on the achievement of the Performance Measures established by the HR Committee of the Board of Directors of American Electric Power Company, Inc. (HR Committee) for this Performance Period. These performance shares generally will vest subject to your continuous AEP employment through the Vesting Date.

At the end of the Performance Period, these performance shares entitle you to a payment, to the extent they are not voluntarily or mandatorily deferred, of a number of shares of AEP Common Stock equal to the number of vested performance shares, including Dividend Credits (see Dividend Credits below), multiplied by the Overall Performance Score. Any fractional shares resulting from this calculation may be paid in AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Your performance share payment will be deferred if you have made or make a valid deferral election under the American Electric Power System Incentive Compensation Deferral Plan (ICDP) or if you are subject to an unsatisfied minimum stock ownership requirement pursuant to the American Electric Power System Stock Ownership Requirement Plan (SORP). If you have an unsatisfied minimum stock ownership requirement, your vested performance shares will be mandatorily deferred into "AEP Career Shares," to the extent needed to satisfy your applicable requirement. The remainder will be paid to you in shares of AEP Common Stock (less applicable taxes), with any fractional shares paid in AEP Common Stock, cash, additional income tax withholding or any combination thereof, at AEP's option.

Dividend Credits
Beginning after the later of the Effective Date or the Grant Date, dividend credits are awarded on all outstanding (un-canceled) performance shares as of the dividend record date as additional performance shares when a dividend is paid on AEP Common Stock. The number of additional performance shares awarded due to dividends is calculated by multiplying the value of the dividend on a per share basis by the number of performance shares credited to you as of the dividend record date and dividing this result by the closing price of AEP Common Stock on the dividend payment date. These additional performance shares are subject to the same performance measures and vesting requirements as the original underlying performance shares on which they were awarded. As such, they will be canceled if and to the extent that the underlying performance shares on which they were granted have been canceled. See "Payment of Earned Performance Shares"

PERFORMANCE SHARE AWARD AGREEMENT

AEP SYSTEM 2015 LONG-TERM INCENTIVE PLAN

This Award Agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP).

[Participant Name] is hereby granted the number of performance shares listed below effective January 1, 2024 (Effective Date):

Grant Date	Performance Period	Performance Shares
[Grant Date]	January 1, 2024 – December 31, 2026	**[# of Shares Granted]**

Overview
Performance shares are a type of long-term incentive compensation. They do not convey to you any voting, dividend, or other rights associated with shares of AEP Common Stock, but they do accrue Dividend Credits that are generally equal to the value of dividends paid on shares of AEP Common Stock. The value of each performance share that you may ultimately earn is dependent on the value of AEP Common Stock, while the number of performance shares that you may ultimately earn is dependent on the Overall Performance Score, which may range from 0% to 200% and is contingent on the vesting of your performance shares (see projection example on p. 8). The Overall Performance Score is based on the achievement of the Performance Measures established by the HR Committee of the Board of Directors of American Electric Power Company, Inc. (HR Committee) for this Performance Period. These performance shares generally will vest subject to your continuous AEP employment through the Vesting Date.

At the end of the Performance Period, these performance shares entitle you to a payment, to the extent they are not voluntarily or mandatorily deferred, of a number of shares of AEP Common Stock equal to the number of vested performance shares, including Dividend Credits (see Dividend Credits below), multiplied by the Overall Performance Score. Any fractional shares resulting from this calculation may be paid in AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Your performance share payment will be deferred if you have made or make a valid deferral election under the American Electric Power System Incentive Compensation Deferral Plan (ICDP) or if you are subject to an unsatisfied minimum stock ownership requirement pursuant to the American Electric Power System Stock Ownership Requirement Plan (SORP). If you have an unsatisfied minimum stock ownership requirement, your vested performance shares will be mandatorily deferred into "AEP Career Shares," to the extent needed to satisfy your applicable requirement. The remainder will be paid to you in shares of AEP Common Stock (less applicable taxes), with any fractional shares paid in AEP Common Stock, cash, additional income tax withholding or any combination thereof, at AEP's option.

Dividend Credits
Beginning after the later of the Effective Date or the Grant Date, dividend credits are awarded on all outstanding (un-canceled) performance shares as of the dividend record date as additional performance shares when a dividend is paid on AEP Common Stock. The number of additional performance shares awarded due to dividends is calculated by multiplying the value of the dividend on a per share basis by the number of performance shares credited to you as of the dividend record date and dividing this result by the closing price of AEP Common Stock on the dividend payment date. These additional performance shares are subject to the same performance measures and vesting requirements as the original underlying performance shares on which they were awarded. As such, they will be canceled if and to the extent that the underlying performance shares on which they were granted are canceled. See "Payment of Earned Performance Shares" section

below regarding the handling of Dividend Credits in the event performance shares are paid between the dividend record date and the dividend payment date.

Performance Measure
The performance score for the three-year Performance Period will be determined by three performance measures:

Weight	Three-Year Performance Measure
50%	Operating EPS - Cumulative operating earnings per share (EPS) relative to a target approved by the HR Committee.
40%	Relative TSR - The percentile of AEP's total shareholder return (TSR) relative to a Comparator Group consisting of the 25 companies included in AEP's custom TSR peer group at the beginning of the Performance Period.
10%	Maintaining Reliability Through the Clean Energy Transition - Measured at the end of the performance period as the nameplate megawatts (MW) of owned and PPA (purchase power agreement) non- and low-emitting generating capacity additions approved by regulators in proportion to the nameplate MW of qualifying generating capacity additions decided upon by Public Utility Commissions, relative to a target approved by the HR Committee. Qualifying generation technologies include renewables (e.g. solar, wind), energy storage, natural gas, nuclear, generation technologies that are non- or low-emitting, and other technologies that have installed carbon capture and sequestration (CCS).

The score for each performance measure may range from 0% to 200%. The HR Committee has adopted procedures for determining the Comparator Group for purposes of the TSR performance measure in the event there is a merger, acquisition, disposition, liquidation or other corporate transaction that affects AEP's compensation peer group during the Performance Period.

Overall Performance Score
The Overall Performance Score for the Performance Period will be the sum of the scores for the above performance measures each weighted as shown. The HR Committee may, at its sole discretion, reduce the performance score for any or all performance measures and, thereby, reduce or eliminate award payouts. The HR Committee may, at its sole discretion, reduce or eliminate award payouts for one or more individual participants. The HR Committee also has full discretionary authority to interpret the terms and intent of this Award Agreement.

Vesting Period
All outstanding (un-canceled) performance shares held with respect to the Performance Period will vest on the last day of the Performance Period (the Vesting Date), subject to your continuous AEP employment through that Vesting Date, except as described below under Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event and under Change in Control and Qualifying Termination.

Payment of Earned Performance Share Awards
For those participants who are not subject to a minimum stock ownership requirement[1] or who timely satisfied all of their minimum stock ownership requirements:

Following the conclusion of the vesting period and the approval by the HR Committee, earned performance shares will be either:

[1] Participants are notified if and when they are assigned a minimum stock ownership requirement.

1. Paid in shares of AEP Common Stock to you (or to your beneficiary or estate in the event of your death); or
2. Deferred, if you make a timely deferral election pursuant to the ICDP. Eligible participants will be notified if and when they may make an "election to defer" pursuant to the ICDP.

For those participants who do not timely satisfy their minimum stock ownership requirement:
If you are subject to an unsatisfied minimum stock ownership requirement in accordance with the SORP, your earned performance shares will be deferred into AEP Career Shares to the extent required to meet your requirement. The SORP currently requires the deferral of earned performance shares into AEP Career Shares to the extent required to meet each participant's applicable stock ownership requirement as of the applicable Determination Date (currently considered to be the later of the Grant Date or six months prior to the end of the Performance Period), less any additional AEP Career Shares that accrue due to dividends prior to the date the performance scores are approved by the HR Committee. The SORP also currently requires AEP Career Shares to be held until after a participant's employment with the Company Terminates. Earned performance shares mandatorily deferred into AEP Career Shares are converted to AEP Career Shares on a one for one basis. The balance of earned performance shares not deferred into AEP Career Shares, if any, will be paid or deferred as described in the paragraph above for participants not subject to minimum stock ownership requirements.

In the event performance shares are paid between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, from the underlying performance shares as of or following the dividend payment date.

Earned performance shares that are not deferred will be paid within 2-1/2 months following the Vesting Date unless payment at that time would violate federal securities laws or other applicable law or if payment at that time is impracticable due to circumstances prescribed under section 409A of the Internal Revenue Code. Payments are made by a deposit of shares into a brokerage account set up for you at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event
If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. The prorated portion that will remain outstanding will equal the number of whole months from the Effective Date through your Termination date divided by the number of whole months from the Effective Date through the Vesting Date. The prorated portion that remains outstanding will vest as of the Vesting Date and will be subjected to the applicable Overall Performance Score. Such performance shares will become payable after the conclusion of the three-year performance and vesting period in accordance with the "Payment of Earned Performance Share Awards" section above. See example on p. 9.

Termination (other than Qualifying Termination) for Reasons Other Than Death, Retirement or Triggering Event
In the event your employment is Terminated prior to the Vesting Date other than as a Qualifying Termination or for reasons other than your death, Retirement or as the result of a Triggering Event, all performance shares granted under this Award Agreement shall be canceled and your rights under this Award Agreement shall be forfeited.

Payment Upon Death
In the event of your death, amounts that otherwise would have become payable to you will be paid to the beneficiary or beneficiaries designated for purposes of the LTIP, or, if you have no such designated beneficiaries who survive you, to your estate. Such payments are expected to be made by a deposit of shares into a brokerage account set up for your beneficiary or your estate, as appropriate, at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

AEP Career Shares
Please refer to the terms of the SORP to determine how performance shares that are deferred into AEP Career Shares will be administered. An overview of the AEP minimum stock ownership requirements is available for those who are subject to such a requirement.

Definitions:
In addition to the terms defined elsewhere in this Award Agreement, the following shall be defined terms when used in this Award Agreement:

"**Cause**" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your Company employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of the Company; (iii) engagement in activities or conduct injurious to the best interest or reputation of the Company as determined by your Company employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with the Company; (vi) violation of any of the Company's rules of conduct of behavior, such as may be provided in any employee handbook or as the Company may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with the Company which is injurious to the best interest or reputation of the Company as determined by your Company employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"**Company**" means American Electric Power Company, Inc. and its subsidiaries and affiliates.

"Disability" or "Disabled" means you that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your lack of eligibility to participate in the LTD Plan.

"**Good Reason**" means

(i) an adverse change in your status, duties or responsibilities as an employee of the Company as in effect immediately prior to the Change In Control;

(ii) failure of the Company to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between the Company and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary in effect on the date of the Change In Control;

(iv) the taking of any action by the Company (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under the Company's benefit plans or policies in

which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other employees of the Company holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of the Company to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by the Company of the terms of an employment agreement between the Company and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given the Company written notice of such circumstance, and (2) the Company shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to the Company shall specify (A) the effective date for your proposed Termination of employment (provided that such effective date may not precede the expiration of the period for the Company's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for Termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"**Qualifying Termination**" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable Company sick pay plan, short term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your Retirement, (v) by the Company for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by the Company without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"**Retirement**" means Termination of employment with the Company other than for Cause (including resignation in lieu of discharge for Cause) (A) after attaining age 55 and having completed at least ten (10) years of Company service or (B) pursuant to AEP's Mandatory Retirement Policy.

"**Termination**" means termination of employment with the Company for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the HR Committee from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with the Company will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of the Company or part thereof under circumstances that are not a Change in Control.

Capitalized terms that are not defined in this Award Agreement shall have the meaning set forth in the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time.

Recoupment of Incentive Compensation
By accepting this Award, you agree to reimburse the Company for compensation awarded, earned, received or paid to you under this Award Agreement as and when provided in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time (the "Recoupment Policy").

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy (excluding this Award Agreement) shall govern.

You are agreeing to reimburse AEP for compensation under this Award Agreement if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results;

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. By entering into this Award Agreement, you further agree and consent that the Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

Change in Control and Qualifying Termination
Notwithstanding any provision of the Plan to the contrary, if you incur a Qualifying Termination prior to the Vesting Date, (a) all of your outstanding performance shares shall be deemed to have been fully earned at a 100% Overall Performance Score as of the date of your Qualifying Termination, (b) all restrictions, terms and conditions applicable to all of your performance shares then outstanding shall be deemed lapsed and satisfied as of the date of your Qualifying Termination, and (c) performance shares held by you will be paid in a lump sum in cash, to you, as soon as administratively feasible after the date of your Qualifying Termination, but no later than 2-1/2 months following the calendar year of your

Qualifying Termination.[2] For this purpose, the value of the performance shares shall be the closing market price of one share of AEP Common Stock for the date of your Qualifying Termination, or, if your Qualifying Termination is coincident with the date of the Change In Control, the value of your performance shares shall be determined by (i) if the Change in Control is the result of a tender or exchange offer for, merger of, or sale or disposition of all or substantially all of the assets of the Company, the consideration per share of Common Stock received by the shareholders in connection with such transaction, or, if (i) is not applicable, (ii) the closing price of a share of Common Stock on the date of the Change in Control. To the extent that the consideration paid in any such transaction described in (i) above consists all or in part of securities or other non-cash consideration, the value of such securities and other non-cash consideration shall be the fair market value as determined by such reasonable methods or procedures as shall be established by the Committee.

The Company shall reimburse you for the legal fees and related expenses incurred if you are required to seek to obtain or enforce your right to a distribution in connection with a Qualifying Termination as described in this section, provided that to the extent that any such reimbursements are taxable to you, the reimbursements shall be paid to you only if the fees and expenses are incurred prior to the date that the distribution is paid to you and you submit written documentation of such fees and expenses to the Company within 6 months after such fees and expenses are incurred. The amount of the fees and expenses that are eligible for reimbursement during one calendar year shall not affect the amount of reimbursements to be provided in any subsequent calendar year. The reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the fee or expense was incurred. The right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

In the event that it is determined that you are properly entitled to a cash distribution under this section, you shall also be entitled to interest thereon at the prime rate of interest as published in *The Wall Street Journal* plus two percent from the date such distribution should have been made to and including the date it is made.

The determination of whether and when a "Change in Control of the Company" occurs with regard to outstanding performance shares will be made by reference to the terms of the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time, except as otherwise specified in this Award Agreement.

This Award Agreement becomes void if you do not accept it prior to the Vesting Date.



Benjamin G. S. Fowke, III
President and Chief Executive Officer

[Name]

[2] However, (i) if you are a participant in the SORP, the availability of your performance shares upon your Qualifying Termination also will take into account the provisions of the SORP; and (ii) if you have submitted an effective election to defer payment of all or any portion of your performance shares pursuant to the ICDP, the availability of your performance shares following your Qualifying Termination will be determined in accordance with the provisions of the ICDP.

Performance Share Award Value Projection

For Example Purposes Only

	Date	Price/Share[1]	Shares Credited	Share Balance	Value
Awarded[2]	Y1, Q1	$82.45	70.042*	70.042	$ 5,774.96
Dividend Credit	Y1, Q2	$83.79	0.736	70.778	
Dividend Credit	Y1, Q3	$85.15	0.731	71.509	
Dividend Credit[3]	Y1, Q4	$86.54	0.777	72.286	
Dividend Credit	Y2, Q1	$87.94	0.773	73.059	
Dividend Credit	Y2, Q2	$89.37	0.768	73.827	
Dividend Credit	Y2, Q3	$90.82	0.764	74.591	
Dividend Credit[3]	Y2, Q4	$92.30	0.808	75.399	
Dividend Credit	Y3, Q1	$93.80	0.804	76.203	
Dividend Credit	Y3, Q2	$95.32	0.799	77.002	
Dividend Credit	Y3, Q3	$96.87	0.795	77.797	
Dividend Credit[3]	Y3, Q4	**$98.45**	0.846	78.643	

Performance Measures	Score	Weight	Weighted Score
Operating EPS	80.0%	50%	40.0%
Relative Total Shareholder Return	125.0%	40%	50.0%
Maintaining Reliability Through the Clean Energy Transition	120.0%	10%	12.0%
	Award Score:		102.0%
	x Share Balance[3]:		78.643
	Ending Share Balance:		**80.216**
Value at End of Vesting Period:	**$98.45** ×	**92.853** =	**$ 7,896.92**

* 75% of LTI planned amount (Value) divided by Price per Share at Grant

[1] Assumes AEP's share price grows at AEP's 6.5% current long-term earnings growth rate guidance rate.

[2] LTI is granted after the record date for the Q1 dividend, so there is not a dividend credit for this quarter.

[3] Assumes 6.5% dividend growth each Q4, which is AEP's current long-term earnings growth guidance.

EXAMPLE

PERFORMANCE SHARE AWARD AGREEMENT

This Performance Share Award Agreement includes provisions for prorated vesting in the event that your employment is terminated (other than Qualifying Termination) due to your death, Retirement or a Triggering Event. The following example **assumes** that the award agreement provides the Effective Date and Vesting Date indicated below.

Effective Date:	**January 1, of year 1**
Vesting Date	**December 31, of year 3**

Prorated Vesting in the event of death, Retirement or a Triggering Event: If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. For example, if your employment Terminates on October 10th of year 1 for one or more of the above reasons, then the fractional percentage of your Granted RSUs that would remain outstanding would be determined as follows: there are 9 whole months from the Effective Date to the Termination Date divided by 36 whole months in the vesting period (9/36 or 25.0%) of your Granted performance shares (along with any additional Dividend Equivalent RSUs related to that portion) would remain outstanding and the remainder would be canceled as of your termination date. The shares that remain outstanding would continue to accrue additional performance shares due to Dividend Credits through the vesting date. After the conclusion of the Performance Period the outstanding shares would be multiplied by the applicable performance score and the resulting total would vest and become payable in accordance with the "Payment of Earned Performance Share Awards" section above.

RESTRICTED STOCK UNIT AWARD AGREEMENT

AEP SYSTEM 2015 LONG-TERM INCENTIVE PLAN

This award agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP) under which the restricted stock units described herein are awarded.

[Participant Name] is hereby granted the number of restricted stock units listed below:

Number of Restricted Stock Units Granted: **<<# Shares Granted>>**
Grant Date: **February 23, 2024**
Effective Date: January 1, 2024

Vesting Schedule	
Vesting Dates	**Percentage of Granted Units**
February 21, 2025 ("First Vesting Date")	33 1/3%
February 21, 2026	33 1/3%
February 21, 2027	33 1/3%

Restricted Stock Units ("RSUs")
This award agreement entitles you to the aggregate number of RSUs specified above ("Granted RSUs") each of which, if and when it vests, will convert to a single Share of AEP's Common Stock. Upon vesting, RSUs are converted to AEP Common Stock and delivered to you in accordance with the other terms and provisions of this Agreement. RSUs have no voting rights and are not entitled to receive any dividend declared on AEP Common Stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP Common Stock, as described below.

Dividend Equivalent RSUs
Beginning after the later of the Effective Date or the Grant Date, additional Dividend Equivalent RSUs with a value equal to the value of dividends paid on AEP Common Stock are credited on outstanding (un-canceled) RSUs. The number of additional RSUs awarded due to dividends is calculated as the value of the dividend for a number of Shares of AEP Common Stock equal to the number of outstanding RSUs on the dividend payment date divided by the closing price of AEP Common Stock on the dividend payment date.

No additional RSUs will be awarded as Dividend Equivalent RSUs after conversion of the related RSUs into Shares of AEP Common Stock. See Conversion of Vested Stock Units and Delivery of Shares, below.

Vesting of Granted RSUs
Your Granted RSUs shall vest, subject to your continuous AEP employment through a vesting date, in accordance with the above vesting schedule, except as otherwise provided for in this Agreement. See also the sections of this award agreement entitled Vesting of Dividend Equivalent RSUs and Accelerated Vesting of RSUs below.

Vesting of Dividend Equivalent RSUs
Dividend Equivalent RSUs vest at the same time as the Granted RSUs to which they relate vest. Also see the sections of this award agreement entitled Vesting of Granted RSUs above and Accelerated Vesting of RSUs below.

Accelerated Vesting of RSUs
RSUs may vest earlier than the dates shown in the Vesting Schedule, above, as follows:

Prorated Vesting for Severance: If you qualify for a Severance Date, as defined below, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest as of your Severance Date. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through the date your employment with AEP Terminates as the direct result of the Triggering Event divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date your employment with AEP Terminates as the direct result of the Triggering Event.

See attached Example.

RSUs that vest as a result of your severance shall be converted to AEP Common Stock and delivered to you as of your Severance Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: As of your Mandatory Retirement Date, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through your Mandatory Retirement Date divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of your Mandatory Retirement Date.

See attached Example.

RSUs that vest as a result of your Mandatory Retirement Date shall be converted to AEP Common Stock and delivered to you as of your Mandatory Retirement Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below. If you hold a salary grade 18 or higher position with AEP, the Shares of AEP Common Stock delivered to you by reason of this section shall be subject to transfer restrictions such that you will be required to retain ownership of such Shares until the second anniversary of your Mandatory Retirement Date, except that you will be permitted to cause the sale of so many of such Shares as would allow you to cover your liability for the applicable taxes directly associated with your receipt of those Shares.

Death: Upon your death prior to the Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into AEP Common Stock and delivered to your designated beneficiary or beneficiaries under the LTIP (or, if you have not effectively designated any beneficiary under the LTIP, to your estate) as soon as administratively practicable following your death.

Change In Control: Upon a Qualifying Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into Shares and delivered as of the date of the Qualifying Termination in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Other Terminations

Except as provided above under the Accelerated Vesting section with respect to a Change in Control and as provided in the following sentence involving circumstances that may give rise to a Severance Date for you, upon the Termination of your employment for any reason prior to your Mandatory Retirement Date or your death, any unvested Granted RSUs and unvested Dividend Equivalent RSUs shall be forfeited, and you shall have no rights or interests in or with respect to such unvested RSUs. If your employment with AEP is Terminated under circumstances that may give rise to a Severance Date for you, to the extent your unvested Granted RSUs and unvested Dividend Equivalent RSUs do not vest by reason of a Severance Date for you, they shall be forfeited as of the date it becomes certain that such Severance Date shall not occur.

Definitions

In addition to the terms defined elsewhere in this Agreement, the following shall be defined terms when used in this Agreement:

"AEP" means American Electric Power Company, Inc.; a New York corporation; and its subsidiaries and affiliates.

"Cause" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your AEP employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of AEP; (iii) engagement in

activities or conduct injurious to the best interest or reputation of AEP as determined by your AEP employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with AEP; (vi) violation of any of AEP's rules of conduct of behavior, such as may be provided in any employee handbook or as AEP may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with AEP which is injurious to the best interest or reputation of AEP as determined by your AEP employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"Disability" or "Disabled" means that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your not being in a classification eligible to participate in the LTD Plan.

"Good Reason" applies if a Change of Control occurred and means

(i) an adverse change in your status, duties or responsibilities as an employee of AEP as in effect immediately prior to the Change In Control;

(ii) failure of AEP to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between AEP and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary as in effect on the date of the Change In Control;

(iv) the taking of any action by AEP (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under AEP's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other

employees of AEP holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of AEP to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by AEP of the terms of an employment agreement between AEP and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given AEP written notice of such circumstance, and (2) AEP shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to AEP shall specify (A) the effective date for your proposed termination of employment (provided that such effective date may not precede the expiration of the period for AEP's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"Mandatory Retirement Date" means the date of your Termination, if all of the following conditions are satisfied: (i) you are an officer of AEP subject to mandatory retirement at age 65, and (ii) your employment with AEP Terminates on the date you attain age 65 or such later date specified by the Board of Directors of AEP (or such person or committee to whom the Board delegates the authority to make such determinations) adopted prior to the date you attain age 65 or such later date as may be specified.

"Qualifying Termination" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable AEP sick pay plan, short-term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your attaining your Mandatory Retirement Date, (v) by AEP for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by AEP without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"Severance Date" means the date that all of the following conditions are satisfied at least 4 business days before March 15 of the calendar year immediately following the calendar year in which your employment with AEP Terminates: (i) your Termination is not a Qualifying Termination, (ii) your employment with AEP is Terminated prior to your Mandatory Retirement Date in a manner that is the direct result of a Triggering Event and that is either (I) an involuntary Termination by the unilateral authority of AEP without Cause, and not due to your implicit or explicit request, where you are willing and able to continue performing services, or (II) a voluntary Termination by you pursuant to a window program that has been designed and implemented by AEP in a manner that is not inconsistent with the requirements imposed by regulatory or other authoritative guidance issued under Code Section 409A with respect to separation pay plans, (iii) you are presented with and then timely sign and return an effective Severance and Release of All Claims Agreement; (iv) on or before the date your Severance and Release of All Claims Agreement becomes irrevocable by you, you neither receive an opportunity to continue employment with a purchaser, successor or other applicable entity associated with the Triggering Event, under such terms and conditions that are specified or negotiated by or on behalf of AEP nor an offer of employment with AEP that is at the same or higher base pay (determined without regard to overtime pay, bonuses, premium payments, incentive compensation or any other form of additional compensation) and that does not require relocation of your primary residence. For purposes of clause (ii), your employment will not be considered Terminated as the direct result of a Triggering Event if (A) your employment Terminates following the expiration of a specific term of employment previously identified between you and AEP, regardless of the reason for not extending or renewing your employment, or (B) you fail to continue to provide services to AEP up to and including the date established by AEP for the Termination of your employment pursuant to the Triggering Event, or (C) AEP does not present you with a Severance and Release of All Claims Agreement in connection with the Termination of your employment with AEP. AEP retains sole discretion over any determination of whether and when it will present you with a Severance and Release of All Claims Agreement and the terms of any such agreement.

"Severance and Release of All Claims Agreement" means a Severance and Release of All Claims Agreement in a form acceptable to AEP or its Subsidiary, whereby you agree to waive and release AEP, all AEP System companies and all of their respective officers, directors, employees, agents and representatives of and from any and all claims.

"Termination" means termination of employment with AEP for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the Human Resources Committee of the Board of Directors of American Electric Power Company, Inc., from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with AEP will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of AEP or part thereof under circumstances that are not a Change in Control.

"Vesting Date" means each date set forth above in the Vesting Schedule.

RSUs Are Nontransferable

No RSUs shall be sold, exchanged, pledged, transferred, assigned, or otherwise encumbered, hypothecated or disposed of by you (or any beneficiary).

Recoupment of Incentive Compensation

By accepting this Award, you agree to reimburse AEP for compensation awarded, earned, received or paid to you under this Award agreement as and when provided in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time (the "Recoupment Policy").

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy (excluding this Award Agreement) shall govern.

You are agreeing to reimburse AEP for compensation under this Award Agreement if the Board of Directors of American Electric Power Company, Inc. (the "Board"), in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the Board's view, either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on AEP to obtain reimbursement of such compensation, then you will be required to reimburse AEP for the value of such compensation paid to you. Any such reimbursement must be paid in full to AEP within ninety (90) days of AEP's issuance of its notice to you. By entering into this Agreement, you further agree and consent that AEP also may retain

any deferred compensation previously credited to you and not paid, provided that AEP will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights AEP might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by AEP or otherwise based on applicable legal considerations, all of which are expressly retained by AEP.

Conversion of Vested Stock Units and Delivery of Shares

Conversion to AEP Common Stock: Upon vesting, each vested RSU (including each vested Granted RSU and each vested Dividend Equivalent RSU) shall be converted into a single share of AEP Common Stock for delivery in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock below. Fractional RSUs that constitute less than a single share may be paid in Shares of AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Delivery of Shares of AEP Common Stock: The Shares of AEP Common Stock resulting from the conversion of your vested RSUs shall be delivered to you or to an account set up for your benefit with a broker/dealer designated by the Company (the "Broker/Dealer Account") within a reasonable time (generally 3 days) after such shares are converted as described in the section of this award agreement entitled Conversion to AEP Common Stock above. Such Shares shall be delivered on or before March 15 of the calendar year following the calendar year during which the RSUs became vested.

AEP Common Stock and all LTIP participants remain subject to all applicable legal and regulatory restrictions such as insider trading restrictions and black-out periods and as otherwise specified by this award agreement (see, for example, the section of this award agreement entitled Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65).

Tax Withholding

AEP retains discretion to withhold any and all applicable income, employment and other taxes required to be withheld in connection with these RSUs. AEP may reduce the number of vested RSUs credited to you or the number of Shares of AEP Common Stock delivered to you to satisfy such tax withholding obligation. The amount of such reduction shall be based upon the Fair Market Value of AEP Common Stock at that time; provided, however, that any reduction to your vested RSUs for applicable tax withholding shall not exceed such limits as may be applicable to comply with the requirements of Code Section 409A.

LTIP Incorporated By Reference

This Agreement is subject in all respects to the terms and provisions of the LTIP, all the terms and provisions of which are made a part of and incorporated in this Agreement (as if they were expressly set forth herein). In the event of any conflict between the terms of this Agreement and the terms of the LTIP, the terms of the LTIP shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the LTIP.

No Special Employment Rights

Nothing contained in the LTIP or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue your employment for the Vesting Period or for any other period. Your employment with AEP is and will remain at all times "at-will."

Cancellation

The RSUs subject to this award agreement shall be canceled and be of no force or effect upon forfeiture in accordance with the terms and provisions of the relevant sections of this award agreement, including the section entitled Other Terminations, above.

Notice

Any Notice that may be required or permitted under this Agreement shall be in writing, and shall be delivered in person, overnight courier service or certified mail, postage prepaid, properly addressed as follows:

Notice to AEP: If such notice is to AEP, to the attention of the Executive Compensation Department, American Electric Power, 1 Riverside Plaza – 15th Floor, Columbus, OH 43215, or at such other address as AEP, by notice to you, may designate in writing from time to time.

Notice to You: If such notice is to you, at the address as shown on the records of AEP or at such other address as you, by notice to AEP, may designate in writing from time to time.

IN WITNESS WHEREOF, AEP has caused this Agreement to be executed by its duly authorized officer as of the Grant Date specified above. This Agreement will not become effective until you accept it. If you have not properly accepted this Agreement by the day immediately preceding the First Vesting Date (or, if later, by the last day of the second month after the Grant Date), (A) any Granted RSUs (and related Dividend Equivalent RSUs) to the extent not then vested shall be forfeited and (B) you shall be deemed to have accepted this Agreement only with respect to any RSUs and Dividend Equivalent RSUs that vested before the First Vesting Date.

AMERICAN ELECTRIC POWER COMPANY, INC.

By:_____

Benjamin G. S. Fowke, III
President and Chief Executive Officer

EXAMPLES
RESTRICTED STOCK UNIT AWARD AGREEMENT

The Restricted Stock Unit Award Agreement includes provisions for prorated vesting for Severance and for Officers who Terminate Due to Mandatory Retirement at Age 65. The following examples **assume** that the award agreement provides the Effective Date and Vesting Schedule indicated below.

Effective Date: **January 1 of year 1**

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21 of year 2	33 1/3%
February 21 of year 3	33 1/3%
February 21 of year 4	33 1/3%

Prorated Vesting for Severance: If you would incur a Severance Date on October 10 of year 2 in connection with the Termination of your employment on September 30 of year 2 as the direct result of a Triggering Event, the fractional percentage of your Granted RSUs would be determined as follows: there are 21 whole months from the Effective Date to the Termination Date divided by 37 whole months in the vesting period (21/37 or 56.8%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that about 23.5% (56.8% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Severance Date on October 10th of year 2.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: If you would incur a Mandatory Retirement Date on December 15th of year 2, the fractional percentage of your Granted RSUs would be determined as follows: there are 23 whole months from the Effective Date to the Mandatory Retirement Date divided by 37 whole months in the vesting period (23/37 or 62.2%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that about 28.9% (62.2% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Mandatory Retirement Date on December 15th of year 2.

section below regarding the handling of Dividend Credits in the event performance shares are paid between the dividend record date and the dividend payment date.

Performance Measure
The performance score for the three-year Performance Period will be determined by three performance measures:

Weight	Three-Year Performance Measure
50%	Operating EPS - Cumulative operating earnings per share (EPS) relative to a target approved by the HR Committee.
40%	Relative TSR - The percentile of AEP's total shareholder return (TSR) relative to a Comparator Group consisting of the 25 companies included in AEP's custom TSR peer group at the beginning of the Performance Period.
10%	Carbon Free Additions - Measured at the end of the performance period as the megawatts added during the performance period. Carbon free capacity added includes wind, solar, and storage.

The score for each performance measure may range from 0% to 200%. The HR Committee has adopted procedures for determining the Comparator Group for purposes of the TSR performance measure in the event there is a merger, acquisition, disposition, liquidation or other corporate transaction that affects AEP's compensation peer group during the Performance Period.

Overall Performance Score
The Overall Performance Score for the Performance Period will be the sum of the scores for the above performance measures each weighted as shown. The HR Committee may, at its sole discretion, reduce the performance score for any or all performance measures and, thereby, reduce or eliminate award payouts. The HR Committee may, at its sole discretion, reduce or eliminate award payouts for one or more individual participants. The HR Committee also has full discretionary authority to interpret the terms and intent of this Award Agreement.

Vesting Period
All outstanding (un-canceled) performance shares held with respect to the Performance Period will vest on the last day of the Performance Period (the Vesting Date), subject to your continuous AEP employment through that Vesting Date, except as described below under Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event and under Change in Control and Qualifying Termination.

Payment of Earned Performance Share Awards
<u>For those participants who are not subject to a minimum stock ownership requirement[1] or who timely satisfied all of their minimum stock ownership requirements</u>:

Following the conclusion of the vesting period and the approval by the HR Committee, earned performance shares will be either:
1. Paid in shares of AEP Common Stock to you (or to your beneficiary or estate in the event of your death); or
2. Deferred, if you make a timely deferral election pursuant to the ICDP. Eligible participants will be notified if and when they may make an "election to defer" pursuant to the ICDP.

<u>For those participants who do not timely satisfy their minimum stock ownership requirement</u>:

[1] Participants are notified if and when they are assigned a minimum stock ownership requirement.

If you are subject to an unsatisfied minimum stock ownership requirement in accordance with the SORP, your earned performance shares will be deferred into AEP Career Shares to the extent required to meet your requirement. The SORP currently requires the deferral of earned performance shares into AEP Career Shares to the extent required to meet each participant's applicable stock ownership requirement as of the applicable Determination Date (currently considered to be the later of the Grant Date or six months prior to the end of the Performance Period), less any additional AEP Career Shares that accrue due to dividends prior to the date the performance scores are approved by the HR Committee. The SORP also currently requires AEP Career Shares to be held until after a participant's employment with the Company Terminates. Earned performance shares mandatorily deferred into AEP Career Shares are converted to AEP Career Shares on a one for one basis. The balance of earned performance shares not deferred into AEP Career Shares, if any, will be paid or deferred as described in the paragraph above for participants not subject to minimum stock ownership requirements.

In the event performance shares are paid between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, from the underlying performance shares as of or following the dividend payment date.

Earned performance shares that are not deferred will be paid within 2-1/2 months following the Vesting Date unless payment at that time would violate federal securities laws or other applicable law or if payment at that time is impracticable due to circumstances prescribed under section 409A of the Internal Revenue Code. Payments are made by a deposit of shares into a brokerage account set up for you at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event

If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. The prorated portion that will remain outstanding will equal the number of whole months from the Effective Date through your Termination date divided by the number of whole months from the Effective Date through the Vesting Date. The prorated portion that remains outstanding will vest as of the Vesting Date and will be subjected to the applicable Overall Performance Score. Such performance shares will become payable after the conclusion of the three-year performance and vesting period in accordance with the "Payment of Earned Performance Share Awards" section above. See example on p. 9.

Termination (other than Qualifying Termination) for Reasons Other Than Death, Retirement or Triggering Event

In the event your employment is Terminated prior to the Vesting Date other than as a Qualifying Termination or for reasons other than your death, Retirement or as the result of a Triggering Event, all performance shares granted under this Award Agreement shall be canceled and your rights under this Award Agreement shall be forfeited.

Payment Upon Death

In the event of your death, amounts that otherwise would have become payable to you will be paid to the beneficiary or beneficiaries designated for purposes of the LTIP, or, if you have no such designated beneficiaries who survive you, to your estate. Such payments are expected to be made by a deposit of shares into a brokerage account set up for your beneficiary or your estate, as appropriate, at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

AEP Career Shares

Please refer to the terms of the SORP to determine how performance shares that are deferred into AEP Career Shares will be administered. An overview of the AEP minimum stock ownership requirements is available for those who are subject to such a requirement.

Definitions:
In addition to the terms defined elsewhere in this Award Agreement, the following shall be defined terms when used in this Award Agreement:

"**Cause**" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your Company employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of the Company; (iii) engagement in activities or conduct injurious to the best interest or reputation of the Company as determined by your Company employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with the Company; (vi) violation of any of the Company's rules of conduct of behavior, such as may be provided in any employee handbook or as the Company may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with the Company which is injurious to the best interest or reputation of the Company as determined by your Company employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"**Company**" means American Electric Power Company, Inc. and its subsidiaries and affiliates.

"Disability" or "Disabled" means you that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your lack of eligibility to participate in the LTD Plan.

"**Good Reason**" means

(i) an adverse change in your status, duties or responsibilities as an employee of the Company as in effect immediately prior to the Change In Control;

(ii) failure of the Company to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between the Company and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary in effect on the date of the Change In Control;

(iv) the taking of any action by the Company (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under the Company's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other employees of the Company holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of the Company to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by the Company of the terms of an employment agreement between the Company and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given the Company written notice of such circumstance, and (2) the Company shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to the Company shall specify (A) the effective date for your proposed Termination of employment (provided that such effective date may not precede the expiration of the period for the Company's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for Termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"**Qualifying Termination**" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable Company sick pay plan, short term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your Retirement, (v) by the Company for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by the Company without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"**Retirement**" means Termination of employment with the Company other than for Cause (including resignation in lieu of discharge for Cause) (A) after attaining age 55 and having completed at least ten (10) years of Company service or (B) pursuant to AEP's Mandatory Retirement Policy.

"**Termination**" means termination of employment with the Company for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the AEP Human Resources Committee from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with the Company will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of the Company or part thereof under circumstances that are not a Change in Control.

Capitalized terms that are not defined in this Award Agreement shall have the meaning set forth in the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time.

Recoupment of Incentive Compensation
By accepting this Award, you agree to reimburse the Company for compensation awarded, earned, received or paid to you under this Award Agreement with respect to the relevant time period if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

- You are a Covered Employee (as defined in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time), and
- This performance share award or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. By entering into this Award Agreement, you further agree and consent that the Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you.. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

Change in Control and Qualifying Termination
Notwithstanding any provision of the Plan to the contrary, if you incur a Qualifying Termination prior to the Vesting Date, (a) all of your outstanding performance shares shall be deemed to have been fully earned at a 100% Overall Performance Score as of the date of your Qualifying Termination, (b) all restrictions, terms and conditions applicable to all of your performance shares then outstanding shall be deemed lapsed and satisfied as of the date of your Qualifying Termination, and (c) performance shares held by you will be paid in a lump sum in cash, to you, as soon as administratively feasible after the date of your Qualifying Termination, but no later than 2-1/2 months following the calendar year of your Qualifying Termination.[2] For this purpose, the value of the performance shares shall be the closing market price of one share of AEP Common Stock for the date of your Qualifying Termination, or, if your Qualifying Termination is coincident with the date of the Change In Control, the value of your performance shares shall be determined by (i) if the Change in Control is the result of a tender or exchange offer for, merger of, or sale or disposition of all or substantially all of the assets of the Company, the consideration per share of Common Stock received by the shareholders in connection with such transaction, or, if (i) is not applicable, (ii) the closing price of a share of Common Stock on the date of the Change in Control. To the extent that the consideration paid in any such transaction described in (i) above consists all or in part of securities or other non-cash consideration, the value of such securities and other non-cash consideration shall be the fair market value as determined by such reasonable methods or procedures as shall be established by the Committee.

The Company shall reimburse you for the legal fees and related expenses incurred if you are required to seek to obtain or enforce your right to a distribution in connection with a Qualifying Termination as described in this section, provided that to the extent that any such reimbursements are taxable to you, the reimbursements shall be paid to you only if the fees and expenses are incurred prior to the date that the

[2] However, (i) if you are a participant in the SORP, the availability of your performance shares upon your Qualifying Termination also will take into account the provisions of the SORP; and (ii) if you have submitted an effective election to defer payment of all or any portion of your performance shares pursuant to the ICDP, the availability of your performance shares following your Qualifying Termination will be determined in accordance with the provisions of the ICDP.

distribution is paid to you and you submit written documentation of such fees and expenses to the Company within 6 months after such fees and expenses are incurred. The amount of the fees and expenses that are eligible for reimbursement during one calendar year shall not affect the amount of reimbursements to be provided in any subsequent calendar year. The reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the fee or expense was incurred. The right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

In the event that it is determined that you are properly entitled to a cash distribution under this section, you shall also be entitled to interest thereon at the prime rate of interest as published in *The Wall Street Journal* plus two percent from the date such distribution should have been made to and including the date it is made.

The determination of whether and when a "Change in Control of the Company" occurs with regard to outstanding performance shares will be made by reference to the terms of the American Electric Power System 2015 Long-Term Incentive Plan, as amended from time to time, except as otherwise specified in this Award Agreement.

This Award Agreement becomes void if you do not accept it prior to the Vesting Date.



Julia A. Sloat
President and Chief Executive Officer

[Name]

Performance Share Award Value Projection
For Example Purposes Only

	Date	Price/Share[1]	Shares Credited*	Share Balance	Value
Performance Shares Awarded	Q1, Y1	$89.00	61.000	61.000	$5,400.00
Dividend Credit[2]	Q2, Y1	$90.34	0.527	61.527	
Dividend Credit	Q3, Y1	$91.69	0.523	62.050	
Dividend Credit	Q4, Y1	$93.07	0.520	62.570	
Dividend Credit	Q1, Y2	$94.46	0.517	63.087	
Dividend Credit	Q2, Y2	$95.88	0.513	63.600	
Dividend Credit	Q3, Y2	$97.32	0.510	64.110	
Dividend Credit	Q4, Y2	$98.78	0.506	64.616	
Dividend Credit	Q1, Y3	$100.26	0.503	65.119	
Dividend Credit	Q2, Y3	$101.76	0.499	65.618	
Dividend Credit	Q3, Y3	$103.29	0.496	66.113	
Dividend Credit	Q4, Y3	$104.84	0.492	66.605	
			Operating EPS Score @ 120% of Target and 50% weight:	0.600	
			Relative Total Shareholder Return Score @ 125% of Target and 40% weight:	0.500	
			Carbon Free Capacity @ 90% of Target and 10% weight:	0.090	
			Award Score:	1.190	
			x Share Balance[3]:	66.605	
			Ending Share Balance:	79.260	
Value at End of Vesting Period:		$104.84		79.260	$8,309.45

* 75% of LTI planned amount (Value) divided by Price per Share at Grant

[1]This example assumes that dividends of $0.78 per share are paid as of the indicated dates and that the share price appreciates at a rate of 1.5% each quarter.

[2]Dividend Credits are not applied unless tied to dividends that are paid after the later of the Effective Date or the Grant Date defined in the Agreement.

[3]In the event performance shares are settled (paid) between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, as of the dividend payment date.

EXAMPLE

PERFORMANCE SHARE AWARD AGREEMENT

This Performance Share Award Agreement includes provisions for prorated vesting in the event that your employment is terminated (other than Qualifying Termination) due to your death, Retirement or a Triggering Event. The following example **assumes** that the award agreement provides the Effective Date and Vesting Date indicated below.

Effective Date:	**January 1, of year 1**
Vesting Date	**December 31, of year 3**

Prorated Vesting in the event of death, Retirement or a Triggering Event: If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. For example, if your employment Terminates on October 10th of year 1 for one or more of the above reasons, then the fractional percentage of your Granted RSUs that would remain outstanding would be determined as follows: there are 9 whole months from the Effective Date to the Termination Date divided by 36 whole months in the vesting period (9/36 or 25.0%) of your Granted performance shares (along with any additional Dividend Equivalent RSUs related to that portion) would remain outstanding and the remainder would be canceled as of your termination date. The shares that remain outstanding would continue to accrue additional performance shares due to Dividend Credits through the vesting date. After the conclusion of the Performance Period the outstanding shares would be multiplied by the applicable performance score and the resulting total would vest and become payable in accordance with the "Payment of Earned Performance Share Awards" section above.

RESTRICTED STOCK UNIT AWARD AGREEMENT

AEP SYSTEM LONG-TERM INCENTIVE PLAN

This award agreement is being furnished to you as a participant in the American Electric Power System 2015 Long-Term Incentive Plan (LTIP) under which the restricted stock units described herein are awarded.

[Participant Name] is hereby granted the number of restricted stock units listed below:

Number of Restricted Stock Units Granted: **<<# Shares Granted>>**
Grant Date: **February 20, 2023**
Effective Date: January 1, 2023

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21, 2024 ("First Vesting Date")	33 1/3%
February 21, 2025	33 1/3%
February 21, 2026	33 1/3%

Restricted Stock Units ("RSUs")
This award agreement entitles you to the aggregate number of RSUs specified above ("Granted RSUs") each of which, if and when it vests, will convert to a single Share of AEP's Common Stock. Upon vesting, RSUs are converted to AEP Common Stock and delivered to you in accordance with the other terms and provisions of this Agreement. RSUs have no voting rights and are not entitled to receive any dividend declared on AEP Common Stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP Common Stock, as described below.

Dividend Equivalent RSUs
Beginning after the later of the Effective Date or the Grant Date, additional Dividend Equivalent RSUs with a value equal to the value of dividends paid on AEP Common Stock are credited on outstanding (un-canceled) RSUs. The number of additional RSUs awarded due to dividends is calculated as the value of the dividend for a number of Shares of AEP Common Stock equal to the number of outstanding RSUs on the dividend payment date divided by the closing price of AEP Common Stock on the dividend payment date.

No additional RSUs will be awarded as Dividend Equivalent RSUs after conversion of the related RSUs into Shares of AEP Common Stock. See Conversion of Vested Stock Units and Delivery of Shares, below.

Vesting of Granted RSUs
Your Granted RSUs shall vest, subject to your continuous AEP employment through the vesting date, in accordance with the above vesting schedule, except as otherwise provided for in this Agreement. See also the sections of this award agreement entitled Vesting of Dividend Equivalent RSUs and Accelerated Vesting of RSUs below.

Vesting of Dividend Equivalent RSUs
Dividend Equivalent RSUs vest at the same time as the Granted RSUs to which they relate vest. Also see the sections of this award agreement entitled Vesting of Granted RSUs above and Accelerated Vesting of RSUs below.

Accelerated Vesting of RSUs
RSUs may vest earlier than the dates shown in the Vesting Schedule, above, as follows:

Prorated Vesting for Severance: If you qualify for a Severance Date, as defined below, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest as of your Severance Date. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through the date your employment with AEP Terminates as the direct result of the Triggering Event divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date your employment with AEP Terminates as the direct result of the Triggering Event.

See attached Example.

RSUs that vest as a result of your severance shall be converted to AEP Common Stock and delivered to you as of your Severance Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: As of your Mandatory Retirement Date, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through your Mandatory Retirement Date divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of your Mandatory Retirement Date.

See attached Example.

RSUs that vest as a result of your Mandatory Retirement Date shall be converted to AEP Common Stock and delivered to you as of your Mandatory Retirement Date in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below. If you hold a salary grade 18 or higher position with AEP, the Shares of AEP Common Stock delivered to you by reason of this section shall be subject to transfer restrictions such that you will be required to retain ownership of such Shares until the second anniversary of your Mandatory Retirement Date, except that you will be permitted to cause the sale of so many of such Shares as would allow you to cover your liability for the applicable taxes directly associated with your receipt of those Shares.

Death: Upon your death prior to the Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into AEP Common Stock and delivered to your designated beneficiary or beneficiaries under the LTIP (or, if you have not effectively designated any beneficiary under the LTIP, to your estate) as soon as administratively practicable following your death.

Change In Control: Upon a Qualifying Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into Shares and delivered as of the date of the Qualifying Termination in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below.

Other Terminations

Except as provided above under the Accelerated Vesting section with respect to a Change in Control and as provided in the following sentence involving circumstances that may give rise to a Severance Date for you, upon the Termination of your employment for any reason prior to your Mandatory Retirement Date or your death, any unvested Granted RSUs and unvested Dividend Equivalent RSUs shall be forfeited, and you shall have no rights or interests in or with respect to such unvested RSUs. If your employment with AEP is Terminated under circumstances that may give rise to a Severance Date for you, to the extent your unvested Granted RSUs and unvested Dividend Equivalent RSUs do not vest by reason of a Severance Date for you, they shall be forfeited as of the date it becomes certain that such Severance Date shall not occur.

Definitions

In addition to the terms defined elsewhere in this Agreement, the following shall be defined terms when used in this Agreement:

"AEP" means American Electric Power Company, Inc.; a New York corporation; and its subsidiaries and affiliates.

"Cause" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your AEP employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of AEP; (iii) engagement in

activities or conduct injurious to the best interest or reputation of AEP as determined by your AEP employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with AEP; (vi) violation of any of AEP's rules of conduct of behavior, such as may be provided in any employee handbook or as AEP may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with AEP which is injurious to the best interest or reputation of AEP as determined by your AEP employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"Disability" or "Disabled" means that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your not being in a classification eligible to participate in the LTD Plan.

"Good Reason" applies if a Change of Control occurred and means

(i) an adverse change in your status, duties or responsibilities as an employee of AEP as in effect immediately prior to the Change In Control;

(ii) failure of AEP to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between AEP and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary as in effect on the date of the Change In Control;

(iv) the taking of any action by AEP (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under AEP's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other

employees of AEP holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of AEP to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by AEP of the terms of an employment agreement between AEP and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given AEP written notice of such circumstance, and (2) AEP shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to AEP shall specify (A) the effective date for your proposed termination of employment (provided that such effective date may not precede the expiration of the period for AEP's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"Mandatory Retirement Date" means the date of your Termination, if all of the following conditions are satisfied: (i) you are an officer of AEP subject to mandatory retirement at age 65, and (ii) your employment with AEP Terminates on the date you attain age 65 or such later date specified by the Board of Directors of AEP (or such person or committee to whom the Board delegates the authority to make such determinations) adopted prior to the date you attain age 65.

"Qualifying Termination" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable AEP sick pay plan, short-term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your attaining your Mandatory Retirement Date, (v) by AEP for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by AEP without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"Severance Date" means the date that all of the following conditions are satisfied at least 4 business days before March 15 of the calendar year immediately following the calendar year in which your employment with AEP Terminates: (i) your Termination is not a Qualifying Termination, (ii) your employment with AEP is Terminated prior to your Mandatory Retirement Date in a manner that is the direct result of a Triggering Event and that is either (I) an involuntary Termination by the unilateral authority of AEP without Cause, and not due to your implicit or explicit request, where you are willing and able to continue performing services, or (II) a voluntary Termination by you pursuant to a window program that has been designed and implemented by AEP in a manner that is not inconsistent with the requirements imposed by regulatory or other authoritative guidance issued under Code Section 409A with respect to separation pay plans, (iii) you are presented with and then timely sign and return an effective Severance and Release of All Claims Agreement; (iv) on or before the date your Severance and Release of All Claims Agreement becomes irrevocable by you, you neither receive an offer of employment with a purchaser or successor employer nor an offer of employment with AEP that is at the same or higher base pay (determined without regard to overtime pay, bonuses, premium payments, incentive compensation or any other form of additional compensation) and that does not require relocation of your primary residence. For purposes of clause (ii), your employment will not be considered Terminated as the direct result of a Triggering Event if (A) your employment Terminates following the expiration of a specific term of employment previously identified between you and AEP, regardless of the reason for not extending or renewing your employment, or (B) you fail to continue to provide services to AEP up to and including the date established by AEP for the Termination of your employment pursuant to the Triggering Event, or (C) AEP does not present you with a Severance and Release of All Claims Agreement in connection with the Termination of your employment with AEP. AEP retains sole discretion over any determination of whether and when it will present you with a Severance and Release of All Claims Agreement and the terms of any such agreement.

"Severance and Release of All Claims Agreement" means a Severance and Release of All Claims Agreement in a form acceptable to AEP or its Subsidiary, whereby you agree to waive and release AEP, all AEP System companies and all of their respective officers, directors, employees, agents and representatives of and from any and all claims.

"Termination" means termination of employment with AEP for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the HRC from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with AEP will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of AEP or part thereof under circumstances that are not a Change in Control.

"Vesting Date" means each date set forth above in the Vesting Schedule.

RSUs Are Nontransferable

No RSUs shall be sold, exchanged, pledged, transferred, assigned, or otherwise encumbered, hypothecated or disposed of by you (or any beneficiary).

Recoupment of Incentive Compensation

By accepting this Award, you agree to reimburse AEP for compensation awarded, earned, received or paid to you under this Award agreement with respect to the relevant time period if the Board, in its discretion, determines that:

- You are a Covered Employee (as defined in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time), and
- This RSU award or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

Therefore, if and to the extent that, in the Board's view, the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on AEP to obtain reimbursement of such compensation, then you will be required to reimburse AEP for the value of such compensation paid to you. Any such reimbursement must be paid in full to AEP within ninety (90) days of AEP's issuance of its notice to you. By entering into this Agreement, you further agree and consent that AEP also may retain any deferred compensation previously credited to you and not paid, provided that AEP will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights AEP might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by AEP or otherwise based on applicable legal considerations, all of which are expressly retained by AEP.

Conversion of Vested Stock Units and Delivery of Shares

Conversion to AEP Common Stock: Upon vesting, each vested RSU (including each vested Granted RSU and each vested Dividend Equivalent RSU) shall be converted into a single share of AEP Common Stock for delivery in accordance with the section of this award agreement entitled Delivery of Shares of AEP Common Stock, below. Fractional RSUs that constitute less than a single share may be paid in Shares of AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Delivery of Shares of AEP Common Stock: The Shares of AEP Common Stock resulting from the conversion of your vested RSUs shall be delivered to you or to an account set up for your benefit with a broker/dealer designated by the Company (the "Broker/Dealer Account") within a reasonable time (generally 3 days) after such shares are converted as described in the section of this award agreement entitled Conversion to AEP Common Stock

or Cash Payment, above. Such Shares shall be delivered on or before March 15 of the calendar year following the calendar year during which the RSUs became vested.

AEP Common Stock and all LTIP participants remain subject to all applicable legal and regulatory restrictions such as insider trading restrictions and black-out periods and as otherwise specified by this award agreement (see, for example, the section of this award agreement entitled Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65).

Tax Withholding

AEP retains discretion to withhold any and all applicable income, employment and other taxes required to be withheld in connection with these RSUs. AEP may reduce the number of vested RSUs credited to you or the number of Shares of AEP Common Stock delivered to you to satisfy such tax withholding obligation. The amount of such reduction shall be based upon the Fair Market Value of AEP Common Stock at that time; provided, however, that any reduction to your vested RSUs for applicable tax withholding shall not exceed such limits as may be applicable to comply with the requirements of Code Section 409A.

LTIP Incorporated By Reference

This Agreement is subject in all respects to the terms and provisions of the LTIP, all the terms and provisions of which are made a part of and incorporated in this Agreement (as if they were expressly set forth herein). In the event of any conflict between the terms of this Agreement and the terms of the LTIP, the terms of the LTIP shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the LTIP.

No Special Employment Rights

Nothing contained in the LTIP or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue your employment for the Vesting Period or for any other period. Your employment with AEP is and will remain at all times "at-will."

Cancellation

The RSUs subject to this award agreement shall be canceled and be of no force or effect upon forfeiture in accordance with the terms and provisions of the relevant sections of this award agreement, including the section entitled Other Terminations, above.

Notice

Any Notice that may be required or permitted under this Agreement shall be in writing, and shall be delivered in person, overnight courier service or certified mail, postage prepaid, properly addressed as follows:

Notice to AEP: If such notice is to AEP, to the attention of the Executive Compensation Department, American Electric Power, 1 Riverside Plaza – 15th Floor, Columbus, OH 43215, or at such other address as AEP, by notice to you, may designate in writing from time to time.

Notice to You: If such notice is to you, at the address as shown on the records of AEP or at such other address as you, by notice to AEP, may designate in writing from time to time.

IN WITNESS WHEREOF, AEP has caused this Agreement to be executed by its duly authorized officer as of the Grant Date specified above. This Agreement will not become effective until you accept it. If you have not properly accepted this Agreement by the day immediately preceding the First Vesting Date (or, if later, by the last day of the second month after the Grant Date), (A) any Granted RSUs (and related Dividend Equivalent RSUs) to the extent not then vested shall be forfeited and (B) you shall be deemed to have accepted this Agreement only with respect to any RSUs and Dividend Equivalent RSUs that vested before the First Vesting Date.

AMERICAN ELECTRIC POWER COMPANY, INC.

By:_____
Julia A. Sloat
President and Chief Executive Officer

EXAMPLES
RESTRICTED STOCK UNIT AWARD AGREEMENT

The Restricted Stock Unit Award Agreement includes provisions for prorated vesting for Severance and for Officers who Terminate Due to Mandatory Retirement at Age 65. The following examples **assume** that the award agreement provides the Effective Date and Vesting Schedule indicated below.

Effective Date: **January 1 of year 1**

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21 of year 2	33 1/3%
February 21 of year 3	33 1/3%
February 21 of year 4	33 1/3%

Prorated Vesting for Severance: If you would incur a Severance Date on October 10 of year 2 in connection with the Termination of your employment on September 30 of year 2 as the direct result of a Triggering Event, the fractional percentage of your Granted RSUs would be determined as follows: there are 21 whole months from the Effective Date to the Termination Date divided by 37 whole months in the vesting period (21/37 or 56.8%), reduced by the about 33.3% of your Granted RSUs that vested on February 21 of year 2, such that 23.5% (56.8% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Severance Date on October 10th of year 2.

Prorated Vesting for Officers who Terminate Due to Mandatory Retirement at Age 65: If you would incur a Mandatory Retirement Date on December 15th of year 2, the fractional percentage of your Granted RSUs would be determined as follows: there are 23 whole months from the Effective Date to the Mandatory Retirement Date divided by 37 whole months in the vesting period (23/37 or 62.2%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that 28.9% (62.2% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Mandatory Retirement Date on December 15th of year 2.

AMERICAN ELECTRIC POWER SYSTEM 2024 LONG-TERM INCENTIVE PLAN

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American Electric Power System
2024 Long-Term Incentive Plan

ARTICLE 1 - ESTABLISHMENT, EFFECTIVENESS, PURPOSE AND DURATION

Section 1.01. Establishment. American Electric Power Company, Inc., a New York corporation (hereinafter referred to as the "**Company**"), establishes an incentive compensation plan to be known as the American Electric Power System 2024 Long-Term Incentive Plan (hereinafter referred to as this "**Plan**"), as set forth in this document.

Section 1.02. Effectiveness. This Plan shall become effective upon shareholder approval (the "**Effective Date**") and shall remain in effect as provided in Section 1.04. Subject to the approval of the Company's shareholders of this Plan, no further awards shall be granted under the Prior Plan as of the Effective Date.

Section 1.03. Purpose of This Plan. The purposes of the Plan are to: (a) strengthen the alignment of interests of those Employees and Directors of the Company and its Subsidiaries who share responsibility for the success of the business with those of the Company's shareholders, (b) facilitate the use of long-term incentive compensation and the provision of market competitive total compensation to Employees, (c) increase Employee ownership of shares of the Company's common stock to encourage ownership behaviors, and (d) encourage Plan Participant retention. This Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

Section 1.04. Duration of This Plan. Unless sooner terminated as provided herein, this Plan shall terminate ten years from the Effective Date. After this Plan is terminated, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and this Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the earlier of (a) adoption of this Plan by the Board, or (b) the Effective Date.

ARTICLE 2 - DEFINITIONS

Whenever used in this Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized.

"**Affiliate**" means any corporation or other entity (including, but not limited to, a partnership or a limited liability company) that is affiliated with the Company through stock

or equity ownership or otherwise, including each Subsidiary and any other corporation or entity designated as an Affiliate for purposes of this Plan by the Committee.

"**Aggregate Share Authorization**" has the meaning set forth in Section 4.01.

"**Annual Award Limit**" has the meaning set forth in Section 4.03.

"**Award**" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, or Other Stock-Based Awards, in each case subject to the terms of this Plan.

"**Award Agreement**" means either (i) an agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan, or (ii) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic or other non-paper Award Agreements, and the use of electronic or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

"**Board**" or "**Board of Directors**" means the Board of Directors of the Company.

"**Cash-Based Award**" means an Award, denominated in cash, granted to a Participant as described in Article 10.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations or other published guidance thereunder and any successor or similar provision.

"**Committee**" means the Human Resources Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan. The members of the Committee shall be appointed from time to time by the Board. The Committee shall consist of three or more persons, each of whom qualifies as a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act.

"**Company**" has the meaning set forth in Section 1.01, and any successor thereto as provided in Article 21.

"**Director**" means any individual who is a member of the Board of Directors of the Company and who is not an Employee of the Company.

"**Director Award**" means any Award granted, whether singly, in combination, or in tandem, to a Participant who is a Director pursuant to such applicable terms, conditions, and

limitations as the Board may establish in accordance with this Plan.

"**Effective Date**" has the meaning set forth in Section 1.02.

"**Employee**" means any individual designated as an employee of the Company, its Affiliates, and/or its Subsidiaries on any of their payroll records.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time. For purposes of this Plan, references to sections of the Exchange Act shall be deemed to include references to any applicable regulations or other published guidance thereunder and any successor or similar provision.

"**Fair Market Value**" or "**FMV**" means a price that is based on the opening, closing, actual, high, low, or average selling prices of a Share reported on the Nasdaq Exchange ("**NASDAQ**") or other established stock exchange (or exchanges) on which the Shares are trading on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise or unless otherwise specified in an Award Agreement, Fair Market Value shall be the NASDAQ (or such other exchange) closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which Shares were publicly traded). In the event that Shares are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of their Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

"**Full Value Award**" means an Award other than an Award in the form of a Nonqualified Stock Option, Incentive Stock Option or Stock Appreciation Right, and which is settled by the issuance of Shares.

"**Grant Price**" means the price established at the time of grant of an SAR pursuant to Article 7, used to determine whether there is any payment due upon exercise of the SAR.

"**Incentive Stock Option**" or "**ISO**" means an Option to purchase Shares granted under Article 6 to an Employee that is designated as an Incentive Stock Option and intended to meet the requirements of Code Section 422.

"**Nonqualified Stock Option**" or "**NQSO**" means an Option that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

"**Option**" means an Incentive Stock Option or a Nonqualified Stock Option, as granted pursuant to Article 6.

"**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option.

"**Option Term**" means the period of time during which an Option is exercisable as the Committee shall determine at the time of grant; provided, however, no Option shall be exercisable later than the tenth anniversary of its grant date.

"**Other Stock-Based Award**" means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Article 10.

"**Participant**" means any eligible individual as set forth in Article 5 to whom an Award is granted.

"**Performance Measures**" means measures as described in Article 12 on which the performance goals are based and which are approved by the Company's shareholders pursuant to this Plan

"**Performance Period**" means the period of time during which pre-established performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share**" means an Award granted pursuant to Article 9 that is denominated in Shares, the value of which at the time it is payable is determined based on achievement of corresponding performance criteria.

"**Performance Unit**" means an Award granted under Article 9 that is denominated in dollars, the value of which at the time it is payable is determined based on achievement of corresponding performance criteria.

"**Period** of **Restriction**" means the period when Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the performance of services, the achievement of performance goals, or the occurrence of other events as determined by the Committee, in its discretion), as provided in Article 8.

"**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

"**Plan**" has the meaning set forth in Section 1.01, as the same may be amended from time to time.

"**Plan Year**" means the calendar year.

"**Prior Plan**" means the American Electric Power System 2015 Long-Term Incentive Plan, last approved by shareholders on April 21, 2015, as amended.

"**Prior Plan Award**" means an award granted under the Prior Plan that is outstanding as of the Effective Date.

"**Restricted Stock**" means an Award granted pursuant to Article 8, as set forth therein.

"**Restricted Stock Unit**" means an Award granted pursuant to Article 8, as set forth therein.

"**Share**" means a share of common stock of the Company.

"**Stock Appreciation Right**" or "**SAR**" means an Award, designated as an SAR, granted pursuant to Article 7.

"Stock Ownership Participant" means any eligible individual as set forth in Article 5 to whom an Award is granted that is subject to the Stock Ownership Requirement Plan.

"**Stock Ownership Requirement Plan**" means the American Electric Power System Stock Ownership Requirement Plan that imposes minimum stock ownership requirements on certain executives of the Company or an Affiliate.

"**Subsidiary**" means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of 50% or more by reason of stock ownership or otherwise.

ARTICLE 3 - ADMINISTRATION

Section 3.01. General. The Committee shall be responsible for administering this Plan, subject to this Article 3 and the other provisions of this Plan. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such individuals. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested persons.

Section 3.02. Authority of the Committee. The Committee shall have full discretionary power to interpret the terms and the intent of this Plan and any Award Agreement or other agreement or document ancillary to or in connection with this Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering this Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, construing any ambiguous provision of the Plan or any Award Agreement, waiving any restriction or condition on an Award or accelerating the vesting of an award for any reason, and, subject to Article 18, adopting modifications and amendments to this Plan or any Award Agreement, including without

limitation, any that are necessary to comply with or qualify for the laws of the countries and other jurisdictions in which the Company, its Affiliates, and/or its Subsidiaries operate.

Section 3.03 Delegation. To the extent permitted under applicable law, the Committee may delegate to one or more of its members or to one or more employees of the Company and/or its Subsidiaries, such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility that the Committee or such individuals may have under this Plan. The Committee may, by resolution, authorize one or more persons who are members of the Committee, members of the Board of Directors of the Company, or an officer of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees to be recipients of Awards; and (b) determine the size of any such Awards; provided, however, (i) the Committee shall not delegate such responsibilities to any such person for Awards granted to an Employee who is, on the relevant date, an officer or Director for purposes of Section 16 of the Exchange Act; (ii) the resolution providing such authorization sets forth the total number of Shares underlying Awards such person(s) may grant; and (iii) the person(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

ARTICLE 4 - SHARES SUBJECT TO THIS PLAN AND MAXIMUM AWARDS

Section 4.01. Number of Shares Available for Awards. (a) Subject to adjustment as provided in Section 4.04, the maximum number of Shares available for grant to Participants under this Plan (the "Aggregate Share Authorization") shall be 10 million Shares. No further Awards may be granted under the Prior Plan as of the Effective Date. The number of shares issuable under the Prior Plan may, however, increase due to dividend shares and above target scores for performance shares issued in connection with awards outstanding under the Prior Plan.

(b) The maximum number of Shares that may be issued pursuant to ISOs under this Plan shall be equal to the Aggregate Share Authorization.

(c) The maximum aggregate value of Awards that may be granted to any Director under this Plan during any calendar year shall not exceed $850,000, as determined by the Board based on the value of any Award at the time of grant.

Section 4.02. Share Usage. (a) Shares covered by an Award shall be counted as used only to the extent they are actually issued. Except as provided in Section 4.02(b), any Shares related to Awards that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee's permission (prior to the issuance of Shares) for Awards not involving Shares, shall be available again for grant under this Plan.

(b) Any Award Shares tendered, exchanged or withheld to cover Option exercise costs, any Award Shares withheld to cover taxes, and all Shares underlying an Award of Stock Appreciation Rights once such Stock Appreciation Rights are exercised, shall be taken into account as Shares issued under this Plan.

Section 4.03. [RESERVED]

Section 4.04. Adjustments in Authorized Shares. (a) In the event of any corporate event or transaction (including, but not limited to, a change in the Shares or capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in kind, or other like change in capital structure, number of outstanding Shares, or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, or in the event of unusual or nonrecurring events affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, the Committee, in order to prevent dilution or enlargement of Participants' rights under this Plan, shall substitute or adjust, as applicable, the number and kind of Shares that may be granted under this Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards. The Committee, in its discretion, shall determine the methodology or manner of making such substitution or adjustment.

(b) The Committee, in its sole discretion, may also make appropriate adjustments in the terms of any Awards under this Plan to reflect, or that relate to, the changes or distributions described in Section 4.04 and to modify any other terms of outstanding Awards, including modifications of performance goals and changes in the length of Performance Periods. The Committee shall not make any adjustment pursuant to this Section 4.04. that would (i) cause an Award that is otherwise exempt from Code Section 409A to become subject to Section 409A, or (ii) cause an Award that is subject to Code Section 409A to fail to satisfy the requirements of Section 409A. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan.

(c) Subject to the provisions of Article 18 and notwithstanding anything else herein to the contrary, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.

Section 4.05. Source of Shares. The Shares available for issuance under this Plan may be authorized and unissued Shares, treasury Shares or Shares acquired

in the open market.

ARTICLE 5 - ELIGIBILITY AND PARTICIPATION

Section 5.01. Eligibility. Individuals eligible to participate in this Plan include all Employees and Directors.

Section 5.02. Actual Participation. Subject to the provisions of this Plan, the Committee may, from time to time, select from all eligible individuals those individuals to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by law, and the amount of each Award.

ARTICLE 6 - STOCK OPTIONS

Section 6.01. Grant of Options. Subject to the terms and provisions of this Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion; *provided* that ISOs may be granted only to eligible Employees of the Company or of any parent or subsidiary corporation (to the extent permitted under Code Sections 422 and 424).

Section 6.02. Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan.

Section 6.03. Option Price. The Option Price for each grant of an Option under this Plan shall be determined by the Committee in its sole discretion and shall be specified in the Award Agreement; *provided*, *however*, the Option Price must be at least equal to 100% of the FMV of Shares on the date of grant, subject to adjustment as provided for in Section 4.04.

Section 6.04. Term of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine and set forth in the Award Agreement at the time of grant; *provided, however*, no Option shall be exercisable later than the tenth anniversary date of its grant.

Section 6.05. Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each

grant or for each Participant; *provided, however*, that no Option shall be exercisable within one (1)year from its grant date, provided, that up to five percent (5%) of the maximum number of Shares available for issuance under this Plan, substitution awards and shares delivered in lieu of fully vested cash obligations may be exercisable within a shorter period. The foregoing five percent (5%) share issuance limit shall be subject to adjustment consistent with the adjustment provisions of Section 4.04.

Section 6.06. Payment. (a) Subject to Section 6.09, Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Shares shall become the property of the Participant on the exercise date, subject to any forfeiture conditions specified in the Option.

(b) A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price at the time of the exercise. The Option Price of any Option shall be payable to the Company in full either (i) in cash or its equivalent; (ii) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price; (iii) by a cashless (broker-assisted) exercise; (iv) by a combination of (i), (ii) and/or (iii); or (v) any other method approved or accepted by the Committee in its sole discretion. Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in United States dollars.

(c) Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver or cause to be delivered to the Participant a statement of holdings as evidence of book entry uncertificated Shares, or at the sole discretion of the Committee upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

Section 6.07. Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or under any blue sky or state securities laws applicable to such Shares.

Section 6.08. Termination of Employment. Each Participant's Award Agreement shall set forth the extent, if any, to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the

Award Agreement entered into with each Participant, need not be uniform among all Options granted pursuant to this Article 6, and may reflect distinctions based on the reasons for termination.

Section 6.09. Automatic Option Exercise. An Award Agreement may provide that if, on the last day of the term of an Option, the Fair Market Value of one Share exceeds the Option Price plus associated fees, if the Participant has not exercised the Option, and the Option has not otherwise expired, the Option shall be deemed to have been exercised by the Participant on such day. In such event, the Company shall deliver Shares to the Participant in accordance with this Section 6.09, reduced by the number of Shares required for payment of the exercise price and for payment of withholding taxes; any fractional Share shall be settled in cash.

Section 6.10. Stock Retention. So long as a Stock Ownership Participant has not met all applicable stock ownership requirements under the Stock Ownership Requirement Plan, the Stock Ownership Participant will be required to hold the Shares received upon the exercise of Options (net of any Shares used for payment of the exercise price of the Option and withholding taxes).

ARTICLE 7 - STOCK APPRECIATION RIGHTS

Section 7.01. Grant of SARs. Subject to the terms and conditions of this Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. Subject to the terms and conditions of this Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Participant and, consistent with the provisions of this Plan, the terms and conditions pertaining to such SARs.

Section 7.02. SAR Award Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the Grant Price, the maximum duration of the SAR, the number of Shares to which the SAR pertains, the conditions upon which an SAR shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan.

Section 7.03. Grant Price. The Grant Price for each grant of an SAR shall be determined by the Committee and shall be specified in the Award Agreement; *provided*, *however*, the Grant Price on the date of grant must be at least equal to 100% of the FMV of the Shares as determined on the date of grant.

Section 7.04. Term of SAR. The term of an SAR granted under this Plan shall be determined by the Committee, in its sole discretion, and set forth in the Award Agreement at the time of grant; *provided, however*, that no SAR shall be exercisable later than the tenth anniversary date of its grant**.**

Section 7.05. Exercise of SARs. SARs granted under this Article 7 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which terms and restrictions need not be the same for each grant or for each Participant; *provided, however*, that no SAR shall be exercisable within one (1) year from its grant, provided, that up to five percent (5%) of the maximum number of Shares available for issuance under this Plan, substitution awards and shares delivered in lieu of fully vested cash obligations may be exercisable within a shorter period. The foregoing five percent (5%) share issuance limit shall be subject to adjustment consistent with the adjustment provisions of Section 4.04.

Section 7.06. Settlement of SARs. Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company on the exercise date in an amount determined by multiplying: (a) the excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by (b) the number of Shares with respect to which the SAR is exercised.

At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares, or any combination thereof, or in any other manner approved by the Committee in its sole discretion. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

Section 7.07. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be uniform among all SARs granted pursuant to this Article 7, and may reflect distinctions based on the reasons for termination.

Section 7.08. Other Restrictions. The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of an SAR granted pursuant to this Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received upon exercise of an SAR for a specified period of time.

Section 7.09. Automatic SAR Exercise. An Award Agreement may provide that if, on the last day of the term of an SAR, the Fair Market Value of one Share exceeds the Grant Price of the SAR plus associated fees, if the Participant has not exercised the SAR, and the SAR has not otherwise expired, the SAR shall be deemed to have been exercised by the Participant on such day. In such event, the Company shall deliver payment to the Participant in accordance with the terms of settlement set forth in Section 7.06.

Section 7.10. Stock Retention. So long as a Stock Ownership Participant has not met all applicable stock ownership requirements under the Stock Ownership Requirement Plan,

the Stock Ownership Participant will be required to hold the Shares received upon the exercise of any SAR (net of any Shares used for payment of withholding taxes).

ARTICLE 8 - RESTRICTED STOCK AND RESTRICTED STOCK UNITS

Section 8.01. Grant of Restricted Stock or Restricted Stock Units. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine. Restricted Stock Units shall be similar to Restricted Stock except that no Shares are actually awarded to the Participant on the date of grant.

Section 8.02. Restricted Stock or Restricted Stock Unit Award Agreement. Each Restricted Stock and/or Restricted Stock Unit grant shall be evidenced by an Award Agreement that shall specify the Period (s) of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine.

Section 8.03. Other Restrictions. (a) The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions, and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units.

(b) To the extent deemed appropriate by the Committee, the Company may retain any certificates or statements of holdings representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

(c) Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse (including satisfaction of any applicable tax withholding obligations), and Restricted Stock Units shall be paid in cash, Shares, or a combination of cash and Shares as the Committee, in its sole discretion, shall determine.

Section 8.04. Certificate Legend. In addition to any legends placed on certificates or statements of holdings pursuant to Section 8.03, each certificate or statement

of holdings representing Shares of Restricted Stock granted pursuant to this Plan may bear a legend restricting the transfer of such Shares.

Section 8.05. Voting Rights. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may be granted the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

Section 8.06. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Restricted Stock and/or Restricted Stock Units following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Article 8, and may reflect distinctions based on the reasons for termination.

ARTICLE 9 - PERFORMANCE UNITS / PERFORMANCE SHARES

Section 9.01. Grant of Performance Units / Performance Shares. Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Performance Units and/or Performance Shares to Participants in such amounts and upon such terms as the Committee shall determine.

Section 9.02. Value of Performance Units / Performance Shares. Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Units/Performance Shares that will be paid out to the Participant.

Section 9.03. Earning of Performance Units / Performance Shares. Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units/Performance Shares shall be entitled to receive payout as provided in Section 9.04 on the value and number of Performance Units/Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved.

Section 9.04. Form and Timing of Payment of Performance Units / Performance Shares. Payment of earned Performance Units/Performance Shares shall be as determined by the Committee and as evidenced in the Award Agreement. Any Shares may

be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

Section 9.05. Termination of Employment. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Units and/or Performance Shares following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Awards of Performance Units or Performance Shares awarded pursuant to this Article 9, and may reflect distinctions based on the reasons for termination.

ARTICLE 10 - CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS

Section 10.01. Grant of Cash-Based Awards. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms as the Committee may determine.

Section 10.02. Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

Section 10.03. Value of Cash-Based and Other Stock-Based Awards. Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee. Each Other Stock- Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Cash-Based Awards or Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met.

Section 10.04. Payment of Cash-Based Awards and Other Stock-Based Awards. Payment, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

Section 10.05. Termination of Employment. The Committee shall determine the extent to which the Participant shall have the right to receive Cash-Based Awards or Other Stock-Based Awards following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee. Such provisions may be included in the Award Agreement but need not be uniform among all Awards of Cash-Based Awards or Other Stock-Based Awards granted pursuant to this Article 10, and may reflect distinctions based on the reasons for termination.

ARTICLE 11 - TRANSFERABILITY OF AWARDS

Except to the extent specifically provided by the terms of an Award Agreement, Awards shall be nontransferable. During the lifetime of a Participant, Awards shall be exercised only by such Participant or by his guardian or legal representative. Notwithstanding the foregoing, the Committee may provide in the terms of an Award Agreement that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other benefits specified under an Award Agreement following the Participant's death.

ARTICLE 12 - PERFORMANCE MEASURES

Section 12.01. Performance Goals. The Committee shall establish the performance goal in writing before 25% of the Performance Period has elapsed) and at a time when the outcome of the performance goal is still substantially uncertain. The performance goal shall include a formula or standard describing the method for determining the amount of compensation payable to the Participant if the performance goal is attained.

(b) Performance Measures may measure the performance of the Company, a Subsidiary, and/or an Affiliate as a whole or any business unit of the Company, a Subsidiary, and/or an Affiliate or any combination thereof, as the Committee may deem appropriate. Performance Measures may be used to measure performance relative to specified performance levels; a group of comparator companies; a published or special index that the Committee, in its sole discretion, deems appropriate; or various stock market indices. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of a performance goal or goals.

Section 12.02. Evaluation of Performance. Any Performance Measure(s) may be made subject to pre-specified adjustments to remove the effects of restructurings, dispositions, changes in tax or accounting rules, or similar non-recurring or extraordinary events.

Section 12.03. Certification of Performance. No vesting or payment of a performance based award shall occur until the Committee has approved the score for all

applicable performance goals and measures and any other material terms of the Award have been satisfied.

Section 12.04. Adjustment of Performance-Based Compensation. Awards that are intended to qualify as Performance-Based Compensation may not be adjusted upward. The Committee shall retain the discretion to adjust such Awards down, either on a formula or discretionary basis or any combination, as the Committee determines.

ARTICLE 13 - DIRECTOR AWARDS

Subject to Section 4.01(d**),** the Board shall determine all Awards to Directors. The terms and conditions of any grant to any such Director shall be set forth in an Award Agreement.

ARTICLE 14 - DIVIDEND EQUIVALENTS

Any Participant selected by the Committee may be granted dividend equivalents based on the dividends declared on Shares that are subject to any Full Value Award, to be credited as of the dividend payment dates, during the period between the date on which the Full Value Award is granted and the date on which the Award vests or expires, as determined by the Committee. Such dividend equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee; *provided* that such dividend equivalents shall be subject to any performance conditions that apply to the underlying Award. Participants shall not accrue, be granted or be paid any dividends or dividend equivalents with respect to Shares that are subject to any Award.

ARTICLE 15 - BENEFICIARY DESIGNATION

In the absence of any applicable beneficiary designation, unless otherwise specified in an award agreement, awards and rights that vested on or before or by reason of a participant's death and remain unpaid or unexercised at the Participant's death shall be transferred to the participant's brokerage account with the Company's stock plan administrator for disposition in accordance with the terms of that brokerage account. If the participant does not have a brokerage account with the Company's stock plan administrator, then such awards and rights shall be paid to or exercised by the Participant's executor, administrator, or legal representative on behalf of the Participant's estate.

ARTICLE 16 - RIGHTS OF PARTICIPANTS

Section 16.01. Employment. (a) Nothing in this Plan or an Award Agreement

shall interfere with or limit in any way the right of the Company, its Affiliates, and/or its Subsidiaries to terminate any Participant's employment or service on the Board or to the Company at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a Director for any specified period of time.

(b) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company, its Affiliates, and/or its Subsidiaries.

Section 16.02. Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

Section 16.03. Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award unless and until the Participant becomes the record holder of any Shares associated with such Award.

ARTICLE 17 - CHANGE OF CONTROL

17.01. Effect of Change in Control. The Committee may, in an Award Agreement, provide for the effect of a Change in Control on an Award. Such provisions may include any one or more of the following: (a) the acceleration or extension of time periods for purposes of exercising, vesting in, or realizing gain from any Award, (b) the waiver or modification of performance or other conditions related to the payment or other rights under an Award; (c) provision for the cash settlement of an Award for an equivalent cash value, as determined by the Committee, or (d) such other modification or adjustment to an Award as the Committee deems appropriate to maintain and protect the rights and interests of Participants upon or following a Change in Control.

17.02. Definition of Change in Control. For purposes hereof, a "Change in Control" shall be deemed to have occurred if:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than any company owned, directly or indirectly, by the shareholders of AEP in substantially the same proportions as their ownership of shares Common Stock or a trustee or other fiduciary holding securities under an employee benefit plan of AEP, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 33-1/3 percent of the then outstanding voting stock of AEP;

(b) AEP consummates a merger or consolidation with any other entity, other than a merger or consolidation which would result in the voting securities of AEP outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 66-2/3% percent of the total

voting power represented by the voting securities of AEP or such surviving entity outstanding immediately after such merger or consolidation; or

(c) the shareholders of AEP approve a plan of complete liquidation of AEP, or an agreement for the sale or disposition by AEP (in one transaction or a series of transactions) of all or substantially all of AEP's assets.

ARTICLE 18 - AMENDMENT AND TERMINATION

18.01 Amendment and Termination of the Plan and Awards. (a) Subject to subparagraphs (b) and (c) of this Section 18.01 and Section 18.03 of the Plan, the Board or the Committee may at any time amend or terminate the Plan or amend or terminate any outstanding Award.

(b) Except as provided for in Section 4.04, the terms of an outstanding Award may not be amended, without prior shareholder approval, to: (i) reduce the Option Price of an outstanding Option or to reduce the Grant Price of an outstanding SAR, or (ii) cancel an outstanding Option or SAR in exchange for other Options or SARs with an Option Price or Grant Price, as applicable, that is less than the Option Price of the cancelled Option or the Grant Price of the cancelled SAR, as applicable, or (iii) cancel an outstanding Option with an Option Price that is less than the Fair Market Value of a Share on the date of cancellation or cancel an outstanding SAR with a Grant Price that is less than the Fair Market Value of a Share on the date of cancellation in exchange for cash or another Award.

(c) Notwithstanding the foregoing, no amendment of this Plan shall be made without shareholder approval if shareholder approval is required pursuant to rules promulgated by any stock exchange or quotation system on which Shares are listed or quoted or by applicable U.S. state corporate laws or regulations, applicable U.S. federal laws or regulations and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

18.02 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. Subject to Section 12.05, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.04) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan. By accepting an Award under this Plan, a Participant agrees to any adjustment to the Award made pursuant to this Section 18.02 without further consideration or action.

18.03 Awards Previously Granted. Notwithstanding any other provision of this Plan to the contrary, other than Sections 18.02, 18.04 and 21.15, no termination or amendment of this Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under this Plan, without the written consent of the Participant holding such Award.

18.04 Amendment to Conform to Law. Notwithstanding any other provision of this Plan to the contrary, the Board or Committee may amend the Plan or an Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or an Award Agreement to any law relating to plans of this or similar nature, and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 18.04 to the Plan and any Award without further consideration or action.

ARTICLE 19 - WITHHOLDING

The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, up to the maximum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan. Participants may elect to satisfy the withholding requirements, in whole or in part, by having the Company withhold shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction. The Participant shall remain responsible at all times for paying any federal, state, and local income or employment tax due with respect to any Award, and the Company shall not be liable for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

ARTICLE 20 - SUCCESSORS

All obligations of the Company under this Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 21 - GENERAL PROVISIONS

Section 21.01. Forfeiture Events. (a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment for cause (as defined in the Award Agreement), termination of the Participant's

provision of services to the Company, Affiliate, and/or Subsidiary, violation of material Company, Affiliate, and/or Subsidiary policies, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates, and/or its Subsidiaries.

(b) All Awards shall be subject to the Company's compensation recoupment policy as such policy may be in effect from time to time.

Section 21.02. Legend. The certificates or statements of holdings for Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

Section 21.03. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

Section 21.04. Severability. In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

Section 21.05. Requirements of Law. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 21.06. Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and (b) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

Section 21.07. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

Section 21.08. Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any

present intention to sell or distribute such Shares.

Section 21.09. Uncertificated Shares. To the extent that this Plan provides for issuance of certificates to reflect the transfer or issuance of Shares, the transfer or issuance of such Shares may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange upon which the Shares are listed.

Section 21.10. Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company, and/or its Subsidiaries, and/or its Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other individual. To the extent that any individual acquires a right to receive payments from the Company, its Subsidiaries, and/or its Affiliates under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company, a Subsidiary, or an Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company, a Subsidiary, or an Affiliate, as the case may be, and no special or separate fund shall be established, and no segregation of assets shall be made to assure payment of such amounts.

Section 21.11. Fractional Shares. The Committee may choose to grant, issue and/or deliver fractional Shares pursuant to this Plan or any Award but is not required to do so. If the Committee does not authorize the issuance or delivery of fractional shares, then the Committee may provide this value as additional tax withholding, cash, Awards, or other property granted or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

Section 21.12. Retirement and Welfare Plans. Neither Awards made under this Plan nor Shares or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under the Company's or any Subsidiary's or Affiliate's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

Section 21.13. Deferred Compensation. With respect to Awards subject to Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A, and the provisions of the Plan and any Award Agreement shall be interpreted in a manner that satisfies the requirements of Code Section 409A, and the Plan is intended to be operated accordingly. The Committee may make changes in the terms or operation of the Plan and/or Awards (including changes that may have retroactive effect) deemed necessary or desirable to comply with Code Section 409A. The Company, however, makes no representation or covenants that the Plan or Awards will comply with Section 409A.

Section 21.14. Non-exclusivity of this Plan. The adoption of this Plan shall not

be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

Section 21.15. No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or a Subsidiary's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or a Subsidiary or an Affiliate to take any action which such entity deems to be necessary or appropriate.

Section 21.16. Governing Law. The Plan and each Award Agreement shall be governed by the laws of the state of Ohio, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction. Unless otherwise provided in the Award Agreement, recipients of an Award under this Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Ohio, to resolve any and all issues that may arise out of or relate to this Plan or any related Award Agreement**.**

Section 21.17. Indemnification. (a) Subject to requirements and limitations of applicable law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, or an officer of the Company, a Subsidiary, or an Affiliate to whom authority was delegated in accordance with Article 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf, unless such loss, cost, liability, or expense is a result of his own willful misconduct or except as expressly provided by statute.

(b) The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Section 21.18. No Guarantee of Favorable Tax Treatment.
Notwithstanding any provision of the Plan to the contrary or any action taken by the Company, Subsidiaries, or the Board with respect to any income tax, social insurance, payroll tax, or other tax, the acceptance of an Award under the Plan represents the Participant's acknowledgement that the ultimate liability for any tax owed by the Participant is and remains the Participant's responsibility, and that the Company makes no representations or

warranties about the tax treatment of any Award, and does not commit to structure any aspect of the Award to reduce or eliminate a Participant's tax liability, including without limitation, Code Section 409A.

PERFORMANCE SHARE AWARD AGREEMENT

AEP SYSTEM 2024 LONG-TERM INCENTIVE PLAN

This Award Agreement is being furnished to you as a participant in the American Electric Power System 2024 Long-Term Incentive Plan (LTIP).

[Participant Name] is hereby granted the number of performance shares listed below effective January 1, 2025 (Effective Date):

Grant Date	Performance Period	Performance Shares
[Grant Date]	January 1, 2025 – December 31, 2027	**[# of Shares Granted]**

Overview
Performance shares are a type of long-term incentive compensation. They do not convey to you any voting, dividend, or other rights associated with shares of AEP Common Stock, but they do accrue Dividend Credits that are generally equal to the value of dividends paid on shares of AEP Common Stock. The value of each performance share that you may ultimately earn is dependent on the value of AEP Common Stock, while the number of performance shares that you may ultimately earn is dependent on the Overall Performance Score, which may range from 0% to 200% and is contingent on the vesting of your performance shares (see projection example on p. 8). The Overall Performance Score is based on the achievement of the Performance Measures established by the HR Committee of the Board of Directors of American Electric Power Company, Inc. (HR Committee) for this Performance Period. These performance shares generally will vest subject to your continuous AEP employment through the Vesting Date.

At the end of the Performance Period, these performance shares entitle you to a payment, to the extent they are not voluntarily or mandatorily deferred, of a number of shares of AEP Common Stock equal to the number of vested performance shares, including Dividend Credits (see Dividend Credits below), multiplied by the Overall Performance Score. Any fractional shares resulting from this calculation may be paid in AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Your performance share payment will be deferred if you have made or make a valid deferral election under the American Electric Power System Incentive Compensation Deferral Plan (ICDP) or if you are subject to an unsatisfied minimum stock ownership requirement pursuant to the American Electric Power System Stock Ownership Requirement Plan (SORP). If you have an unsatisfied minimum stock ownership requirement, your vested performance shares will be mandatorily deferred into "AEP Career Shares," to the extent needed to satisfy your applicable requirement. The remainder will be paid to you in shares of AEP Common Stock (less applicable taxes), with any fractional shares paid in AEP Common Stock, cash, additional income tax withholding or any combination thereof, at AEP's option.

Dividend Credits
Beginning after the later of the Effective Date or the Grant Date, dividend credits are awarded on all outstanding (un-canceled) performance shares as of the dividend record date as additional performance shares when a dividend is paid on AEP Common Stock. The number of additional performance shares awarded due to dividends is calculated by multiplying the value of the dividend on a per share basis by the number of performance shares credited to you as of the dividend record date and dividing this result by the closing price of AEP Common Stock on the dividend payment date. These additional performance shares are subject to the same performance measures and vesting requirements as the original underlying performance shares on which they were awarded. As such, they will be canceled if and to the extent that the underlying performance shares on which they were granted are canceled. See "Payment of Earned Performance Shares" section

below regarding the handling of Dividend Credits in the event performance shares are paid between the dividend record date and the dividend payment date.

Performance Measure
The performance score for the three-year Performance Period will be determined by two performance measures:

Weight	Three-Year Performance Measure
50%	Operating EPS - Cumulative operating earnings per share (EPS) relative to a target approved by the HR Committee.
50%	Relative TSR - The percentile of AEP's total shareholder return (TSR) relative to a Comparator Group consisting of the 26 companies included in AEP's custom TSR peer group at the beginning of the Performance Period.

The score for each performance measure may range from 0% to 200%. The HR Committee has adopted procedures for determining the Comparator Group for purposes of the TSR performance measure in the event there is a merger, acquisition, disposition, liquidation or other corporate transaction that affects AEP's compensation peer group during the Performance Period.

Overall Performance Score
The Overall Performance Score for the Performance Period will be the sum of the scores for the above performance measures each weighted as shown. The HR Committee may, at its sole discretion, reduce the performance score for any or all performance measures and, thereby, reduce or eliminate award payouts. The HR Committee may, at its sole discretion, reduce or eliminate award payouts for one or more individual participants. The HR Committee also has full discretionary authority to interpret the terms and intent of this Award Agreement.

Vesting Period
All outstanding (un-canceled) performance shares held with respect to the Performance Period will vest on the last day of the Performance Period (the Vesting Date), subject to your continuous AEP employment through that Vesting Date, except as described below under Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event and under Change in Control and Qualifying Termination.

Payment of Earned Performance Share Awards
<u>For those participants who are not subject to a minimum stock ownership requirement[1] or who timely satisfied all of their minimum stock ownership requirements</u>:

Following the conclusion of the vesting period and the approval by the HR Committee, earned performance shares will be either:
1. Paid in shares of AEP Common Stock to you (or to your beneficiary or estate in the event of your death); or
2. Deferred, if you make a timely deferral election pursuant to the ICDP. Eligible participants will be notified if and when they may make an "election to defer" pursuant to the ICDP.

<u>For those participants who do not timely satisfy their minimum stock ownership requirement</u>:
If you are subject to an unsatisfied minimum stock ownership requirement in accordance with the SORP, your earned performance shares will be deferred into AEP Career Shares to the extent required to meet your requirement. The SORP currently requires the deferral of earned performance shares into AEP Career Shares to the extent required to meet each participant's applicable stock ownership requirement as of the applicable Determination Date (currently considered to be the later of the Grant Date or six months

[1] Participants are notified if and when they are assigned a minimum stock ownership requirement.

prior to the end of the Performance Period), less any additional AEP Career Shares that accrue due to dividends prior to the date the performance scores are approved by the HR Committee. The SORP also currently requires AEP Career Shares to be held until after a participant's employment with the Company Terminates. Earned performance shares mandatorily deferred into AEP Career Shares are converted to AEP Career Shares on a one for one basis. The balance of earned performance shares not deferred into AEP Career Shares, if any, will be paid or deferred as described in the paragraph above for participants not subject to minimum stock ownership requirements.

In the event performance shares are paid between a dividend record date and a dividend payment date, the Company shall award Dividend Credits on such performance shares to be separately paid or deferred, as appropriate, from the underlying performance shares as of or following the dividend payment date.

Earned performance shares that are not deferred will be paid within 2-1/2 months following the Vesting Date unless payment at that time would violate federal securities laws or other applicable law or if payment at that time is impracticable due to circumstances prescribed under section 409A of the Internal Revenue Code. Payments are made by a deposit of shares into a brokerage account set up for you at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

Termination of Employment (other than Qualifying Termination) Due to Death, Retirement or Triggering Event
If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. The prorated portion that will remain outstanding will equal the number of whole months from the Effective Date through your Termination date divided by the number of whole months from the Effective Date through the Vesting Date. The prorated portion that remains outstanding will vest as of the Vesting Date and will be subjected to the applicable Overall Performance Score. Such performance shares will become payable after the conclusion of the three-year performance and vesting period in accordance with the "Payment of Earned Performance Share Awards" section above. See example on p. 9.

Termination (other than Qualifying Termination) for Reasons Other Than Death, Retirement or Triggering Event
In the event your employment is Terminated prior to the Vesting Date other than as a Qualifying Termination or for reasons other than your death, Retirement or as the result of a Triggering Event, all performance shares granted under this Award Agreement shall be canceled and your rights under this Award Agreement shall be forfeited.

Payment Upon Death
In the event of your death, amounts that otherwise would have become payable to you will be paid to the beneficiary or beneficiaries designated for purposes of the LTIP, or, if you have no such designated beneficiaries who survive you, to your estate. Such payments are expected to be made by a deposit of shares into a brokerage account set up for your beneficiary or your estate, as appropriate, at AEP's stock plan administrator (currently Fidelity), unless different arrangements are in effect at the time.

AEP Career Shares
Please refer to the terms of the SORP to determine how performance shares that are deferred into AEP Career Shares will be administered. An overview of the AEP minimum stock ownership requirements is available for those who are subject to such a requirement.

Definitions:
In addition to the terms defined elsewhere in this Award Agreement, the following shall be defined terms when used in this Award Agreement:

> "**Cause**" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your

Company employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of the Company; (iii) engagement in activities or conduct injurious to the best interest or reputation of the Company as determined by your Company employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with the Company; (vi) violation of any of the Company's rules of conduct of behavior, such as may be provided in any employee handbook or as the Company may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with the Company which is injurious to the best interest or reputation of the Company as determined by your Company employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"**Company**" means American Electric Power Company, Inc. and its subsidiaries and affiliates.

"Disability" or "Disabled" means you that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your lack of eligibility to participate in the LTD Plan.

"**Good Reason**" means

(i) an adverse change in your status, duties or responsibilities as an employee of the Company as in effect immediately prior to the Change In Control;

(ii) failure of the Company to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between the Company and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary in effect on the date of the Change In Control;

(iv) the taking of any action by the Company (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or benefits under the Company's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other employees of the Company holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of the Company to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by the Company of the terms of an employment agreement between the Company and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given the Company written notice of such circumstance, and (2) the Company shall have failed to remedy such circumstance within thirty (30)

days after its receipt of such notice. Such written notice to be provided by you to the Company shall specify (A) the effective date for your proposed Termination of employment (provided that such effective date may not precede the expiration of the period for the Company's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for Termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"**Qualifying Termination**" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable Company sick pay plan, short term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) your Retirement, (v) by the Company for Cause or (vi) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if such Termination was (A) by the Company without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"**Retirement**" means Termination of employment with the Company other than for Cause (including resignation in lieu of discharge for Cause) after attaining age 55, having completed at least five (5) years of Company service and having at least sixty-five (65) Points. For this purpose, your "Points" are the sum the sum of: (i) your attained age in whole years, plus (ii) your years of Company service as an employee on the payroll of the Company in whole years.

"**Termination**" means termination of employment with the Company for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the HR Committee from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with the Company will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of the Company or part thereof under circumstances that are not a Change in Control.

Capitalized terms that are not defined in this Award Agreement shall have the meaning set forth in the American Electric Power System 2024 Long-Term Incentive Plan, as amended from time to time.

Recoupment of Incentive Compensation
By accepting this Award, you agree to reimburse the Company for compensation awarded, earned, received or paid to you under this Award Agreement as and when provided in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time (the "Recoupment Policy").

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy (excluding this Award Agreement) shall govern.

You are agreeing to reimburse AEP for compensation under this Award Agreement if the Board of Directors of American Electric Power Company, Inc., in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results;

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the view of the Board of Directors of American Electric Power Company, Inc., either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on the Company to obtain reimbursement of such compensation from you, then you will be required to reimburse the Company for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to the Company within ninety (90) days of the Company's issuance of its notice to you. By entering into this Award Agreement, you further agree and consent that the Company may also retain any deferred compensation previously credited to you and not paid, provided that the Company will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights the Company might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by the Company or otherwise based on applicable legal considerations, all of which are expressly retained by the Company.

Change in Control and Qualifying Termination

Notwithstanding any provision of the Plan to the contrary, if you incur a Qualifying Termination prior to the Vesting Date, (a) all of your outstanding performance shares shall be deemed to have been fully earned at a 100% Overall Performance Score as of the date of your Qualifying Termination, (b) all restrictions, terms and conditions applicable to all of your performance shares then outstanding shall be deemed lapsed and satisfied as of the date of your Qualifying Termination, and (c) performance shares held by you will be paid in a lump sum in cash, to you, as soon as administratively feasible after the date of your Qualifying Termination, but no later than 2-1/2 months following the calendar year of your Qualifying Termination.[2] For this purpose, the value of the performance shares shall be the closing market price of one share of AEP Common Stock for the date of your Qualifying Termination, or, if your Qualifying Termination is coincident with the date of the Change In Control, the value of your performance shares shall be determined by (i) if the Change in Control is the result of a tender or exchange offer for, merger of, or sale or disposition of all or substantially all of the assets of the Company, the consideration per share of Common Stock received by the shareholders in connection with such transaction, or, if (i) is not applicable, (ii) the closing price of a share of Common Stock on the date of the Change in Control. To the extent that the consideration paid in any such transaction described in (i) above consists all or in part of securities or other non-cash consideration, the value of such securities and

[2] However, (i) if you are a participant in the SORP, the availability of your performance shares upon your Qualifying Termination also will take into account the provisions of the SORP; and (ii) if you have submitted an effective election to defer payment of all or any portion of your performance shares pursuant to the ICDP, the availability of your performance shares following your Qualifying Termination will be determined in accordance with the provisions of the ICDP.

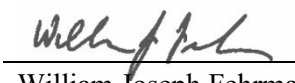
other non-cash consideration shall be the fair market value as determined by such reasonable methods or procedures as shall be established by the Committee.

The Company shall reimburse you for the legal fees and related expenses incurred if you are required to seek to obtain or enforce your right to a distribution in connection with a Qualifying Termination as described in this section, provided that to the extent that any such reimbursements are taxable to you, the reimbursements shall be paid to you only if the fees and expenses are incurred prior to the date that the distribution is paid to you and you submit written documentation of such fees and expenses to the Company within 6 months after such fees and expenses are incurred. The amount of the fees and expenses that are eligible for reimbursement during one calendar year shall not affect the amount of reimbursements to be provided in any subsequent calendar year. The reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the fee or expense was incurred. The right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

In the event that it is determined that you are properly entitled to a cash distribution under this section, you shall also be entitled to interest thereon at the prime rate of interest as published in *The Wall Street Journal* plus two percent from the date such distribution should have been made to and including the date it is made.

The determination of whether and when a "Change in Control of the Company" occurs with regard to outstanding performance shares will be made by reference to the terms of the American Electric Power System 2024 Long-Term Incentive Plan, as amended from time to time, except as otherwise specified in this Award Agreement.

This Award Agreement becomes void if you do not accept it prior to the Vesting Date.



William Joseph Fehrman
President and Chief Executive Officer

[Name]

Performance Share Award Value Projection

For Example Purposes Only

	Date	Price/Share[1]	Shares Credited	Share Balance	Value
Awarded[2]	Y1, Q1	$82.45	70.042*	70.042	$ 5,774.96
Dividend Credit	Y1, Q2	$83.79	0.736	70.778	
Dividend Credit	Y1, Q3	$85.15	0.731	71.509	
Dividend Credit[3]	Y1, Q4	$86.54	0.777	72.286	
Dividend Credit	Y2, Q1	$87.94	0.773	73.059	
Dividend Credit	Y2, Q2	$89.37	0.768	73.827	
Dividend Credit	Y2, Q3	$90.82	0.764	74.591	
Dividend Credit[3]	Y2, Q4	$92.30	0.808	75.399	
Dividend Credit	Y3, Q1	$93.80	0.804	76.203	
Dividend Credit	Y3, Q2	$95.32	0.799	77.002	
Dividend Credit	Y3, Q3	$96.87	0.795	77.797	
Dividend Credit[3]	Y3, Q4	**$98.45**	0.846	78.643	

Performance Measures	Score	Weight	Weighted Score
Operating EPS	80.0%	50%	40.0%
Relative Total Shareholder Return	125.0%	40%	50.0%
Maintaining Reliability Through the Clean Energy Transition	120.0%	10%	12.0%
	Award Score:		102.0%
	x Share Balance[3]:		78.643
	Ending Share Balance:		**80.216**
Value at End of Vesting Period:	**$98.45** ×	**92.853** =	**$ 7,896.92**

* 75% of LTI planned amount (Value) divided by Price per Share at Grant

[1] Assumes AEP's share price grows at AEP's 6.5% current long-term earnings growth rate guidance rate.

[2] LTI is granted after the record date for the Q1 dividend, so there is not a dividend credit for this quarter.

[3] Assumes 6.5% dividend growth each Q4, which is AEP's current long-term earnings growth guidance.

EXAMPLE

PERFORMANCE SHARE AWARD AGREEMENT

This Performance Share Award Agreement includes provisions for prorated vesting in the event that your employment is terminated (other than Qualifying Termination) due to your death, Retirement or a Triggering Event. The following example **assumes** that the award agreement provides the Effective Date and Vesting Date indicated below.

Effective Date:	**January 1, of year 1**
Vesting Date	**December 31, of year 3**

Prorated Vesting in the event of death, Retirement or a Triggering Event: If your employment Terminates for one or more of the above reasons both prior to the Vesting Date and 6 months or more after the Effective Date, then a prorated portion of your performance shares will remain outstanding and the remainder of your performance shares will be canceled. For example, if your employment Terminates on October 10th of year 1 for one or more of the above reasons, then the fractional percentage of your Granted RSUs that would remain outstanding would be determined as follows: there are 9 whole months from the Effective Date to the Termination Date divided by 36 whole months in the vesting period (9/36 or 25.0%) of your Granted performance shares (along with any additional Dividend Equivalent RSUs related to that portion) would remain outstanding and the remainder would be canceled as of your termination date. The shares that remain outstanding would continue to accrue additional performance shares due to Dividend Credits through the vesting date. After the conclusion of the Performance Period the outstanding shares would be multiplied by the applicable performance score and the resulting total would vest and become payable in accordance with the "Payment of Earned Performance Share Awards" section above.

RESTRICTED STOCK UNIT AWARD AGREEMENT

AEP SYSTEM 2024 LONG-TERM INCENTIVE PLAN

This award agreement (this "Agreement" or "Award Agreement") is being furnished to you as a participant in the American Electric Power System 2024 Long-Term Incentive Plan (LTIP) under which the restricted stock units described herein are awarded.

[Participant Name] is hereby granted the number of restricted stock units listed below:

Number of Restricted Stock Units Granted: **<<# Shares Granted>>**
Grant Date: **[Grant Date]**
Effective Date: January 1, 2025

Vesting Schedule	
Vesting Dates	**Percentage of Granted Units**
February 21, 2026 ("First Vesting Date")	33 1/3%
February 21, 2027	33 1/3%
February 21, 2028	33 1/3%

Restricted Stock Units ("RSUs")
This Agreement entitles you to the aggregate number of RSUs specified above ("Granted RSUs") each of which, if and when it vests, will convert to a single Share of AEP's Common Stock. Upon vesting, RSUs are converted to AEP Common Stock and delivered to you in accordance with the other terms and provisions of this Agreement. RSUs have no voting rights and are not entitled to receive any dividend declared on AEP Common Stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP Common Stock, as described below.

Dividend Equivalent RSUs
Beginning after the Grant Date, additional Dividend Equivalent RSUs with a value equal to the value of dividends paid on AEP Common Stock are credited on outstanding (un-canceled) RSUs. The number of additional RSUs awarded due to dividends is calculated as the value of the dividend for a number of Shares of AEP Common Stock equal to the number of outstanding RSUs on the dividend payment date divided by the closing price of AEP Common Stock on the dividend payment date.

No additional RSUs will be awarded as Dividend Equivalent RSUs after conversion of the related RSUs into Shares of AEP Common Stock. See Conversion of Vested Stock Units and Delivery of Shares, below.

Vesting of Granted RSUs
Your Granted RSUs shall vest, subject to your continuous AEP employment through a vesting date, in accordance with the above vesting schedule, except as otherwise provided for in this Agreement. See also the sections of this Agreement entitled Vesting of Dividend Equivalent RSUs and Accelerated Vesting of RSUs below.

Vesting of Dividend Equivalent RSUs
Dividend Equivalent RSUs vest at the same time as the Granted RSUs to which they relate vest. Also see the sections of this Agreement entitled Vesting of Granted RSUs above and Accelerated Vesting of RSUs below.

Accelerated Vesting of RSUs
RSUs may vest earlier than the dates shown in the Vesting Schedule, above, as follows:

Prorated Vesting for Severance: If you qualify for a Severance Date, as defined below, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest as of your Severance Date. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through the date your employment with AEP Terminates as the direct result of the Triggering Event divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date your employment with AEP Terminates as the direct result of the Triggering Event.

See attached Example.

RSUs that vest as a result of your severance shall be converted to AEP Common Stock and delivered to you as of your Severance Date in accordance with the section of this Agreement entitled Delivery of Shares of AEP Common Stock, below.

Prorated Vesting for Retirement: If you qualify for a Retirement Date, as defined below, a fractional portion of your Granted RSUs (and related Dividend Equivalent RSUs) shall vest as of your Retirement Date. The portion of your Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

The number of whole months from the Effective Date through the date your employment with AEP Terminates as a Retirement divided by the number of whole months from the Effective Date until the final Vesting Date specified in the Vesting Schedule, above;

Reduced (but not below zero) by

The cumulative percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date your employment with AEP Terminates as a Retirement.

See attached Example.

RSUs that vest as a result of your Retirement shall be converted to AEP Common Stock and delivered to you as of your Retirement Payout Date in accordance with the section of this Agreement entitled Delivery of Shares of AEP Common Stock, below.

Death: Upon your death prior to the Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into AEP Common Stock and delivered to your designated beneficiary or beneficiaries under the LTIP (or, if you have not effectively designated any beneficiary under the LTIP, to your estate) as soon as administratively practicable following your death.

Change In Control: Upon a Qualifying Termination of your employment with AEP, the RSUs, to the extent outstanding but not vested, shall vest, be converted into Shares and delivered as of the date of the Qualifying Termination in accordance with the section of this Agreement entitled Delivery of Shares of AEP Common Stock, below.

Other Terminations

Except as provided above under the Accelerated Vesting section with respect to a Change in Control and as provided in the following sentence involving circumstances that may give rise to a Severance Date or a Retirement Vesting Date for you, upon the Termination of your employment for any reason prior to your death, any unvested Granted RSUs and unvested Dividend Equivalent RSUs shall be forfeited, and you shall have no rights or interests in or with respect to such unvested RSUs. If your employment with AEP is Terminated under circumstances that may give rise to a Severance Date or a Retirement Vesting Date for you, to the extent your unvested Granted RSUs and unvested Dividend Equivalent RSUs do not vest by reason of a Severance Date or a Retirement Vesting Date for you, they shall be forfeited as of the date it becomes certain that such Severance Date or Retirement Vesting Date (as applicable) shall not occur.

Definitions

In addition to the terms defined elsewhere in this Agreement, the following shall be defined terms when used in this Agreement:

"AEP" means American Electric Power Company, Inc.; a New York corporation; and its subsidiaries and affiliates.

"Cause" means any one or more of the following grounds: (i) failure or refusal to perform your assigned duties and responsibilities in a competent or satisfactory manner as determined by your AEP employer; (ii) commission of an act of dishonesty, including, but not limited to, misappropriation of funds or any property of AEP; (iii) engagement in activities or conduct injurious to the best interest or reputation of AEP as determined by

your AEP employer; (iv) insubordination; (v) a violation of any of the materials terms and conditions of any written agreement or agreements you may from time to time have with AEP; (vi) violation of any of AEP's rules of conduct of behavior, such as may be provided in any employee handbook or as AEP may promulgate from time to time; (vii) commission of a crime which is a felony, a misdemeanor involving an act or moral turpitude, or a misdemeanor committed in connection with your employment with AEP which is injurious to the best interest or reputation of AEP as determined by your AEP employer; or (viii) disclosure, dissemination, or misappropriation of confidential, proprietary, and/or trade secret information. If you make a disclosure that is inconsistent with the requirements of clause (viii), it shall not be considered "Cause" if your disclosure of confidential, proprietary, and/or trade secret information is done as a part of reporting an act or event, that you in good faith believe is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or as a part of your cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws.

"Committee" means the committee designated by American Electric Power Service Corporation (or by a duly authorized person) as responsible for the administration of the Plan.

"Disability" or "Disabled" means that you have an illness or injury for which you have been determined to be entitled to benefits under the terms of the LTD Plan. You shall not be considered Disabled for purposes of this Award Agreement effective at any time you are not entitled to benefits under the LTD Plan, under such circumstances that include (but are not limited to) the termination of the LTD Plan or your not being in a classification eligible to participate in the LTD Plan.

"Good Reason" applies if a Change of Control occurred and means

(i) an adverse change in your status, duties or responsibilities as an employee of AEP as in effect immediately prior to the Change In Control;

(ii) failure of AEP to pay or provide you in a timely fashion the salary or benefits to which you are entitled under any employment agreement between AEP and you in effect on the date of the Change In Control, or under any benefit plans or policies in which you were participating at the time of the Change In Control;

(iii) the reduction of your base salary as in effect on the date of the Change In Control;

(iv) the taking of any action by AEP (including the elimination of a plan without providing substitutes therefor, the reduction of your awards thereunder or failure to continue your participation therein) that would substantially diminish the aggregate projected value of your awards or

benefits under AEP's benefit plans or policies in which you were participating at the time of the Change In Control; provided, however, that the diminishment of such awards or benefits that apply to other employees of AEP holding positions in your salary grade or lower in addition to you shall be disregarded; or

(v) the relocation, without your prior approval, of the office at which you are to perform services on behalf of AEP to a location more than fifty (50) miles from its location immediately prior to the Change In Control.

Any circumstance described in this definition shall constitute Good Reason even if such circumstance would not constitute a breach by AEP of the terms of an employment agreement between AEP and you in effect on the date of the Change In Control. However, such circumstance shall not constitute Good Reason unless (1) within ninety (90) days of the initial existence of such circumstance, you shall have given AEP written notice of such circumstance, and (2) AEP shall have failed to remedy such circumstance within thirty (30) days after its receipt of such notice. Such written notice to be provided by you to AEP shall specify (A) the effective date for your proposed termination of employment (provided that such effective date may not precede the expiration of the period for AEP's opportunity to remedy), (B) reasonable detail of the facts and circumstances claimed to provide the basis for termination, and (3) your belief that such facts and circumstance would constitute Good Reason for purposes of this Agreement. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason hereunder.

"Key Employee" means an employee who is classified as a "specified employee" at the time of Termination in accordance with the policies adopted by the Human Resources Committee of the Board of Directors of American Electric Power Company, Inc., in order to comply with the requirements of Section 409A(a)(2)(B)(i) of the Code and the guidance issued thereunder.

"LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, or any plan providing continuation of cash payments due to your illness or injury that may reasonably be expected to prevent you from performing the duties of your occupation for a period longer than at least 6 months that is designated as a successor to that plan or as a replacement for that plan with respect to you.

"Points" are the sum the sum of: (i) your attained age in whole years, plus (ii) your years of AEP service as an employee on the payroll of AEP in whole years.

"Qualifying Termination" means, coincident with or within one (1) year after the date of a Change In Control, your Termination for any reason excluding (i) your death, (ii) your Disability, (iii) the exhaustion of your benefits under the terms of an applicable AEP sick pay plan, short-term disability plan or long-term disability plan (other than by reason of the amendment or termination of such a plan), (iv) by AEP for Cause or (v) by you without Good Reason. If your employment is Terminated during the term of this Agreement, but prior to a Change In Control, it shall not be considered a Qualifying Termination even if

such Termination was (A) by AEP without Cause, or (B) by you based on events or circumstances that would constitute Good Reason if a Change in Control had occurred.

"Release of All Claims Agreement" means a Release of All Claims Agreement in a form acceptable to AEP or its Subsidiary, whereby you agree to waive and release AEP, all AEP System companies and all of their respective officers, directors, employees, agents and representatives of and from any and all claims.

"Retirement" means your employment with AEP Terminates under circumstances that all of the following conditions are satisfied: (i) your Termination is other than for Cause (including resignation in lieu of discharge for Cause); (ii) as of your Termination Date, you have attained age 55 and completed at least five (5) years of AEP service as an employee on the payroll of AEP and having at least sixty-five (65) Points; and (iii) your Termination is not a Qualifying Termination. AEP retains sole discretion over the determination whether your employment with AEP has Terminated as a Retirement

"Retirement Vesting Date" means the date that the Release of All Claims Agreement that AEP has presented to you has been signed and becomes irrevocable provided that occurs at least 10 business days before the last day of the third month immediately following the month in which your employment with AEP Terminates as a Retirement. AEP retains sole discretion over when it will present you with a Release of All Claims Agreement and the terms of any such agreement.

"Retirement Payout Date" means, provided that you have then satisfied the conditions to have a Retirement Vesting Date, (a) if you are a Key Employee, the last day of the month coincident with or next following the date that is six (6) months after the date of your Retirement; and (b) if you are not a Key Employee, the last day of the month coincident with or next following the date that is three (3) months after the date of your Retirement.

"Severance Date" means the date that all of the following conditions are satisfied at least 10 business days before March 15 of the calendar year immediately following the calendar year in which your employment with AEP Terminates: (i) your Termination is not a Qualifying Termination, (ii) your employment with AEP is Terminated prior to your attainment of age 55 and completion of at least five (5) years of AEP service as an employee on the payroll of AEP and having at least sixty-five (65) Points (see clause (ii) in the definition of "Retirement") in a manner that is the direct result of a Triggering Event and that is either (I) an involuntary Termination by the unilateral authority of AEP without Cause, and not due to your implicit or explicit request, where you are willing and able to continue performing services, or (II) a voluntary Termination by you pursuant to a window program that has been designed and implemented by AEP in a manner that is not inconsistent with the requirements imposed by regulatory or other authoritative guidance issued under Code Section 409A with respect to separation pay plans, (iii) you are presented with and then timely sign and return an effective Release of All Claims Agreement; (iv) on or before the date your Release of All Claims Agreement becomes irrevocable by you, you neither receive an opportunity to continue employment with a purchaser, successor or other

applicable entity associated with the Triggering Event, under such terms and conditions that are specified or negotiated by or on behalf of AEP nor an offer of employment with AEP that is at the same or higher base pay (determined without regard to overtime pay, bonuses, premium payments, incentive compensation or any other form of additional compensation) and that does not require relocation of your primary residence. For purposes of clause (ii), your employment will not be considered Terminated as the direct result of a Triggering Event if (A) your employment Terminates following the expiration of a specific term of employment previously identified between you and AEP, regardless of the reason for not extending or renewing your employment, or (B) you fail to continue to provide services to AEP up to and including the date established by AEP for the Termination of your employment pursuant to the Triggering Event, or (C) AEP does not present you with a Release of All Claims Agreement in connection with the Termination of your employment with AEP. AEP retains sole discretion over any determination of whether and when it will present you with a Release of All Claims Agreement and the terms of any such agreement.

"Termination" means termination of employment with AEP for any reason; provided that determinations as to the circumstances that will be considered a Termination (including a leave of absence other than a leave of absence due to your Disability) shall be made in a manner consistent with the written policies adopted by the Human Resources Committee of the Board of Directors of American Electric Power Company, Inc., from time to time to the extent such policies are consistent with the requirements imposed under Code 409A(a)(2)(A)(i). Your employment with AEP will not be considered Terminated so long as you remain continuously Disabled.

"Triggering Event" means the restructuring, consolidation, downsizing, closing, sale and/or divestiture of AEP or part thereof under circumstances that are not a Change in Control.

"Vesting Date" means each date set forth above in the Vesting Schedule.

RSUs Are Nontransferable

No RSUs shall be sold, exchanged, pledged, transferred, assigned, or otherwise encumbered, hypothecated or disposed of by you (or any beneficiary).

Recoupment of Incentive Compensation

By accepting this Award, you agree to reimburse AEP for compensation awarded, earned, received or paid to you under this Award Agreement as and when provided in the American Electric Power Company, Inc. Board Policy on Recouping Incentive Compensation, as amended from time to time (the "Recoupment Policy").

The following is provided as a summary overview of the Recoupment Policy. In the event of a conflict between this summary and the Recoupment Policy, the terms of the Recoupment Policy (excluding this Award Agreement) shall govern.

You are agreeing to reimburse AEP for compensation under this Award Agreement if the Board of Directors of American Electric Power Company, Inc. (the "Board"), in its discretion, determines that:

(A)

- You are a Covered Employee as defined in the Recoupment Policy, and
- This Award Agreement or any compensation resulting from it was predicated upon the achievement of financial or other results that were subsequently materially restated or corrected, and
- A payment that is materially lower would have been made to you had achievement been calculated based upon the restated or corrected financial or other results.

or

(B)

- You are a Covered Executive Officer (as defined in the Recoupment Policy), and
- You have Received Erroneously Awarded Compensation in a manner described under the Recoupment Policy.

Therefore, if and to the extent that, in the Board's view, either of the above conditions have been met and such reimbursement is warranted by the facts and circumstances of the particular case or if the applicable legal requirements impose more stringent requirements on AEP to obtain reimbursement of such compensation from you, then you will be required to reimburse AEP for the value of such compensation paid to you (with such value to be no less than that determined at the time of payment). Any such reimbursement must be paid in full to AEP within ninety (90) days of AEP's issuance of its notice to you. By entering into this Agreement, you further agree and consent that AEP also may retain any deferred compensation previously credited to you and not paid, provided that AEP will retain such deferred compensation only if, when and to the extent that it otherwise becomes payable to you. This right to reimbursement is in addition to, and not in substitution for, any and all other rights AEP might have to pursue reimbursement or such other remedies against an employee (including a Covered Employee) for misconduct in the course of employment by AEP or otherwise based on applicable legal considerations, all of which are expressly retained by AEP.

Conversion of Vested Stock Units and Delivery of Shares

Conversion to AEP Common Stock: Upon vesting, each vested RSU (including each vested Granted RSU and each vested Dividend Equivalent RSU) shall be converted into a single share of AEP Common Stock for delivery in accordance with the section of this Award Agreement entitled Delivery of Shares of AEP Common Stock below. Fractional RSUs that constitute less than a single share may be paid in Shares of AEP Common Stock, cash, as additional income tax withholding or any combination thereof, at AEP's option.

Delivery of Shares of AEP Common Stock: The Shares of AEP Common Stock resulting from the conversion of your vested RSUs shall be delivered to you or to an account set up for your benefit with a broker/dealer designated by the Company (the "Broker/Dealer

Account") within a reasonable time (generally 3 days) after such shares are converted as described in the section of this Award Agreement entitled Conversion to AEP Common Stock above. Such Shares shall be delivered on or before March 15 of the calendar year following the calendar year during which the RSUs became vested, provided that to the extent the RSUs have become vested by reason of your Retirement, such Shares shall be delivered as soon as practicable on or after your Retirement Payout Date.

AEP Common Stock and all LTIP participants remain subject to all applicable legal and regulatory restrictions such as insider trading restrictions and black-out periods and as otherwise specified by this Award Agreement.

Tax Withholding

AEP retains discretion to withhold any and all applicable income, employment and other taxes required to be withheld in connection with these RSUs. AEP may reduce the number of vested RSUs credited to you or the number of Shares of AEP Common Stock delivered to you to satisfy such tax withholding obligation. The amount of such reduction shall be based upon the Fair Market Value of AEP Common Stock at that time; provided, however, that any reduction to your vested RSUs for applicable tax withholding shall not exceed such limits as may be applicable to comply with the requirements of Code Section 409A.

LTIP Incorporated By Reference

This Agreement is subject in all respects to the terms and provisions of the LTIP, all the terms and provisions of which are made a part of and incorporated in this Agreement (as if they were expressly set forth herein). In the event of any conflict between the terms of this Agreement and the terms of the LTIP, the terms of the LTIP shall control. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto under the LTIP.

No Special Employment Rights

Nothing contained in the LTIP or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue your employment for the Vesting Period or for any other period. Your employment with AEP is and will remain at all times "at-will."

Cancellation

The RSUs subject to this Award Agreement shall be canceled and be of no force or effect upon forfeiture in accordance with the terms and provisions of the relevant sections of this Award Agreement, including the section entitled Other Terminations, above.

Notice

Any Notice that may be required or permitted under this Agreement shall be in writing, and shall be delivered in person, overnight courier service or certified mail, postage prepaid, properly addressed as follows:

Notice to AEP: If such notice is to AEP, to the attention of the Executive Compensation Department, American Electric Power, 1 Riverside Plaza – 15th Floor,

Columbus, OH 43215, or at such other address as AEP, by notice to you, may designate in writing from time to time.

Notice to You: If such notice is to you, at the address as shown on the records of AEP or at such other address as you, by notice to AEP, may designate in writing from time to time.

IN WITNESS WHEREOF, AEP has caused this Agreement to be executed by its duly authorized officer as of the Grant Date specified above. This Agreement will not become effective until you accept it. If you have not properly accepted this Agreement by the day immediately preceding (1) the earlier of (a) the date that you would qualify for Retirement (if your employment with AEP would then Terminate) or (b) the First Vesting Date, but (2) no earlier than the last day of the second month after the Grant Date, then (A) any Granted RSUs (and related Dividend Equivalent RSUs) to the extent not then vested shall be forfeited and (B) you shall be deemed to have accepted this Agreement only with respect to any RSUs and Dividend Equivalent RSUs that vested before the First Vesting Date.

AMERICAN ELECTRIC POWER COMPANY, INC.

By: _____
William Joseph Fehrman
President and Chief Executive Officer

EXAMPLES
RESTRICTED STOCK UNIT AWARD AGREEMENT

The Restricted Stock Unit Award Agreement includes provisions for prorated vesting for Severance and Retirement. The following examples **assume** that the award agreement provides the Effective Date and Vesting Schedule indicated below.

Effective Date: **January 1 of year 1**

Vesting Schedule	
Vesting Date	**Percentage of Granted Units**
February 21 of year 2	33 1/3%
February 21 of year 3	33 1/3%
February 21 of year 4	33 1/3%

Prorated Vesting for Severance: If you would incur a Severance Date on October 10 of year 2 in connection with the Termination of your employment on September 30 of year 2 as the direct result of a Triggering Event, the fractional percentage of your Granted RSUs would be determined as follows: the 21 whole months from the Effective Date to the Termination Date is divided by 37 whole months in the vesting period (21/37 or 56.8%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that about 23.5% (56.8% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Severance Date on October 10th of year 2.

Prorated Vesting for Retirement: If you would incur a Retirement Vesting Date on December 15th of year 2 in connection with your Retirement on October 31 of year 2, the fractional percentage of your Granted RSUs would be determined as follows: the 22 whole months from the Effective Date to the date of your Retirement is divided by 37 whole months in the vesting period (22/37 or 59.4%), reduced by the 33.3% of your Granted RSUs that vested on February 21 of year 2, such that about 26.1% (59.4% - 33.3%) of your Granted RSUs (along with any additional Dividend Equivalent RSUs related to that portion) would become vested as of your Retirement Vesting Date on December 15th of year 2, and the resulting shares delivered to your account on or as soon as practicable after the Retirement Payout Date (that is, January 31 of year 3, if you were not a Key Employee at the time of your Retirement, or April 30 of year 3 if you were a Key Employee at the time of your Retirement.

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_26	Explain the difference between references to the Short-Term Incentive (STI) plan and the Incentive Compensation Plan (ICP) and whether the ICP relates solely to the STI plan?

RESPONSE

STI refers to short-term or annual incentive compensation plans in general. ICP is an abbreviation of the name of the Companies' STI plan (American Electric Power 2025 Annual Incentive Compensation Plan) and generally refers to all STI plans, scorecards and years relevant to Kentucky Power Company unless content suggests otherwise or is otherwise specified by the text.

"ICP" is solely the Companies' short-term incentive compensation plan.

Witness: Andrew R. Carlin

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_27 Reference adjustment W30 in Exhibit 2 that increases incentive compensation expense to the target level of 1.0 of the incentive target for the ICP and the Long- Term Incentive (LTI) plan. Confirm that these amounts are attributable only to the Company's and to Wheeling Power Company's employees that are charged to the Company and that they do not include amounts attributable to AEPSC employees that are charged to the Company.

RESPONSE

Adjustment W30 represents an adjustment for ICP and LTIP costs attributable to the Kentucky Power's employees and its ownership percentage of the Mitchell facility costs of Wheeling employees that are billed to the Company.

AEPSC billings to Kentucky Power are considered to be billings for outside services. Those services vary from year to year depending upon the needs of Kentucky Power Company. This is consistent with most of our O&M expenses, such that they vary year to year depending upon the needs of the Company. Therefore, the Company did not make any test year cost of service adjustments related to incentive compensation expense (either STI or LTI) for AEPSC employees.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_28 Provide the amount of incentive compensation expense pursuant to the STI plan included in the test year revenue requirement for each target metric used for this plan during the test year. Separately provide the costs incurred directly by the Company and the costs incurred through AEPSC affiliate charges and Wheeling Power Company, the operator of the Mitchell plant. In addition, provide these amounts by FERC O&M and/or A&G expense account.

RESPONSE

See KPCO_R_AG_KIUC_1_28_Attachment1 for direct costs and its portion of the costs related to the Mitchell facility for the STI expense test year by FERC account and STI plan target matric.

Please refer to KPCO_R_AG_KIUC_1_28_Attachment2 for the actual AEPSC STI expense by target metric included in the test year revenue requirement. Note that the share of AEPSC billings to the Company are not reflective of any subsequent billing of charges to or from the Co-Owner of Mitchell Plant.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_29 Provide the amount of incentive compensation expense pursuant to the LTI plan included in the test year revenue requirement for each target metric used for this plan during the test year. Separately provide the costs incurred directly by the Company and the costs incurred through AEPSC affiliate charges and Wheeling Power Company, the operator of the Mitchell plant. In addition, provide these amounts by FERC O&M and/or A&G expense account.

RESPONSE

See KPCO_R_AG_KIUC_1_29_Attachment1 for the Kentucky Power direct costs and its portion of the costs related to the Mitchell facility for the long-term incentive Performance Share Incentive expense included in the test year revenue requirement by FERC account and PSI plan target matric.

Please refer to KPCO_R_AG_KIUC_1_29_Attachment2 for AEPSC PSI expense by target metric included in the test year revenue requirement. Note that the share of AEPSC billings to the Company are not reflective of any subsequent billing of charges to or from the Co-Owner of Mitchell Plant.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_30 Provide the STI plan and LTI plan target metrics for the Company and AEPSC applicable in the test year, describe how they were calculated and the source of the data used for the calculations, and provide the Company and AEPSC's actual performance against each of these metrics in the test year.

RESPONSE

Please see KPCO_R_AG_KIUC_1_30_Attachment1 for the STI metrics and actual or projected scores for applicable to the 2024 portion of the test year.

Please see KPCO_R_AG_KIUC_1_30_ConfidentialAttachment2 for the STI metrics with current and projected scores as of the end of the Test year applicable to the 2025 portion of the test year.

Please see KPCO_R_AG_KIUC_1_30_ConfidentialAttachment3 for the LTI metrics and actual or projected scores for applicable to the test year.

Please see the response to AG-KIUC 1_25 for descriptions of the performance measures, their calculation and the information used for to calculate each measure.

Witness: Andrew R. Carlin

LONG-TERM INCENTIVE FINAL RESULTS

	Cum thru Dec 31, 23	Cum thru Mar 31, 24	Cum thru Jun 30, 24	Cum thru Sep 30, 24	Cum thru Dec 31, 24
AEP Stock Price (20-day avg)	80.92	83.53	88.30	102.64	93.46
Percent change in AEP stock price from prior month	**3.55%**	**4.32%**	**0.12%**	**4.55%**	**-3.59%**
AEP TSR Percentile	64.7%	61.1%	64.7%	70.5%	58.8%
3-Yr TSR vs. Plan Peer Group Performance	**1.490**	**1.370**	**1.490**	**1.683**	**1.293**
3-Yr Cumulative EPS (Target = $15.900)	$15.974	$15.973	$15.940	$15.940	$15.958
3-Yr Cumulative EPS Performance	**1.093**	**1.092**	**1.051**	**1.051**	**1.073**
Carbon Free Capacity Mix % (Target 32.2%)	31.78%	31.76%	32.43%	32.49%	31.13%
Carbon Free Capacity	**0.710**	**0.699**	**0.640**	**0.662**	**0.442**
2022 - 2024 Composite Score (40% TSR + 50% EPS + 10% NEGC)	**1.214**	**1.164**	**1.186**	**1.265**	**1.098**

Comparison of PSI Performance

	Cum thru June 30, 24	Cum thru Sept 30, 24	Cum thru Dec 31, 24	Cum thru Mar 31, 25	Cum thru Apr 30, 25	Cum thru May 31, 25
AEP Stock Price (20-day avg)	88.30	102.64	93.46	105.07	105.97	103.47
Percent change in AEP stock price from prior month	0.12%	4.55%	-3.59%	2.48%	0.86%	-2.35%
AEP TSR Percentile	40.0%	52.0%	36.0%	48.0%	56.0%	48.0%
3-Yr TSR vs. Plan Peer Group Performance	**0.667**	**1.067**	**0.533**	**0.933**	**1.200**	**0.933**
3-Yr Cumulative EPS (Target = [redacted])	[redacted]					
3-Yr Cumulative EPS Performance	**0.926**	**0.926**	**0.818**	**0.818**	**0.818**	**0.818**
Carbon Free Generation ([redacted])	[redacted]					
Carbon Free Capacity Mix	[redacted]					
2023 - 2025 Composite Score (40% TSR + 50% EPS + 10% CFG)	[redacted]					
AEP TSR Percentile	84.0%	88.0%	52.0%	88.0%	88.0%	88.0%
3-Yr TSR vs. Plan Peer Group Performance	**2.000**	**2.000**	**1.067**	**2.000**	**2.000**	**2.000**
3-Yr Cumulative EPS (Target = $[redacted])	[redacted]					
3-Yr Cumulative EPS Performance	[redacted]					
Maintaining Reliability Through Clean Energy Transition (Target 75% of MW's approved)						
Carbon Free Generation	[redacted]					
2024 - 2026 Composite Score (40% TSR + 50% EPS + 10% CFG)	[redacted]					
AEP TSR Percentile				$0.880	$0.880	$0.880
3-Yr TSR vs. Plan Peer Group Performance				**2.000**	**2.000**	**2.000**
3-Yr Cumulative EPS (Target = $[redacted])				[redacted]		
3-Yr Cumulative EPS Performance				[redacted]		
2025 - 2027 Composite Score (50% TSR + 50% EPS)						

EPS Assumptions

2025 = $[redacted]

2026 = $[redacted]

2027 = $[redacted]

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_31 Provide separately the expense related to the performance shares and to Restricted Stock Units (RSU) for Kentucky Power employees included in the test year by FERC account. Be sure to include amounts charged by AEPSC to Kentucky Power and charged by Wheeling Power Company to Kentucky Power as the operator of the Mitchell plant.

RESPONSE

Please refer to Company response to AG-KIUC 1_29 for Company PSI (performance share) in the test year by FERC account. Please see KPCO_R_AG_KIUC_1_31_Attachment1 for Company RSU expense in the test year by FERC Account.

Please refer to Company response to AG-KIUC 1_29 for AEPSC PSI (performance share) billed to Kentucky Power in the test year by FERC account. Please see KPCO_R_AG_KIUC_1_31 Attachment2 for AEPSC RSU expense billed to Kentucky Power in the test year by FERC Account.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_32 Provide the amount of Supplemental Executive Retirement Plan (SERP) expense incurred in the test year and the amount included in the revenue requirement. Provide the SERP expense directly incurred by Kentucky Power Company and the SERP expense charged to the Company from each other affiliate.

RESPONSE

Adjustment W26 at Section V, Exhibit 2, page 27 adjusts pension and other post-retirement benefit costs (including SERP costs) for known changes from the test year, and is attributable only to Kentucky Power employees. Please refer to KPCO_R_AG_KIUC_1_32_Attachment1 for the amount of SERP expense attributable to Kentucky Power employees incurred in the test year (Line No. 12) and the amount included in the revenue requirement (Line No. 6)

SERP expense charged to the Company by AEPSC during the test year ended May 31, 2025 and included in the revenue requirement was $134,163.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_33 Provide the charges by FERC account for each month in the test year and in total from AEPSC to KPCo separated into direct charges, direct assignments, and allocations, with the allocations further separated into charges by individual allocation factor. Provide in live Excel spreadsheet format with all formulas intact.

RESPONSE

Please see KPCO_R_AG_KIUC_1_33_Attachment1 for requested information.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_34 Provide the charges by FERC account for each month subsequent to the test year from AEPSC to KPCo for which actual information is available separated into direct charges, direct assignments, and allocations, with the allocations further separated into charges by individual allocation factor. Provide in live Excel spreadsheet format with all formulas intact.

RESPONSE

Please see KPCO_R_AG_KIUC_1_34_Attachment1 for the requested information for the months of June 2025 to August 2025.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_35 Provide the data and calculations used by AEPSC to calculate the allocation percentages and the charges allocated to each affiliate for each allocation method during each month of the test year and each month thereafter for which actual information is available. Provide in live Excel spreadsheet format with all formulas intact.

RESPONSE

Please reference KPCO_R_AG_KIUC_1_35_Attachment1 for requested Test Year information.

Please reference KPCO_R_AG_KIUC_1_35_Attachment2 for requested thereafter information (June 2025 – August 2025).

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_36 Provide a matrix separately for the test year showing the AEPSC cost pools, activities, or departments on one axis and the affiliates that were allocated costs on the other axis. Provide in electronic format.

RESPONSE

Please reference KPCO_R_AG_KIUC_1_36_Attachment1 for the matrix of AEPSC departments and the affiliates allocated costs.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_37 Confirm that the Company did not include ratemaking adjustments to normalize the AEPSC allocated charges to KPCo to reflect the proposed ratemaking adjustments for net reductions in KPCo load due to customer specific changes and reductions in number of customers or changes in the number of employees.

a. If the Company did reflect such ratemaking adjustments in its filing, then identify where each adjustment was made, describe the adjustment, quantify the adjustment, and provide all data, assumptions, calculation, and electronic workpapers in live Excel spreadsheet format with all formulas intact.

b. If the Company did not reflect such ratemaking adjustments in its filing, then quantify such an adjustment and provide all data, assumptions, calculation, and electronic workpapers in live Excel spreadsheet format with all formulas intact necessary to make such an adjustment.

RESPONSE

Confirmed.

a. Not applicable.

b. The Company has not performed the requested analysis. The Company has filed, and has traditionally filed, its base cases using a historic test year period, meaning the Company generally reflects the actual costs incurred during that period. In this case, the Company is treating AEPSC allocated costs as if it were cost incurred from any other third-party performing work for the Company during the test year. If the Company had not treated AEPSC billing this way, it would have made numerous adjustments to the AEPSC allocated costs to normalize those costs. For example, as explained by Company Witness Carlin, the Company did not adjust the AEPSC costs to reflect a target incentive compensation of 1.0 for AEPSC employees charging time to the Company during the test year, which would have increased the overall revenue requirement. As such, it would not be appropriate to adjust for a single item like reductions in load without making the other corresponding adjustments to the rest of the AEPSC charges.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_38 Provide the AEPSC charges to the Company for a return on rate base by month from January 2023 through August 2025. Provide all calculations in live Excel spreadsheet format with all formulas intact.

RESPONSE

The Company does not have data responsive to this request as AEPSC does not bill the Company for a return on rate base. All AEPSC charges are billed at cost.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_39 Provide an AEPSC trial balance for each month January 2023 through August 2025.

RESPONSE

Please refer to KPCO_R_AG_KIUC _1_39_Attachment1 for the requested information.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_40 Provide the lobbying expense actually incurred in the test year by FERC account/subaccount and payee/vendor, including expense that was incurred by affiliates, such as AEPSC, and charged to the Company. In addition, provide the amount of lobbying expense included in the cost of service in this proceeding in the same format.

RESPONSE

Please see KPCO_R_AG_KIUC_1_40_Attachment1 for the lobbying expenses actually incurred by the Company during the test year. Lobbying expenses are recorded in FERC Account No. 426 and are not included in the Company's cost of service.

Witness: John D. Cullop

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_41 Provide a schedule of the amortization expense associated with each regulatory asset for each year 2021 through 2024 and for each month of the test year. Provide the balance of each regulatory asset at the beginning and end of each of those periods (years and months), the amortization expense recorded in each of those periods (years and months), and the authorized amortization period. In addition, source the amortization period to the Case No. in which the Commission approved the recovery and the amortization period, if any.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, the Company responds as follows:

Please refer to KPCO_R_AG_KIUC_1_41_Attachment1 for the requested information for each year 2021 through 2024 and KPCO_R_AG_KIUC_1_41_Attachment2 for the requested information for each month of the test year.

Witness: Brian C. Ciborek

Name of Respondent: Kentucky Power Company	This report is: (1) ☐ An Original (2) 0 A Resubmission	Date of Report: 05/19/2022	Year/Period of Report End of: 2021/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits …(c)…	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Storm Expenses - Kentucky PSC Case No. 2017-00179 - Amortz period: January 2018 - December 2023	4,233,112		593	2,066,559	2,166,553
2	KY Deferred Interest on 7.32% Note Case No. 2020-00174		650,110	427/431	162,527	487,582
3	SFAS 109 Deferred FIT	38,132,253	18,371,574	282/283	17,749,910	38,753,917
4	Unrecovered Fuel Cost		24,850,294	501/254	16,634,124	8,216,170
5	SFAS 109 Deferred SIT	117,320,924	9,518,545	282/283	36,809,732	90,029,737
6	KY Steam Maint O/U		696,194	512	223,955	472,239
7	Post In-Service AFUDC Hanging Rock/Jefferson 765 KV LineAmortz period: Dec 1984 - Nov 2032	398,376		406	33,408	364,968
8	PJM Greenhat Default Deferral		205,840			205,840
9	Depreciation Expense - Hanging Rock/Jefferson 765 KV LineAmortz period: Dec 1984 - Nov 2032	62,065		406	5,208	56,857
10	Unrecovered Plant - Big Sandy Kentucky PSC Case No. 2014-00396	256,509,062				256,509,062
11	IGCC Pre-Construction Costs Kentucky PSC Case No. 2014-00396	1,038,378		506	53,250	985,128
12	CCS FEED Study Costs Kentucky PSC Case No. 2014-00396	680,830		506	34,914	645,916
13	SFAS 112 Post Employment Benefit	3,437,459	390,243	926	418,148	3,409,554
14	Spent AROs - Big Sandy Coal Kentucky PSC Case No. 2014-00396	107,135,686	4,483,513	411	2,042,441	109,576,758
15	SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans	29,049,719	39,278,378	129/190/219	56,091,699	12,236,398
16	Big Sandy Recovery Over/Under Kentucky PSC Case No. 2014-00396	(26,031,907)	116,516	407	12,462,415	(38,377,806)

17	Big Sandy Retirement Rider Unit 2 O&M Kentucky PSC Case No. 2014-00396	925,723	2,502			928,225
18	Unrealized Loss on Forward Commitments	202,015	3,889,623	175/182/244/456	4,019,413	72,224
19	Deferred Depreciation - Environmental Kentucky PSC Case No. 2014-00396	6,146,236	6,464,638	403	6,691,103	5,919,771
20	Netting of Trading Activities related toUnrealized Gains/Losses on Forward Commitmentsbetween Regulated Assets/Liabilities	(202,015)	1,821,658	254	1,691,867	(72,224)
21	BS1OR Under Recovery Kentucky PSC Case No. 2014-00396	1,083,437	702,349	407/928	1,063,495	722,291
22	NERC Compliance and Cybersecurity Costs Kentucky PSC Case No. 2014-00396	638,387	775,327	431/404	189,624	1,224,091
23	Capacity Charge Tariff Kentucky PSC Case No. 2014-00396, TFS 2016-00430	562,897	386,125	440/442/444	542,596	406,426
24	SFAS 106 Medicare SubsidyAmortz period: Jan 2013 - Dec 2024	866,480		926	216,620	649,860
25	Rate Cases Expenses	391,585	71,357	928	234,511	228,431
26	OSS Margin Sharing Kentucky PSC Case No. 2017-00179	1,554,871	2,178,888	561/440	3,361,744	372,015
27	Under-Recovery of PJM True-UpAmortz period: Jan 2021-Dec 2021	94,748		456	94,748	
28	Rockport Capacity Deferral Kentucky PSC Case No. 2017-00179	41,267,042	7,576,789	431	1,315,987	47,527,845
29	PJM RTEP Costs Deferral	99,980		242/565	99,980	
30	Cost of Removal-Big Sandy CoalKentucky PSC Case No. 2014-00396	(26,510,255)	1,639,854	108	31,550	(24,901,951)
31	KY Under-recovered PPA Rider	22,469,853	12,754,531	566	6,497,289	28,727,095
32	2020 KY Storm Deferral	10,707,896	51,793,111	593/571	5,995,160	56,505,847
33	NBV-AROs Retired PlantsKentucky PSC Case No. 2014-00396	9,916,947	2,368,066	411	7,564,222	4,720,791
34	Under-Recovery of PJM True-UpAmortz period: Jan 2022-Dec 2022		330,235			330,235
35	PJM 2020 Transmission DeferralAmortization period: Jan 2022-Dec 2022		973,425			973,425
36	M&S - Retiring PlantsKentucky PSC Case No. 2014-00396	3,015,785				3,015,785
44	TOTAL	605,197,569	192,289,685		184,398,199	613,089,054

Name of Respondent: Kentucky Power Company	This report is: (1) 0 An Original (2) EH A Resubmission	Date of Report: 04/12/2023	Year/Period of Report End of: 2022/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (cj	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount ....(e)....	
1	Deferred Storm Expenses - Kentucky PSC Case No. 2017-00179 - Amortz period: January 2018 - December 2023	2,166,553		593	2,066,559	99,994
2	KY Deferred Interest on 7.32% Note Case No. 2020-00174	487,582		427	487,582	
3	SFAS 109 Deferred FIT	38,753,917	17,621,958	282/283	14,236,101	42,139,774
4	Unrecovered Fuel Cost	8,216,170	50,196,421	501	35,171,129	23,241,462
5	SFAS 109 Deferred SIT	90,029,737	10,756,715	282/283	6,083,995	94,702,457
6	KY Steam Maint O/U	472,239		512	232,064	240,175
7	Post In-Service AFUDC Hanging Rock/Jefferson 765 KV LineAmortz period: Dec 1984 - Nov 2032	364,968		182/406	33,408	331,560
8	PJM Greenhat Default Deferral	205,840		561	101,153	104,687
9	Depreciation Expense - Hanging Rock/Jefferson 765 KV LineAmortz period: Dec 1984 - Nov 2032	56,857		182/406	5,208	51,649
10	Unrecovered Plant - Big Sandy Kentucky PSC Case No. 2014-00396	256,509,062				256,509,062
11	IGCC Pre-Construction Costs Kentucky PSC Case No. 2014-00396	985,128		506	53,250	931,878
12	CCS FEED Study Costs Kentucky PSC Case No. 2014-00396	645,916		506	34,914	611,002
13	SFAS 112 Post Employment Benefit	3,409,554	1,092,139	228	85,867	4,415,826
14	Spent AROs - Big Sandy Coal Kentucky PSC Case No. 2014-00396	109,576,758	433,087			110,009,845
15	SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans	12,236,398	35,321,452	165/182/228	23,854,227	23,703,623
16	Big Sandy Recovery Over/Under Kentucky PSC Case No. 2014-00396	(38,377,806)		407	14,575,979	(52,953,785)

17	Big Sandy Retirement Rider Unit 2 O&M Kentucky PSC Case No. 2014-00396	928,225	3,203			931,428
18	Unrealized Loss on Forward Commitments		455,054	175/182/244/456	538,933	(83,879)
19	Deferred Depreciation - Environmental Kentucky PSC Case No. 2014-00396	5,919,771	5,748,897	403	6,529,469	5,139,199
20	Netting of Trading Activities related toUnrealized Gains/Losses on Forward Commitmentsbetween Regulated Assets/Liabilities		272,144	254	188,265	83,879
21	BS1OR Under Recovery Kentucky PSC Case No. 2014-00396	722,291	702,350	182/407	1,063,495	361,146
22	NERC Compliance and Cybersecurity Costs Kentucky PSC Case No. 2014-00396	1,224,091	920,696	182/404/431	205,443	1,939,344
23	Capacity Charge Tariff Kentucky PSC Case No. 2014-00396, TFS 2016-00430	406,426	197,233	254/440/442/444	603,659	
24	SFAS 106 Medicare SubsidyAmortz period: Jan 2013 - Dec 2024	649,859		926	216,620	433,239
25	Rate Cases Expenses	228,431	2,332	928	112,254	118,509
26	OSS Margin Sharing Kentucky PSC Case No. 2017-00179	372,015	1,790,311	440/442/444/561	2,162,326	
27	Under-Recovery of PJM True-UpAmortz period: Jan 2022-Dec 2022	330,235		456/447	330,235	
28	Rockport Capacity Deferral Kentucky PSC Case No. 2017-00179	47,527,845	7,358,399	182/431	1,916,551	52,969,693
29	PJM RTEP Costs Deferral					
30	Cost of Removal-Big Sandy CoalKentucky PSC Case No. 2014-00396	(24,901,951)	66,184	108	217,085	(25,052,852)
31	KY Under-recovered PPA Rider	28,727,095	13,859,963	566	4,423,488	38,163,570
32	2020 KY Storm Deferral	56,505,847				56,505,847
33	NBV-AROs Retired PlantsKentucky PSC Case No. 2014-00396	4,720,791	1,007,870	182	433,087	5,295,574
34	2022 PJM Transmission True-up		13,564			13,564
35	PJM 2020 Transmission DeferralAmortization period: Jan 2022-Dec 2022	973,425		565	973,425	
36	M&S - Retiring PlantsKentucky PSC Case No. 2014-00396	3,015,785				3,015,785
37	2021 PJM Transmission True-up		1,073,198			1,073,198
38	KY ELG Deferral		1,446,998	107/506	482,333	964,665
39	2022 KY Major Storm Deferral		18,106,036	560/566/570/592	182,206	17,923,830
44	TOTAL	613,089,054	168,446,204		117,600,310	663,934,948

Name of Respondent: Kentucky Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/09/2024	Year/Period of Report End of: 2023/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	2020 KY Storm Deferral	10,509,844				10,509,844
2	2021 KY Storm Deferral	45,996,003				45,996,003
3	2021 PJM Transmission True-up, Amortization Period: 1/2023 - 12/2023	1,073,198	20,340	447, 456	1,093,534	4
4	2022 KY Major Storm Deferral	17,923,830		592, 593	4,085,547	13,838,283
5	2022 PJM Transmission True-up, Amortization Period: 1/2024 - 12/2024	13,564		447	13,564	
6	Big Sandy Recovery Over/Under, Kentucky PSC Case No. 2014-00396	(52,953,785)	816,859	407	8,110,911	(60,247,837)
7	Big Sandy Retirement Rider Unit 2 O&M, Kentucky PSC Case No. 2014-00396	931,428	6,973			938,401
8	BS1OR Under Recovery, Kentucky PSC Case No. 2014-00396	361,146	702,349	182, 407	1,063,495	
9	CCS FEED Study Costs, Kentucky PSC Case No. 2014-00396	611,000		506	34,914	576,086
10	Cost of Removal-Big Sandy Coal, Kentucky PSC Case No. 2014-00396	(25,052,852)	5,519		(1)	(25,047,332)
11	Deferred Depreciation - Environmental, Kentucky PSC Case No. 2014-00396	5,139,199	2,131,958	403	5,541,482	1,729,675
12	Deferred Storm Expenses, Kentucky PSC Case No. 2017-00179, Amortization Period: 01/2018 - 12/2023	99,995		593	99,995	
13	Depreciation Expense - Hanging Rock/Jefferson 765 KV Line, Amortization Period: 12/1984 - 11/2032	51,649		182, 406	5,208	46,441
14	IGCC Pre-Construction Costs, Kentucky PSC Case No. 2014-00396, Amortization Period: 07/2015 - 06/2040	931,878		506	53,250	878,628
15	KY ELG Deferral	964,665		506	723,499	241,166
16	KY Steam Maint O/U	240,175		512	232,065	8,110
17	KY Under-Recovered PPA Rider	38,163,570	23,648,245	566	436,193	61,375,622
18	M&S - Retiring Plants, Kentucky PSC Case No. 2014-00396	3,015,785				3,015,785
19	NBV - AROs Retired Plants, Kentucky PSC Case No. 2014-00396	5,295,574	214,586	182	309,521	5,200,639
20	NERC Compliance and Cybersecurity Costs, Kentucky PSC Case No. 2014-00396	1,939,344	993,431	182, 431, 404	198,985	2,733,790
21	Unrealized Loss on Forward Commitments Regulated Assets/Liabilities		11,635,817	175, 244, 254, 256, 456	1,598,025	10,037,792
22	OSS Margin Sharing, Kentucky PSC Case No. 2017-00179		5,288,233	561	16,451	5,271,782
23	PJM Greenhat Default Deferral	104,687	7,371,978	182, 561	7,473,130	3,535
24	Post In-Service AFUDC Hanging Rock/Jefferson 765 KV Line, Amortization Period: 12/1984 - 11/2032	331,560		182, 406	33,408	298,152
25	Rate Cases Expenses	118,509	1,006,897	928	113,434	1,011,972
26	Rockport Capacity Deferral, Kentucky PSC Case No. 2017-00179	52,969,694	771,439	182, 431, 555	10,229,370	43,511,763
27	SFAS 106 Medicare Subsidy, Amortization Period: 12/2013 - 12/2024	433,239		926	216,620	216,619
28	SFAS 109 Deferred FIT	42,139,775	32,833,151	190, 236, 254, 282, 283, 409, 410, 411	27,422,579	47,550,347
29	SFAS 109 Deferred SIT	94,702,457	9,415,222	283	6,094,624	98,023,055
30	SFAS 112 Post Employment Benefit	4,415,826		228	1,146,952	3,268,874
31	SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans	23,703,623	27,222,201	129, 228	26,355,419	24,570,405
32	Spent AROs - Big Sandy Coal, Kentucky PSC Case No. 2014-00396	110,009,845	309,521	182	38,995	110,280,371

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
33	Unrecovered Fuel Cost	23,241,461	32,102,536	501	44,656,194	10,687,803
34	Unrecovered Plant - Big Sandy, Kentucky PSC Case No. 2014-00396	256,509,062				256,509,062
35	2023 PJM Transmission True-up, Amortization Period: 1/2025 - 12/2025		349,719	447	1,313	348,406
36	2023 Kentucky Storm Deferral	0	8,471,330	182, 571, 588, 592, 593	56,241	8,415,089
37	KY Deferred Securitization Exp		592,623			592,623
44	TOTAL	663,934,948	165,910,927		147,454,917	682,390,958

Name of Respondent: Kentucky Power Company	This report is: (1) ☑ An Original (2) ☐ A Resubmission	Date of Report: 04/08/2025	Year/Period of Report End of: 2024/ Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	2020 KY Storm Deferral	10,509,844				10,509,844
2	2021 KY Storm Deferral	45,996,003				45,996,003
3	2021 PJM Annual Transmission Requirement	4	56,215	242, 256	4	56,215
4	2022 KY Major Storm Deferral	13,838,283		0		13,838,283
5	Big Sandy Recovery Over/Under, Kentucky PSC Case No. 2014-00396	(60,247,837)	2,732,263	407	3,104,003	(60,619,577)
6	Big Sandy Retirement Rider Unit 2 O&M, Kentucky PSC Case No. 2014-00396	938,401	10,495			948,896
7	BS1OR Under Recovery, Kentucky PSC Case No. 2014-00396		559,581	182, 407	559,581	
8	CCS FEED Study Costs, Kentucky PSC Case No. 2014-00396	576,086		506	34,914	541,172
9	Cost of Removal-Big Sandy Coal, Kentucky PSC Case No. 2014-00396	(25,047,333)	15,006	108	60,000	(25,092,327)
10	Deferred Depreciation - Environmental, Kentucky PSC Case No. 2014-00396	1,729,675	6,765,023	403	3,346,895	5,147,803
11	Depreciation Expense - Hanging Rock/Jefferson 765 KV Line, Amortization Period: 12/1984 - 11/2032	46,441		182, 406	5,208	41,233
12	Demand Side Management Programs		399,463	254, 456, 908	375,437	24,026
13	IGCC Pre-Construction Costs, Kentucky PSC Case No. 2014-00396, Amortization Period: 07/2015 - 06/2040	878,628		506	53,250	825,378
14	KY ELG Deferral	241,166		506	241,166	
15	KY Steam Maint O/U	8,110		512	8,110	
16	KY Under-Recovered PPA Rider	61,375,622	3,064,099	566	7,067,111	57,372,610
17	M&S - Retiring Plants, Kentucky PSC Case No. 2014-00396	3,015,785				3,015,785
18	NBV - AROs Retired Plants, Kentucky PSC Case No. 2014-00396	5,200,640	47,331,282	182	237,538	52,294,384
19	NERC Compliance and Cybersecurity Costs, Kentucky PSC Case No. 2014-00396	2,733,791	1,102,212	182, 431, 404	630,913	3,205,090
20	Unrealized Loss on Forward Commitments Regulated Assets/Liabilities	10,037,792	73,968	175, 244, 254, 256, 456	10,103,883	7,877
21	OSS Margin Sharing, Kentucky PSC Case No. 2017-00179	5,271,782	474,671	561	3,879,211	1,867,242
22	PJM Greenhat Default Deferral	3,535	5,639,218	561, 0	3,535	5,639,218
23	Post In-Service AFUDC Hanging Rock/Jefferson 765 KV Line, Amortization Period: 12/1984 - 11/2032	298,152		182, 406	33,408	264,744
24	Rate Cases Expenses	1,011,972		928	371,311	640,661
25	Rockport Capacity Deferral, Kentucky PSC Case No. 2017-00179	43,511,762	7,434,543	182, 431, 555	5,935,587	45,010,718
26	SFAS 106 Medicare Subsidy, Amortization Period: 12/2013 - 12/2024	216,619		926	216,619	
27	SFAS 109 Deferred FIT	47,550,347	23,350,619	190, 236, 254, 282, 283, 409, 410, 411	25,990,710	44,910,256
28	SFAS 109 Deferred SIT	98,023,055	5,952,287	283	2,828,705	101,146,637
29	SFAS 112 Post Employment Benefit	3,268,874	374,762	228, 242	1,212,665	2,430,971
30	SFAS 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans	24,570,405	42,474,066	129, 228	53,318,422	13,726,049
31	Spent AROs - Big Sandy Coal, Kentucky PSC Case No. 2014-00396	110,280,370	230,151	—		110,510,521
32	Unrecovered Fuel Cost	10,687,804	12,313,761	501	14,366,985	8,634,580
33	Unrecovered Plant - Big Sandy, Kentucky PSC Case No. 2014-00396	256,509,062				256,509,062
34	2023 PJM Annual Transmission Requirement	348,406	529,012	447	394,826	482,592

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
35	2023 Kentucky Storm Deferral	8,415,089	4,099,303	146, 182, 234, 571, 573	4,099,303	8,415,089
36	KY Deferred Securitization Exp	592,623	1,674,499		0	2,267,123
37	Deferred NOLC Equity Carrying Charges			182	4,360,996	(4,360,996)
38	BSDR Deferred Carrying Charges		17,244,859			17,244,859
39	BSDR Deferred Equity Carrying Charges			182, 431	7,135,402	(7,135,402)
40	Deferred NOLC Carrying Charges		4,360,996			4,360,996
41	2024 PJM Annual Transmission Requirement		101,279	447	30,423	70,856
42	2024 Kentucky Storm Deferral		10,783,447			10,783,447
44	TOTAL	682,390,958	199,147,081		150,006,121	731,531,918

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_42 Refer to Attachment JJS-1 at VIII-2 (Page 140 of 271) as part of the Gannett Fleming Depreciation Study attached to the Direct Testimony of John J. Spanos. Provide all workpapers in support of the terminal and interim retirement amounts and percentages reflected in the table on page VIII-2 in electronic format with all formulas intact, including, but not limited to, the calculations of estimated decommissioning costs for the production plant by site location and/or generating unit, the escalation of current dollar estimated decommissioning costs to future dollars, and the calculation of the weighted terminal net salvage, weighted interim net salvage, and the sum of terminal and interim net salvage.

RESPONSE

Please see KPCO_R_AG_KIUC_1_42_Attachment1 through KPCO_R_AG_KIUC_1_42_Attachment4 for the requested information related to terminal and interim retirements. Attachment 1 includes the Company data that was analyzed to establish interim net salvage estimates. This information was provided in Part VIII of Attachment JJS-1. Attachment 2 is the Excel version of Table 2 from the Depreciation Study that calculates the weighted net salvage percentages. Attachments 3 and 4 are the decommissioning studies for the Big Sandy and Mitchell generation facilities which were utilized for terminal net salvage.

Witness: John Spanos

KENTUCKY POWER COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	8,355	2,407	29	2,645	32	238	3
2002	1,168	53	5	42	4	11-	1-
2003	5,061	2,154	43		0	2,154-	43-
2004	74,097	110,508	149	332	0	110,176-	149-
2005	60,910	31,351	51		0	31,351-	51-
2006	118,897	34,075	29		0	34,075-	29-
2007	258,942	121,648	47	4,018	2	117,629-	45-
2008	348,944	55,310	16	5,784	2	49,526-	14-
2009	197,473	248,365	126	33,807	17	214,558-	109-
2010	106,481	201,579	189	14,509	14	187,069-	176-
2011	36,646	4,918	13	1,044	3	3,873-	11-
2012	188,376	67,820	36	11,693	6	56,127-	30-
2013	5,457-		0		0		0
2014	665,374	218,180	33	4,432-	1-	222,612-	33-
2015	41,257	259,090	628	859	2	258,231-	626-
2016	25,715	40,651	158		0	40,651-	158-
2017	324,854	8,461	3	7,376	2	1,086-	0
2018	47,867	210,739	440	19,311	40	191,428-	400-
2019	293,176	375,903	128	200-	0	376,103-	128-
2020	58,891	629,971		50-	0	630,021-	
2021	92,908	120,176	129		0	120,176-	129-
2022	75,489	4,793	6		0	4,793-	6-
2023	37,186	72,475	195	17-	0	72,492-	195-
2024	1,842,061	138,979	8		0	138,979-	8-
TOTAL	4,904,673	2,959,605	60	96,722	2	2,862,883-	58-
THREE-YEAR MOVING AVERAGES							
01-03	4,861	1,538	32	896	18	642-	13-
02-04	26,775	37,572	140	125	0	37,447-	140-
03-05	46,689	48,004	103	111	0	47,893-	103-
04-06	84,635	58,644	69	111	0	58,534-	69-
05-07	146,250	62,358	43	1,339	1	61,018-	42-
06-08	242,261	70,344	29	3,268	1	67,077-	28-
07-09	268,453	141,774	53	14,537	5	127,238-	47-
08-10	217,633	168,418	77	18,034	8	150,384-	69-
09-11	113,533	151,620	134	16,454	14	135,167-	119-
10-12	110,501	91,439	83	9,082	8	82,356-	75-
11-13	73,188	24,246	33	4,246	6	20,000-	27-
12-14	282,764	95,333	34	2,420	1	92,913-	33-
13-15	233,725	159,090	68	1,191-	1-	160,281-	69-

KENTUCKY POWER COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	244,116	172,640	71	1,191-	0	173,831-	71-
15-17	130,609	102,734	79	2,745	2	99,989-	77-
16-18	132,812	86,617	65	8,896	7	77,722-	59-
17-19	221,966	198,368	89	8,829	4	189,539-	85-
18-20	133,312	405,538	304	6,354	5	399,184-	299-
19-21	148,325	375,350	253	83-	0	375,433-	253-
20-22	75,763	251,647	332	17-	0	251,663-	332-
21-23	68,528	65,815	96	6-	0	65,820-	96-
22-24	651,578	72,082	11	6-	0	72,088-	11-
FIVE-YEAR AVERAGE							
20-24	421,307	193,279	46	13-	0	193,292-	46-

KENTUCKY POWER COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	356,729	102,777	29	112,928	32	10,151	3
2002	560,581	25,634	5	20,131	4	5,503-	1-
2003	15,170,924	6,455,047	43		0	6,455,047-	43-
2004	2,293,276	3,420,167	149	10,266	0	3,409,902-	149-
2005	946,348	487,092	51		0	487,092-	51-
2006	2,730,271	782,472	29		0	782,472-	29-
2007	2,668,838	1,253,787	47	41,416	2	1,212,371-	45-
2008	5,305,939	841,024	16	87,952	2	753,072-	14-
2009	3,204,443	4,030,287	126	548,597	17	3,481,690-	109-
2010	1,513,601	2,865,395	189	206,249	14	2,659,147-	176-
2011	4,675,112	627,343	13	133,220	3	494,123-	11-
2012	5,487,449	1,975,629	36	340,628	6	1,635,001-	30-
2013	1,769,543	1,021,974	58	266,522	15	755,452-	43-
2014	3,849,141	1,755,638	46	663,741	17	1,091,898-	28-
2015	17,961,893	1,200,042	7	252,600	1	947,442-	5-
2016	14,843,426	1,509,579	10	305,819	2	1,203,760-	8-
2017	2,732,544	755,586	28	238,122	9	517,465-	19-
2018	5,088,810	1,936,443	38	278,918	5	1,657,525-	33-
2019	4,719,140	791,358	17	257,676	5	533,682-	11-
2020	3,486,933	3,921,743	112	439,281	13	3,482,462-	100-
2021	1,917,658	438,116	23	1,419	0	436,697-	23-
2022	4,168,978	730,725	18	12,550-	0	743,276-	18-
2023	10,300,004	2,136,288	21	8,006-	0	2,144,293-	21-
2024	6,435,324	4,360,193	68	132,093	2	4,228,101-	66-
TOTAL	122,186,904	43,424,340	36	4,317,021	4	39,107,318-	32-
THREE-YEAR MOVING AVERAGES							
01-03	5,362,745	2,194,486	41	44,353	1	2,150,133-	40-
02-04	6,008,261	3,300,283	55	10,132	0	3,290,151-	55-
03-05	6,136,849	3,454,102	56	3,422	0	3,450,680-	56-
04-06	1,989,965	1,563,244	79	3,422	0	1,559,822-	78-
05-07	2,115,152	841,117	40	13,805	1	827,312-	39-
06-08	3,568,349	959,094	27	43,123	1	915,971-	26-
07-09	3,726,406	2,041,699	55	225,988	6	1,815,711-	49-
08-10	3,341,328	2,578,902	77	280,932	8	2,297,969-	69-
09-11	3,131,052	2,507,675	80	296,022	9	2,211,653-	71-
10-12	3,892,054	1,822,789	47	226,699	6	1,596,090-	41-
11-13	3,977,368	1,208,315	30	246,790	6	961,525-	24-
12-14	3,702,044	1,584,414	43	423,630	11	1,160,783-	31-
13-15	7,860,192	1,325,885	17	394,288	5	931,597-	12-

KENTUCKY POWER COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	12,218,153	1,488,420	12	407,387	3	1,081,033-	9-
15-17	11,845,954	1,155,069	10	265,514	2	889,556-	8-
16-18	7,554,927	1,400,536	19	274,286	4	1,126,250-	15-
17-19	4,180,165	1,161,129	28	258,239	6	902,890-	22-
18-20	4,431,628	2,216,515	50	325,292	7	1,891,223-	43-
19-21	3,374,577	1,717,072	51	232,792	7	1,484,280-	44-
20-22	3,191,190	1,696,861	53	142,717	4	1,554,145-	49-
21-23	5,462,213	1,101,710	20	6,379-	0	1,108,088-	20-
22-24	6,968,102	2,409,069	35	37,179	1	2,371,890-	34-
FIVE-YEAR AVERAGE							
20-24	5,261,779	2,317,413	44	110,447	2	2,206,966-	42-

KENTUCKY POWER COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	141,367	40,729	29	44,752	32	4,023	3
2002	257,582	11,779	5	9,250	4	2,528-	1-
2003	1,427,668	607,456	43		0	607,456-	43-
2004	692,983	1,033,507	149	3,102	0	1,030,405-	149-
2005	333,750	171,784	51		0	171,784-	51-
2006	493,138	141,329	29		0	141,329-	29-
2007	884,733	415,637	47	13,730	2	401,907-	45-
2008	211,543	33,531	16	3,507	2	30,024-	14-
2009	402,511	506,245	126	68,909	17	437,336-	109-
2010	29,832	56,475	189	4,065	14	52,410-	176-
2011	242,624	32,557	13	6,914	3	25,644-	11-
2012	513,877	185,009	36	31,898	6	153,111-	30-
2013	1,598,668	923,287	58	240,786	15	682,502-	43-
2014	1,650,644	664,765	40	111,032	7	553,733-	34-
2015	1,365,107	412,025	30	2-	0	412,027-	30-
2016	365,177	368-	0	37	0	406	0
2017	327,241	30,154	9	6,992	2	23,162-	7-
2018	4,023,970	217,189	5	2,394-	0	219,583-	5-
2019	815,963	1,243,651	152		0	1,243,651-	152-
2020	386,137	42,536	11	896-	0	43,432-	11-
2021	1,324	13,444			0	13,444-	
2022	2,309	20,970	908		0	20,970-	908-
2023	1,979,284	1,127,404	57	2,274-	0	1,129,677-	57-
2024	2,235,440	1,385,217	62	3,439-	0	1,388,656-	62-
TOTAL	20,382,871	9,316,311	46	535,969	3	8,780,342-	43-
THREE-YEAR MOVING AVERAGES							
01-03	608,873	219,988	36	18,001	3	201,987-	33-
02-04	792,744	550,914	69	4,117	1	546,796-	69-
03-05	818,134	604,249	74	1,034	0	603,215-	74-
04-06	506,623	448,873	89	1,034	0	447,839-	88-
05-07	570,540	242,916	43	4,577	1	238,340-	42-
06-08	529,804	196,832	37	5,745	1	191,087-	36-
07-09	499,596	318,471	64	28,715	6	289,756-	58-
08-10	214,628	198,750	93	25,494	12	173,257-	81-
09-11	224,989	198,426	88	26,629	12	171,796-	76-
10-12	262,111	91,347	35	14,292	5	77,055-	29-
11-13	785,056	380,285	48	93,199	12	287,085-	37-
12-14	1,254,396	591,020	47	127,905	10	463,115-	37-
13-15	1,538,140	666,692	43	117,272	8	549,421-	36-

KENTUCKY POWER COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	1,126,976	358,807	32	37,022	3	321,785-	29-
15-17	685,841	147,270	21	2,342	0	144,928-	21-
16-18	1,572,129	82,325	5	1,545	0	80,780-	5-
17-19	1,722,391	496,998	29	1,533	0	495,465-	29-
18-20	1,742,023	501,125	29	1,097-	0	502,222-	29-
19-21	401,141	433,210	108	299-	0	433,509-	108-
20-22	129,923	25,650	20	299-	0	25,949-	20-
21-23	660,972	387,273	59	758-	0	388,030-	59-
22-24	1,405,678	844,530	60	1,904-	0	846,434-	60-
FIVE-YEAR AVERAGE							
20-24	920,899	517,914	56	1,322-	0	519,236-	56-

KENTUCKY POWER COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	32,876	9,472	29	10,407	32	935	3
2002	2,009	92	5	72	4	20-	1-
2003	587,860	250,127	43		0	250,127-	43-
2004	4,041	6,027	149	18	0	6,009-	149-
2005	12,798	6,587	51		0	6,587-	51-
2006	57,499	16,479	29		0	16,479-	29-
2007	46,468	21,830	47	721	2	21,109-	45-
2008	16,287	2,582	16	270	2	2,312-	14-
2009	92,613	116,482	126	15,855	17	100,626-	109-
2010	8,326	15,762	189	1,135	14	14,627-	176-
2011	70,610	9,475	13	2,012	3	7,463-	11-
2012	133,162	47,942	36	8,266	6	39,676-	30-
2013	9,007	5,202	58	1,357	15	3,845-	43-
2014	5,430	36,162	666	29,389	541	6,773-	125-
2015	1,446		0	1,052	73	1,052	73
2016	62,139	6,502	10	7,321	12	818	1
2017	43,715	3,705	8		0	3,705-	8-
2018	81,938	81,082	99		0	81,082-	99-
2019	296,675	37,646	13	100-	0	37,747-	13-
2020	74,839	45,095	60	6,000	8	39,095-	52-
2021	151,775	19,640	13	146-	0	19,786-	13-
2022	157,562	106,360	68	10,000	6	96,360-	61-
2023	45,736	26,676	58	1,417-	3-	28,093-	61-
2024	144,603	254,721	176	264-	0	254,985-	176-
TOTAL	2,139,415	1,125,649	53	91,947	4	1,033,702-	48-
THREE-YEAR MOVING AVERAGES							
01-03	207,582	86,564	42	3,493	2	83,071-	40-
02-04	197,970	85,415	43	30	0	85,385-	43-
03-05	201,566	87,581	43	6	0	87,575-	43-
04-06	24,779	9,698	39	6	0	9,692-	39-
05-07	38,922	14,965	38	240	1	14,725-	38-
06-08	40,085	13,630	34	330	1	13,300-	33-
07-09	51,790	46,965	91	5,615	11	41,349-	80-
08-10	39,076	44,942	115	5,753	15	39,188-	100-
09-11	57,183	47,239	83	6,334	11	40,906-	72-
10-12	70,699	24,393	35	3,804	5	20,589-	29-
11-13	70,926	20,873	29	3,878	5	16,995-	24-
12-14	49,200	29,768	61	13,004	26	16,765-	34-
13-15	5,294	13,788	260	10,599	200	3,189-	60-

KENTUCKY POWER COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	23,005	14,221	62	12,587	55	1,634-	7-
15-17	35,767	3,403	10	2,791	8	612-	2-
16-18	62,597	30,430	49	2,440	4	27,990-	45-
17-19	140,776	40,811	29	33-	0	40,845-	29-
18-20	151,151	54,608	36	1,967	1	52,641-	35-
19-21	174,430	34,127	20	1,918	1	32,209-	18-
20-22	128,059	57,032	45	5,285	4	51,747-	40-
21-23	118,358	50,892	43	2,812	2	48,080-	41-
22-24	115,967	129,253	111	2,773	2	126,480-	109-
FIVE-YEAR AVERAGE							
20-24	114,903	90,499	79	2,835	2	87,664-	76-

KENTUCKY POWER COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	4,332	1,248	29	1,371	32	123	3
2002	38,540	1,762	5	1,384	4	378-	1-
2003	62,105	26,425	43		0	26,425-	43-
2004	64,450	96,119	149	288	0	95,831-	149-
2005	31,593	16,261	51		0	16,261-	51-
2006	20,681	5,927	29		0	5,927-	29-
2007	15,563	7,311	47	242	2	7,070-	45-
2008	25,877	4,102	16	429	2	3,673-	14-
2009	69,958	87,988	126	11,977	17	76,011-	109-
2010	9,951	18,838	189	1,356	14	17,482-	176-
2011	50,251	6,743	13	1,432	3	5,311-	11-
2012	19,533	7,032	36	1,212	6	5,820-	30-
2013	13,990	8,080	58	2,107	15	5,973-	43-
2014	2,516	1,006	40	160	6	846-	34-
2015	118	70,134-		123	104	70,257	
2016	12,865	2,712	21	2,000	16	712-	6-
2017	29,473	2,672	9		0	2,672-	9-
2018	32,892	24,764	75		0	24,764-	75-
2019	33,826	247,288	731	37,500	111	209,788-	620-
2020	38,460	188,532	490	2,107	5	186,426-	485-
2021	34,252	87,612	256	4,556	13	83,057-	242-
2022	23,984	82	0		0	82-	0
2023	2,076	23,464			0	23,464-	
2024	87,427	36,004	41	2,075-	2-	38,079-	44-
TOTAL	724,712	831,839	115	66,168	9	765,671-	106-
THREE-YEAR MOVING AVERAGES							
01-03	34,992	9,812	28	918	3	8,893-	25-
02-04	55,032	41,436	75	558	1	40,878-	74-
03-05	52,716	46,268	88	96	0	46,172-	88-
04-06	38,908	39,436	101	96	0	39,340-	101-
05-07	22,612	9,833	43	80	0	9,753-	43-
06-08	20,707	5,780	28	223	1	5,556-	27-
07-09	37,133	33,134	89	4,216	11	28,918-	78-
08-10	35,262	36,976	105	4,587	13	32,389-	92-
09-11	43,387	37,856	87	4,922	11	32,935-	76-
10-12	26,578	10,871	41	1,333	5	9,538-	36-
11-13	27,925	7,285	26	1,584	6	5,701-	20-
12-14	12,013	5,373	45	1,160	10	4,213-	35-
13-15	5,541	20,349-	367-	797	14	21,146	382

KENTUCKY POWER COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	5,166	22,139-	429-	761	15	22,900	443
15-17	14,152	21,583-	153-	708	5	22,291	158
16-18	25,077	10,049	40	667	3	9,383-	37-
17-19	32,064	91,575	286	12,500	39	79,075-	247-
18-20	35,059	153,528	438	13,202	38	140,326-	400-
19-21	35,512	174,477	491	14,721	41	159,757-	450-
20-22	32,232	92,076	286	2,221	7	89,855-	279-
21-23	20,104	37,053	184	1,518	8	35,534-	177-
22-24	37,829	19,850	52	692-	2-	20,542-	54-
FIVE-YEAR AVERAGE							
20-24	37,240	67,139	180	917	2	66,221-	178-

KENTUCKY POWER COMPANY

ACCOUNT 350.10 LAND RIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2005	1		0		0		0
2006							
2007							
2008							
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
TOTAL	1		0		0		0

THREE-YEAR MOVING AVERAGES

05-07			0		0		0
06-08							
07-09							
08-10							
09-11							
10-12							
11-13							
12-14							
13-15							
14-16							
15-17							
16-18							
17-19							
18-20							
19-21							
20-22							

KENTUCKY POWER COMPANY

ACCOUNT 350.10 LAND RIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
21-23							
22-24							
FIVE-YEAR AVERAGE							
20-24							

KENTUCKY POWER COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	852	15,675		72	8	15,603-	
2002	352	3,491	992		0	3,491-	992-
2003							
2004		308-				308	
2005	57,776	1,385	2		0	1,385-	2-
2006		3,596				3,596-	
2007	2,382		0		0		0
2008	8,548	79	1		0	79-	1-
2009	4,065	1,405	35	39-	1-	1,444-	36-
2010	8,076	160	2		0	160-	2-
2011	6,050	770	13		0	770-	13-
2012							
2013	6,195	293	5	578	9	285	5
2014							
2015	16,411		0		0		0
2016	42,724		0		0		0
2017	56,694		0		0		0
2018	659,218	58,614	9	9	0	58,605-	9-
2019	31,828	4,195	13		0	4,195-	13-
2020	64,074	216,100	337	22,257	35	193,843-	303-
2021	296,790	3,722	1		0	3,722-	1-
2022	1,778	63,811		190	11	63,621-	
2023	6,770	176,781		7,668	113	169,113-	
2024	88,560	3,456	4		0	3,456-	4-
TOTAL	1,359,143	553,223	41	30,735	2	522,488-	38-
THREE-YEAR MOVING AVERAGES							
01-03	401	6,389		24	6	6,365-	
02-04	117	1,061	904		0	1,061-	904-
03-05	19,259	359	2		0	359-	2-
04-06	19,259	1,558	8		0	1,558-	8-
05-07	20,053	1,660	8		0	1,660-	8-
06-08	3,643	1,225	34		0	1,225-	34-
07-09	4,998	495	10	13-	0	508-	10-
08-10	6,896	548	8	13-	0	561-	8-
09-11	6,063	778	13	13-	0	791-	13-
10-12	4,708	310	7		0	310-	7-
11-13	4,082	354	9	193	5	161-	4-
12-14	2,065	98	5	193	9	95	5
13-15	7,535	98	1	193	3	95	1

KENTUCKY POWER COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	19,712		0		0		0
15-17	38,610		0		0		0
16-18	252,879	19,538	8	3	0	19,535-	8-
17-19	249,247	20,936	8	3	0	20,933-	8-
18-20	251,707	92,970	37	7,422	3	85,547-	34-
19-21	130,898	74,672	57	7,419	6	67,253-	51-
20-22	120,881	94,544	78	7,482	6	87,062-	72-
21-23	101,779	81,438	80	2,619	3	78,819-	77-
22-24	32,369	81,349	251	2,619	8	78,730-	243-
FIVE-YEAR AVERAGE							
20-24	91,594	92,774	101	6,023	7	86,751-	95-

KENTUCKY POWER COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	308,530	25,232	8	433	0	24,800-	8-
2001	104,157	114,605	110	52,176	50	62,429-	60-
2002	167,185	36,758	22	31,282	19	5,476-	3-
2003	462,374	194,851	42	296,619	64	101,768	22
2004	699,507	114,910	16	128,691	18	13,781	2
2005	687,092	130,806	19		0	130,806-	19-
2006	783,966	55,897	7		0	55,897-	7-
2007	298,346	184,315	62	4,860	2	179,455-	60-
2008	1,369,349	137,153	10	6,012-	0	143,165-	10-
2009	538,747	123,317	23	5,628	1	117,689-	22-
2010	2,154,456	118,691	6	16,257	1	102,435-	5-
2011	1,489,875	209,091	14	118,450	8	90,640-	6-
2012	1,197,113	101,782	9	37,807	3	63,974-	5-
2013	4,697,632	221,908	5	438,128	9	216,221	5
2014	353,333	1,493,562	423	320,033	91	1,173,529-	332-
2015	1,567,440	50,517	3	3,085-	0	53,602-	3-
2016	1,599,042	197,103	12	2,325	0	194,778-	12-
2017	4,809,006	331,594	7	5,945	0	325,649-	7-
2018	3,371,640	2,048,268	61	893,150	26	1,155,117-	34-
2019	623,498	104,844	17	12,761	2	92,083-	15-
2020	2,083,632	978,569	47	392,822	19	585,748-	28-
2021							
2022	1,355,823	709,151	52	81,082	6	628,069-	46-
2023	406,077	502,662	124	26,417	7	476,245-	117-
2024	1,858,647	736,148	40	17,826	1	718,322-	39-
TOTAL	32,986,468	8,921,734	27	2,873,596	9	6,048,138-	18-
THREE-YEAR MOVING AVERAGES							
00-02	193,291	58,865	30	27,963	14	30,902-	16-
01-03	244,572	115,405	47	126,692	52	11,288	5
02-04	443,022	115,506	26	152,197	34	36,691	8
03-05	616,324	146,856	24	141,770	23	5,085-	1-
04-06	723,522	100,537	14	42,897	6	57,640-	8-
05-07	589,801	123,673	21	1,620	0	122,053-	21-
06-08	817,220	125,788	15	384-	0	126,172-	15-
07-09	735,481	148,262	20	1,492	0	146,770-	20-
08-10	1,354,184	126,387	9	5,291	0	121,096-	9-
09-11	1,394,359	150,366	11	46,778	3	103,588-	7-
10-12	1,613,815	143,188	9	57,505	4	85,683-	5-
11-13	2,461,540	177,593	7	198,129	8	20,535	1

KENTUCKY POWER COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	2,082,693	605,751	29	265,323	13	340,428-	16-
13-15	2,206,135	588,662	27	251,692	11	336,970-	15-
14-16	1,173,272	580,394	49	106,424	9	473,970-	40-
15-17	2,658,496	193,071	7	1,728	0	191,343-	7-
16-18	3,259,896	858,988	26	300,474	9	558,515-	17-
17-19	2,934,715	828,235	28	303,952	10	524,283-	18-
18-20	2,026,257	1,043,894	52	432,911	21	610,983-	30-
19-21	902,377	361,138	40	135,194	15	225,943-	25-
20-22	1,146,485	562,574	49	157,968	14	404,606-	35-
21-23	587,300	403,938	69	35,833	6	368,105-	63-
22-24	1,206,849	649,320	54	41,775	3	607,545-	50-
FIVE-YEAR AVERAGE							
20-24	1,140,836	585,306	51	103,629	9	481,677-	42-

KENTUCKY POWER COMPANY

ACCOUNT 354.00 TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	405	1,928	476	13,033		11,105	
2002	4,473	999	22		0	999-	22-
2003	2,124	47,471			0	47,471-	
2004							
2005	36,676		0		0		0
2006	20,749		0		0		0
2007		17,761				17,761-	
2008	646		0		0		0
2009	99,957	3,254	3	2-	0	3,256-	3-
2010	3,943	22,500	571	3,125	79	19,375-	491-
2011	14,361	4,381	31		0	4,381-	31-
2012	675,190	1,842,777	273	10,604	2	1,832,173-	271-
2013							
2014							
2015	56,308	20,882	37		0	20,882-	37-
2016							
2017	98,711	18,419	19		0	18,419-	19-
2018	349,791	322,699	92		0	322,699-	92-
2019	287,714	1,017,667	354		0	1,017,667-	354-
2020	32,336	34,416	106		0	34,416-	106-
2021	261,892	30,937	12		0	30,937-	12-
2022	96,178	342,967	357		0	342,967-	357-
2023	264,101	86,583	33		0	86,583-	33-
2024	118,653	16,409	14		0	16,409-	14-
TOTAL	2,424,206	3,832,050	158	26,759	1	3,805,291-	157-
THREE-YEAR MOVING AVERAGES							
01-03	2,334	16,799	720	4,344	186	12,455-	534-
02-04	2,199	16,157	735		0	16,157-	735-
03-05	12,933	15,824	122		0	15,824-	122-
04-06	19,142		0		0		0
05-07	19,142	5,920	31		0	5,920-	31-
06-08	7,132	5,920	83		0	5,920-	83-
07-09	33,534	7,005	21	1-	0	7,006-	21-
08-10	34,849	8,585	25	1,041	3	7,544-	22-
09-11	39,420	10,045	25	1,041	3	9,004-	23-
10-12	231,164	623,219	270	4,576	2	618,643-	268-
11-13	229,850	615,719	268	3,534	2	612,185-	266-
12-14	225,063	614,259	273	3,534	2	610,724-	271-
13-15	18,769	6,961	37		0	6,961-	37-

KENTUCKY POWER COMPANY

ACCOUNT 354.00 TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	18,769	6,961	37		0	6,961-	37-
15-17	51,673	13,100	25		0	13,100-	25-
16-18	149,500	113,706	76		0	113,706-	76-
17-19	245,405	452,928	185		0	452,928-	185-
18-20	223,280	458,261	205		0	458,261-	205-
19-21	193,981	361,007	186		0	361,007-	186-
20-22	130,135	136,107	105		0	136,107-	105-
21-23	207,390	153,496	74		0	153,496-	74-
22-24	159,644	148,653	93		0	148,653-	93-
FIVE-YEAR AVERAGE							
20-24	154,632	102,262	66		0	102,262-	66-

KENTUCKY POWER COMPANY

ACCOUNT 355.00 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	380,241	83,487	22	10,983	3	72,504-	19-
2001	129,176	450,305	349	27,458	21	422,847-	327-
2002	169,001	7,407	4		0	7,407-	4-
2003	23,421	653,367		9,326	40	644,040-	
2004	358,451	76,281	21	276	0	76,005-	21-
2005	45,454	44,784	99	109	0	44,676-	98-
2006	267,008	61,071	23	1,463	1	59,608-	22-
2007	147,838	82,184	56	23,984-	16-	106,168-	72-
2008	331,274	36,078	11	2,345-	1-	38,424-	12-
2009	192,107	35,779	19	318-	0	36,097-	19-
2010	34,442	66,907	194	12,932	38	53,975-	157-
2011	263,023	6,925	3		0	6,925-	3-
2012	553,877	105,880	19	3,786	1	102,094-	18-
2013	52,616	2,486	5	4,907	9	2,422	5
2014	330,924	159,964	48	245-	0	160,208-	48-
2015	499,646	264,037	53	46-	0	264,083-	53-
2016	489,180	150,892	31		0	150,892-	31-
2017	306,122	5,533	2		0	5,533-	2-
2018	383,067	105,299	27	2,695	1	102,603-	27-
2019	446,685	273,716	61		0	273,716-	61-
2020	739,952	77,152	10	7,850	1	69,302-	9-
2021	2,145,188	1,333,791	62	7,544	0	1,326,247-	62-
2022	623,594	557,331	89		0	557,331-	89-
2023	1,761,678	275,447	16		0	275,447-	16-
2024	3,250,705	52,097	2		0	52,097-	2-
TOTAL	13,924,669	4,968,197	36	62,391	0	4,905,806-	35-
THREE-YEAR MOVING AVERAGES							
00-02	226,139	180,400	80	12,814	6	167,586-	74-
01-03	107,199	370,359	345	12,262	11	358,098-	334-
02-04	183,624	245,685	134	3,201	2	242,484-	132-
03-05	142,442	258,144	181	3,237	2	254,907-	179-
04-06	223,638	60,712	27	616	0	60,096-	27-
05-07	153,433	62,680	41	7,471-	5-	70,151-	46-
06-08	248,707	59,778	24	8,289-	3-	68,067-	27-
07-09	223,740	51,347	23	8,882-	4-	60,230-	27-
08-10	185,941	46,255	25	3,423	2	42,832-	23-
09-11	163,190	36,537	22	4,205	3	32,332-	20-
10-12	283,781	59,904	21	5,572	2	54,331-	19-
11-13	289,839	38,430	13	2,898	1	35,532-	12-

KENTUCKY POWER COMPANY

ACCOUNT 355.00 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	312,473	89,443	29	2,816	1	86,627-	28-
13-15	294,395	142,162	48	1,539	1	140,623-	48-
14-16	439,916	191,631	44	97-	0	191,728-	44-
15-17	431,649	140,154	32	15-	0	140,169-	32-
16-18	392,790	87,241	22	898	0	86,343-	22-
17-19	378,625	128,182	34	898	0	127,284-	34-
18-20	523,235	152,055	29	3,515	1	148,540-	28-
19-21	1,110,609	561,553	51	5,131	0	556,422-	50-
20-22	1,169,578	656,091	56	5,131	0	650,960-	56-
21-23	1,510,153	722,190	48	2,515	0	719,675-	48-
22-24	1,878,659	294,958	16		0	294,958-	16-
FIVE-YEAR AVERAGE							
20-24	1,704,223	459,164	27	3,079	0	456,085-	27-

KENTUCKY POWER COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	112,146	37,040	33	4,330	4	32,710-	29-
2001	8,636	202,619		8,869	103	193,750-	
2002	107,844		0		0		0
2003	102,595	17,030	17		0	17,030-	17-
2004	55,180	28,266	51		0	28,266-	51-
2005	35,213		0		0		0
2006	126,720	21,421	17	144,620	114	123,199	97
2007	2,896	8,587	296	105,601-		114,188-	
2008	149,255	3,202	2	1,276-	1-	4,479-	3-
2009	39,790	2,230	6	1-	0	2,230-	6-
2010		15,499		8,311		7,188-	
2011	1,055		0		0		0
2012	313,102	3,116	1	313	0	2,802-	1-
2013	6,209	293	5	579	9	286	5
2014	27,875	655,848		97-	0	655,945-	
2015	36,007	56,586	157		0	56,586-	157-
2016	224,102	9,231	4		0	9,231-	4-
2017	15,455	2,566	17		0	2,566-	17-
2018	44,289	77,248	174	2,744	6	74,503-	168-
2019	269,390	34,773	13		0	34,773-	13-
2020	210,533	24,141	11		0	24,141-	11-
2021	755,522	693,145	92		0	693,145-	92-
2022	338,306	468,141	138		0	468,141-	138-
2023	34,615	584,345			0	584,345-	
2024	272,123	36,183	13		0	36,183-	13-
TOTAL	3,288,859	2,981,508	91	62,791	2	2,918,718-	89-
THREE-YEAR MOVING AVERAGES							
00-02	76,209	79,886	105	4,399	6	75,487-	99-
01-03	73,025	73,216	100	2,956	4	70,260-	96-
02-04	88,540	15,099	17		0	15,099-	17-
03-05	64,329	15,099	23		0	15,099-	23-
04-06	72,371	16,562	23	48,207	67	31,644	44
05-07	54,943	10,002	18	13,006	24	3,004	5
06-08	92,957	11,070	12	12,581	14	1,511	2
07-09	63,980	4,673	7	35,626-	56-	40,299-	63-
08-10	63,015	6,977	11	2,345	4	4,632-	7-
09-11	13,615	5,909	43	2,770	20	3,140-	23-
10-12	104,719	6,205	6	2,875	3	3,330-	3-
11-13	106,789	1,136	1	297	0	839-	1-

KENTUCKY POWER COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	115,729	219,752	190	265	0	219,487-	190-
13-15	23,364	237,576		161	1	237,415-	
14-16	95,995	240,555	251	32-	0	240,587-	251-
15-17	91,855	22,794	25		0	22,794-	25-
16-18	94,615	29,681	31	915	1	28,767-	30-
17-19	109,711	38,195	35	915	1	37,281-	34-
18-20	174,737	45,387	26	915	1	44,472-	25-
19-21	411,815	250,686	61		0	250,686-	61-
20-22	434,787	395,142	91		0	395,142-	91-
21-23	376,148	581,877	155		0	581,877-	155-
22-24	215,015	362,890	169		0	362,890-	169-
FIVE-YEAR AVERAGE							
20-24	322,220	361,191	112		0	361,191-	112-

KENTUCKY POWER COMPANY

ACCOUNT 360.10 LAND RIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2004		2,814				2,814-	
2005							
2006							
2007	1	80,271			0	80,271-	
2008							
2009		144,283				144,283-	
2010							
2011							
2012		40,560				40,560-	
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
TOTAL	1	267,929			0	267,929-	
THREE-YEAR MOVING AVERAGES							
04-06		938				938-	
05-07		26,757			0	26,757-	
06-08		26,757			0	26,757-	
07-09		74,851			0	74,851-	
08-10		48,094				48,094-	
09-11		48,094				48,094-	
10-12		13,520				13,520-	
11-13		13,520				13,520-	
12-14		13,520				13,520-	
13-15							
14-16							
15-17							
16-18							
17-19							
18-20							
19-21							

KENTUCKY POWER COMPANY

ACCOUNT 360.10 LAND RIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
20-22							
21-23							
22-24							
FIVE-YEAR AVERAGE							
20-24							

KENTUCKY POWER COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001		4,367		172		4,195-	
2002		270		1,790		1,520	
2003							
2004	370	262	71	0		262-	71-
2005	25,016	398	2	0		398-	2-
2006							
2007							
2008	206	1,234	599	0		1,234-	599-
2009	17,511	27,306	156	2,417	14	24,889-	142-
2010	15,897	280	2	0		280-	2-
2011	1,088	0		0		0	
2012		3,338				3,338-	
2013	9,424	4,190	44	1,472	16	2,718-	29-
2014							
2015							
2016	14,030	0		0		0	
2017	29,600	0		0		0	
2018	598	73,338		0		73,338-	
2019	55,517	65,368	118	0		65,368-	118-
2020	23,263	42,258	182	0		42,258-	182-
2021	56,695	6,335	11	0		6,335-	11-
2022		10,133		1,980		8,152-	
2023		20,518		1,885		18,633-	
2024	1,483	0		0		0	
TOTAL	250,697	259,596	104	9,716	4	249,880-	100-
THREE-YEAR MOVING AVERAGES							
01-03		1,545		654		892-	
02-04	123	177	144	597	483	419	340
03-05	8,462	220	3		0	220-	3-
04-06	8,462	220	3		0	220-	3-
05-07	8,339	133	2		0	133-	2-
06-08	69	411	599		0	411-	599-
07-09	5,906	9,513	161	806	14	8,708-	147-
08-10	11,205	9,607	86	806	7	8,801-	79-
09-11	11,499	9,195	80	806	7	8,390-	73-
10-12	5,662	1,206	21		0	1,206-	21-
11-13	3,504	2,509	72	491	14	2,019-	58-
12-14	3,141	2,509	80	491	16	2,019-	64-
13-15	3,141	1,397	44	491	16	906-	29-

KENTUCKY POWER COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	4,677		0		0		0
15-17	14,543		0		0		0
16-18	14,742	24,446	166		0	24,446-	166-
17-19	28,572	46,236	162		0	46,236-	162-
18-20	26,459	60,322	228		0	60,322-	228-
19-21	45,158	37,987	84		0	37,987-	84-
20-22	26,652	19,576	73	660	2	18,915-	71-
21-23	18,898	12,329	65	1,288	7	11,040-	58-
22-24	494	10,217		1,288	261	8,928-	
FIVE-YEAR AVERAGE							
20-24	16,288	15,849	97	773	5	15,076-	93-

KENTUCKY POWER COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	430,935	22,113	5	148,214	34	126,101	29
2001	543,501	91,193	17	311,661	57	220,469	41
2002	163,286	16,260	10	5,487	3	10,773-	7-
2003	448,922	35,932	8	20,657	5	15,274-	3-
2004	325,880	298,344	92	36,543	11	261,801-	80-
2005	1,290,673	72,470	6		0	72,470-	6-
2006	854,862	208,222	24	18,971	2	189,252-	22-
2007	811,722	39,121	5	223,230	28	184,109	23
2008	197,774	75,602	38	10,209	5	65,394-	33-
2009	895,212	208,586	23	49,647	6	158,939-	18-
2010	268,629	89,564	33	16,253	6	73,311-	27-
2011	1,480,852	65,084	4	8,820	1	56,265-	4-
2012	1,141,864	189,771	17	68,124	6	121,647-	11-
2013	1,091,672	485,380	44	170,516	16	314,863-	29-
2014	653,949	111,697	17	8,623	1	103,074-	16-
2015	273,492	147,720	54	155,966	57	8,246	3
2016	269,238	22,804	8		0	22,804-	8-
2017	743,059	127,913	17	1,875	0	126,038-	17-
2018	1,366,804	231,094	17	1,975	0	229,119-	17-
2019	1,559,127	128,912	8		0	128,912-	8-
2020	1,274,077	380,117	30	4,170	0	375,947-	30-
2021	1,121,300	81,324	7	10,000	1	71,324-	6-
2022	1,278,195	202,512	16	19,784	2	182,728-	14-
2023	357,071	150,140	42	9,858	3	140,282-	39-
2024	895,078	115,177	13		0	115,177-	13-
TOTAL	19,737,175	3,597,049	18	1,300,583	7	2,296,466-	12-
THREE-YEAR MOVING AVERAGES							
00-02	379,241	43,188	11	155,121	41	111,932	30
01-03	385,237	47,795	12	112,602	29	64,807	17
02-04	312,696	116,845	37	20,896	7	95,949-	31-
03-05	688,492	135,582	20	19,067	3	116,515-	17-
04-06	823,805	193,012	23	18,505	2	174,508-	21-
05-07	985,752	106,604	11	80,733	8	25,871-	3-
06-08	621,453	107,648	17	84,136	14	23,512-	4-
07-09	634,903	107,770	17	94,362	15	13,408-	2-
08-10	453,872	124,584	27	25,369	6	99,214-	22-
09-11	881,565	121,078	14	24,907	3	96,171-	11-
10-12	963,782	114,806	12	31,066	3	83,741-	9-
11-13	1,238,129	246,745	20	82,487	7	164,258-	13-

KENTUCKY POWER COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	962,495	262,283	27	82,421	9	179,861-	19-
13-15	673,038	248,266	37	111,702	17	136,564-	20-
14-16	398,893	94,074	24	54,863	14	39,210-	10-
15-17	428,596	99,479	23	52,614	12	46,865-	11-
16-18	793,034	127,270	16	1,283	0	125,987-	16-
17-19	1,222,997	162,639	13	1,283	0	161,356-	13-
18-20	1,400,003	246,708	18	2,048	0	244,659-	17-
19-21	1,318,168	196,784	15	4,723	0	192,061-	15-
20-22	1,224,524	221,317	18	11,318	1	210,000-	17-
21-23	918,855	144,659	16	13,214	1	131,445-	14-
22-24	843,448	155,943	18	9,881	1	146,062-	17-
FIVE-YEAR AVERAGE							
20-24	985,144	185,854	19	8,762	1	177,092-	18-

KENTUCKY POWER COMPANY

ACCOUNT 364.00 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	1,459,576	320,750	22	139,744	10	181,006-	12-
2001	1,402,184	624,110	45	246,887	18	377,223-	27-
2002	46,842	341,683	729	85,547	183	256,136-	547-
2003	770,546	239,438	31	154,312	20	85,126-	11-
2004	3,264,700	828,507	25	29,790	1	798,717-	24-
2005	728,627	347,205	48	53,183	7	294,022-	40-
2006	839,957	591,822	70	77,574	9	514,248-	61-
2007	1,283,667	830,071	65	92,841	7	737,230-	57-
2008	1,315,032	912,666	69	110,909	8	801,757-	61-
2009	1,458,857	1,139,432	78	200,635	14	938,797-	64-
2010	1,379,987	1,146,537	83	98,567	7	1,047,970-	76-
2011	918,787	664,553	72	44,771	5	619,782-	67-
2012	946,893	612,555	65	37,126	4	575,429-	61-
2013	972,449	432,371	44	151,894	16	280,477-	29-
2014	1,008,623	790,118	78	48,374	5	741,745-	74-
2015	1,336,457	980,301	73	59,211	4	921,090-	69-
2016	1,685,487	929,218	55	30,198	2	899,020-	53-
2017	1,818,711	946,232	52	60,771	3	885,461-	49-
2018	2,225,132	1,152,890	52	64,134	3	1,088,756-	49-
2019	2,093,613	1,632,742	78	88,027	4	1,544,715-	74-
2020	1,743,129	1,421,138	82	33,861	2	1,387,277-	80-
2021	1,911,401	1,838,628	96	39,090	2	1,799,538-	94-
2022	2,166,659	1,965,006	91	17,153	1	1,947,854-	90-
2023	1,984,051	1,474,197	74	1,244-	0	1,475,441-	74-
2024	1,657,504	1,285,748	78	27,430	2	1,258,318-	76-
TOTAL	36,418,869	23,447,917	64	1,990,783	5	21,457,135-	59-
THREE-YEAR MOVING AVERAGES							
00-02	969,534	428,848	44	157,392	16	271,455-	28-
01-03	739,857	401,743	54	162,248	22	239,495-	32-
02-04	1,360,696	469,876	35	89,883	7	379,993-	28-
03-05	1,587,958	471,717	30	79,095	5	392,622-	25-
04-06	1,611,095	589,178	37	53,516	3	535,663-	33-
05-07	950,750	589,699	62	74,533	8	515,167-	54-
06-08	1,146,219	778,186	68	93,774	8	684,412-	60-
07-09	1,352,519	960,723	71	134,795	10	825,928-	61-
08-10	1,384,625	1,066,211	77	136,704	10	929,508-	67-
09-11	1,252,544	983,507	79	114,658	9	868,849-	69-
10-12	1,081,889	807,882	75	60,155	6	747,727-	69-
11-13	946,043	569,826	60	77,930	8	491,896-	52-

KENTUCKY POWER COMPANY

ACCOUNT 364.00 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	975,988	611,681	63	79,131	8	532,550-	55-
13-15	1,105,843	734,263	66	86,493	8	647,771-	59-
14-16	1,343,522	899,879	67	45,928	3	853,952-	64-
15-17	1,613,551	951,917	59	50,060	3	901,857-	56-
16-18	1,909,776	1,009,447	53	51,701	3	957,746-	50-
17-19	2,045,818	1,243,955	61	70,977	3	1,172,978-	57-
18-20	2,020,624	1,402,257	69	62,007	3	1,340,250-	66-
19-21	1,916,047	1,630,836	85	53,659	3	1,577,177-	82-
20-22	1,940,396	1,741,591	90	30,035	2	1,711,556-	88-
21-23	2,020,704	1,759,277	87	18,333	1	1,740,944-	86-
22-24	1,936,071	1,574,984	81	14,446	1	1,560,538-	81-
FIVE-YEAR AVERAGE							
20-24	1,892,549	1,596,943	84	23,258	1	1,573,685-	83-

KENTUCKY POWER COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	1,553,565	245,459	16	377,957	24	132,498	9
2001	1,323,285	506,462	38	893,879	68	387,417	29
2002	2,020,300	324,713	16	1,187,537	59	862,824	43
2003	1,665,159	321,313	19	751,432	45	430,120	26
2004	1,048,651	330,745	32	777,483	74	446,738	43
2005	1,665,652	182,308-	11-	12,793	1	195,100	12
2006	2,373,219	108,564	5	596,840	25	488,277	21
2007	2,993,281	816,672	27	380,715	13	435,956-	15-
2008	3,155,687	936,551	30	670,173	21	266,378-	8-
2009	4,155,157	868,823	21	967,544	23	98,721	2
2010	2,211,003	751,951	34	637,246	29	114,705-	5-
2011	1,916,866	620,955	32	567,691	30	53,263-	3-
2012	2,784,176	1,355,403	49	802,599	29	552,804-	20-
2013	2,908,748	1,293,288	44	454,339	16	838,950-	29-
2014	2,198,878	890,148	40	703,061	32	187,088-	9-
2015	2,195,251	1,082,027	49	419,353	19	662,675-	30-
2016	2,310,553	972,278	42	339,732	15	632,547-	27-
2017	2,141,579	980,056	46	243,880	11	736,176-	34-
2018	2,807,217	1,058,324	38	300,981	11	757,343-	27-
2019	3,377,971	1,461,157	43	529,327	16	931,830-	28-
2020	1,995,524	1,356,165	68	261,691	13	1,094,475-	55-
2021	2,175,702	1,653,111	76	178,713	8	1,474,398-	68-
2022	2,063,298	1,741,961	84	33,374	2	1,708,587-	83-
2023	1,961,826	1,506,599	77	9,694	0	1,496,905-	76-
2024	1,468,727	1,239,625	84	206,068	14	1,033,557-	70-
TOTAL	56,471,276	22,240,044	39	12,304,102	22	9,935,942-	18-
THREE-YEAR MOVING AVERAGES							
00-02	1,632,383	358,878	22	819,791	50	460,913	28
01-03	1,669,581	384,163	23	944,283	57	560,120	34
02-04	1,578,037	325,590	21	905,484	57	579,894	37
03-05	1,459,821	156,583	11	513,903	35	357,319	24
04-06	1,695,841	85,667	5	462,372	27	376,705	22
05-07	2,344,051	247,642	11	330,116	14	82,474	4
06-08	2,840,729	620,595	22	549,243	19	71,353-	3-
07-09	3,434,708	874,015	25	672,811	20	201,204-	6-
08-10	3,173,949	852,442	27	758,321	24	94,121-	3-
09-11	2,761,009	747,243	27	724,161	26	23,082-	1-
10-12	2,304,015	909,436	39	669,179	29	240,257-	10-
11-13	2,536,597	1,089,882	43	608,210	24	481,672-	19-

KENTUCKY POWER COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	2,630,601	1,179,613	45	653,333	25	526,280-	20-
13-15	2,434,293	1,088,488	45	525,584	22	562,904-	23-
14-16	2,234,894	981,485	44	487,382	22	494,103-	22-
15-17	2,215,794	1,011,454	46	334,321	15	677,132-	31-
16-18	2,419,783	1,003,553	41	294,864	12	708,688-	29-
17-19	2,775,589	1,166,512	42	358,063	13	808,450-	29-
18-20	2,726,904	1,291,882	47	364,000	13	927,883-	34-
19-21	2,516,399	1,490,145	59	323,244	13	1,166,901-	46-
20-22	2,078,175	1,583,746	76	157,926	8	1,425,820-	69-
21-23	2,066,942	1,633,890	79	73,927	4	1,559,963-	75-
22-24	1,831,284	1,496,062	82	83,045	5	1,413,016-	77-
FIVE-YEAR AVERAGE							
20-24	1,933,015	1,499,492	78	137,908	7	1,361,584-	70-

KENTUCKY POWER COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	6,479	3,461	53	651	10	2,810-	43-
2001	9,421	3,374	36	2,442	26	932-	10-
2002	16,953	6,999	41	1,099	6	5,900-	35-
2003	2,929	2,221	76	712	24	1,509-	52-
2004	2,052	4,195	204	55	3	4,140-	202-
2005	143	2,488			0	2,488-	
2006	7,368	6,267	85	78	1	6,189-	84-
2007	3,259	6,177	190	1,228	38	4,949-	152-
2008	694	6,862	989	332	48	6,529-	941-
2009	3,342	73,490		1,832	55	71,658-	
2010	2,392	10,021	419	1,912	80	8,109-	339-
2011	10,826	27,299	252	441	4	26,859-	248-
2012	1,132	14,187		96	8	14,091-	
2013	1,819	809	44	284	16	525-	29-
2014	3,265	38,898			0	38,898-	
2015	18,743	16,735	89	740	4	15,995-	85-
2016	2,669	13,132	492	91	3	13,041-	489-
2017	2,225	8,449	380	180	8	8,270-	372-
2018	8,286	5,752	69	559	7	5,193-	63-
2019	2,047	30,437		253	12	30,184-	
2020	9,138	29,795	326	2,702	30	27,093-	296-
2021	8,590	18,571	216	613	7	17,957-	209-
2022	9,074	30,270	334		0	30,270-	334-
2023	8,678	43,884	506	2-	0	43,886-	506-
2024	2,140	4,849	227	689	32	4,160-	194-
TOTAL	143,665	408,621	284	16,986	12	391,635-	273-
THREE-YEAR MOVING AVERAGES							
00-02	10,951	4,611	42	1,397	13	3,214-	29-
01-03	9,768	4,198	43	1,418	15	2,780-	28-
02-04	7,311	4,472	61	622	9	3,850-	53-
03-05	1,708	2,968	174	256	15	2,712-	159-
04-06	3,188	4,317	135	44	1	4,272-	134-
05-07	3,590	4,977	139	435	12	4,542-	127-
06-08	3,774	6,435	171	546	14	5,889-	156-
07-09	2,432	28,843		1,131	47	27,712-	
08-10	2,142	30,124		1,359	63	28,766-	
09-11	5,520	36,937	669	1,395	25	35,542-	644-
10-12	4,783	17,169	359	816	17	16,353-	342-
11-13	4,592	14,098	307	274	6	13,825-	301-

KENTUCKY POWER COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	2,072	17,964	867	127	6	17,838-	861-
13-15	7,942	18,814	237	341	4	18,472-	233-
14-16	8,226	22,921	279	277	3	22,644-	275-
15-17	7,879	12,772	162	337	4	12,435-	158-
16-18	4,394	9,111	207	277	6	8,835-	201-
17-19	4,186	14,879	355	330	8	14,549-	348-
18-20	6,491	21,995	339	1,171	18	20,823-	321-
19-21	6,592	26,268	398	1,189	18	25,078-	380-
20-22	8,934	26,212	293	1,105	12	25,107-	281-
21-23	8,781	30,908	352	204	2	30,704-	350-
22-24	6,631	26,334	397	229	3	26,105-	394-
FIVE-YEAR AVERAGE							
20-24	7,524	25,474	339	800	11	24,673-	328-

KENTUCKY POWER COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	36,661	604	2	216	1	388-	1-
2001	11,194	394	4	6	0	388-	3-
2002	71,261	1,456	2	54	0	1,402-	2-
2003	23,089	953	4	814	4	139-	1-
2004	37,052	2,840	8	24	0	2,816-	8-
2005	36,728	9,431	26		0	9,431-	26-
2006	144,643	26,281	18	964	1	25,317-	18-
2007	36,512	9,708	27	1,580	4	8,128-	22-
2008	53,234	8,703	16	187	0	8,516-	16-
2009	77,397	11,925	15	1,580	2	10,346-	13-
2010	47,808	10,359	22	3,038	6	7,321-	15-
2011	110,598	9,735	9	3,074	3	6,661-	6-
2012	94,614	5,877	6	496-	1-	6,373-	7-
2013	65,079	28,935	44	10,165	16	18,770-	29-
2014	99,769	16,550	17	3,445	3	13,105-	13-
2015	73,658	25,891	35	660	1	25,230-	34-
2016	70,640	23,573	33	120	0	23,453-	33-
2017	55,038	16,713	30	298	1	16,415-	30-
2018	29,490	9,710	33	2,141	7	7,569-	26-
2019	18,627	3,020	16	63	0	2,957-	16-
2020	34,321	5,587	16	6,672	19	1,085	3
2021	49,660	19,553	39	18	0	19,535-	39-
2022	37,853	11,398	30	1,586	4	9,812-	26-
2023	33,456	12,956	39	5-	0	12,961-	39-
2024	25,296	9,456	37	61	0	9,396-	37-
TOTAL	1,373,680	281,607	21	36,263	3	245,344-	18-
THREE-YEAR MOVING AVERAGES							
00-02	39,705	818	2	92	0	726-	2-
01-03	35,181	934	3	291	1	643-	2-
02-04	43,801	1,750	4	297	1	1,452-	3-
03-05	32,290	4,408	14	279	1	4,128-	13-
04-06	72,808	12,851	18	329	0	12,521-	17-
05-07	72,628	15,140	21	848	1	14,292-	20-
06-08	78,130	14,897	19	910	1	13,987-	18-
07-09	55,714	10,112	18	1,116	2	8,996-	16-
08-10	59,480	10,329	17	1,602	3	8,728-	15-
09-11	78,601	10,673	14	2,564	3	8,109-	10-
10-12	84,340	8,657	10	1,872	2	6,785-	8-
11-13	90,097	14,849	16	4,248	5	10,601-	12-

KENTUCKY POWER COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	86,488	17,121	20	4,371	5	12,749-	15-
13-15	79,502	23,792	30	4,757	6	19,035-	24-
14-16	81,356	22,005	27	1,409	2	20,596-	25-
15-17	66,445	22,059	33	359	1	21,699-	33-
16-18	51,723	16,665	32	853	2	15,812-	31-
17-19	34,385	9,814	29	834	2	8,980-	26-
18-20	27,480	6,105	22	2,958	11	3,147-	11-
19-21	34,203	9,387	27	2,251	7	7,136-	21-
20-22	40,612	12,179	30	2,759	7	9,421-	23-
21-23	40,323	14,636	36	533	1	14,103-	35-
22-24	32,202	11,270	35	547	2	10,723-	33-
FIVE-YEAR AVERAGE							
20-24	36,117	11,790	33	1,666	5	10,124-	28-

KENTUCKY POWER COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	1,443,110	191,989	13	413,109	29	221,120	15
2001	1,029,459	221,473	22	335,831	33	114,358	11
2002	1,055,795	659,515	62	678,285	64	18,770	2
2003	1,073,924	291,671	27	405,971	38	114,300	11
2004	1,076,234	238,854	22	124,013	12	114,841-	11-
2005	1,190,629	17,831	1	1,143	0	16,689-	1-
2006	1,756,227	348,675	20	423,177	24	74,502	4
2007	2,367,716	616,424	26	519,954	22	96,470-	4-
2008	2,310,335	538,110	23	575,481	25	37,371	2
2009	1,737,905	510,933	29	592,190	34	81,257	5
2010	1,455,999	391,862	27	557,150	38	165,288	11
2011	1,307,947	486,571	37	517,371	40	30,800	2
2012	1,841,401	1,184,273	64	530,596	29	653,677-	35-
2013	1,079,232	479,848	44	168,573	16	311,275-	29-
2014	1,340,831	684,093	51	407,569	30	276,524-	21-
2015	3,038,106	1,296,404	43	432,421	14	863,983-	28-
2016	1,653,096	453,938	27	152,761	9	301,177-	18-
2017	1,947,085	345,777	18	94,404	5	251,373-	13-
2018	2,273,868	477,123	21	125,312	6	351,811-	15-
2019	2,370,668	749,806	32	70,499	3	679,307-	29-
2020	1,924,357	703,823	37	91,105	5	612,718-	32-
2021	2,295,747	561,610	24	172,737	8	388,873-	17-
2022	2,080,275	917,831	44	116,321	6	801,510-	39-
2023	1,855,374	683,936	37	105,124	6	578,812-	31-
2024	1,959,698	710,353	36	194,340	10	516,013-	26-
TOTAL	43,465,018	13,762,724	32	7,805,438	18	5,957,285-	14-
THREE-YEAR MOVING AVERAGES							
00-02	1,176,121	357,659	30	475,741	40	118,082	10
01-03	1,053,059	390,886	37	473,362	45	82,476	8
02-04	1,068,651	396,680	37	402,756	38	6,076	1
03-05	1,113,596	182,785	16	177,042	16	5,743-	1-
04-06	1,341,030	201,787	15	182,778	14	19,009-	1-
05-07	1,771,524	327,643	18	314,758	18	12,885-	1-
06-08	2,144,759	501,069	23	506,204	24	5,135	0
07-09	2,138,652	555,156	26	562,542	26	7,386	0
08-10	1,834,746	480,302	26	574,940	31	94,639	5
09-11	1,500,617	463,122	31	555,571	37	92,448	6
10-12	1,535,116	687,569	45	535,039	35	152,530-	10-
11-13	1,409,527	716,897	51	405,513	29	311,384-	22-

KENTUCKY POWER COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	1,420,488	782,738	55	368,913	26	413,825-	29-
13-15	1,819,390	820,115	45	336,188	18	483,927-	27-
14-16	2,010,678	811,479	40	330,917	16	480,561-	24-
15-17	2,212,762	698,707	32	226,529	10	472,178-	21-
16-18	1,958,016	425,613	22	124,159	6	301,454-	15-
17-19	2,197,207	524,235	24	96,738	4	427,497-	19-
18-20	2,189,631	643,584	29	95,639	4	547,945-	25-
19-21	2,196,924	671,746	31	111,447	5	560,299-	26-
20-22	2,100,126	727,755	35	126,721	6	601,033-	29-
21-23	2,077,132	721,126	35	131,394	6	589,732-	28-
22-24	1,965,116	770,707	39	138,595	7	632,112-	32-
FIVE-YEAR AVERAGE							
20-24	2,023,090	715,511	35	135,926	7	579,585-	29-

KENTUCKY POWER COMPANY

ACCOUNT 369.00 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	569,287	184,236	32	23,653	4	160,582-	28-
2001	390,080	321,367	82	31,367	8	290,000-	74-
2002	508,684	267,958	53	4,937	1	263,020-	52-
2003	630,850	131,104	21	3,269	1	127,835-	20-
2004	511,999	33,417	7	1,699	0	31,718-	6-
2005	760,371	293,637	39	122	0	293,515-	39-
2006	1,144,609	466,660	41	2,307	0	464,353-	41-
2007	887,176	326,376	37	992	0	325,384-	37-
2008	720,680	465,122	65	4,492	1	460,631-	64-
2009	467,957	514,287	110	5,661	1	508,626-	109-
2010	420,358	474,838	113	1,986	0	472,852-	112-
2011	370,511	440,260	119	458	0	439,802-	119-
2012	357,594	497,692	139	1,630	0	496,062-	139-
2013	335,346	149,102	44	52,380	16	96,721-	29-
2014	301,700	320,149	106	2,449	1	317,700-	105-
2015	287,441	339,427	118	1,903-	1-	341,330-	119-
2016	410,068	315,047	77	539	0	314,508-	77-
2017	412,692	372,992	90	2,869	1	370,123-	90-
2018	381,853	311,280	82	1,382	0	309,898-	81-
2019	452,167	437,956	97	1,166	0	436,790-	97-
2020	639,924	554,437	87	161	0	554,276-	87-
2021	398,124	420,024	106	3,941	1	416,084-	105-
2022	476,972	505,297	106	5,701-	1-	510,998-	107-
2023	497,636	474,196	95	2,570	1	471,626-	95-
2024	375,321	411,006	110	2,718	1	408,288-	109-
TOTAL	12,709,401	9,027,866	71	145,144	1	8,882,722-	70-
THREE-YEAR MOVING AVERAGES							
00-02	489,350	257,854	53	19,986	4	237,868-	49-
01-03	509,871	240,143	47	13,191	3	226,952-	45-
02-04	550,511	144,160	26	3,302	1	140,858-	26-
03-05	634,407	152,719	24	1,697	0	151,023-	24-
04-06	805,660	264,571	33	1,376	0	263,196-	33-
05-07	930,719	362,224	39	1,140	0	361,084-	39-
06-08	917,488	419,386	46	2,597	0	416,789-	45-
07-09	691,938	435,262	63	3,715	1	431,547-	62-
08-10	536,332	484,749	90	4,046	1	480,703-	90-
09-11	419,609	476,461	114	2,702	1	473,760-	113-
10-12	382,821	470,930	123	1,358	0	469,572-	123-
11-13	354,484	362,351	102	18,156	5	344,195-	97-

KENTUCKY POWER COMPANY

ACCOUNT 369.00 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	331,547	322,314	97	18,820	6	303,494-	92-
13-15	308,162	269,559	87	17,642	6	251,917-	82-
14-16	333,070	324,874	98	362	0	324,513-	97-
15-17	370,067	342,489	93	502	0	341,987-	92-
16-18	401,538	333,106	83	1,597	0	331,510-	83-
17-19	415,571	374,076	90	1,806	0	372,270-	90-
18-20	491,315	434,558	88	903	0	433,655-	88-
19-21	496,739	470,806	95	1,756	0	469,050-	94-
20-22	505,007	493,253	98	533-	0	493,786-	98-
21-23	457,577	466,506	102	270	0	466,236-	102-
22-24	449,976	463,500	103	138-	0	463,637-	103-
FIVE-YEAR AVERAGE							
20-24	477,595	472,992	99	738	0	472,254-	99-

KENTUCKY POWER COMPANY

ACCOUNT 370.00 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	1,709,961	157,068	9	331,752	19	174,683	10
2001	639,511	461,377	72	351,294	55	110,083-	17-
2002	970,185	1,007,823	104	931,609	96	76,214-	8-
2003	624,632	329,105	53	210,012	34	119,092-	19-
2004	832,607	214,935	26	68,556	8	146,380-	18-
2005	1,515,899	93,784-	6-		0	93,784	6
2006	9,319,669	408,529	4	2,501,000	27	2,092,472	22
2007	9,974,912	768,675	8	702,707	7	65,968-	1-
2008	1,023,534	564,346	55	346,681	34	217,665-	21-
2009	915,027	543,026	59	548,069	60	5,043	1
2010	496,628	372,888	75	331,022	67	41,865-	8-
2011	465,676	363,976	78	288,244	62	75,732-	16-
2012	1,653,695	342,808	21	170,612	10	172,196-	10-
2013	866,022	385,051	44	135,270	16	249,781-	29-
2014	580,317	361,427	62	116,223	20	245,204-	42-
2015	589,062	431,511	73	154,819	26	276,692-	47-
2016	1,293,244	613,061	47		0	613,061-	47-
2017	1,088,948	64,155-	6-		0	64,155	6
2018	452,922	92,157	20	130	0	92,027-	20-
2019	457,404	142,015	31		0	142,015-	31-
2020	429,797	156,207	36		0	156,207-	36-
2021	313,063	138,995	44	505	0	138,490-	44-
2022	389,556	237,070	61		0	237,070-	61-
2023	393,210	187,082	48		0	187,082-	48-
2024	269,625	122,707	46		0	122,707-	46-
TOTAL	37,265,106	8,243,899	22	7,188,506	19	1,055,393-	3-
THREE-YEAR MOVING AVERAGES							
00-02	1,106,552	542,090	49	538,218	49	3,871-	0
01-03	744,776	599,435	80	497,638	67	101,797-	14-
02-04	809,141	517,288	64	403,392	50	113,896-	14-
03-05	991,046	150,085	15	92,856	9	57,229-	6-
04-06	3,889,392	176,560	5	856,519	22	679,959	17
05-07	6,936,827	361,140	5	1,067,902	15	706,763	10
06-08	6,772,705	580,517	9	1,183,463	17	602,946	9
07-09	3,971,158	625,349	16	532,486	13	92,863-	2-
08-10	811,730	493,420	61	408,591	50	84,829-	10-
09-11	625,777	426,630	68	389,112	62	37,518-	6-
10-12	872,000	359,890	41	263,293	30	96,598-	11-
11-13	995,131	363,945	37	198,042	20	165,903-	17-

KENTUCKY POWER COMPANY

ACCOUNT 370.00 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	1,033,345	363,095	35	140,702	14	222,393-	22-
13-15	678,467	392,663	58	135,437	20	257,225-	38-
14-16	820,874	468,666	57	90,347	11	378,319-	46-
15-17	990,418	326,806	33	51,606	5	275,199-	28-
16-18	945,038	213,688	23	43	0	213,644-	23-
17-19	666,425	56,672	9	43	0	56,629-	8-
18-20	446,708	130,126	29	43	0	130,083-	29-
19-21	400,088	145,739	36	168	0	145,571-	36-
20-22	377,472	177,424	47	168	0	177,256-	47-
21-23	365,276	187,716	51	168	0	187,547-	51-
22-24	350,797	182,286	52		0	182,286-	52-
FIVE-YEAR AVERAGE							
20-24	359,050	168,412	47	101	0	168,311-	47-

KENTUCKY POWER COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	637,697	180,847	28	15,694	2	165,153-	26-
2001	563,686	351,757	62	15,480	3	336,277-	60-
2002	370,170	325,012	88	14,720	4	310,292-	84-
2003	155,458	323,387	208	13,108	8	310,279-	200-
2004	115,921	159,662	138	631	1	159,031-	137-
2005	818,524	134,474	16	9	0	134,465-	16-
2006	1,063,929	351,506	33	2,903	0	348,603-	33-
2007	930,355	315,987	34	3,250	0	312,738-	34-
2008	1,060,049	359,577	34	748-	0	360,326-	34-
2009	1,237,093	510,181	41	2,696	0	507,484-	41-
2010	1,185,896	445,487	38	1,197	0	444,290-	37-
2011	1,195,824	417,104	35	1,356	0	415,748-	35-
2012	1,189,432	429,221	36	1,288	0	427,933-	36-
2013	1,194,663	531,171	44	186,603	16	344,568-	29-
2014	1,155,610	329,852	29	2,884	0	326,968-	28-
2015	1,279,398	407,015	32	1,215-	0	408,229-	32-
2016	1,633,303	373,853	23	253	0	373,600-	23-
2017	1,525,458	329,569	22	639	0	328,929-	22-
2018	1,494,240	351,543	24	110	0	351,433-	24-
2019	1,813,361	467,448	26	357	0	467,091-	26-
2020	1,995,996	566,379	28	947	0	565,432-	28-
2021	2,082,603	543,422	26	448	0	542,974-	26-
2022	2,388,467	652,708	27	741-	0	653,449-	27-
2023	2,749,873	675,875	25	22-	0	675,897-	25-
2024	2,451,960	675,474	28	333	0	675,141-	28-
TOTAL	32,288,965	10,208,511	32	262,180	1	9,946,330-	31-
THREE-YEAR MOVING AVERAGES							
00-02	523,851	285,872	55	15,298	3	270,574-	52-
01-03	363,105	333,385	92	14,436	4	318,949-	88-
02-04	213,850	269,353	126	9,486	4	259,867-	122-
03-05	363,301	205,841	57	4,582	1	201,258-	55-
04-06	666,125	215,214	32	1,181	0	214,033-	32-
05-07	937,603	267,322	29	2,054	0	265,269-	28-
06-08	1,018,111	342,357	34	1,801	0	340,555-	33-
07-09	1,075,832	395,248	37	1,733	0	393,516-	37-
08-10	1,161,013	438,415	38	1,048	0	437,367-	38-
09-11	1,206,271	457,591	38	1,750	0	455,841-	38-
10-12	1,190,384	430,604	36	1,281	0	429,323-	36-
11-13	1,193,306	459,165	38	63,083	5	396,083-	33-

KENTUCKY POWER COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	1,179,902	430,081	36	63,592	5	366,490-	31-
13-15	1,209,890	422,679	35	62,757	5	359,922-	30-
14-16	1,356,104	370,240	27	641	0	369,599-	27-
15-17	1,479,386	370,146	25	107-	0	370,253-	25-
16-18	1,551,000	351,655	23	334	0	351,321-	23-
17-19	1,611,019	382,853	24	369	0	382,485-	24-
18-20	1,767,866	461,790	26	471	0	461,319-	26-
19-21	1,963,987	525,750	27	584	0	525,166-	27-
20-22	2,155,689	587,503	27	218	0	587,285-	27-
21-23	2,406,981	624,002	26	105-	0	624,107-	26-
22-24	2,530,100	668,019	26	143-	0	668,162-	26-
FIVE-YEAR AVERAGE							
20-24	2,333,780	622,772	27	193	0	622,579-	27-

KENTUCKY POWER COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	26,217	5,880	22	801	3	5,079-	19-
2001	22,268	7,423	33	1,093	5	6,330-	28-
2002	27,698	7,791	28	1,010	4	6,782-	24-
2003	39,163	7,142	18	318	1	6,824-	17-
2004	33,892	4,631	14	182	1	4,449-	13-
2005	78,077	21,582	28		0	21,582-	28-
2006	145,114	21,265	15		0	21,265-	15-
2007	102,177	23,695	23	830	1	22,865-	22-
2008	97,394	23,544	24	1,132	1	22,412-	23-
2009	46,439	16,214	35	911	2	15,302-	33-
2010	57,335	19,833	35	107	0	19,725-	34-
2011	57,472	17,665	31	306	1	17,359-	30-
2012	62,663	19,259	31	367	1	18,892-	30-
2013	68,439	30,429	44	10,690	16	19,739-	29-
2014	63,003	22,327	35	35	0	22,292-	35-
2015	50,510	17,673	35	348	1	17,324-	34-
2016	80,264	29,342	37		0	29,342-	37-
2017	71,747	19,485	27		0	19,485-	27-
2018	79,088	29,951	38	179	0	29,772-	38-
2019	115,349	36,131	31	401	0	35,731-	31-
2020	104,987	45,962	44	389	0	45,573-	43-
2021	115,908	49,125	42	81	0	49,045-	42-
2022	136,728	57,516	42	278	0	57,238-	42-
2023	177,857	60,428	34		0	60,428-	34-
2024	314,620	71,200	23	5,370	2	65,830-	21-
TOTAL	2,174,410	665,493	31	24,827	1	640,667-	29-
THREE-YEAR MOVING AVERAGES							
00-02	25,394	7,031	28	968	4	6,064-	24-
01-03	29,710	7,452	25	807	3	6,645-	22-
02-04	33,584	6,522	19	503	1	6,018-	18-
03-05	50,377	11,118	22	167	0	10,952-	22-
04-06	85,694	15,826	18	61	0	15,765-	18-
05-07	108,456	22,181	20	277	0	21,904-	20-
06-08	114,895	22,835	20	654	1	22,181-	19-
07-09	82,003	21,151	26	958	1	20,193-	25-
08-10	67,056	19,864	30	717	1	19,147-	29-
09-11	53,749	17,904	33	442	1	17,462-	32-
10-12	59,157	18,919	32	260	0	18,659-	32-
11-13	62,858	22,451	36	3,788	6	18,663-	30-

KENTUCKY POWER COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
12-14	64,702	24,005	37	3,697	6	20,308-	31-
13-15	60,651	23,476	39	3,691	6	19,785-	33-
14-16	64,592	23,114	36	128	0	22,986-	36-
15-17	67,507	22,167	33	116	0	22,050-	33-
16-18	77,033	26,259	34	60	0	26,200-	34-
17-19	88,728	28,522	32	193	0	28,329-	32-
18-20	99,808	37,348	37	323	0	37,025-	37-
19-21	112,082	43,739	39	290	0	43,449-	39-
20-22	119,208	50,868	43	249	0	50,619-	42-
21-23	143,498	55,690	39	119	0	55,570-	39-
22-24	209,735	63,048	30	1,882	1	61,166-	29-
FIVE-YEAR AVERAGE							
20-24	170,020	56,846	33	1,223	1	55,623-	33-

KENTUCKY POWER COMPANY

ACCOUNT 389.10 LAND RIGHTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2008	1	0		0		0	
2009							
2010							
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
TOTAL	1	0		0		0	
THREE-YEAR MOVING AVERAGES							
08-10		0		0		0	
09-11							
10-12							
11-13							
12-14							
13-15							
14-16							
15-17							
16-18							
17-19							
18-20							
19-21							
20-22							
21-23							
22-24							
FIVE-YEAR AVERAGE							
20-24							

KENTUCKY POWER COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2001	182,029		0		0		0
2002	160,071		0		0		0
2003	1,426,227		0		0		0
2004	1,424,308		0		0		0
2005	149,701		0		0		0
2006	4,747	413	9		0	413-	9-
2007	7,134	3,250	46		0	3,250-	46-
2008	19,618	3,180	16		0	3,180-	16-
2009							
2010	25,349	6,360	25		0	6,360-	25-
2011	1,916	327	17		0	327-	17-
2012	675,528	132,550	20		0	132,550-	20-
2013	57,639	4,361	8		0	4,361-	8-
2014	254,632	21,148	8		0	21,148-	8-
2015	7,192	1,347	19		0	1,347-	19-
2016	37,481	45,134	120		0	45,134-	120-
2017	189,200	48,918	26		0	48,918-	26-
2018	149,243	19,073	13		0	19,073-	13-
2019	262,369	4,460	2		0	4,460-	2-
2020	6,331	925	15		0	925-	15-
2021	34,536	13,301	39		0	13,301-	39-
2022	118,398	102,461	87		0	102,461-	87-
2023	22,460	5,862	26		0	5,862-	26-
2024	718,733	49,414	7		0	49,414-	7-
TOTAL	5,934,841	462,483	8		0	462,483-	8-
THREE-YEAR MOVING AVERAGES							
01-03	589,442		0		0		0
02-04	1,003,535		0		0		0
03-05	1,000,079		0		0		0
04-06	526,252	138	0		0	138-	0
05-07	53,861	1,221	2		0	1,221-	2-
06-08	10,500	2,281	22		0	2,281-	22-
07-09	8,917	2,143	24		0	2,143-	24-
08-10	14,989	3,180	21		0	3,180-	21-
09-11	9,088	2,229	25		0	2,229-	25-
10-12	234,264	46,412	20		0	46,412-	20-
11-13	245,028	45,746	19		0	45,746-	19-
12-14	329,266	52,686	16		0	52,686-	16-
13-15	106,488	8,952	8		0	8,952-	8-

KENTUCKY POWER COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
14-16	99,768	22,543	23		0	22,543-	23-
15-17	77,958	31,800	41		0	31,800-	41-
16-18	125,308	37,708	30		0	37,708-	30-
17-19	200,271	24,150	12		0	24,150-	12-
18-20	139,314	8,153	6		0	8,153-	6-
19-21	101,078	6,228	6		0	6,228-	6-
20-22	53,088	38,895	73		0	38,895-	73-
21-23	58,464	40,541	69		0	40,541-	69-
22-24	286,530	52,579	18		0	52,579-	18-
FIVE-YEAR AVERAGE							
20-24	180,091	34,392	19		0	34,392-	19-

Big Sandy Plant Unit 1 & 2

CONCEPTUAL DEMOLITION COST ESTIMATE

Prepared for:
American Electric Power Company

Project No. 11488-066
March 28, 2013
Revision 0

Sargent & Lundy LLC

55 East Monroe Street
Chicago, IL 60603-5780 USA

AEP AMERICAN® ELECTRIC POWER

Big Sandy Plant Unit 1 & 2
American Electric Power Company
Conceptual Demolition Cost Estimate
March 28, 2013

Issue Summary Page

Revision Number	Date	Purpose	Prepared By	Reviewed By	Approved By	Pages Affected
A	03/12/13	Comments	R. Kinsinger	J. A. Evanchik D. F. Franczak		All
0	03/28/13	Use	R. Kinsinger	J. A. Evanchik D. F. Franczak	S.R. Bertheau	All

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4.3	Construction Labor Wages	3
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4.6	Escalation	4
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4.8	Assumptions	5
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EXHIBIT	DESCRIPTION
1	Conceptual Demolition Cost Estimate No. 31983B

1.0 INTRODUCTION

The Big Sandy Plant is located near Louisa, Kentucky in Lawrence County. The plant consists of two (2) generating units with a total generating capacity of 1,097 megawatts (Unit 1 = 281MW, Unit 2 = 816 MW). Units 1 & 2 were placed in operation in 1963 and 1969 respectively.

The American Electric Power Company (AEP) recently contracted Sargent & Lundy, LLC. to prepare a conceptual demolition cost estimate using 1st Quarter 2013 pricing levels. The objective of the conceptual demolition cost estimate is to determine the gross demolition costs for Big Sandy Plant Units 1 and 2 (including gross salvage credits and any other benefits). The cost estimate considers the demolition/dismantlement methodology which complies with current OSHA rules and regulations.

2.0 COST ESTIMATE SUMMARY

Conceptual Demolition Cost Estimate No. 31983B, dated March 28, 2013, was prepared and is included as Exhibit 1. The cost estimate is structured into a code of accounts as identified in Table 2-1.

Table 2-1
Cost Estimate Code of Accounts

Account Number	Description
10	Demolition Costs (including steel, equipment & piping scrap value)
18	Scrap Value Costs
91	Other Direct & Construction Indirect Costs
93	Indirect Costs
94	Contingency Costs
96	Escalation Costs

The results of the cost estimate are provided in Table 2-2 below:

Table 2-2
Cost Estimate Results Summary

Description	Total Cost
Demolition Cost	$38,725,498
Scrap Value	$(20,887,112)
Direct Cost Subtotal	$17,838,386
Indirect Cost	$ 1,783,800
Contingency Cost	$9,209,600
Total Project Cost	$28,831,786

3.0 TECHNICAL BASIS

The scope of dismantlement includes the complete Big Sandy Plant Units 1 & 2 generating facility and plant common services associated with both units. Common facilities include:

- 825 ft Chimney
- Various Buildings
- Coal Rail and Truck Unloading Facilities

The following are excluded from the scope of the conceptual demolition cost estimate.

- Bottom Ash Pond
- Asbestos Removal
- Switchyard

The scope of the demolition cost estimate is based on a review of the facility by two (2) S&L employees conducted in January 2013 for development of the demolition cost estimate.

4.0 COMMERCIAL BASIS

4.1 General Information

The Conceptual Demolition Cost Estimate prepared for the Big Sandy Plant is a conceptual estimate of the cost to dismantle Big Sandy Plant Units 1 and 2.

Costs were calculated for (1) demolition of existing plant structures and equipment and associated site restoration costs, (2) scrap value of steel and copper, (3) associated indirect costs, and (4) contingency. All units used in the cost estimate are U.S. Standard and all costs are in US Dollars (1st Quarter 2013 levels). A two (2) year demolition schedule is anticipated not including asbestos removal (to be performed prior to start of demolition work).

4.2 Quantities/Material Cost

Quantities of pieces of equipment and/or bulk material commodities used in this cost estimate were intended to be reasonable and representative of projects of this type. Material quantities were estimated from the site plot plan and other drawings and data provided by AEP and Plant Personnel.

4.3 Construction Labor Wages

Craft labor rates (Craft Hourly Rate) for the cost estimate were calculated as Non-Union Kentucky Craft Labor rates based on Personnel Administration Services (PAS) Inc. "2013 Merit Shop Wage and Benefit Survey". The craft rates were incorporated into work crews appropriate for the activities by adding allowances for small tools, construction equipment, insurance, and site overheads to arrive at crew hourly rates detailed in the cost estimate. A 1.05 regional labor productivity multiplier was included based on Compass International Global Construction Yearbook, 2013 Edition, for non-union work in Kentucky.

4.3.1 Labor Work Schedule and Incentives

The estimate assumed a 5x8 work week. No other labor incentives are included.

4.3.2 Construction Indirects

Allowances were included in the cost estimate as direct costs as noted for the following:

- Freight: Material and scrap freight included in the material and scrap costs.
- Additional Crane Allowance: None included. Cost of cranes and construction machinery are included in the labor wage rates.
- Mobilization and Demobilization: Included in labor wage rates.
- Scaffolding: Included in labor wage rates.
- Consumables: Included in material and labor costs.

- Per Diem Costs: Excluded from the estimate.
- Contractor's General and Administrative Costs and Profit: Included in the labor wage rates.

4.4 Scrap Value

The value of scrap was determined by a 12 month average (March 2012 through February of 2013) using Zone 4 (USA Midwest) of the "Scrap Metals Market Watch" (www.americanrecycler.com).
Since the values obtained are delivered pieces, 10% of the values obtained were deducted to pay for separation, preparation and shipping to the mills. This resulted in realized prices of:

- Mixed Steel Value @ $287/Ton
- Copper Value @ $6,091/Ton
- Stainless Steel @ $1,336/Ton

Note: 1 Ton = 2,000 Lbs

All steel is considered to be mixed steel unless otherwise noted.

4.5 Indirect Costs

Allowances were included in the cost estimate as indirect costs as noted for the following:

- Engineering, Procurement and Project Services: None included.
- Construction Management Support: None included.
- Owners Cost: Included as 10.0% of the total direct cost. Owners Costs include owner project engineering, administration and construction management, permits and fees, legal expenses, taxes, etc.

4.6 Escalation

No allowance for escalation was included in the cost estimate. All costs are determined in 1st Quarter 2013 levels.

4.7 Contingency

Allowances were included in the cost estimate as contingency as noted for the following:

- Scrap Value: Included as a 15.0% reduction in the salvage value resulting in a total net reduction in the salvage value. The contingency assumes a potential drop in salvage value thus increasing the project cost.

- Material: Included as 15.0% of the total material cost.
- Labor: Included as 15.0% of the total labor cost.
- Indirect: Included as 15.0% of the total indirect cost.

4.8 Assumptions

The following assumptions apply to the cost estimate.

- All chemicals will be removed by the Owner prior to demolition, from the facilities to be demolished.
- All coal and fuel oil will be consumed prior to demolition.
- Catalyst, if any, is assumed to be removed and returned to the OEM by others, prior to demolition.
- All electrical equipment and wiring is de-energized prior to start of dismantlement.
- No extraordinary environmental costs for demolition have been included. Removal of five (5) feet of fill inside the bermed areas around the oil tanks and metal cleaning waste tank is included.
- Asbestos and PCB**'s** are removed from site by others prior to start of demolition.
- Bottom Ash Pond is not included. These costs will be determined by the Owner.
- Demolition of the chimney will be subcontracted. The chimney is 825 ft high and is located approximately 580 ft from the Big Sandy River to the South and 480 ft from the main switchyard to the North. Also, the main line for the Chesapeake and Ohio Railroad is approximately 825 ft North and US 29 is approximately 50 ft beyond the railroad. Therefore Careful Demolition (top down demolition process) will be used to dismantle the chimney. The chimney is demolished by breaking it up from the top and dropping the debris down the throat of the chimney and removing the debris periodically through the duct openings on the sides of the chimney (located 75 to 100 ft above grade). The remaining chimney below the duct openings is then demolished as any other structure.
- Switchyards within the plant boundaries are not part of the scope, neither are access roads to these facilities. Fences and gates needed to protect the switchyard will be left in place. The other site fences are removed.
- All items above grade and to a depth of 2 foot will be demolished. Any other items buried more than 2 foot will remain in place. All foundations are removed and buried on site with the exception of power block (turbine building, boiler building and service building), and the one (1) chimney thick mat foundation at grade. These foundations will have two (2) feet of soil spread over them and will be graded into the surrounding area.

- Underground piping, conduit and cable ducts will be abandoned in place.
- Underground piping larger than 4 feet diameter will be filled with sand or slurry and capped at the ends to prevent collapse. Non-metal pipe will be collapsed.
- All demolished materials are considered debris, except for organic combustibles and non-embedded metals which have scrap value.
- The basis for salvage estimating is for scrap value only. No resale of equipment or material is included.
- Handling, on-site and off-site disposal of hazardous materials would be performed in compliance with methods approved by Owner.
- Disturbed areas will be buried under 2 feet of topsoil mulched and seeded with grass – no other landscaping is included.
- All borrow material is assumed to be purchased from nearby (10 mile round trip) offsite sources.
- Debris not suitable for burial is to be disposed of off-site. Assumed distance to final disposal is within a 5 mile haul.

5.0 REFERENCES

Drawings utilized in the preparation of this demolition cost estimate are identified in Table 5-1.

Table 5-1

Reference Drawings

Unit	Document Number	Revision	Title
0	12-5030-2	0	Plot Plan
0	12-5030-10	0	Plot Plan
0	12-5030A-2	0	SCR Project Plot Plan
1	1-1200A-18	1	Auxiliary One Line
1	1-5031-2	1	General Cross Section
1	1-5032-2	1	Long Section Thru Turbine Room & Service Building Unit 1
1	1-5033-2	1	Long Section Thru Heater Bay & Service Building & Elev. South Side of Blr
2	2-1395	2	Fire Protection Foam House Electrical Assembly
2	2-1396	2	Fire Protection Sump F.O. Tank, & Truck Unloading Station Electrical Assemblies
2	2-3044-4-1	2	Concrete Stack Circular Steel Platforms
2	2-4101-2	2	Plumbing & Drainage, Roof & Drain System Sheet 1 of 6
2	2-4103-1	2	Plumbing & Drainage, Roof & Drain System Sheet 3 of 6
2	2-4107-2	2	Plumbing & Drainage, Floor Plan Service Building
2	2-4112-4	2	Plumbing & Drainage, Locomotive House & Tractor Shed Building
2	2-4122	2	Plumbing & Drainage, Service Building Annex Plans & Details
2	2-5001-3	2	Composite Cycle Diagram Unit 2
2	2-5050-15	2	Circulating Water Piping Sheet 1 of 3
2	2-5051-10	2	Circulating Water Piping Sheet 2 of 3
2	2-5109-1	2	Metal Cleaning Waste Treatment Facility General Arrangement & Yard Piping
2	2-5110-1	2	Metal Cleaning Waste Treatment Facility Piping Details
2	2-5135-32	2	Yard Piping Unit No 2, Sheet 1 of 3
2	2-536801-3	2	Urea Conversion Area Piping Composite
2	2-536802-0	2	Urea Preparation Area Piping Composite
2	2-536803-2	2	Urea Conversion Area Piping Composite
2	2-536804-2	2	Urea Conversion Area Piping Composite
2	2-538806-0	2	SCR Project Composite Piping Units 1 & 2 Precipitator Area
2	2-538807-1	2	SCR Project Piping Site Key Plan
2	2-538829-0	2	SCR Project Composite Piping Plans El. 116' 3"
2	Figure BS-2-3-15-1	2	Cooling Tower
2	2-MSK-459	2	Study of Revised River Water Makeup for Units 1 & 2
2	100109-9267512-02	2	SCR General Arrangement, Front Sectional View
2	100109-9267513-02	2	SCR General Arrangement, Unit 2 - Rear Sectional Views

Unit	Document Number	Revision	Title
2	100109-9267514-02	2	SCR General Arrangement, Unit 2 - Auxiliary Views
2	100109-9267520-02	2	SCR General Arrangement, SCR 2 - Plan View
2	100109-9267521-02	2	SCR General Arrangement, Unit 2 - Plan View
2	100109-9267530-02	2	SCR General Arrangement, Big Sandy 2, Isometric View
2	Training Document	2	Big Sandy Unit 2 Longitudinal Sections
2	Training Document	2	Big Sandy Unit 2 General Cross Section

0 = Common For Units 1& 2

1 = Unit 1

2 = Unit 2

EXHIBIT 1
Big Sandy Plant Units 1 & 2
Conceptual Demolition Cost Estimate No. 31983B

AMERICAN ELECTRIC POWER
Decommissioning Study Big Sandy
Units 1, 2 and Common Facilities

Project name	Big Sandy
Estimator	RCK
Labor rate table	13NUKY
Project No.	11488-066
Station Name	Big Sandy
Unit	1, 2 and Common
Location	Kentucky
Product Factor	1
Price Level	2013
Issue Date	3/28/2013
Estimate Date	3/28/2013
Reviewed By	JAE
Approved By	MNO
Estimate No.	31983B
Estimate Class	Conceptual
Report format	Sorted by 'Area/Group phase' 'Group phase' summary
Cost index	NUKY

ESTIMATE NO.: 31983B
PROJECT NO.: 11488-066
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APPROVED: MNO

AMERICAN ELECTRIC POWER
Decommissioning Study Big Sandy
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Estimate Totals

Description	Amount	Totals	Hours
LABOR	29,540,432		357,986.217 hrs
MATERIAL	7,535,066		
SUBCONTRACT	1,650,000		
SCRAP RECOVERY	(20,887,112)		
	17,838,386	**17,838,386**	
91-1 SCAFFOLDING			
91-2 OT WORKING 5-10 HOUR DAYS			
91-3 OT Working 7-10 Hr Days			
91-4 PER DIEM			
91-5 CONSUMABLES			
91-6 FREIGHT ON EQUIPMENT			
91-7 FREIGHT ON SPECIAL EQUIP.			
91-8 FREIGHT ON MATERIAL			
91-9 FREIGHT ON SCRAP INCL			
91-10 SALES TAX			
91-11 CONTRACTOR'S G&A EXPENSE			
91-12 CONTRACTOR'S PROFIT			
		17,838,386	
93-1 EP&P SERVICES			
93-2 CM SUPPORT			
93-3 START-UP/COMMISSIONING			
93-4 START-UP/SPARE PARTS			
93-5 EXCESS LIABILITY INSUR			
93-6 SALES TAX ON INDIRECTS			
93-7 OWNER'S COST	1,783,800		
93-8 EPC FEE			
	1,783,800	**19,622,186**	
94-3 CONTINGENCY ON MATERIAL	1,130,300		
94-4 CONTINGENCY ON LABOR	4,431,100		
94-5 CONTINGENCY ON SUB.	247,500		
94-6 CONTINGENCY ON SCRAP	3,133,100		
94-7 CONTINGENCY ON INDIRECTS	267,600		
	9,209,600	**28,831,786**	
96-3 ESCALATION ON MATERIAL			
96-4 ESCALATION ON LABOR			
96-5 ESCALATION ON SUB.			
96-6 ESCALATION ON SCRAP			
96-7 ESCALATION ON INDIRECTS			
		28,831,786	
98 INTEREST DURING CONSTR			
		28,831,786	
Total		***28,831,786***	

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Units 1, 2 and Common Facilities

Sargent & Lundy

AREA	GROUP	PHASE	DESCRIPTION	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR AMOUNT	TOTAL AMOUNT
Common								
	10.00.00		WHOLE PLANT DEMOLITION		7,449,896	74,076	8,819,470	17,919,366
	18.00.00		SCRAP VALUE	(2,183,209)				(2,183,209)
			Common	**(2,183,209)**	**7,449,896**	**74,076**	**8,819,470**	**15,736,157**
Unit 1								
	10.00.00		WHOLE PLANT DEMOLITION		27,770	82,596	6,043,293	6,071,063
	18.00.00		SCRAP VALUE	(5,153,373)				(5,153,373)
			Unit 1	**(5,153,373)**	**27,770**	**82,596**	**6,043,293**	**917,690**
Unit 2								
	10.00.00		WHOLE PLANT DEMOLITION		57,400	201,314	14,677,668	14,735,068
	18.00.00		SCRAP VALUE	(13,550,530)				(13,550,530)
			Unit 2	**(13,550,530)**	**57,400**	**201,314**	**14,677,668**	**1,184,539**

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Decommissioning Study Big Sandy
Units 1, 2 and Common Facilities

Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
Common										
	10.00.00		WHOLE PLANT DEMOLITION							
		10.21.00	CIVIL WORK							
			COVERED DISTURBED AREAS OF SITE W/2 FT TOPSOIL	296,500.00 CY	-	7,116,000	15,572	102.05 /MH	1,589,171	8,705,171
			SEED AND MULCH	92.00 AC	-	256,496	2,609	32.86 /MH	85,740	342,236
			PAVED SURFACES	15,400.00 SY	-	0	1,941	102.05 /MH	198,097	198,097
			DEMOLITION - 26450 TRACK FEET of 110# RAILROAD TRACK	26,450.00 TF	-	0	8,335	102.05 /MH	850,595	850,595
			DEMOLITION - PERIMETER FENCE	4,500.00 LF	-	0	189	102.05 /MH	19,295	19,295
			CIVIL WORK			7,372,496	28,647		2,742,899	10,115,395
		10.22.00	CONCRETE							
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS	2,555.00 CY	-	0	3,019	76.08 /MH	229,708	229,708
			EQUIPMENT FOUNDATION 110 LB/CY, MISC EQUIPMENT	1,300.00 CY	-		1,387	76.08 /MH	105,553	105,553
			INTAKE CLOSURE	800.00 CY	-	73,600	840	76.08 /MH	63,933	137,533
			CONCRETE			73,600	5,247		399,194	472,794
		10.24.00	ARCHITECTURAL							
			BUILDING, WAREHOUSE #4, 100 ' X 35' X 14' TALL	49,000.00 CF	-		309	74.88 /MH	23,125	23,125
			BUILDING, CHEMICAL BLDG. 3900 SF X 14' TALL	54,600.00 CF	-		344	74.88 /MH	25,768	25,768
			BUILDING, WAREHOUSE #5, 100' X50' X14' TALL	70,000.00 CF	-		441	74.88 /MH	33,035	33,035
			BUILDING, CONSTRUCTION OFFICES, 140' X 50' X 14' TALL	98,000.00 CF	-		618	74.88 /MH	46,249	46,249
			BUILDING, CONSTRUCTION LOCKERROOM / WAREHOUSE, 100' X 40' X 14' TALL	56,000.00 CF	-		353	74.88 /MH	26,428	26,428
			BUILDING, ANNEX, 85' X 48' 14' TALL	57,120.00 CF	-		360	74.88 /MH	26,957	26,957
			BUILDING, CAR DUMPER, 40' X68' X 22' TALL	59,840.00 CF	-		377	74.88 /MH	28,240	28,240
			BUILDING, SHOWER BLDG & COAL HANDLING OFFICE, 80' X 74' X 20' TALL	118,400.00 CF	-		746	74.88 /MH	55,877	55,877
			BUILDING, THAW-OUT SHED, 220' X 24' X 14' TALL	73,920.00 CF	-		466	74.88 /MH	34,885	34,885
			BUILDING, THAW-OUT SHED ELECTRICAL, 90' X 20' X 14' TALL	25,200.00 CF	-		159	74.88 /MH	11,893	11,893
			BUILDING, TRACTOR REPAIR BUILDING PART 1 88' X 25' X 14' TALL	30,800.00 CF	-		194	74.88 /MH	14,536	14,536
			BUILDING, TRACTOR REPAIR BUILDING PAR2 1 40' X 24' X 14' TALL	13,440.00 CF	-		85	74.88 /MH	6,343	6,343
			BUILDING, PICNIC SHELTER, 60' X 34' X 10' TALL	20,400.00 CF	-		129	74.88 /MH	9,627	9,627
			BUILDING, WAREHOUSE BOB AREA, 150' X 74' X 14' TALL	155,400.00 CF	-		979	74.88 /MH	73,338	73,338

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Decommissioning Study Big Sandy
Units 1, 2 and Common Facilities

Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.24.00	ARCHITECTURAL							
			BUILDING, OLD GATEHOUSE - TRAIONING BLDG, 35' X 30' X 12' TALL	12,600.00 CF	-		79	74.88 /MH	5,946	5,946
			BUILDING, RIVER SCREEN HOUSEM 50' X 30' X 14' TALL	21,000.00 CF	-		132	74.88 /MH	9,911	9,911
			BUILDING, FOAM HOUSE, 30' X 30' X 12' TALL	10,800.00 CF	-		68	74.88 /MH	5,097	5,097
			BUILDING, WATER TREATING BLDG, 40' X 30' X 14' TALL	16,800.00 CF	-		106	74.88 /MH	7,928	7,928
			BUILDING, GATEHOUSE - NORTH ENTRANCE, 20' X 16' X 14' TALL	4,480.00 CF	-		28	74.88 /MH	2,114	2,114
			BUILDING, FIREHOUSE, 30' X 15' X 12' TALL	5,400.00 CF	-		34	74.88 /MH	2,548	2,548
			BUILDING, UNIDENTIFED BLDG WEST OF FIRE HOUSE, 60' X 24' X 12' TALL	17,280.00 CF	-		109	74.88 /MH	8,155	8,155
			BUILDING, UNIDENTIFED BLDG EAST OF FIRE HOUSE, 60' X 24' X 12' TALL	17,280.00 CF	-		109	74.88 /MH	8,155	8,155
			BUILDING, SHED SW OF UNIT 1 SERVICE BLDG, 40' X 30' X 12' TALL	14,400.00 CF	-		91	74.88 /MH	6,796	6,796
			ARCHITECTURAL				6,316		472,952	472,952
		10.25.00	CONCRETE CHIMNEY & STACK							
			825' TALL CONCRETE CHIMNEY	825.00 VLF	-			76.08 /MH		1,650,000
			CONCRETE CHIMNEY & STACK							1,650,000
		10.31.00	MECHANICAL EQUIPMENT							
			TANKS, FUEL OIL TANK, 3,400,000 GALLONS, BOTTOM ONLY (TOP HAS BEEN REMOVED)	32.40 TN	-		91	65.32 /MH	5,940	5,940
			TANKS, FUEL OIL TANK, 500,000 GALLONS	50.00 TN	-		140	65.32 /MH	9,167	9,167
			TANKS, METAL CLEANING WASTE TANK 1,000,000 GALLONS	83.00 TN	-		233	65.32 /MH	15,217	15,217
			MECHANICAL EQUIPMENT				464		30,324	30,324
		10.33.00	MATERIAL HANDLING EQUIPMENT							
			MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM	1,015.00 TN	-		2,159	65.32 /MH	141,026	141,026
			MATERIAL HANDLING EQUIPMENT				2,159		141,026	141,026
		10.35.00	PIPING							
			PIPING - CIRC WATER PIPING AND TUNNELS	1.00 LS	-		1,071	76.08 /MH	81,514	81,514
			PIPING - DEMO BOP PIPING AND HANGERS	1.00 LS	-		535	65.32 /MH	34,924	34,924
			PIPING				1,606		116,439	116,439
		10.41.00	ELECTRICAL EQUIPMENT							
			MISCELLANEOUS ELECTRICAL EQUIPMENT	75.00 TN	-		211	65.32 /MH	13,750	13,750
			MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS	50.00 TN	-		140	65.32 /MH	9,167	9,167

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			ELECTRICAL EQUIPMENT				351		22,917	22,917
		10.42.00	RACEWAY, CABLE TRAY, & CONDUIT							
			RACEWAY, CABLE TRAY, & CONDUIT -	225.00 TN	-		479	65.32 /MH	31,262	31,262
			RACEWAY, CABLE TRAY, & CONDUIT				479		31,262	31,262
		10.86.00	WASTE							
			WASTE - OIL CONTAMINATED FILL, 3,400,000 GALLON OIL TANK COINTAINMENT	16,225.00 CY	-	0	20,179	168.94 /MH	3,409,039	3,409,039
			WASTE - METAL CLEANING TANK BERMED AREA CONTAMINATED FILL	3,889.00 CY	-	0	4,837	168.94 /MH	817,119	817,119
			WASTE - BUILDING WASTE - COMMON BLDGS	380.00 CY	-	3,800	40	65.32 /MH	2,607	6,407
			WASTE - OIL CONTAMINATED FILL, 500,000 GALLON OIL TANK COINTAINMENT	3,016.00 CY	-	0	3,751	168.94 /MH	633,693	633,693
			WASTE			3,800	28,807		4,862,457	4,866,257
			WHOLE PLANT DEMOLITION			7,449,896	74,076		8,819,470	17,919,366
	18.00.00		SCRAP VALUE							
		18.10.00	MIXED STEEL							
			MIXED STEEL REBAR RECOVERY FROM OUTBUILDINGS FOUNDATIONS & MISC FDNS	-164.00 TN	(47,068)	-		65.89 /MH		(47,068)
			MIXED STEEL REBAR RECOVERY FROM 825' CHIMNEY	-448.00 TN	(128,576)	-		65.89 /MH	0	(128,576)
			MIXED STEEL, STEEL LINER FROM 825' CHIMNEY	-278.00 TN	(79,786)	-		65.89 /MH	0	(79,786)
			MIXED STEEL, EQUIPMENT FOUNDATION110 LB/CY, MISC EQUIPMENT, REINFORCING	-72.00 TN	(20,664)	-		65.89 /MH		(20,664)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - COAL HANDLING SYSTEM, COMMON	-1,015.00 TN	(291,305)	-		65.89 /MH		(291,305)
			MIXED STEEL, 26450 TF OF RAILROAD TRACK , 110# rRAIL	-970.00 TN	(278,390)	-		65.89 /MH	0	(278,390)
			MIXED STEEL, RACEWAY, CABLE TRAY, & CONDUIT -	-225.00 TN	(64,575)	-		65.89 /MH	0	(64,575)
			MIXED STEEL, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS	-25.00 TN	(7,175)	-		65.89 /MH		(7,175)
			MIXED STEEL, TANKS, FUEL OIL TANK, 3,400,000 GALLONS, BOTTOM ONLY (TOP HAS BEEN REMOVED)	-32.40 TN	(9,299)	-		65.89 /MH		(9,299)
			MIXED STEEL, TANKS, FUEL OIL TANK, 500,000 GALLONS	-50.00 TN	(14,350)	-		65.89 /MH		(14,350)

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL							
			MIXED STEEL, TANKS, METAL CLEANING WASTE TANK 1,000,000 GALLONS	-83.00 TN	(23,821)	-		65.89 /MH		(23,821)
			MIXED STEEL		(965,009)					(965,009)
		18.30.00	COPPER							
			COPPER SCRAP CABLE & COMMON	-150.00 TN	(913,650)	-		65.89 /MH		(913,650)
			COPPER, MISCELLANEOUS ELECTRICAL EQUIPMENT, TRANSFORMERS	-50.00 TN	(304,550)	-		65.89 /MH		(304,550)
			COPPER		(1,218,200)					(1,218,200)
			SCRAP VALUE		(2,183,209)					(2,183,209)
			Common		**(2,183,209)**	**7,449,896**	**74,076**		**8,819,470**	**15,736,157**
Unit 1										
	10.00.00		WHOLE PLANT DEMOLITION							
		10.22.00	CONCRETE							
			BUILDING PAD FOUNDATION 110 LB/CY, UNIT 1 COOLING TOWER BASIN	3,835.00 CY	-	0	4,532	76.08 /MH	344,787	344,787
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS	49.00 CY	-		58	76.08 /MH	4,405	4,405
			ELEVATED FOUNDATION 110/CY, UNIT 1 COOLING TOWER SHELL	7,112.00 CY	-	0	4,475	76.08 /MH	340,449	340,449
			ELEVATED FOUNDATION, UNIT 1 TURBINE AND BLR BLDGS	2,000.00 CY	-	0	1,258	76.08 /MH	95,739	95,739
			TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 1	1,911.00 CY	-	0	3,613	76.08 /MH	274,895	274,895
			CONCRETE				13,936		1,060,276	1,060,276
		10.23.00	STEEL							
			DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 1	537.00 TN	-	0	1,507	65.89 /MH	99,310	99,310
			STEEL				1,507		99,310	99,310
		10.24.00	ARCHITECTURAL							
			BUILDING, UNIT 1 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS	4,501,000.00 CF	-	0	47,279	74.88 /MH	3,540,282	3,540,282
			BUILDING, UNIT 1 THAW-OUT SHED, 60' X 22' X 16' TALL	21,120.00 CF	-		133	74.88 /MH	9,967	9,967
			ARCHITECTURAL				47,413		3,550,250	3,550,250
		10.31.00	MECHANICAL EQUIPMENT							
			MAIN BOILER AND APPURTENANCES, UNIT 1	3,218.00 TN	-	0	6,845	71.35 /MH	488,392	488,392
			FD & ID FANS, UNIT 1	214.00 TN	-	0	455	71.35 /MH	32,478	32,478
			FEEDWATER DEARATING EQUIPMENT, UNIT 1	100.00 TN	-	0	213	65.32 /MH	13,894	13,894
			TANKS, UNIT 1 CONDENSATE STORAGE TANK, 300,000 GALLONS	29.00 TN	-		81	65.32 /MH	5,317	5,317

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		10.31.00	MECHANICAL EQUIPMENT							
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 1	136.00 TN	-	0	289	65.32 /MH	18,896	18,896
			TURBINE GENERATOR, UNIT 1	750.00 TN	-	0	1,595	65.32 /MH	104,207	104,207
			CONDENSER, UNIT 1	423.00 TN	-	0	900	65.32 /MH	58,773	58,773
			CIRCULATING WATER EQUIPMENT, UNIT 1	69.00 TN	-	0	147	65.32 /MH	9,587	9,587
			COOLING TOWER, UNIT 1 REMOVE FILL	295,000.00 CF	-	0	1,859	65.32 /MH	121,446	121,446
			MECHANICAL EQUIPMENT - UNIT 1 MISC. POWER PLANT EQUIPMENT	155.00 TN	-	0	330	65.32 /MH	21,536	21,536
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 1 TURBINE ROOM OVERHEAD CRANE	1.00 LS	-	0	331	65.32 /MH	21,613	21,613
			MECHANICAL EQUIPMENT - UNIT 1 DUST COLLECTORS	137.00 TN	-	0	291	65.32 /MH	19,035	19,035
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 1	200.00 TN	-	0	425	65.32 /MH	27,788	27,788
			MECHANICAL EQUIPMENT				13,762		942,962	942,962
		10.33.00	MATERIAL HANDLING EQUIPMENT							
			MATERIAL HANDLING EQUIPMENT - UNIT 1 ASH HANDLING EQUIPMENT	77.00 TN	-	0	164	65.32 /MH	10,699	10,699
			MATERIAL HANDLING EQUIPMENT - UNIT 1 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS	837.00 TN	-	0	1,780	65.32 /MH	116,295	116,295
			MATERIAL HANDLING EQUIPMENT				1,944		126,993	126,993
		10.34.00	HVAC							
			HVAC - UNIT 1	1.00 LS	-		897	65.32 /MH	58,596	58,596
			HVAC				897		58,596	58,596
		10.35.00	PIPING							
			PIPING - UNIT 1 BOILER PLANT AND TURBINE PIPING	799.00 TN	-	0	1,784	65.32 /MH	116,552	116,552
			PIPING				1,784		116,552	116,552
		10.41.00	ELECTRICAL EQUIPMENT							
			GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER	344.00 TN	-	0	966	65.32 /MH	63,067	63,067
			STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS	34.00 TN	-	0	95	65.32 /MH	6,233	6,233
			ELECTRICAL EQUIPMENT				1,061		69,301	69,301
		10.86.00	WASTE							
			WASTE - UNIT 1 COOLING TOWER FILL	1,094.00 CY	-	10,940	115	65.32 /MH	7,506	18,446
			WASTE - UNIT 1 BLDG WASTE	1,683.00 CY	-	16,830	177	65.32 /MH	11,548	28,378
			WASTE			27,770	292		19,054	46,824
			WHOLE PLANT DEMOLITION			27,770	82,596		6,043,293	6,071,063
	18.00.00		SCRAP VALUE							
		18.10.00	MIXED STEEL							

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL							
			MIXED STEEL, UNIT 1 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS & SERVICE BLDG	-2,251.00 TN	(646,037)	-		65.89 /MH		(646,037)
			MIXED STEEL, REBAR RECOVERED, TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 1	-105.00 TN	(30,135)	-		65.89 /MH	0	(30,135)
			MIXED STEEL, UNIT 1 COOLING TOWER REINFORCING RECOVERED	-603.00 TN	(173,061)	-		65.89 /MH	0	(173,061)
			MIXED STEEL, ELEVATED FOUNDATION, UNIT 1 TURBINE AND BLR BLDGS, REINFORCING	-110.00 TN	(31,570)	-		65.89 /MH		(31,570)
			MIXED STEEL, MAIN BOILER AND APPURTENANCES, UNIT 1	-3,218.00 TN	(923,566)	-		65.89 /MH	0	(923,566)
			MIXED STEEL, FD & ID FANS, UNIT 1	-214.00 TN	(61,418)	-		65.89 /MH	0	(61,418)
			MIXED STEEL, DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 1	-537.00 TN	(154,119)	-		65.89 /MH	0	(154,119)
			MIXED STEEL, FEEDWATER DEARATING EQUIPMENT, UNIT 1	-100.00 TN	(28,700)	-		65.89 /MH	0	(28,700)
			MIXED STEEL, WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 1	-136.00 TN	(39,032)	-		65.89 /MH	0	(39,032)
			MIXED STEEL, UNIT 1 CONDENSER	-287.00 TN	(82,369)	-		65.89 /MH	0	(82,369)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 1 ASH HANDLING EQUIPMENT	-77.00 TN	(22,099)	-		65.89 /MH	0	(22,099)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 1 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS	-837.00 TN	(240,219)	-		65.89 /MH	0	(240,219)
			MIXED STEEL, TURBINE GENERATOR, UNIT 1	-750.00 TN	(215,250)	-		65.89 /MH	0	(215,250)
			MIXED STEEL, CIRCULATING WATER EQUIPMENT, UNIT 1	-69.00 TN	(19,803)	-		65.89 /MH	0	(19,803)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 1 MISC. POWER PLANT EQUIPMENT	-155.00 TN	(44,485)	-		65.89 /MH	0	(44,485)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 1 DUST COLLECTORS	-137.00 TN	(39,319)	-		65.89 /MH	0	(39,319)
			MIXED STEEL, PIPING - UNIT 1 BOILER PLANT AND TURBINE PIPING	-799.00 TN	(229,313)	-		65.89 /MH		(229,313)
			MIXED STEEL, MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 1	-200.00 TN	(57,400)	-		65.89 /MH	0	(57,400)
			MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER	-193.50 TN	(55,535)	-		65.89 /MH	0	(55,535)

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL							
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS	-19.70 TN	(5,654)	-		65.89 /MH	0	(5,654)
			MIXED STEEL, TANKS, UNIT 1 CONDENSATE STORAGE TANK, 300,000 GALLONS	-29.00 TN	(8,323)	-		65.89 /MH		(8,323)
			MIXED STEEL		(3,107,406)					(3,107,406)
		18.30.00	COPPER							
			COPPER, UNIT 1 CONDENSER TUBES COPPER / NI	-135.40 TN	(824,721)	-		65.89 /MH		(824,721)
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 1 MAIN POWER TRANSFORMER	-147.50 TN	(898,423)	-		65.89 /MH		(898,423)
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 1 MAIN AUX TRANSFORMERS	-53.00 TN	(322,823)	-		65.89 /MH		(322,823)
			COPPER		(2,045,967)					(2,045,967)
			SCRAP VALUE		(5,153,373)					(5,153,373)
			Unit 1		**(5,153,373)**	**27,770**	**82,596**		**6,043,293**	**917,690**
Unit 2										
	10.00.00		WHOLE PLANT DEMOLITION							
		10.22.00	CONCRETE							
			BUILDING PAD FOUNDATION 110 LB/CY, UNIT 2 COOLING TOWER BASIN	9,583.00 CY	-		11,324	76.08 /MH	861,564	861,564
			BUILDING PAD FOUNDATION 110LB/CY, OUTBUILDINGS & MISC FDNS	363.00 CY	-		429	76.08 /MH	32,636	32,636
			ELEVATED FOUNDATION 110/CY, UNIT 2 COOLING TOWER SHELL	13,122.00 CY	-		8,256	76.08 /MH	628,146	628,146
			ELEVATED FOUNDATION , UNIT 2 TURBINE AND BLR BLDGS	2,035.00 CY	-		1,280	76.08 /MH	97,415	97,415
			TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2	7,778.00 CY	-		14,706	76.08 /MH	1,118,856	1,118,856
			CONCRETE				35,997		2,738,616	2,738,616
		10.23.00	STEEL							
			DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 2	1,022.00 TN	-		2,868	65.89 /MH	189,004	189,004
			STEEL				2,868		189,004	189,004
		10.24.00	ARCHITECTURAL							
			BUILDING, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS	8,863,000.00 CF	-	0	93,099	74.88 /MH	6,971,234	6,971,234
			BUILDING, UNIT 2, UREA SYSTEM BLDG, 60' 45' X 40' TALL	108,000.00 CF	-		681	74.88 /MH	50,969	50,969

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		10.24.00	ARCHITECTURAL							
			BUILDING, UNIT 2 UREA SYSTEM AMMONIOA ON DEMAND (AOD) BLDG, 60' X 40' X14' TALL	33,600.00 CF	-		212	74.88 /MH	15,857	15,857
			BUILDING, UNIT 2 SCR BLDG, 70' 67' X 20' TALL	93,800.00 CF	-		591	74.88 /MH	44,267	44,267
			ARCHITECTURAL				94,582		7,082,327	7,082,327
		10.31.00	MECHANICAL EQUIPMENT							
			MAIN BOILER AND APPURTENANCES, UNIT 2	12,160.00 TN	-		25,866	71.35 /MH	1,845,507	1,845,507
			FD & ID FANS, UNIT 2	6,135.00 TN	-		13,050	71.35 /MH	931,101	931,101
			FEEDWATER DEARATING EQUIPMENT, UNIT 2	215.00 TN	-		457	65.32 /MH	29,873	29,873
			TANKS, UNIT 2 CLEAN CONDENSATE TANK, 750,000 GALLONS	77.00 TN	-		216	65.32 /MH	14,117	14,117
			TANKS, UNIT 2 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS	50.00 TN	-		140	65.32 /MH	9,167	9,167
			TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK103-100	25.00 TN	-		70	65.32 /MH	4,583	4,583
			TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK104-100	25.00 TN	-		70	65.32 /MH	4,583	4,583
			WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2	269.00 TN	-		572	65.32 /MH	37,375	37,375
			TURBINE GENERATOR, UNIT 2	2,045.00 TN	-		4,350	65.32 /MH	284,137	284,137
			CONDENSER, UNIT 2	1,165.00 TN	-		2,478	65.32 /MH	161,868	161,868
			CIRCULATING WATER EQUIPMENT, UNIT 2	484.00 TN	-		1,030	65.32 /MH	67,248	67,248
			COOLING TOWER, UNIT 2 REMOVE FILL	664,000.00 CF	-		4,185	65.32 /MH	273,356	273,356
			MECHANICAL EQUIPMENT - UNIT 2 MISC. POWER PLANT EQUIPMENT	613.00 TN	-		1,304	65.32 /MH	85,172	85,172
			MECHANICAL EQUIPMENT - DEMOLISH UNIT 2 TURBINE ROOM OVERHEAD CRANE	1.00 LS	-		331	65.32 /MH	21,613	21,613
			MECHANICAL EQUIPMENT - UNIT 2 DUST COLLECTORS	269.00 TN	-		572	65.32 /MH	37,375	37,375
			MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2	600.00 TN	-		1,276	65.32 /MH	83,365	83,365
			MECHANICAL EQUIPMENT - SCR UNIT 2	664.00 TN	-		1,412	65.32 /MH	92,258	92,258
			MECHANICAL EQUIPMENT				57,380		3,982,698	3,982,698
		10.33.00	MATERIAL HANDLING EQUIPMENT							
			MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT	377.00 TN	-		802	65.32 /MH	52,381	52,381
			MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS	32.00 TN	-		68	65.32 /MH	4,446	4,446

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			MATERIAL HANDLING EQUIPMENT				870		56,827	56,827
		10.34.00	HVAC							
			HVAC - UNIT 2	1.00 LS	-		1,780	65.32 /MH	116,300	116,300
			HVAC				1,780		116,300	116,300
		10.35.00	PIPING							
			PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING	2,690.00 TN	-		6,007	65.32 /MH	392,396	392,396
			PIPING				6,007		392,396	392,396
		10.41.00	ELECTRICAL EQUIPMENT							
			GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMER	328.00 TN	-		921	65.32 /MH	60,134	60,134
			STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS	109.00 TN	-		306	65.32 /MH	19,984	19,984
			ELECTRICAL EQUIPMENT				1,227		80,117	80,117
		10.86.00	WASTE							
			WASTE - UNIT 2 COOLING TOWER FILL	2,460.00 CY	-	24,600	258	65.32 /MH	16,879	41,479
			WASTE - UNIT 2 BLDG WASTE	3,280.00 CY	-	32,800	345	65.32 /MH	22,505	55,305
			WASTE			57,400	603		39,384	96,784
			WHOLE PLANT DEMOLITION			57,400	201,314		14,677,668	14,735,068
	18.00.00		SCRAP VALUE							
		18.10.00	MIXED STEEL							
			MIXED STEEL, UNIT 2 POWER BLOCK, INCLUDING TURBINE BLDG, BOILER HOUSE PREHTR FAN ENCLOSURE & COAL BUNKERS & SERVICE BLDG	-4,431.50 TN	(1,271,841)	-		65.89 /MH		(1,271,841)
			MIXED STEEL, REBAR RECOVERED, TURBINE PEDESTAL FOUNDATION 140 LB/CY, UNIT 2	-467.00 TN	(134,029)	-		65.89 /MH		(134,029)
			MIXED STEEL, UNIT 2 COOLING TOWER REINFORCING RECOVERED	-1,249.00 TN	(358,463)	-		65.89 /MH		(358,463)
			MIXED STEEL, ELEVATED FOUNDATION , UNIT 2 TURBINE AND BLR BLDGS, REINFORCING	-112.00 TN	(32,144)	-		65.89 /MH		(32,144)
			MIXED STEEL, MAIN BOILER AND APPURTENANCES, UNIT 2	-12,160.00 TN	(3,489,920)	-		65.89 /MH		(3,489,920)
			MIXED STEEL, FD & ID FANS, UNIT 2	-6,135.00 TN	(1,760,745)	-		65.89 /MH		(1,760,745)
			MIXED STEEL, DUCTWORK W/BREECHINGS AND STEEL SUPPORTS, UNIT 2	-1,022.00 TN	(293,314)	-		65.89 /MH		(293,314)
			MIXED STEEL, FEEDWATER DEARATING EQUIPMENT, UNIT 2	-215.00 TN	(61,705)	-		65.89 /MH		(61,705)
			MIXED STEEL, WATER TREATMENT DEMINERALIZATION & CHEMICAL TREATMENT EQUIPMENT, UNIT 2	-269.00 TN	(77,203)	-		65.89 /MH		(77,203)
			MIXED STEEL, UNIT 2 CONDENSER	-792.00 TN	(227,304)	-		65.89 /MH		(227,304)

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.10.00	MIXED STEEL							
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 ASH HANDLING EQUIPMENT	-377.00 TN	(108,199)	-		65.89 /MH		(108,199)
			MIXED STEEL, MATERIAL HANDLING EQUIPMENT - UNIT 2 FUEL EQUIPMENT, CONVEYORS INCL TRUSSES & BENTS	-35.00 TN	(10,045)	-		65.89 /MH		(10,045)
			MIXED STEEL, TURBINE GENERATOR, UNIT 2	-2,045.00 TN	(586,915)	-		65.89 /MH		(586,915)
			MIXED STEEL, CIRCULATING WATER EQUIPMENT, UNIT 2	-484.00 TN	(138,908)	-		65.89 /MH		(138,908)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 MISC. POWER PLANT EQUIPMENT	-613.00 TN	(175,931)	-		65.89 /MH		(175,931)
			MIXED STEEL, MECHANICAL EQUIPMENT - UNIT 2 DUST COLLECTORS	-269.00 TN	(77,203)	-		65.89 /MH		(77,203)
			MIXED STEEL, PIPING - UNIT 2 BOILER PLANT AND TURBINE PIPING	-2,690.00 TN	(772,030)	-		65.89 /MH		(772,030)
			MIXED STEEL, MECHANICAL EQUIPMENT - PRECIPITATORS UNIT 2	-600.00 TN	(172,200)	-		65.89 /MH		(172,200)
			MIXED STEEL, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMERS	-180.50 TN	(51,804)	-		65.89 /MH		(51,804)
			MIXED STEEL, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS	-56.00 TN	(16,072)	-		65.89 /MH		(16,072)
			MIXED STEEL, MECHANICAL EQUIPMENT - SCR UNIT 2	-664.00 TN	(190,568)	-		65.89 /MH		(190,568)
			MIXED STEEL, TANKS, UNIT 2 CLEAN CONDENSATE TANK, 750,000 GALLONS	-77.00 TN	(22,099)	-		65.89 /MH		(22,099)
			MIXED STEEL, TANKS, UNIT 2 CONTAMINATED CONDENSATE TANK, 500,000 GALLONS	-50.00 TN	(14,350)	-		65.89 /MH		(14,350)
			MIXED STEEL, TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK103-100	-25.00 TN	(7,175)	-		65.89 /MH		(7,175)
			MIXED STEEL, TANKS, UNIT 2 UREA SOLUTION STORAGE TANK, 200,000 GALLONS TK104-100	-25.00 TN	(7,175)	-		65.89 /MH		(7,175)
			MIXED STEEL		(10,057,341)					(10,057,341)
		18.30.00	COPPER							
			COPPER, UNIT 2 CONDENSER TUBES COPPER / NI	-373.00 TN	(2,271,943)	-		65.89 /MH		(2,271,943)
			COPPER, GENERATOR BUS TRANSFORMERS UNIT 2 MAIN POWER TRANSFORMER	-147.50 TN	(898,423)	-		65.89 /MH		(898,423)

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Area	Group	Phase	DESCRIPTION	TAKEOFF QUANTITY	SCRAP AMOUNT	MATERIAL AMOUNT	LABOR MAN HRS	LABOR PRICE	LABOR AMOUNT	TOTAL AMOUNT
		18.30.00	COPPER							
			COPPER, STATION AUXILIARY TRANSFORMERS, UNIT 2 MAIN AUX TRANSFORMERS	-53.00 TN	(322,823)	-		65.89 /MH		(322,823)
			COPPER		(3,493,189)					(3,493,189)
			SCRAP VALUE		(13,550,530)					(13,550,530)
			Unit 2		**(13,550,530)**	**57,400**	**201,314**		**14,677,668**	**1,184,539**

1898 & CO. SM
PART OF BURNS McDONNELL

Decommissioning Cost Estimate Study

AMERICAN ELECTRIC POWER

Wheeling Power Company

Decommissioning Cost Estimate
Project No. 149603

11/17/2022



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LIST OF ABBREVIATIONS

Abbreviation	Term/Phrase/Name
1898 & Co.	1898 & Co., part of Burns & McDonnell
BOP	Balance of Plant Facilities
C&D	Construction and Demolition
Client	Wheeling Power Company
HRSG	Heat Recovery Steam Generators
Plant	Power Generation Asset
Study	Decommissioning Cost Study
WPCO	Wheeling Power Company

DISCLAIMERS

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

Wheeling Power Company ("WPCO") retained 1898 & Co., a division of Burns & McDonnell Engineering Company, Inc. (hereinafter called "1898 & Co,"), to conduct a Decommissioning Cost Study ("Study") for the Mitchell Power Plant ("Plant") located in West Virginia. The Plant is a coal-fired generation facility. The purpose of the Study was to review the facility and to make a recommendation to WPCO regarding the total cost to commission the facility at the end of its useful life. The decommissioning costs were developed by 1898 & Co. using information provided by WPCO and in-house data available to 1898 & Co.

1.2 Results

1898 & Co. has prepared cost estimates in 2022 dollars for the decommissioning of the Plant. These cost estimates are summarized in the following Table. When WPCO determines that the Plant should be retired, the above grade equipment and steel structures are assumed to have sufficient scrap value to a to a scrap contractor to offset a portion of the decommissioning costs. WPCO will incur costs in the demolition and restoration of the site less the scrap value of equipment and bulk recycled metals.

Table 1-1: Decomissioning Cost Summary (2022$)

Gross Decom Cost	Salvage Credits	Net Project Cost
$95,080,000	$(29,693,000)	$65,387,000

The total project costs presented above include the costs to return the site to an industrial condition suitable for reuse for development as an industrial facility. Included are the costs to dismantle all power generating equipment and balance of plant ("BOP") facilities and, where applicable, to perform environmental site restoration activities.

2.0 INTRODUCTION

2.1 Background

1898 & Co., a division of Burns & McDonnell Engineering Company, Inc. (hereinafter called "1898 & Co."), was retained by Wheeling Power Company ("WPCO) to conduct a Study to estimate the decommissioning costs of the Mitchell Power Plant, which is a coal-fired generating facility. Individuals from 1898 & Co. visited the Plant in October of 2022. The purpose of the Study was to review the facility to make a recommendation to WPCO regarding the total cost to decommission and dismantle the facility at the end of its useful life. 1898 & Co. has prepared over three hundred decommissioning studies on various types of fossil fuel and renewable power plants. In addition to preparing decommissioning cost estimates, 1898 & Co. has supported demolition projects as the owner's engineer. In this capacity, 1898 & Co. has evaluated demolition bids and overseen demolition activities. This has provided 1898 & Co. with insight into a broad range of competitive demolition bids, which also assists in confirming the validity of the decommissioning and dismantling estimates developed by 1898 & Co.

2.2 Methodology

The site decommissioning costs were developed using information provided by WPCO and in house data 1898 & Co. has collected from previous project experience. 1898 & Co. estimated quantities for equipment based on a visual inspection of the facility, reviews of engineering drawings, an in-house database of plant equipment quantities, and professional judgement. For the Plant, quantities were estimated for each required task. Current market pricing for labor rates and equipment was then developed for each task. The unit pricing was developed for the site based on labor rates, equipment costs, and disposal costs specific to the area in which the work is to be performed. These rates were applied to the quantities for the Plant to determine the total cost of decommissioning and dismantling.

The decommissioning costs include the cost to return the site to an industrial condition, suitable for reuse for development of an industrial facility. Included are the costs to decommission and dismantle all the assets owned by WPCO at the site, including power generating equipment and Balance of Plant facilities.

2.3 Site Visit

Representatives from 1898 & Co. visited the site on October 13, 2022. The site visits consisted of a tour of the facility with the following individuals:

- Ryan Huff, Process Supervisor.

The following 1898 & Co. representatives comprised the site team:

- Mr. Jeff Kopp, Project Manager
- Mr. Dennis O'Connor, Project Analyst

2.4 Plant Description

Mitchell Power Plant is located in Moundsville, West Virginia. The Plant consists of two supercritical coal-fired boilers. Each unit has a capacity of 816.3 MW, with a total nameplate capacity of 1,632.6 MW. The units reached commercial operation in 1971.. Both units use a General Electric steam turbine.

3.0 DECOMMISSIONING COSTS

1898 & Co. has prepared decommissioning cost estimates for the Plant. When WPCO determines that the site should be retired the above grade equipment and steel structures are assumed to have scrap value to a scrap contractor which will offset a portion of the site decommissioning costs. However, WPCO will incur costs of dismantling the Plant and restoration of the site to the extent that those costs exceed the scrap value of the equipment and bulk steel.

The decommissioning costs for the site include the cost to return the site to an industrial condition, suitable for reuse for development of an industrial facility. Included are the costs to dismantle all the assets at the sites, including power generating equipment and BOP facilities, as well as the costs to perform environmental site restoration activities.

For purposes of this study, 1898 & Co. assumed that the site will be dismantled as a single project, allowing the most cost-effective demolition methods to be utilized. A summary of several of the means and methods that could be employed is summarized in the following paragraphs; however, means and methods will not be dictated to the contractor by 1898 & Co. It will be the contractor's responsibility to determine means and methods that result in safely dismantling the Plant at the lowest possible cost.

Asbestos remediation, as required, would take place prior to commencement of any other demolition activities. Abatement would need to be performed in compliance with all state and federal regulations, including, but not limited to, requirements for sealing off work areas and maintaining negative pressure throughout the removal process. Final clearances and approvals would need to be achieved prior to performing further demolition activities.

High grade assets would then be removed from the site to the extent possible. This would include items such as transformers, transformer coils, circuit breakers, electrical wire, condenser plates and tubes, and heater tubes. High grade assets include precious alloys such as copper, aluminum-brass tubes, stainless steel tubes, and other high value metals occurring in plant systems. High grade asset removal would occur up-front in the schedule, to reduce the potential for theft, to increase cash flow, and for separation of recyclable materials to increase scrap recovery. Methods of removal vary with the location and nature of the asset. Small transformers, small equipment, and wire would likely be removed and shipped as-is for processing at a scrap yard. Large transformers, CT, ST generators, and condensers would likely require some on-site disassembly prior to being shipped to a scrap yard.

Construction and Demolition ("C&D") waste includes items such as non-asbestos insulation, roofing, wood, drywall, plastics, and other non-metallic materials. C&D waste would typically be segregated from scrap and concrete to avoid cross-contaminating of waste streams or recycle streams. C&D demolition crews could remove these materials with equipment such as excavators equipped with material handling attachments, skid steers, etc. This material would be consolidated and loaded into bulk containers for disposal.

In general, boilers and Heat Recovery Steam Generators ("HRSG") could be felled and cut into manageable sized pieces on the ground. First the structures around the boilers would need to be removed using excavators equipped with shears and grapples. Stairs, grating, elevators,

and other high structures would be removed using an “ultra-high reach” excavator, equipped with shears. Following removal of these structures, the boilers or HRSGs would be felled, using explosive blasts. The boilers would then be dismantled using equipment such as excavators equipped with shears and grapples, and the scrap metal loaded onto trailers for recycling.

After the surrounding structures and ductwork have been removed, the stacks would be imploded, using controlled blasts. Following implosion, the stack liners and concrete would be reduced in size to allow for handling and removal.

BOP structures and foundations would likely be demolished using excavators equipped with hydraulic shears, hydraulic grapples, and impact breakers, along with workers utilizing open flame cutting torches. Steel components would be separated, reduced in size, and loaded onto trailers for recycling. Concrete would be broken into manageable sized pieces and stockpiled for crushing on site. Concrete pieces would ultimately be loaded in a hopper and fed through a crusher to be sized for on-site disposal.

3.1 Assumptions

The following assumptions are made as the basis of the cost estimate.

1. Pricing for the estimate is in current 2022 dollars.
2. Based on Wheeling, West Virginia an site cost index of 104.6 percent was applied.
3. Labor costs are based on non-Union labor rates for a 40-hour workweek.
4. All work will take place in a safe and cost-efficient method.
5. For purposes of this Study, it is assumed that all generating units at the power station will be dismantled as part of a single demolition project.
6. Units will be decommissioned to zero generating output. Existing utilities will remain in place for use by the contractor for the duration of the demolition activities.
7. WPCO will remove or consume all burnable coal, fuel oil and chemicals to the reasonable extent possible prior to commencement of demolition activities. Costs for these activities are not included in the estimate. Costs are included in the estimates for cleaning and flushing fuel oil tanks and lines. Costs have also been included to remove three (3) feet of soil directly below each of the fuel oil tanks and beneath the fuel oil lines to account for the potential for this soil to be contaminated during normal operations.
8. No environmental costs have been included to address cleanup of contaminated soils, hazardous materials, or other conditions present on-site having a negative environmental impact, other than those specifically listed here. No allowances are included for unforeseen environmental remediation activities.
9. Soil testing and other on-site testing has not been conducted for this study.
10. Coal pile remediation costs will include removal of two (2) feet of material, offsite disposal, 18-inches of soil fill and 6-inches of soil cap.
11. Abatement of asbestos will precede any other work. After final air quality clearances have been reached, demolition can proceed.
12. All demolition and abatement activities, including removal of asbestos, will be done in accordance with all applicable Federal, State and Local laws, rules and regulations.

13. There is assumed to be asbestos on site. Amounts of asbestos were not available at the time of the Study. Costs for removal are assumed based on 1898 & Co.'s Asbestos quantities were provided by WPCO.
14. Hazardous material abatement is included for all sites as necessary, including asbestos, mercury, and polychlorinated biphenyls ("PCBs"). Lead paint coated materials will be handled by certified personnel compliant with OSHA Standards as necessary but will not be removed prior to demolition.
15. Transmission switchyards and substations within the boundaries of the plant are not part of the demolition scope. Switchyards that are associated with the facilities only and are not part of the transmission system are included for demolition. For purposes of this study, the division between generation assets and transmission assets is at the high side of the generator step-up transformers.
16. The costs for relocation of transmission lines, or other transmission assets, are specifically excluded from the decommissioning cost estimates. Any costs necessary to support on-going operations of adjacent or newly proposed units will be allocated to the operating costs of the units not being decommissioned.
17. Step-up transformers, auxiliary transformers, and spare transformers are included for demolition and scrap in all estimates.
18. All above-grade structures will be demolished. All below-grade structures, including foundations, will be removed to four (4) feet below existing grade, unless otherwise noted in the site-specific assumptions.
19. Foundations greater than four (4) feet below grade will be abandoned in place.
20. Existing basements will be used to bury non-hazardous debris. Concrete in trenches and basements will be perforated to create drainage. Non-hazardous debris, such as concrete and brick, will be crushed and used as clean fill on-site once the capacity of all existing basements has been exceeded. All inert debris will be disposed of on-site. All other material that is not sold as scrap will be disposed of at an off-site landfill.
21. Except for the circulating water lines, underground piping will be capped and abandoned in place. Circulating water piping will be excavated to the top of pipe, the top of pipe will be broken, and backfilled.
22. Site areas will be graded to achieve suitable site drainage to natural drainage patterns and seeded, but grading will be minimized to the extent possible.
23. Major equipment, structural steel, turbines, generators, exhaust stacks, transformers, electrical equipment, cabling, wiring, pump skids, above ground piping, and equipment enclosures for the above equipment will be sold for scrap and removed from the Plant site by the demolition contractor. All other demolished materials are considered debris.
24. For purposes of this Study, it is assumed that none of the equipment will have a salvage value in excess of the scrap value of the materials in the equipment at the time of decommissioning. The decommissioning cost estimate is based on the end of useful life of the facility. All equipment, steel, copper, and other metals will be sold as scrap. Credits for salvage value are based on scrap value alone. Resale of equipment and materials is not included.
25. Condenser pipe material for Units 1 and 2 is copper.
26. Valuation and sale of land and all replacement generation costs are excluded from this scope.

27. Spare parts inventories were not provided to 1898 & Co. for review. 1898 & Co. assumes that to the extent possible spare parts will be sold prior to decommissioning and remaining spare parts will be scrapped by the demolition contractor.
28. The scope of the costs included in the Study is limited to the decommissioning activities that will occur at the end of useful life of the facilities. Additional on-going costs may be required, including, but not limited to groundwater monitoring associated with ash pond closure and/or other environmental monitoring activities. These costs are excluded from the cost estimates provided in this study.
29. A 20 percent contingency is included on the direct costs in the estimates prepared as part of this Study to cover unknowns. The Owner's indirect costs are included as 5 percent of the direct costs.
30. Market conditions may result in cost variations at the time of contract execution.
31. All estimates are budgetary in nature and do not reflect guaranteed costs. Budgetary refers to the nature of the itemized cost estimate for planning purposes only and are not a guarantee.
32. All trash, debris, and miscellaneous waste will be removed and disposed of properly.
33. It is assumed that there will be sufficient area to receive, assemble and temporarily store equipment and materials during demolition.
34. Any residual oil or sludge in tanks and pipes will be cleaned up by WPCO prior to demolition.
35. All portable tanks will be removed from the site and scrapped, including any propane tanks, oil storage tanks, and waste oil tanks.
36. All pipe supports, and pipe racks will be demolished and scrapped.
37. Harsco land is included in the estimate.
38. Coal silos on leased coal mine is included in the estimate
39. To the extent possible, non-contaminated concrete will be crushed and disposed of on-site. During crushing of the concrete, a large magnet is utilized to remove all rebar. All other non-hazardous material with no salvage value will be disposed of off-site at the nearest landfill.
40. All production wells will be closed as per state regulations. Production wells will be filled with grout to approximately five feet below surface grade. The top five feet will be over drilled and filled with soil backfill to grade on top of the grout. Monitoring wells will remain intact.
41. Although properly recoverable through the dismantlement reserve, no environmental costs have been included to address cleanup of contaminated soils, hazardous materials, or other conditions present on-site having a negative environmental impact, other than those specifically listed in these assumptions. No allowances are included for unforeseen environmental remediation activities at this time but will be captured and included in future studies when they are available.
42. Handling and disposal of hazardous material will be performed in compliance with the approved methods of WPCO's Environmental Services Department.
43. Rolling stock, including rail cars, dozers, plant vehicles, etc. is assumed to be removed by WPCO prior to dismantlement.
44. In the absence of detailed information, such as plant layout or equipment drawings, 1898 & Co. assumed information with the use of publicly available data and 1898 & Co's industry experience.

45. The following scrap values were used in the decommissioning cost estimate. The scrap values are based upon the 12-month average of American Metal Market prices for October 2021 to September 2022 (i.e., one calendar year). These values include the cost to haul the scrap via truck and/or rail to the scrap market indicated below.

Table 2-1: Scrap Pricing

Scrap Market	Steel Scrap Value ($/net ton)	Copper Scrap Value ($/pound)	Aluminum Scrap Value ($/pound)	Brass Scrap Value ($/pound)
Pittsburgh	($356.19)	($3.17)	($0.45)	($2.51)

4.0 RESULTS

1898 & Co. has prepared cost estimates in 2022 dollars for the decommissioning of the Plant. These costs are summarized in the following table. When WPCO determines that the Plant should be retired, the above grade equipment and steel structures are assumed to have sufficient scrap value to a scrap contractor to offset a portion of the decommissioning costs. WPCO will incur costs in the demolition and restoration of the site less the salvage value of equipment and bulk recycled metals.

Table 3-1: Decommissioning Cost Summary (2022$)

Gross Decom Cost	Salvage Credits	Net Project Cost
$95,080,000	$(29,693,000)	$65,387,000

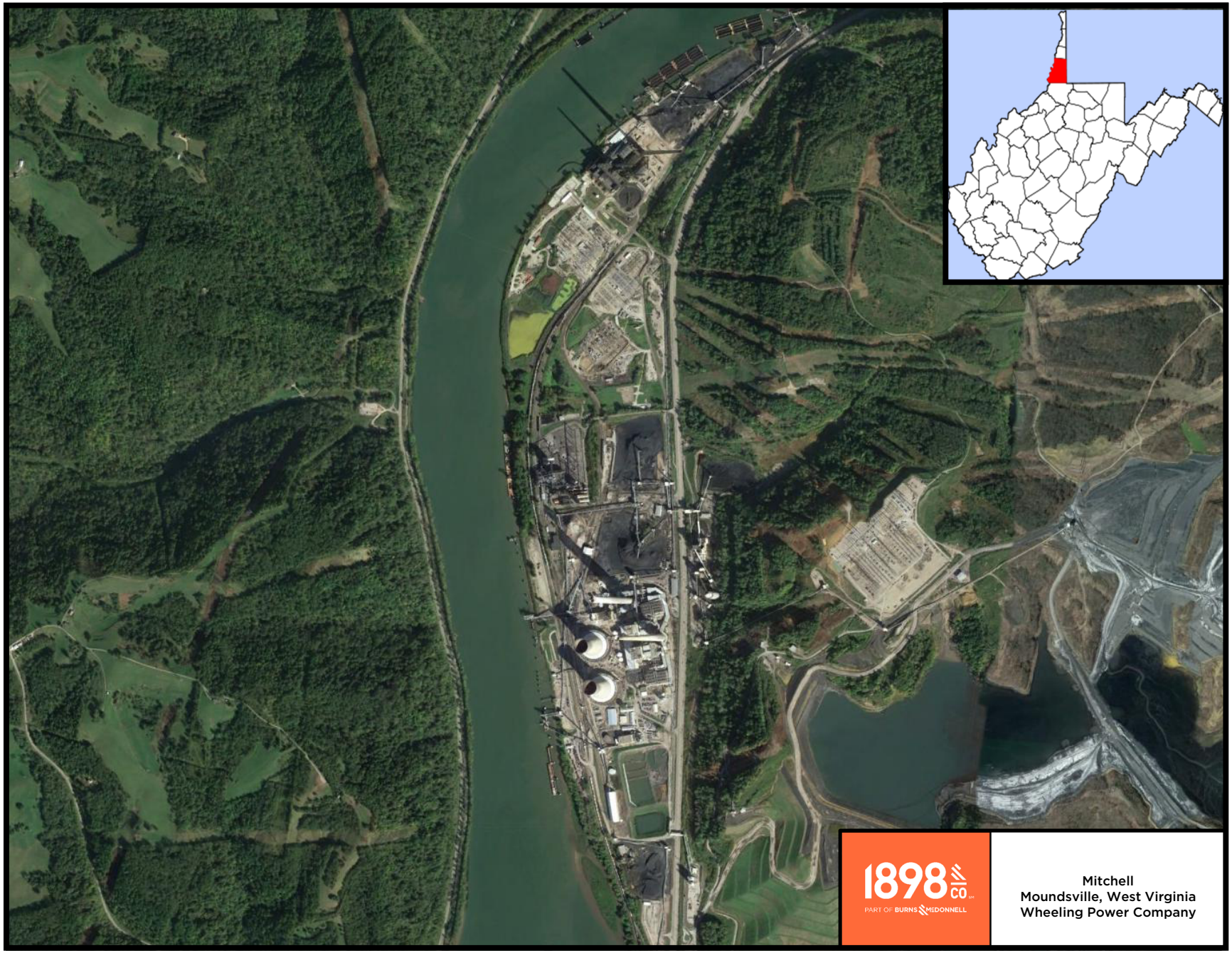
The total project cost presented above include the cost to return the site to an industrial condition suitable for reuse for development as an industrial facility. Included are the costs to dismantle all power generating equipment and balance of plant facilities and, where applicable, to perform environmental site restoration activities. Further details including estimates for the major cost categories of the estimate are provided in Appendix A.

APPENDIX A – COST ESTIMATE SUMMARIES

Table A-1
Mitchell
Decommissioning Cost Summary

	Labor	Material and Equipment	Disposal	Environmental	Total Cost	Scrap Value
Mitchell						
Unit 1						
Asbestos Removal	$ -	$ -	$ -	$ 5,859,000	$ 5,859,000	$ -
Boiler	$ 3,318,000	$ 3,230,000	$ -	$ -	$ 6,548,000	$ -
Steam Turbine & Building	$ 1,655,000	$ 1,611,000	$ -	$ -	$ 3,266,000	$ -
Precipitators	$ 830,000	$ 808,000	$ -	$ -	$ 1,638,000	$ -
SCR	$ 1,536,000	$ 1,495,000	$ -	$ -	$ 3,031,000	$ -
Scrubber / FGD	$ 477,000	$ 464,000	$ -	$ -	$ 941,000	$ -
Stacks	$ 286,000	$ 278,000	$ -	$ -	$ 564,000	$ -
GSU & Foundation	$ 38,000	$ 37,000	$ -	$ -	$ 75,000	$ -
On-site Concrete Crushing & Disposal	$ -	$ -	$ 282,000	$ -	$ 282,000	$ -
Debris	$ -	$ -	$ 65,000	$ -	$ 65,000	$ -
Scrap	$ -	$ -	$ -	$ -	$ -	$ (14,123,000)
Subtotal	**$ 8,140,000**	**$ 7,923,000**	**$ 347,000**	**$ 5,859,000**	**$ 22,269,000**	**$ (14,123,000)**
Unit 2						
Asbestos Removal	$ -	$ -	$ -	$ 5,859,000	$ 5,859,000	$ -
Boiler	$ 3,318,000	$ 3,230,000	$ -	$ -	$ 6,548,000	$ -
Steam Turbine & Building	$ 1,655,000	$ 1,611,000	$ -	$ -	$ 3,266,000	$ -
Precipitator	$ 708,000	$ 690,000	$ -	$ -	$ 1,398,000	$ -
SCR	$ 1,536,000	$ 1,495,000	$ -	$ -	$ 3,031,000	$ -
Scrubber / FGD	$ 477,000	$ 464,000	$ -	$ -	$ 941,000	$ -
Stacks	$ 486,000	$ 473,000	$ -	$ -	$ 959,000	$ -
GSU & Foundation	$ 38,000	$ 37,000	$ -	$ -	$ 75,000	$ -
On-site Concrete Crushing & Disposal	$ -	$ -	$ 417,000	$ -	$ 417,000	$ -
Debris	$ -	$ -	$ 65,000	$ -	$ 65,000	$ -
Scrap	$ -	$ -	$ -	$ -	$ -	$ (13,891,000)
Subtotal	**$ 8,218,000**	**$ 8,000,000**	**$ 482,000**	**$ 5,859,000**	**$ 22,559,000**	**$ (13,891,000)**
Handling						
Coal Handling Facilites	$ 160,000	$ 156,000	$ -	$ -	$ 316,000	$ -
Coal Storage Area Restoration	$ -	$ -	$ -	$ 3,604,000	$ 3,604,000	$ -
Limestone Handling Facilities	$ 163,000	$ 158,000	$ -	$ 345,000	$ 666,000	$ -
On-site Concrete Crushing & Disposal	$ -	$ -	$ 6,000	$ -	$ 6,000	$ -
Debris	$ -	$ -	$ 6,000	$ -	$ 6,000	$ -
Scrap	$ -	$ -	$ -	$ -	$ -	$ (447,000)
Subtotal	**$ 323,000**	**$ 314,000**	**$ 12,000**	**$ 3,949,000**	**$ 4,598,000**	**$ (447,000)**
Common						
Cooling Water Intakes and Circulating Water Pumps	$ 55,000	$ 54,000	$ -	$ 1,200,000	$ 1,309,000	$ -
Roads	$ 18,000	$ 18,000	$ -	$ -	$ 36,000	$ -
All BOP Buildings	$ 139,000	$ 135,000	$ -	$ -	$ 274,000	$ -
Fuel Equipment	$ 221,000	$ 215,000	$ -	$ -	$ 436,000	$ -
All Other Tanks	$ 783,000	$ 762,000	$ -	$ -	$ 1,545,000	$ -
Transformers & Foundation	$ 90,000	$ 88,000	$ -	$ 210,000	$ 388,000	$ -
Mercury & Universal Waste Disposal	$ -	$ -	$ -	$ 91,000	$ 91,000	$ -
Mooring Cell Removal	$ 601,000	$ 586,000	$ -	$ -	$ 1,187,000	$ -
Pond Closure	$ -	$ -	$ -	$ 2,934,000	$ 2,934,000	$ -
Closure of Coal Runoff Pond	$ -	$ -	$ -	$ 133,000	$ 133,000	$ -
Cooling Towers and Basin	$ 7,752,000	$ 7,546,000	$ -	$ -	$ 15,298,000	$ -
Plant Washdown & Materials Disposal	$ -	$ -	$ -	$ 62,000	$ 62,000	$ -
Concrete Removal, Crushing, & Disposal	$ -	$ -	$ 705,000	$ -	$ 705,000	$ -
Grading & Seeding	$ -	$ -	$ -	$ 2,229,000	$ 2,229,000	$ -
Debris	$ -	$ -	$ 11,000	$ -	$ 11,000	$ -
Scrap	$ -	$ -	$ -	$ -	$ -	$ (1,232,000)
Subtotal	**$ 9,659,000**	**$ 9,404,000**	**$ 716,000**	**$ 6,859,000**	**$ 26,638,000**	**$ (1,232,000)**
Mitchell Subtotal	**$ 26,340,000**	**$ 25,641,000**	**$ 1,557,000**	**$ 22,526,000**	**$ 76,064,000**	**$ (29,693,000)**
TOTAL DECOM COST (CREDIT)					**$ 76,064,000**	**$ (29,693,000)**
PROJECT INDIRECTS (5%)					**$ 3,803,000**	
CONTINGENGY (20%)					**$ 15,213,000**	
TOTAL PROJECT COST (CREDIT)					**$ 95,080,000**	**$ (29,693,000)**
TOTAL NET PROJECT COST (CREDIT)					**$ 65,387,000**	

APPENDIX B – PLANT AERIALS


1898 & CO.
PART OF BURNS & MCDONNELL
Mitchell
Moundsville, West Virginia
Wheeling Power Company



9400 Ward Parkway
Kansas City, MO

816-605-7800

1898andCo.com

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_43 Refer to Attachment JJS-1 at VI-4 through VI-7 and at VIII-2 (Pages 51, 52, and 140 of 271) as part of the Gannett Fleming Depreciation Study attached to the Direct Testimony of John J. Spanos.

a. Provide a version of these schedules without terminal net salvage on the production plant accounts. Provide these schedules in an Excel workbook in live format and with all formulas intact.

b. Provide a version of these schedules without terminal net salvage and without interim retirements and without interim net salvage on all production plant accounts. Provide these schedules in an Excel workbook in live format and with all formulas intact.

RESPONSE

a. Please see KPCO_R_AG_KIUC_1_43_Attachment1 for the requested schedules without terminal net salvage.

b. Schedules with no terminal net salvage nor any interim retirements and interim net salvage for production plant would violate proper accounting practices so this has not been calculated.

Witness: John Spanos

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_44 Reference Section V Exhibit 2 adjustment W42 which details the annualization adjustment for property taxes expense.

a. Provide the calculation of the estimated test year property tax expense based on the December 31, 2024 Assessed Property Tax Value reflected on Line 1, including the calculation or other source of the property tax rates. Provide in electronic format with all formulas in place and provide all workpapers, including all source documents, used to determine the amounts associated with test year proforma expense in the various cell references.

b. Indicate the amounts of property tax costs in the test year that were expensed, capitalized, or charged to other. In addition, indicate whether the allocation of property tax costs to these categories were changed in any way in the estimation of property tax expense based on the December 31, 2024 Assessed Property Tax Value.

c. Indicate all known reasons for the estimated increases in property tax expenses based on the December 31, 2024 Assessed Property Tax Value compared to actual test year amounts. Include such expected changes in net plant, operating income, tax rate increases, and all other component increases as part of the response.

RESPONSE

The Company objects to this request as vague, undefined, and overly broad. Subject to and without waiving this objection, Kentucky Power states as follows:

a. See KPCO_R_AG_KIUC_1_44_Attachment1 for the estimated property expense calculation in electronic format.

b. Please see the Company's response to sub-part a.

c. Please refer to the Company's responses for AG-KIUC 1_45 a.-d.

Witness: David A. Hodgson

DATA REQUEST

AG_KIUC 1_45 Reference Section V Exhibit 2 adjustment W42 which details the annualization adjustment for property taxes expense.

a. Provide the basis for the proforma increases in property valuations used for each state. In other words, provide the amount of increases in expense associated with changes in net plant, net operating income, tax rate increases, and all other components of the proforma increases.

b. Provide the net plant used for each state jurisdiction as of December 31, 2023 and December 31, 2024.

c. Provide the Company's net operating income for the year ended December 31, 2023 and December 31, 2024 as well as the test year ended May 31, 2025.

d. Provide the average effective tax rate used in the determination of property tax expense for the year ended December 31, 2023 and December 31, 2024 as well as the test year ended May 31, 2025.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, Kentucky Power states as follows:

a. The unit appraisal method mainly depends on correlating the Company's historical net book cost with its capitalized income. Subsequently, the Kentucky Department of Revenue (DOR) applies the state allocation (using both business and property factors) to the fair market value to establish Kentucky Power's final assessed value in Kentucky. Net plant from year end 2023 to 2024 increased 5.673%. Net utility operating income decreased 0.174% from 2023 to 2024.

b. The following represents the Company's unadjusted net plant for the requested time periods:

12/31/2023 Net Utility Plant: $2,236,594,344.08
12/31/2024 Net Utility Plants: $2,363,492,268.39

c. The following represents the Company's unadjusted net operating income for the requested time periods:

12/31/2023: $103,411,922.87
12/31/2024: $103,232,400.93
12 month ends 05/31/2025: $97,660,116.67

d. The average effective tax rate of 1.10% was utilized for all 3 periods against the state final assessed value, determined by the unit valuation methodology as described in further detail in the Company's response to sub-part a.

Please note 12/31/24 assessment has not been received or finalized by KY DOR.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_46 Reference Section V Exhibit 2 adjustment W42. Provide the monthly expense recorded in the three accounts referenced (4081005, 4081029 and 4081036) and in all other real and personal property tax accounts for each month and in total for each calendar year during 2022, 2023, 2024 and to date during 2025. In addition, provide the same information for costs in any subaccounts not reflected above.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, Kentucky Power states, please see KPCO_R_AG_KIUC_1_46_Attachment1 for requested property tax expenses from January 2022 through August 2025.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_47 Reference the response to the previous question. Indicate in which months in the test year that the recorded property tax expense was adjusted to reflect the estimated property tax expense based on the December 31, 2023 and December 31, 2024 Assessed Property Tax Values.

RESPONSE

The adjustment for December 31, 2023, was recorded in December 2024 after final assessment was issued by Kentucky Department of Revenue. 7/12th of adjustment was reflected in the test period ending 5/31/25.

The assessment for December 31, 2024, has not been received from the Kentucky Department of Revenue. Recorded property tax expense is not updated until a final assessment is determined.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_48 Identify all current and proposed non-base rate riders in which property tax expense amounts are included and provide the amounts included in each of the calendar years 2022, 2023, 2024 and to date during 2025

RESPONSE

Please see the below table which identifies the Company's riders and whether there is a base component and/or the rider recovers property tax expense amounts.

Rider/Surcharge	Base Component	Property Tax Expense
Fuel Adjustment Clause	Yes	No
Environmental Surcharge	Yes-Non FGD No-FGD	Yes Yes
Residential Energy Assistance	No	No
Kentucky Economic Development Surcharge	No	No
Demand-Side Management Surcharge	No	No
Systems Sales Clause	Yes	No
Purchase Power Adjustment	Yes	No
Decommissioning Rider	Yes	No
Securitized Surcharge Rider	No	No
Federal Tax Cut	No	No
Generation Rider [Proposed]	No	No

Please see KPCO_R_AG_KIUC_1_48_Attachment1 which provides the property tax expense amounts included within the environmental surcharge for both Non-FGD and FGD over the requested period.

Additionally, with regards to the Generation Rider, please see the Company's response to AG-KIUC 1_96.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_49 Reference Section V Exhibit 2 adjustment W42 at line 2, which shows test year total Company actual property tax expense of $11,150,129. Reference also Section V Schedule 4 at line 482, which shows test year per books total Company real and personal property tax expense of $13,561,919. Provide a reconciliation between these amounts and explain all reasons why the amounts are different.

RESPONSE

The Company objects that this request to the extent it mischaracterizes the Company's filing; namely, Section V Exhibit 2 and Section V Schedule 4. The Company further objects that the request seeks "reconciliation," which is vague, undefined, and seeks a narrative response. Subject to and without waiving these objections, Kentucky Power states as follows. The $13,561,919 is the expense recorded on the books for the test year ended May 31, 2025, for accounts 408100521, 408100522, 408100523, and 408100524. The $11,150,129 excludes expenses recorded during the test year that relate to activity outside of the test year.

The test-year expense includes an entry that was recorded in December 2024 which was recorded to true-up the property tax expense accruals recorded monthly from January through December 2024. The portion of the December 2024 adjustment that relates to the true-up of the monthly expense accrual for the months of January through May 2024 is excluded from the adjusted $11.15 million value. In addition to the accrual adjustment recorded in December 2024, expenses were recorded during the test year related to assessments received for tax years 2021, 2022, and 2023 to true-up the monthly accruals recorded during calendar year 2024. The portion of these adjustments that related to the accrual of expenses for January through May 2024 were excluded from the $11.15 million value. Please see KPCO_R_AG_KIUC_1_44_Attachment1, for the details on the $11,150,129.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_50 Reference Section V Exhibit 2 adjustment W42 at line 1, which shows test year total Company projected property tax expense of $15,412,943. Reference also Section V Schedule 4 at line 482, which shows test year projected jurisdictional real and personal property tax expense of $17,635.899. Provide a reconciliation between these amounts and explain all reasons why the amounts are different. Be sure to distinguish amounts between total Company and jurisdictional.

RESPONSE

The Company objects to this request to the extent it mischaracterizes the Company's filing, including Section V Exhibit 2 and Section V Schedule 4. The Company further objects to this request as the term "reconciliation," is vague, undefined, and overly broad. Subject to and without waiving these objections, Kentucky Power states as follows. W42 has a starting book value of $11.15 million which is the test year property tax expense excluding out-of-period items as discussed in response to AG KIUC 1 49. Section V Schedule 4 has a starting value of $13.56 million which is equal to the expense recorded on the books for the test year ended May 31, 2025, without adjustments. When applying the adjustment to property tax expense of $4 million calculated on W42, it resulted in the ending value equaling $15.4 million on W42 and $17.6 million on Section V Schedule 4. Please refer to AG_KIUC_1_49 for details pertaining to the starting value of $11.15 million versus $13.56 million.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_51 Refer to the Direct Testimony of David Hodgson at 6 wherein he states that the "adjustment to increase property tax expense by $4.2 million removes the impact of favorable out-of-period activity recorded during the test year and more accurately aligns the property tax expense in the cost-of-service with the rate base at the end of the test year."

a. Provide each of the "favorable out-of-period activity" impacts on a dollar basis to the property tax adjustment W42 being referenced in this statement.

b. Provide the source data and calculations of the $4.2 million in electronic format with all formulas in place.

c. For each of the "favorable out-of-period activity" impacts being referenced in this statement, explain why they should not be considered recurring for cost of service purposes.

RESPONSE

The $4.2 million adjustment is the difference between the 2024 property tax expense of $15.4 million and the $11.2 million discussed in response to AG KIUC 1_49.

a. The out-of-period activity that was excluded in the determination of the $11.2 million is discussed in response to AG KIUC 1_49. The true-up to the property tax expense accruals that was recorded in December 2024 reduced the test-year property tax expense by $2.2 million. The true-up related to the 2021-2023 assessments received during calendar year 2024 reduced the test-year property tax expense by $0.2 million.

b. See KPCO_R_AG_KIUC_1_44_Attachment 1.

c. The out-of-period adjustments represent the discrepancies between the anticipated and actual taxes paid for a specific year. These variances can be either beneficial or detrimental in any given year, and the amounts are not consistent or recurring.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_52 Refer to Exhibit TSW-2 page 1 of 2 attached to the Direct Testimony of Tanner S. Wolffram, which shows annual depreciation expense of $8,425,896 and property tax expense of $195,008 included in the "Estimated Generation Rider Annual Revenue Requirement." Refer also to Section V Exhibit 2 adjustment W49 which shows only the reduction for depreciation expense of $8,425,896 but does not include a separate adjustment of $195,008 for property taxes as portrayed in Exhibit TSW-2 page 1 of 2. Provide the calculation of the $195,008 in property taxes in electronic format with all formulas intact and explain all reasons why an adjustment of this amount for property taxes was not included as part of adjustment W49. If it is determined that the $195,008 should have been removed from the determination of base rates, provide the jurisdictional impact of this change in electronic format with all formulas in place.

RESPONSE

The Company has determined that property tax should have been excluded from the Generation Rider Annual Revenue Requirement consistent with Adjustment W49. This is consistent with the Company's proposal to seek securitization legislation. The goal of securitization is to include the items included in the Generation Rider, which would not include securitization of property taxes related to the Mitchell Plant. As such, the Company's base rate revenue requirement is correct with this respect to this item. The Company has updated the calculation of the Generation Rider with this update in response to KPSC 2_28.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_53 Provide a schedule of all ADIT amounts by FERC account/subaccount and by temporary difference for each month December 2023 through the most recent month for which actual information is available in live Excel spreadsheet format with all formulas intact. Reconcile the amounts shown on this schedule to the ADIT amount reflected in the calculation of rate base for the test year.

RESPONSE

The Company objects that the request as the term "reconciliation," is vague, undefined, and overly broad. Subject to and without waiving these objections, Kentucky Power states as follows. Please see KPCO_R_AG_KIUC_53_Attachment1 for ADIT activity, by month since December 2023 to August 2025. Column H in the Jan 2025 – Aug 2025 tab reconciles the amounts to the ADIT amount reflected in the calculation of the rate base for the test year.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_54 On the schedule of ADIT amounts provided in response to the immediately preceding question, identify and describe the temporary difference(s), provide the amount of each temporary difference, and indicate whether the temporary difference is included in the rate base calculation and if so, where (cite to schedules and workpapers). If a temporary difference is not included in rate base, then explain why it is not and provide all support for the Company's decision not to include it in the rate base calculation.

RESPONSE

Please refer to the ADFIT1 tab, column B, in the KPCO_R_AG_KIUC_1_53_Attachment1 provided to question 53 for the description of the temporary differences. Column F indicates whether the temporary difference is included or excluded and refer to column AD for the explanation of why the temporary difference is not included in the rate base.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_55 Provide a copy of the AEP Money Pool Agreement.

RESPONSE

Please see KPCO_R_AG_KIUC_1_55_Attachment1.

Witness: Franz D. Messner

Exhibit A

AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 9th day of December, 2004 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Utilities Inc., a Delaware corporation ("AEP Utilities"), both registered holding companies under the Public Utility Holding Company Act of 1935, as amended (the "Act"), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent and as a participant in the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company Of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

American Electric Power Service Corporation
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company
Central Coal Company
Colomet, Inc.
Conesville Coal Preparation Company
Dolet Hills Lignite Company, LLC

Franklin Real Estate Company
Indiana Franklin Reality, Inc.
Simco, Inc.
Southern Appalachian Coal Company

WHEREAS, the Participants from time to time have need to borrow funds on a short-term basis; and

WHEREAS, some of the Parties from time to time are expected to have funds available to loan on a short-term basis; and

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool; and

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

ARTICLE I
CONTRIBUTIONS AND BORROWINGS

Section 1.1. Contributions to the Utility Money Pool.

American Electric Power Service Corporation ("AEPSC") shall act as administrative agent of the Utility Money Pool. Each Participant, AEP, AEP Utilities, and AEPUF will determine on a daily basis, the amount of funds it has available for contribution to the Utility Money Pool. The determination of whether a Party at any time has surplus funds, or shall lend such funds to the Utility Money Pool, will be made by such Party's treasurer, any assistant treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion. Each Party may withdraw any of its funds at any time upon notice to AEPSC.

Section 1.2 Rights to Borrow.

(a) Subject to the provisions of Section 1.4(b) of this Agreement, all short-term borrowing needs of the Participants may be met by funds in the Utility Money Pool to the extent such funds are available. Each Participant shall have the right to borrow from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein and in the applicable orders of the Securities and Exchange Commission ("SEC") and other regulatory authorities. Each Participant may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Participant hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of the SEC and other regulatory authorities, resolutions of such Board of

Directors, such Party's governing corporate documents, and agreements binding upon such Party. No Participant shall be obligated to borrow from the Utility Money Pool if lower cost funds can be obtained from its own external borrowing.

(b) Neither AEP, AEP Utilities nor AEPUF will borrow funds from the Utility Money Pool or any Participant. Participants in the Utility Money Pool will not engage in lending and borrowing transactions with participants in the Nonutility Money Pool. The Utility Money Pool will not borrow from the Nonutility Money Pool.

Section 1.3 Source of Funds.

(a) AEPSC administers the Utility Money Pool by matching up, to the extent possible, short-term cash surpluses and loan requirements of the various Participants. Participants' requests for short-term loans are met first from surplus funds of other Participants which are available to the Utility Money Pool. To the extent the Participant contributions of surplus funds to the Utility Money Pool are insufficient to meet Participant requests for short-term loans, AEP or AEP Utilities may contribute corporate funds to the extent available or borrowings may be made from external sources. Funds will be made available from such sources in such other order as AEPSC, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the Parties providing funds to the Utility Money Pool.

(b) External borrowings may be made by AEP, AEP Utilities, Inc., or AEPUF, each individually, a Lending Party, collectively Lending Parties, from the sale of commercial paper notes and/or other instruments authorized by the SEC, and/or bank borrowings ("External Funds"), the proceeds of which would be added to the Utility Money Pool, in each case to the extent permitted by applicable laws and regulatory orders. All debt issued in connection with the Utility Money Pool will be unsecured. External borrowings by AEP, AEP Utilities, or AEPUF will not be made unless there are no surplus funds in the treasuries of the Participants sufficient to meet borrowing needs. If it is determined that AEP can borrow money at a cheaper rate than AEPUF can, then AEP will fund the Utility Money Pool directly.

(c) Each borrowing Participant will borrow pro rata from each fund source in the same proportion that the amount of funds provided from that fund source bears to the total amount of short-term funds available to the Utility Money Pool. On any day, when more than one fund source (e.g., surplus treasury funds of AEP, AEP Utilities or other Utility Money Pool participants ("Internal Funds") and External Funds), with different rates of interest, is used to fund loans through the Utility Money Pool, each borrowing party will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Utility Money Pool.

Section 1.4 Authorization.

(a) The determination of whether a Participant or a Lending Party has at any time surplus funds to lend to the Utility Money Pool will be made by its treasurer, any assistant treasurer, or by a designee thereof.

(b) Any loan from the Utility Money Pool to a Participant shall be authorized by the borrowing Participant's treasurer, any assistant treasurer, or by a designee thereof. No Party shall be required to effect a borrowing through the Utility Money Pool if such Participant determines that it can (and is authorized to) effect such borrowing at lower cost through the sale of its own commercial paper or other instruments, or borrowing directly from banks.

Section 1.5 Investment of Investment Pool Funds.

Funds which are loaned from Participants into the Utility Money Pool which are not required to satisfy borrowing needs of other Participants ("Investment Pool") will be invested on the behalf of the Lending Parties in one or more short-term instruments ("External Investments"), including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than "A" by a nationally recognized rating agency; (iv) commercial paper rated not less than "A-1" or "P-1" or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit, (vii) Eurodollar funds; (viii) short-term debt securities rated AA or above by Standard & Poor's, Aa or above by Moody's Investors Service, or AA or above by Fitch Ratings; (ix) short-term debt securities issued or guaranteed by an entity rated AA or above by Standard & Poor's, Aa or above by Moody's Investors Service, or AA or above by Fitch Ratings; and (x) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder.

No funds from the Utility Money Pool will be invested in EWG's or FUCO's.

Section 1.6 Utility Money Pool Interest.

The interest rate applicable on any day to then outstanding loans through the Utility Money Pool, whether or not evidenced by a promissory demand note, will be the composite weighted average daily effective cost incurred by the Lending Parties for External Funds outstanding on that date. If there are no External Funds outstanding on that date, then the rate would be the certificate of deposit yield equivalent of the 30-day Federal Reserve "A2/P2" Non-Financial Commercial Paper Composite Rate (the "Composite"), or if no Composite is established for that day, then the applicable rate will be the Composite for the next preceding day for which a composite is established.

If the Composite shall cease to exist, then the rate would be the composite which then most closely resembles the Composite and/or most closely mirrors the pricing the Lending Parties would expect if it had External Funds.

Section 1.7 Investment Pool Interest.

Interest income related to External Investments will be calculated daily and allocated back to Participants on the basis of their relative contribution to the Investment Pool funds on that date.

Section 1.8 Repayment.

Each Participant receiving a loan hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event not later than the expiration date of SEC authorization for the operation of the Utility Money Pool. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

Section 1.9 Form of Loans to Participants.

Loans to the Participants through the Utility Money Pool will be made pursuant to open-account advances, although any AEPUF or Participant would at all times be entitled to receive upon request a promissory note evidencing the transaction. Any such note shall: (a) be substantially in the form attached herewith as Exhibit A; (b) be dated as of the date of the initial borrowing; (c) mature on demand or on a date mutually agreed to by the Parties to the transaction, but in any event not later than the expiration date of the SEC authorization for the operation of the Utility Money Pool; and (d) be repayable in whole at any time or in part from time to time, without premium or penalty.

ARTICLE II
OPERATION OF THE UTILITY MONEY POOL

Section 2.1 Operation.

Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by AEPSC under the authority of the treasurer or any assistant treasurer of AEP and/or AEPSC. AEPSC shall be responsible for the determination of all applicable interest rates and charges to be applied to any loans from the Utility Money Pool and earnings to be applied to any loans to the Utility Money Pool and/or Investment Pool outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. Services rendered by AEPSC will be "at cost" in accordance with rules of the SEC.

Section 2.2 Certain Costs.

The cost of fees and/or compensating balances paid to banks to maintain credit lines will be allocated to the Participants on the basis of relative maximum non-coincidental borrowings of the Participants.

Section 2.3 Event of Default.

If any Participant shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Participant seeking to adjudicate it a bankrupt or insolvent, then AEPSC, on behalf of the Utility Money Pool, may, by notice to the Participant, terminate the Utility Money Pool's commitment to the Participant and/or declare the unpaid principal amount of any loans to such Participant, and all interest thereon, to be forthwith due and payable and all such amounts shall forthwith become due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Participant.

ARTICLE III
AEP UTILITIES FUNDING LLC

Section 3.1 AEPUF.

AEPUF is a special purpose financing conduit, formed to fund the Utility Money Pool. AEPUF may obtain funds from external sources or from AEP or AEP Utilities. AEP, AEP Utilities and the Operating Companies are also authorized to fund the Utility Money Pool through the issuance of short-term debt. AEPUF will have a separate bank account for all Utility Money Pool funds. AEPUF may issue commercial paper or other short-term debt for the benefit of the Utility Money Pool participants and will lend cash proceeds of the issuance of commercial paper to each Participant as said Participant's needs are identified. When AEPUF directly issues commercial paper to dealers to fund the Utility Money Pool, each Operating Company that borrows from AEPUF must maintain comparable debt ratings equal to or greater than AEPUF and maintain requisite backup facilities with one or more financial institutions.

Section 3.2 Loans.

AEPUF shall provide the cash proceeds of each issuance of commercial paper or other short-term debt to the Utility Money Pool. The proceeds of borrowings by AEPUF will not be loaned to AEP or AEP Utilities. The proceeds of the borrowings of AEPUF will be used to repay AEPUF's borrowings or be invested to continue funding the Utility Money Pool.

Section 3.3 Several Liability.

It is expressly agreed that the obligations of each Participant to AEPUF are several and not joint and, subject to paragraph 3.4 below, that each Participant shall not be responsible to AEPUF or any assignee or creditor of AEPUF for any payment in excess of payments due under any Participant's outstanding note and its pro rata share of other expenses and administrative costs of AEPUF in connection with its funding of the Utility Money Pool. No Participant will be liable for the borrowings of any other affiliate under the Utility Money Pool.

Section 3.4 Placement Agents.

(a) As a condition precedent to each commercial paper dealer and placement agent (each, a "Placement Agent") entering into a dealer or placement agreement with AEPUF (each such agreement, a "Placement Agreement"), each Participant agrees: (i) to pay all costs, expenses, liabilities, losses and damages, including liabilities in respect of the AEPUF's indemnification obligations under the Placement Agreements (collectively, the "Liabilities") which it may incur relating to the offer and sale of AEPUF's commercial paper, the proceeds of which were used to make any loan to such Participant under this agreement, and (ii) to pay its Pro Rata Share of all other Liabilities which AEPUF may incur other than any such Liability which relates to the offer and sale of AEPUF's commercial paper the proceeds of which were used to make any loan to any other participant in the Utility Money Pool in respect of which such other affiliate is obligated to pay the full amount of such Liability. As used herein the term "Pro Rata Share" of any Liability shall mean an amount equal to the product of such Liability and a fraction expressed as a percentage (x) the numerator of which is the average outstanding loans made to the Participant during the period from the date which is three years prior to the date such Liability is due and payable to the date such Liability is due and payable (the "Determination Period"), and (y) the denominator of which is the average aggregate outstanding loans made during the Determination Period to the Participant and all other Participants which received loans from AEPUF and which are obligated to pay such Liability in accordance with this provision.

(b) Each Participant and AEPUF hereby acknowledge and agree that each Placement Agent is a third-party beneficiary of this Article III and is entitled to the benefits of the obligations of each separate Participant contained in this Article III and is entitled to bring any action to enforce such obligations directly against the separate Participant. In the case of any specific Liability arising out of or in connection with the Placement Agreement, each Participant shall pay the amount of such Participant's Liability directly to such Placement Agent or as the Placement Agent directs.

(c) This Article III shall not be amended or modified without the prior written consent of each Placement Agent. The agreements and obligations of each of the Participants set forth in this Article III shall survive the termination of this Agreement.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Amendments.

No amendment to this Agreement shall be effective unless the same be in writing and signed by all Parties thereto.

Section 4.2 Legal Responsibility.

Nothing herein contained shall render AEP or any Party liable for the obligations of any other Party(ies) hereunder and the rights, obligations and liabilities of AEP and the Parties are several in accordance with their respective obligations, and not joint.

Section 4.3 Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITIES, INC.
AEP UTILITY FUNDING LLC
AMERICAN ELECTRIC POWER SERVICE CORPORATION, as Agent and Participant

Participants:

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
COLUMBUS SOUTHERN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
COLOMET, INC.
CONESVILLE COAL PREPARATION COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.
SIMCO, INC.
SOUTHERN APPALACHIAN COAL COMPANY

By: Wendy D. Haynes
Assistant Treasurer of each
of the above-listed companies.

EXHIBIT A

FORM OF UTILITY MONEY POOL NOTE
TO BE EXECUTED BY BORROWING PARTIES
TO AEP OR OTHER PARTIES

_____, 20__

FOR VALUE RECEIVED, the undersigned, _____ (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender") at its principal office in _____, on demand or on _____, 20__, or at the option of the Borrower, whichever first occurs, but in any event not later than the expiration date of the SEC authorization for the operation of the Utility Money Pool, the principal sum set forth on the attachment hereto as "Principal Amount Outstanding." This note may be paid in full at any time or in part from time to time without premium or penalty. The Principal Amount Outstanding shall bear interest at the composite weighted average daily effective cost incurred by the Lending Parties for External Funds outstanding on that date. If there are no External Funds outstanding on that date, then the rate would be the CD yield equivalent of the 30-day Federal Reserve "A2/P2" Non-Financial Commercial Paper Composite Rate (the "Composite"), or if no Composite is established for that day, then the applicable rate will be the Composite for the next preceding day for which a Composite is established.

This Note shall be governed by, and construed and interpreted in accordance with, the Laws of the State of New York.

IN WITNESS WHEREOF, the undersigned, pursuant to due authorization, has caused this Note to be executed in its name and on its behalf by its duly authorized officer.

_____(Name of Borrower)_____

By: _____
Name: _____
Title: _____

Date	Loan (Repayment)	Principal Amount Outstanding	Rate	Interest

AMENDMENT NO. 1
TO
AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 1 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 6th day of May, 2011 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Utilities Inc., a Delaware corporation ("AEP Utilities"), both registered holding companies, American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent and as a participant in the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

American Electric Power Service Corporation
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company
Central Coal Company
Conesville Coal Preparation Company
Dolet Hills Lignite Company, LLC
Franklin Real Estate Company

Indiana Franklin Reality, Inc.
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, the following entities are indirect subsidiaries of AEP and will own, operate, manage and control facilities in their respective states for the transmission of electricity at wholesale to its customers (collectively, the "Transcos"):

AEP Ohio Transmission Company, Inc., an Ohio corporation, and
AEP Oklahoma Transmission Company, Inc., an Oklahoma corporation;

WHEREAS, each of the Transcos, has been deemed a "public utility" for FERC purposes and will be regulated by the state utility commissions in the states where they operate and therefore are deemed "public utilities" for purposes of inclusion in the Agreement;

WHEREAS, each of the Transcos desires to become a party to the Agreement; and

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to provide that each of the Transcos listed below is hereby accepted as a Participant in the Agreement.

2. Each of the following Transcos hereby elects to become a Participant in the AEP System Utility Money Pool and hereby agrees to be bound by the terms and conditions of the Agreement:

AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITIES, INC.
AEP UTILITY FUNDING LLC
AMERICAN ELECTRIC POWER SERVICE CORPORATION, as Agent and Participant

Current Participants:

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
COLUMBUS SOUTHERN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
CONESVILLE COAL PREPARATION COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.
SOUTHERN APPALACHIAN COAL COMPANY

By: Charles E Zebula
Treasurer of each
of the above-listed companies.

Newly Added Participants:

AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.

By: Charles E. Zebula
Treasurer of each
of the above-listed companies.

AMENDMENT NO. 2
TO
AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 2 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 14th day of November, 2011 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Utilities Inc., a Delaware corporation ("AEP Utilities"), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent and as a participant in the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.
American Electric Power Service Corporation
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company
Central Coal Company
Conesville Coal Preparation Company

Dolet Hills Lignite Company, LLC
Franklin Real Estate Company
Indiana Franklin Reality, Inc.
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, the following entity is an indirect subsidiary of AEP and will own, operate, manage and control facilities in its respective state for the transmission of electricity at wholesale to its customers (the "Transco"):

AEP Indiana Michigan Transmission Company, Inc., an Indiana corporation;

WHEREAS, the Transco has been deemed a "public utility" for FERC purposes and will be regulated by the state utility commission in the state where it operates and therefore is deemed a "public utility" for purposes of inclusion in the Agreement;

WHEREAS, the Transco desires to become a party to the Agreement; and

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to provide that the Transco listed below is hereby accepted as a Participant in the Agreement.

2. The following Transco hereby elects to become a Participant in the AEP System Utility Money Pool and hereby agrees to be bound by the terms and conditions of the Agreement:

AEP Indiana Michigan Transmission Company, Inc.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITIES, INC.
AEP UTILITY FUNDING LLC
AMERICAN ELECTRIC POWER SERVICE CORPORATION, as Agent and Participant

Current Participants:

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
COLUMBUS SOUTHERN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
CONESVILLE COAL PREPARATION COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.
SOUTHERN APPALACHIAN COAL COMPANY

By: Charles E Zebula
Treasurer of each
of the above-listed companies.

Newly Added Participant:

AEP Indiana Michigan Transmission Company, Inc.

By: Charles E Zebula
Treasurer of the above-listed company

AMENDMENT NO. 3
TO
AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 3 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 20th day of March, 2013 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Utilities Inc., a Delaware corporation ("AEP Utilities"), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent and as a participant in the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

AEP Indiana Michigan Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.
American Electric Power Service Corporation
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company
Central Coal Company
Conesville Coal Preparation Company

Dolet Hills Lignite Company, LLC
Franklin Real Estate Company
Indiana Franklin Reality, Inc.
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, the following entities are indirect subsidiaries of AEP and will own, operate, manage and control facilities in their respective states for the transmission of electricity at wholesale to their customers (collectively, the "Transcos"):

AEP Appalachian Transmission Company, Inc., a Virginia corporation;
AEP West Virginia Transmission Company, Inc., a West Virginia corporation;

WHEREAS, each of the Transcos has been deemed a "public utility" for FERC purposes and will be regulated by the state utility commission in the state where each operates and therefore is deemed a "public utility" for purposes of inclusion in the Agreement; and

WHEREAS, the Transcos desire to become a party to the Agreement;

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to provide that each of the Transcos listed below is hereby accepted as a Participant in the Agreement.

2. Each of the following Transcos hereby elects to become a Participant in the AEP System Utility Money Pool and hereby agrees to be bound by the terms and conditions of the Agreement:

AEP Appalachian Transmission Company, Inc.[1]
AEP West Virginia Transmission Company, Inc.

[1] The participation of AEP Appalachian Transmission Company, Inc. in the Utility Money Pool is subject to the terms of the orders of the Virginia State Corporation Commission entered February 27, 2012, and May 3, 2012, in Case No. PUE-2011-00125.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITIES, INC.
AEP UTILITY FUNDING LLC
AMERICAN ELECTRIC POWER SERVICE CORPORATION, as Agent and Participant

Current Participants:

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.
AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
CONESVILLE COAL PREPARATION COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.
SOUTHERN APPALACHIAN COAL COMPANY

By: _____
Treasurer of each
of the above-listed companies.

Newly Added Participants:

AEP Appalachian Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.

By: _____
Treasurer of each of the above-listed companies

AMENDMENT NO. 5
TO
AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 5 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 24th day of February, 2016 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Utilities Inc., a Delaware corporation ("AEP Utilities"), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent of the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

AEP Appalachian Transmission Company, Inc.
AEP Indiana Michigan Transmission Company, Inc.
AEP Kentucky Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.
American Electric Power Service Corporation
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company

Central Coal Company
Conesville Coal Preparation Company
Dolet Hills Lignite Company, LLC
Franklin Real Estate Company
Indiana Franklin Reality, Inc.
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, Section 4.1 of the AEP System Amended and Restated Utility Money Pool Agreement dated as of December 9, 2004 (the "Utility Money Pool Agreement"), provides that amendments may be made to the Utility Money Pool Agreement in writing and signed by all Parties thereto;

NOW, THEREFORE, the companies listed below hereby elect to withdraw as participants in the Utility Money Pool Agreement pursuant to the terms and conditions of the Utility Money Pool Agreement as of this 24th day of February, 2016:

American Electric Power Service Corporation [1]
Conesville Coal Preparation Company
Franklin Real Estate Company
Indiana Franklin Realty

Collectively, the "Withdrawing Participants"

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to terminate the participation of the Withdrawing Participants as parties to the Agreement.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITIES, INC.
AEP UTILITY FUNDING LLC

Current Participants:

[1] American Electric Power Service Corporation retains its role as Administrative Agent

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

AEP APPALACHIAN TRANSMISSION COMPANY, INC.
AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.
AEP KENTUCKY TRANSMISSION COMPANY, INC.
AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
AEP WEST VIRGINIA TRANSMISSION COMPANY, INC.
BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
SOUTHERN APPALACHIAN COAL COMPANY

By: _____
Treasurer of each
of the above-listed companies.

Withdrawing Participants:

AMERICAN ELECTRIC POWER SERVICE CORPORATION
CONESVILLE COAL PREPARATION COMPANY
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.

By: _____
Treasurer of each
of the above-listed companies.

AMENDMENT NO. 6
TO
AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 6 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 1st day of January, 2017 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), AEP Texas Inc., a Delaware corporation ("AEP Texas") (formerly known as AEP Utilities, Inc. ("AEP Utilities")), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

AEP Appalachian Transmission Company, Inc.
AEP Indiana Michigan Transmission Company, Inc.
AEP Kentucky Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.
Blackhawk Coal Company
Cedar Coal Company

Central Appalachian Coal Company
Central Coal Company
Dolet Hills Lignite Company, LLC
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, AEP Texas Inc., a Delaware corporation, is a direct subsidiary of AEP and, and upon the effectiveness of the mergers with AEP Texas Central Company and AEP Texas North Company now owns, operates, manages and controls facilities in Texas for the distribution and transmission of electricity to its customers:

WHEREAS, AEP Texas is regulated by the state utility commission in the state where it operates and therefore is deemed a "public utility" for purposes of inclusion in the Agreement; and

WHEREAS, AEP Texas desires to become a party to the Agreement;

WHEREAS, AEP Utilities, in its non-participant capacity, hereby elects to withdraw in its non-participant capacity in the Utility Money Pool Agreement pursuant to the terms and conditions of the Utility Money Pool Agreement.

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to terminate the participation of the AEP Utilities, in its non-participant capacity, as a party to the Agreement.

2. The Agreement is hereby amended to delete references to AEP Utilities in its non-participant capacity.

3. The Agreement is hereby amended to provide that AEP Texas is hereby accepted as a Participant in the Agreement.

4. AEP Texas hereby elects to become a Participant in the AEP System Utility Money Pool and hereby agrees to be bound by the terms and conditions of the Agreement.

IN WITNESS WHEREOF, the undersigned Parties have duly caused this document to be signed on their behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITY FUNDING LLC
AMERICAN ELECTRIC POWER SERVICE CORPORATION, as Agent

Current Participants:

AEP GENERATING COMPANY
APPALACHIAN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY

AEP APPALACHIAN TRANSMISSION COMPANY, INC
AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.
AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
AEP WEST VIRGINIA TRANSMISSION COMPANY, INC
BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
CENTRAL COAL COMPANY
CONESVILLE COAL PREPARATION COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
FRANKLIN REAL ESTATE COMPANY
INDIANA FRANKLIN REALTY, INC.
SOUTHERN APPALACHIAN COAL COMPANY

By: _____
Assistant Treasurer of each
of the above-listed companies.

Newly Added Participant:

AEP Texas Inc.

By:_____
Assistant Treasurer

Withdrawing in Non-Participant Capacity:

AEP Utilities, Inc.

By:_____
Assistant Treasurer

AMENDMENT NO. 7
TO AEP SYSTEM AMENDED AND RESTATED
UTILITY MONEY POOL AGREEMENT

This Amendment No. 7 to the AMENDED AND RESTATED UTILITY MONEY POOL AGREEMENT ("Agreement") is made and entered into this 3rd day of November, 2017 by and among American Electric Power Company, Inc., a New York corporation ("AEP"), American Electric Power Service Corporation ("AEPSC"), a New York corporation and a nonutility subsidiary of AEP (in its role as administrative agent of the Utility Money Pool), AEP Utility Funding LLC, a Delaware limited liability company ("AEPUF"), and certain of the direct or indirect subsidiaries of AEP, each of which are signatories hereto and participants in the AEP Utility Money Pool ("Participants"), or which subsequently become signatories hereto and agree to abide by the terms herein. (All of the above are referred to as a Party or Parties to this Agreement).

WHEREAS, the following entities are each a direct or indirect subsidiary of AEP, and a Participant in the AEP Utility Money Pool (collectively referred to herein as "Operating Companies"):

AEP Generating Company
AEP Texas Inc.
Appalachian Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company
Wheeling Power Company

And

WHEREAS, in addition to the Operating Companies, the following are Participants in the AEP Utility Money Pool:

AEP Appalachian Transmission Company, Inc.
AEP Indiana Michigan Transmission Company, Inc.
AEP Kentucky Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP Oklahoma Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.
Blackhawk Coal Company
Cedar Coal Company
Central Appalachian Coal Company
Central Coal Company
Dolet Hills Lignite Company, LLC
Southern Appalachian Coal Company

WHEREAS, AEP and the Parties have established a pool (the "Utility Money Pool") to coordinate and provide for certain of the Participants' short-term cash requirements;

WHEREAS, AEPUF has been formed to fund the Utility Money Pool;

WHEREAS, Section 4.1 of the AEP System Amended and Restated Utility Money Pool Agreement dated as of December 9, 2004 (the "Utility Money Pool Agreement"), provides that amendments may be made to the Utility Money Pool Agreement in writing and signed by all Parties thereto;

NOW, THEREFORE, the company listed below hereby elects to withdraw as a participant in the Utility Money Pool Agreement pursuant to the terms and conditions of the Utility Money Pool Agreement as of this 3rd day of November, 2017:

Central Coal Company

the "Withdrawing Participant"

NOW THEREFORE, in consideration of the premises, and the mutual promises set forth herein, the Parties hereto agree as follows:

1. The Agreement is hereby amended to terminate the participation of the Withdrawing Participant as a party to the Agreement.

IN WITNESS WHEREOF, the undersigned Party has duly caused this document to be signed on its behalf on the date first written above by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.
and
AEP UTILITY FUNDING LLC

Current Participants:

AEP GENERATING COMPANY
AEP TEXAS INC.
APPALACHIAN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY
WHEELING POWER COMPANY
AEP APPALACHIAN TRANSMISSION COMPANY, INC.

AEP INDIANA MICHIGAN TRANSMISSION COMPANY, INC.
AEP KENTUCKY TRANSMISSION COMPANY, INC.
AEP OHIO TRANSMISSION COMPANY, INC.
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
AEP WEST VIRGINIA TRANSMISSION COMPANY, INC.
BLACKHAWK COAL COMPANY
CEDAR COAL COMPANY
CENTRAL APPALACHIAN COAL COMPANY
DOLET HILLS LIGNITE COMPANY, LLC
SOUTHERN APPALACHIAN COAL COMPANY

By: _____
Assistant Treasurer of each
of the above-listed companies

Withdrawing Participant:

CENTRAL COAL COMPANY

By: _____
Assistant Treasurer of the
above-listed company

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_56 Provide a copy of the AEP Tax Allocation Agreement.

RESPONSE

Please see KPCO_R_KPSC_1_56_Attachment1.

Witness: David A. Hodgson

AMERICAN ELECTRIC POWER COMPANY, INC. AND ITS CONSOLIDATED AFFILIATES --- 2024 TAX AGREEMENT REGARDING METHOD OF ALLOCATING CONSOLIDATED INCOME TAXES

The below listed affiliated companies, joining in the annual filing of a consolidated federal income tax return with American Electric Power Company, Inc., under the provisions of sections 1501 and 1502 of the Internal Revenue Code (the "Code") and the Treasury Regulations thereunder, agree to allocate the consolidated annual net current federal income tax liability and/or benefit to the members of the consolidated group in accordance with the following procedures:

(1) The consolidated regular federal income tax, exclusive of capital gains and preference taxes and before the application of general business credits including foreign tax credits, shall be apportioned among the members of the consolidated group based on corporate taxable income. Loss companies shall be included in the allocation, receiving a negative tax allocation which is similar to a separate return carryback refund, before considering general business credits, which would have resulted had the loss company historically filed a separate return.

(2) The corporate taxable income of each member of the group shall be first reduced by its proportionate share of American Electric Power Company, Inc.'s (the holding company) tax loss (excluding the effects of extraordinary items which do not apply to the regulated business) in arriving at adjusted corporate taxable income for each member of the group with positive taxable income.

(3) To the extent that the consolidated and corporate taxable incomes include material items taxed at rates other than the statutory tax rate (such as capital gains and preference items), the portion of the consolidated tax attributable to these items shall be apportioned directly to the members of the group giving rise to such items.

(4) General business credits, other tax credits, and foreign tax credits shall be equitably allocated to those members whose investments or contributions generates the tax credit.

(5) If the tax credits can not be entirely utilized to offset the consolidated tax liability, the tax credit carryover shall be equitably allocated to those members whose investments or contributions generated the credit.

(6) Should the consolidated group generate a net operating tax loss for a calendar year, the tax benefits of any resultant carryback refund shall be allocated proportionately to member companies that generated corporate tax losses in the year the consolidated net operating loss was generated.

Any related loss of general business credits, shall be allocated to the member companies that utilized the credits in the prior year in the same proportion that the credit lost is to the total credit utilized in the prior year. A consolidated net operating tax loss carryforward shall be allocated proportionately to member companies that generated the original tax losses that gave rise to the consolidated net operating tax loss carryforward.

(7) A member with a net positive tax allocation shall pay the holding company the net amount allocated, while a tax loss member with a net negative tax allocation shall receive current payment from the holding company in the amount of its negative allocation. The payment made to a member with a tax loss should equal the amount by which the consolidated tax is reduced by including the member's net corporate tax loss in the consolidated tax return. The holding company shall pay to the Internal Revenue Service the consolidated group's net current federal income tax liability from the net of the receipts and payments.

(8) No member of the consolidated group shall be allocated a federal income tax which is greater than the federal income tax computed as if such member had filed a separate return.

(9) In the event the consolidated tax liability is subsequently revised by Internal Revenue Service audit adjustments, amended returns, claims for refund, or otherwise, such changes shall be allocated in the same manner as though the adjustments on which they are based had formed part of the original consolidated return using the tax allocation agreement which was in effect at that time.

(10) In furtherance of the foregoing, American Electric Power Company, Inc. shall indemnify and hold each individual subsidiary member of its consolidated group harmless for any and all losses, damages, liabilities or obligations (whether accrued, contingent, absolute or otherwise), claims, demands, causes of action, legal proceedings, orders, remedies, obligations, assessments, awards, payments, costs and expenses, interest, penalties, fines, judgments and settlements relating to taxes of American Electric Power Company, Inc. or any other member of the consolidated group (other than related to taxes of the subsidiary member itself) of which American Electric Power Company, Inc. is the parent, including pursuant to Treasury Regulation Section 1.1502-6 or any similar provision of state or local law, as a result of being and/or having been a member of an affiliated, consolidated, joint, unitary, combined or similar group of which American Electric Power Company, Inc. is the parent for any taxable period.

Any current state tax liability and/or benefit associated with a state tax return involving more than one member of the consolidated group, shall be allocated to such members following the principles set forth above for current federal income taxes. Due to certain states utilizing a unitary approach, the consolidated return liability may exceed the sum of the liabilities computed for each company on a separate return basis. If this occurs, the excess of the consolidated liability over the sum of the separate return liabilities shall be allocated proportionally based on each member's contribution to the consolidated apportionment percentage. If additional tax is attributable to a significant transaction or event, such additional tax shall be allocated directly to the members who are party to said transaction or event.

This agreement is subject to revision as a result of changes in federal and state tax law and relevant facts and circumstances.

The above procedures for apportioning the consolidated annual net current federal and state tax liabilities and expenses of American Electric Power Company, Inc. and its consolidating affiliates have been agreed to by each of the below listed members of the consolidated group as evidenced by the signature of an officer of each company.

Any additional company that becomes a member of the consolidated group, within the meaning of section 1504 of the Code, shall become a party to this agreement by amendment thereto. This agreement shall cease to apply with respect to any company that is a party hereto that ceases to be a member of the consolidated group, effective for all tax years of such company beginning after the company ceases to be a member of the consolidated group.

COMPANY	OFFICER'S SIGNATURE
American Electric Power Company, Inc.	/S/ Kate Sturgess
American Electric Power Service Corporation	/S/ David E. Mueller
Abstract Digital, LLC	/S/ David E. Mueller
AEP Appalachian Transmission Company, Inc.	/S/ David E. Mueller
AEP Clean Energy Resources, LLC	/S/ David E. Mueller
AEP Coal, Inc.	/S/ David E. Mueller

AEP Credit, Inc.	/S/ David E. Myrick
AEP Cyber Risk, LLC	/S/ David E. Myrick
AEP Development Services, LLC	/S/ David E. Myrick
AEP Energy, Inc.	/S/ David E. Myrick
AEP Energy Partners, Inc.	/S/ David E. Myrick
AEP Investments Holding Company, Inc.	/S/ David E. Myrick
AEP Energy Services LLC	/S/ David E. Myrick
AEP Energy Services Gas Holding Company	/S/ David E. Myrick
AEP Energy Supply LLC	/S/ David E. Myrick
AEP Generating Company	/S/ David E. Myrick
AEP Generation Resources, Inc.	/S/ David E. Myrick
AEP Indiana Michigan Transmission Company, Inc.	/S/ David E. Myrick
AEP Investments, Inc.	/S/ David E. Myrick
AEP Kentucky Coal, LLC	/S/ David E. Myrick
AEP Kentucky Transmission Company, Inc.	/S/ David E. Myrick
AEP Nonutility Funding, LLC	/S/ David E. Myrick
AEP Ohio Transmission Company, Inc.	/S/ David E. Myrick
AEP Oklahoma Transmission Company, Inc.	/S/ David E. Myrick
AEP Pro Serv, Inc.	/S/ David E. Myrick
AEP Properties, LLC	/S/ David E. Myrick

AEP Retail Energy Partners, LLC	/S/ David E. Myrick
AEP Southwestern Transmission Company, Inc.	/S/ David E. Myrick
AEP Storage Holding Company, LLC	/S/ David E. Myrick
AEP Storage New York, LLC	/S/ David E. Myrick
AEP T & D Services, LLC	/S/ David E. Myrick
AEP Texas Central Transition Funding III, LLC	/S/ Kate Sturgess
AEP Texas Inc.	/S/ David E. Myrick
AEP Texas North Generation Company, LLC	/S/ David E. Myrick
AEP Texas Restoration Funding LLC	/S/ Matthew D Frances
AEP Transmission Company, LLC	/S/ David E. Myrick
AEP Transmission Holding Company, LLC	/S/ David E. Myrick
AEP Utility Funding, LLC	/S/ David E. Myrick
AEP Ventures, LLC	/S/ David E. Myrick
AEP West Virginia Transmission Company, Inc.	/S/ David E. Myrick
Amherst County VA S1, LLC	/S/ David E. Myrick
Appalachian Consumer Rate Relief Funding LLC	/S/ Kate Sturgess
Appalachian Power Company	/S/ David E. Myrick
Blue Star Energy, LLC	/S/ David E. Myrick
Bold Transmission, LLC	/S/ David E. Myrick

Cedar Coal Company	/S/ David E. Myrick
Central Appalachian Coal Company	/S/ David E. Myrick
Central Coal Company	/S/ David E. Myrick
Conesville Coal Preparation Company	/S/ David E. Myrick
CSW Energy, Inc.	/S/ David E. Myrick
Dolet Hills Lignite Company, LLC	/S/ David E. Myrick
Franklin Real Estate Company	/S/ David E. Myrick
Indiana Franklin Realty, Inc.	/S/ David E. Myrick
Indiana Michigan Power Company	/S/ David E. Myrick
Kamaaha PNL LLC	/S/ David E. Myrick
Kentucky Power Company	/S/ David E. Myrick
Kentucky Power Cost Recovery LLC	/S/ David E. Myrick
Kingsport Power Company	/S/ David E. Myrick
Kyte Works, LLC	/S/ David E. Myrick
Kona CE, LLC	/S/ David E. Myrick
Midwest Transmission Holdings, LLC	/S/ David E. Myrick
Mutual Energy SWEPCO LLC	/S/ David E. Myrick
Ohio Franklin Realty, LLC	/S/ David E. Myrick
Ohio Power Company	/S/ David E. Myrick
Price River Coal Company, Inc.	/S/ David E. Myrick

Public Service Company of Oklahoma	/S/ David E Myrick
Rock Falls Wind Farm, LLC	/S/ David E Myrick
Snowcap Coal Company, Inc.	/S/ Matthew D Franzen Matthew D Franzen (Jan 8, 2025 14:34 EST)
Southern Appalachian Coal Company	/S/ David E Myrick
Southwest Arkansas Utilities Corp.	/S/ David E Myrick
Southwestern Electric Power Company	/S/ David E Myrick
SWEPCO Storm Recovery Funding LLC	/S/ Kate Sturgess Kate Sturgess (Jan 8, 2025 14:40 EST)
United Sciences Testing, Inc.	/S/ David E Myrick
Wheeling Power Company	/S/ David E Myrick

AMERICAN ELECTRIC POWER COMPANY, INC

Final Audit Report 2025-01-08

Created:	2025-01-08
By:	Bryan Trapp (batrapp@aep.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPP_QnUrQKg40ByExFX2uiyaueM6q6Pcs

"AMERICAN ELECTRIC POWER COMPANY, INC" History

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Agreement completed.
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Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_57 Provide the actual average daily interest rate incurred for borrowings under the AEP Money Pool Agreement for each month January 2024 through the most recent month for which actual information is available. Provide the calculation of the daily interest rates based on the terms of the AEP Money Pool Agreement, including the interest rate index relied on for that purpose plus any adders.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please see KPCO_R_AG-KIUC_1_57_Attachment1.

Witness: Franz D. Messner

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_58 Provide a ten-year forecast of the capital expenditures, CWIP, transfers from CWIP to plant in service, all other rate base components, depreciation expense, all other operating expenses, and the revenue requirements by year that will be recovered through the Company's proposed Generation Rider if it is approved by the Commission without modification. Provide all support relied on for your response.

RESPONSE

The Company has not developed the 10-year revenue requirement forecast requested. The Company has developed the first-year annual revenue requirement for the Generation Rider only. If securitization legislation is passed, collection through the Generation Rider will cease. If legislation is not passed, the Company proposes to make an annual filing associated with the Generation Rider where the revenue requirement going forward can be reviewed and approved.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_59 Provide the per books ADIT by FERC account/subaccount related to the prepaid pension asset and prepaid pension contra-asset and the prepaid OPEB asset and prepaid OPEB contra-asset. Confirm that the ADIT related to these prepaid assets are liability amounts, that the ADIT related to the prepaid pension and OPEB contra-assets are asset amounts, and that the liability ADIT and asset ADIT amounts net to zero, just as the prepaid pension asset and prepaid pension contra- asset net to zero and the prepaid OPEB asset and prepaid OPEB contra-asset net to zero.

RESPONSE

Please see the table below for the per books ADIT related to the prepaid pension liability amount and the prepaid pension contra-asset amount. The Company confirms that the ADIT related to the prepaid pension asset is a liability amount and ADIT related to the prepaid pension contra-asset is an asset amount. The ADIT amounts do not net to zero because the prepaid pension ADIT amounts reflected in Account 1901001 in the table below include account 1650010 balances as well as capitalization.

Account and Description	ADFIT Per Books
1901001 - Accrued BK Pension Expense	-$2,975,643
2831001 - Accrued Book Pension Costs - SFAS 158	$5,778,131
1901001 – ACCRD OPEB COSTS – SFAS 158	-$987,228
1901001 – ACCRD SFAS 106 PST RETIRE EXP	-$5,333,180

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_60 Provide a copy of all Company requests for Private Letter Ruling (PLR) in the last five years, a copy of all correspondence with the Treasury/IRS regarding the request, a copy of all comments and/or other materials provided by the relevant Commission Staff to the Treasury/IRS in conjunction with each request for PLR, and a copy of the Ruling.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, please see KPCO_R_AG_KIUC 1_60_ConfidentialAttachment1 for a copy of the Company's request for a PLR from the IRS. The IRS has not issued a ruling in response to the Company's request.

Witness: David A. Hodgson

KPCO_R_AG_1_60_ConfidentialAttachment1 is redacted in its entirety.

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_61 Provide a copy of all requests for utility affiliate requests for PLR in the last five years, a copy of all comments and/or other materials provided by the relevant Commission Staff to the Treasury/IRS in conjunction with each request for PLR and a copy of the Ruling.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, three utility affiliates of Kentucky Power have requested PLRs from the IRS in the last five years. Indiana Michigan Power Company, Southwestern Electric Power Company, and Public Service Company of Oklahoma requested PLRs in 2022 and received rulings from the IRS in 2024. Those PLRs were provided as EXHIBIT DAH-1, EXHIBIT DAH-2, and EXHIBIT DAH-3 in the Direct Testimony of Company Witness Hodgson. Public Service Company of Oklahoma requested a second PLR in 2025 and the IRS has not issued a ruling at this time.

See KPCO_R_ AG_KIUC 1_61_ConfidentialAttachment1 and KPCO_R_AG_KIUC_1_61_Attachment2 for the information requested for Indiana Michigan Power Company. See KPCO_R_ AG_KIUC_1_61_ConfidentialAttachment3 and KPCO_R_AG_KIUC_1_61_Attachment4 for the information requested for Southwestern Electric Power Company. See KPCO_R_ AG_KIUC 1_61_ConfidentialAttachment5 and KPCO_R_AG_KIUC 1_61_ConfidentialAttachment6 for the information requested for Public Service Company of Oklahoma.

Witness: David A. Hodgson

KPCO_R_AG_1_61_ConfidentialAttachment1 is redacted in its entirety.

Internal Revenue Service
AEP--I&M
Exhibit

Staff Correspondence

From: Heline, Beth E.
To: Nyhart, Teresa Morton
Cc: Jessica A Cano; Murray, Tiffany; Peabody, Jeffrey; Helmen, Randy; Hitz, Lorraine; Janak, J. Christopher; Shoultz, Nikki; Wheeler, Kristina; jwashburn@citact.org; rkurtz@citact.org; jbieber@energystrat.com; jfetty@parrlaw.com; lsteffes@parrlaw.com; "bcb@kgrlaw.com"; kdk@kgrlaw.com; twn@kgrlaw.com; Kurt Boehm; JKylerCohn@bkllawfirm.com; john.cookassociates@earthlink.net; jrompala@lewis-kappes.com; trichardson@Lewis-Kappes.com; "abecker@lewis-kappes.com"; Amanda R. Tyler; Ellen Tennant; Keith L. Beall; Eric E. Kinder; "bnaum@spilmanlaw.com"; erik@lawmwb.com; attymcooper@indy.rr.com; Matthew R Howes; bradseltzer@eversheds-sutherland.com; James X Llende; David A Hodgson; Dave - I&M Finance Lucas
Subject: [EXTERNAL]RE: I&M Draft Private Letter Ruling Request - Review Opportunity
Date: Wednesday, March 23, 2022 2:00:37 PM
Attachments: ~~image001.png~~
~~image002.png~~
~~image003.png~~

Terry,

The statement in the letter is accurate, and I have no objection to our emails about the private letter ruling request being attached to the request.

Thank you.

Beth E. Heline
General Counsel
Indiana Utility Regulatory Commission
101 W. Washington St., Suite 1500 East
Indianapolis, IN 46204
Direct line: (317) 232-2092
Fax #: (317) 232-6758
Email: bheline@urc.in.gov

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From: Nyhart, Teresa Morton <Teresa.Nyhart@btlaw.com>
Sent: Wednesday, March 23, 2022 1:44 PM
To: Heline, Beth E. <BHeline@urc.IN.gov>
Cc: Jessica A Cano <jacano@aep.com>; Murray, Tiffany <TiMurray@oucc.IN.gov>; Peabody, Jeffrey <Jeffrey.Peabody@btlaw.com>; Helmen, Randy <rhelmen@oucc.IN.gov>; Hitz, Lorraine <LHitz@oucc.IN.gov>; Janak, J. Christopher <cjanak@boselaw.com>; Shoultz, Nikki <nshoultz@boselaw.com>; Wheeler, Kristina <Kwheeler@boselaw.com>; jwashburn@citact.org; rkurtz@citact.org; jbieber@energystrat.com; jfetty@parrlaw.com; lsteffes@parrlaw.com; 'bcb@kgrlaw.com'; kdk@kgrlaw.com; twn@kgrlaw.com; Kurt Boehm <KBoehm@bkllawfirm.com>; JKylerCohn@bkllawfirm.com; john.cookassociates@earthlink.net; jrompala@lewis-kappes.com; trichardson@Lewis-Kappes.com; 'abecker@lewis-kappes.com'; Amanda R. Tyler <Atyler@lewis-kappes.com>; Ellen Tennant <ETennant@lewis-kappes.com>; Keith L. Beall <kbeall@clarkquinnlaw.com>; Eric E. Kinder <ekinder@spilmanlaw.com>; 'bnaum@spilmanlaw.com'; erik@lawmwb.com; attymcooper@indy.rr.com; Matthew R Howes

<mrhowes@aep.com>; bradseltzer@eversheds-sutherland.com; James X Llende <jxllende@aep.com>; David A Hodgson <dahodgson@aep.com>; Dave - I&M Finance Lucas <dalucas@aep.com>
Subject: RE: I&M Draft Private Letter Ruling Request - Review Opportunity

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Dear Beth,

In January, I reached out to you regarding the I&M draft PLR request which the Company was preparing for circulation to the other settling parties in Cause No. 45576, which was then awaiting Commission order. The Commission order in Cause No. 45576 was issued February 23, 2022 and we are working to submit the PLR request by the end of March 2022. Per your instruction, the letter states:

> *In accordance with Rev. Proc. 2022-1, Appendix F, on January 24, 2022 I&M (through counsel) informed the General Counsel of the IURC of its intent to file this request for a private letter ruling. IURC's General Counsel instructed I&M to state the following in the private letter ruling request: "The Indiana Utility Regulatory Commission has not reviewed I&M's letter ruling request and defers to the U.S. Internal Revenue Service on federal tax matters."*

If you have any comments on this please let me know.

Also, I have shared the email correspondence below with the other settling parties and copied them here. They have asked that the email correspondence be attached to the Company's PLR request. I&M does not object to doing so if this is acceptable to you. If you would let us know your position we would appreciate it. As noted above, we plan to submit the PLR request by March 31st.

Kind regards,

Terry

Teresa Morton Nyhart | Partner
Barnes & Thornburg LLP
11 South Meridian Street, Indianapolis, IN 46204
Direct: (317) 231-7716 | Mobile: (317) 445-1322



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From: Heline, Beth E. <BHeline@urc.IN.gov>
Sent: Tuesday, January 25, 2022 9:42 AM
To: Nyhart, Teresa Morton <Teresa.Nyhart@btlaw.com>

Subject: [EXTERNAL]RE: I&M Draft Private Letter Ruling Request - Review Opportunity

Good morning, Terry,

Thank you for reaching out about this.

At this point in time, I'm not comfortable with, nor do I approve, the proposed language (in bold and italics in your email), as it implies that I&M requested a review and that the Indiana Utility Regulatory Commission ("Commission"), which is the majority of the five Commissioners, actively declined to review the private letter ruling request; however, I&M did not make such a request.

I would be okay with the use of the language used in our prior communications regarding private letter ruling requests - "The Indiana Utility Regulatory Commission has not reviewed [public utility's] letter ruling request and defers to the U.S. Internal Revenue Service on federal tax matters."

Please note that neither the Commission nor its General Counsel has made any review or determination regarding the letter ruling request of I&M, and I&M is not authorized to make any statements that would indicate otherwise in any way.

Let me know if you have any questions or if you would like to discuss.

Thank you,
Beth

Beth E. Heline
General Counsel
Indiana Utility Regulatory Commission
101 W. Washington St., Suite 1500 East
Indianapolis, IN 46204
Direct line: (317) 232-2092
Fax #: (317) 232-6758
Email: bheline@urc.in.gov

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From: Nyhart, Teresa Morton <Teresa.Nyhart@btlaw.com>
Sent: Monday, January 24, 2022 11:02 PM
To: Heline, Beth E. <BHeline@urc.IN.gov>
Subject: I&M Draft Private Letter Ruling Request - Review Opportunity

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Dear Beth,

I&M is preparing a Private Letter Ruling (PLR) request that concerns a normalization issue. This particular issue is discussed in the testimony of I&M's pending rate case and associated settlement (CN 45576). While some of the submitted testimony in the rate case references the need for a private letter ruling by the IRS, no request has been made in that proceeding for the Commission and/or its staff to review the request for such a ruling. The settlement pending rate case states that the other settling parties will be given an opportunity to review the confidential draft PLR request.

As you are aware, the IRS rules for normalization PLRs require the requesting company to solicit IURC input:

A letter ruling request that involves a question of whether a rate order that is proposed or issued by a regulatory agency will meet the normalization requirements of § 168(f)(2) (pre-Tax Reform
Act of 1986, § 168(e)(3)) and former §§ 46(f) and 167(l) ordinarily will not be considered unless
the taxpayer states in the letter ruling request whether—
(1) the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete; and
(2) the taxpayer will permit the regulatory authority to participate in any Associate office conference concerning the request.

You and I communicated about this issue twice last year. I have communicated the IURC position in these other matters to I&M (without identifying the utility involved). I am been asked to contact the IURC to provide it an opportunity to review the draft I&M PLR request.

In the event that the IURC position is the same, would the Commission be comfortable with the following statement for item (1) above: ***The Indiana Utility Regulatory Commission was given an opportunity to review I&M's private letter ruling request but declined to do so as the Commission defers to the U.S. Internal Revenue Service on federal tax matters.***

I note that this proposed language differs a bit from the language you gave me last year. The Company's tax team considered the original language ambiguous as to whether the Commission was given an opportunity to review. The IRS typically requires the taxpayer to indicate it has given the regulatory commission the opportunity to review; the modified statement is intended to establish that.

For ease of reference, the language used for the other utility matter last year was: "(1):The Indiana Utility Regulatory Commission has not reviewed [public utility's] letter ruling request and defers to the U.S. Internal Revenue Service on federal tax matters."

Please advise if the Commission would like to review the draft PLR and if not whether the italicized bolded language set forth above for item (1) is acceptable. (The bold italics is used here just for ease of reference, not to suggest this would be bolded in the actual request.)

If you would like to discuss this or need additional information please let me know. The Company would like to submit the PLR next week.

Kind regards,

Terry

Teresa Morton Nyhart | Partner
Barnes & Thornburg LLP
11 South Meridian Street, Indianapolis, IN, 46204-3535
Direct: (317) 231-7716 | Mobile: (317) 445-1322 | Fax: (317) 231-7433



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KPCO_R_AG_1_61_ConfidentialAttachment3 is redacted in its entirety.

Internal Revenue Service
March 11, 2022
AEP--SWEPCO
Exhibit

Staff Correspondence

From: William Coe
Sent: Tuesday, March 8, 2022 4:20 PM
To: Robert Parish <Robert.Parish@puc.texas.gov>
Cc: Melissa A Gage <magage@aep.com>; Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Rustin Tawater <Rustin.Tawater@puc.texas.gov>; Darryl Tietjen <Darryl.Tietjen@puc.texas.gov>; Anna Givens <Anna.Givens@puc.texas.gov>; Ruth Stark <Ruth.Stark@puc.texas.gov>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

I want to let you know that the Company intends to file its private letter ruling request on or about this Friday, March 11. In the request, SWEPCO will answer "No" in response to the question of whether "the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete." However, SWEPCO will answer "Yes" in response to the question of whether "the taxpayer will permit the regulatory authority to participate in any Associate office conference concerning the request." If Staff wishes to provide a summary of its position or otherwise comment on SWEPCO's PLR request, please refer to the procedures outlined in IRS Rev. Proc. 2022-1, Appendix F.

Bill



William Coe
Duggins Wren Mann & Romero, LLP
(512) 495-8876

Attorney Work Product

From: William Coe
Sent: Thursday, February 10, 2022 12:46 PM
To: Robert Parish <Robert.Parish@puc.texas.gov>
Cc: Melissa A Gage <magage@aep.com>; Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Rustin Tawater <Rustin.Tawater@puc.texas.gov>; Darryl Tietjen <Darryl.Tietjen@puc.texas.gov>; Anna Givens <Anna.Givens@puc.texas.gov>; Ruth Stark <Ruth.Stark@puc.texas.gov>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

Robert, I know our tax team worked diligently to accurately state the facts pertinent to this request for a private letter ruling. We understand that Staff does not support our position on this matter. However, if there are factual misstatements in the request, we want to know that. Please identify the statements in the request that you believe are untrue or misleading. Please note that the request for private letter ruling addresses only the technical requirements associated with the tax normalization issue and not arguments based on other factors. We also note that this final version of the request is largely unchanged from the Word version provided at your request for Staff to redline on October 28, 2021.

Regarding timing, we understood Staff believed it necessary for the Commissioners have the opportunity to provide their thoughts or directive on this subject and issue an order before we filed the request. That has happened. An order from the Commission (appealable or not) is not a prerequisite to filing the request for a PLR, and SWEPCO and its AEP affiliates need to move forward in this process to resolve this issue.

Bill

DUGGINS
WREN
MANN &
ROMERO, LLP

William Coe
Duggins Wren Mann & Romero, LLP
(512) 495-8876

Attorney Work Product

From: Robert Parish <Robert.Parish@puc.texas.gov>
Sent: Wednesday, February 9, 2022 8:08 AM
To: William Coe <wcoe@dwmrlaw.com>
Cc: Melissa A Gage <magage@aep.com>; Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Rustin Tawater <Rustin.Tawater@puc.texas.gov>; Darryl Tietjen <Darryl.Tietjen@puc.texas.gov>; Anna Givens <Anna.Givens@puc.texas.gov>; Ruth Stark <Ruth.Stark@puc.texas.gov>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Bill,

Staff has concerns with the request for a private letter ruling as drafted. First, it is inaccurate to say that Staff did not provide any comments to your October 22, 2021 email. On October 25, 2021, just three days after your email, I responded to you and stated that:

> Staff believes it necessary for the Commissioners to opine on this subject and issue a final order before SWEPCO submits a private letter ruling request to the IRS.
>
> Further, Staff believes it imperative that the Company work with Staff to create a PLR request that accurately reflects both party's positions and ask that SWEPCO send over a Word version of the document so that Staff can make redlines of the document.

As a motion for rehearing was filed yesterday (2/8) by both SWEPCO and TIEC there is not a final order for the parties to work off in drafting the PLR request.

Further, in compliance with IRS Bulletin No. 2021-1 issued on January 4, 2021 a PLR involving a question of whether a rate order that is proposed or issued by a regulatory agency will meet the normalization requirements will ordinarily not be considered unless (1) the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete; and (2) the taxpayer will permit the regulatory authority to participate in any Associate office conference concerning the request. I have attached that IRS Bulletin to this email.

After reviewing the document provided, Staff does not believe the request is adequate and complete. Staff believes there is misleading information, including "statements of fact" that directly contradict sworn testimony and information provided in discovery. Additionally, there are omissions of relevant facts and staff positions as well as authorities relied upon by staff.

Once the final order in Docket No. 51415 is no longer subject to rehearing, I would urge you to hold off on filing your PLR request and work with Staff. As the Commission's current Order provides for SWEPCO to record a regulatory asset associated with the NOLC DTA, there is no compelling reason for SWEPCO to rush the PLR request. Moreover, filing with the IRS a request that does not appropriately reflect Staff's input is something no other utility in Texas has done before and, while I can't speak for the Commissioners, I do believe this move by the company would not be well-received by them. If SWEPCO files the PLR request as currently drafted, Staff will immediately file information with the IRS, including testimony, discovery responses, and transcripts from the case that directly contradict some of the representations presented by SWEPCO in the PLR request as drafted and urge the IRS to follow its own guidance in Rev. Proc. 2021-1 and not consider SWEPCO's request.

Thank you,

Robert Dakota Parish
Attorney
Public Utility Commission of Texas
W: (512)936-7442 | robert.parish@puc.texas.gov

From: William Coe <wcoe@dwmrlaw.com>
Sent: Friday, February 4, 2022 4:50 PM

To: Robert Parish <Robert.Parish@puc.texas.gov>
Cc: Melissa A Gage <magage@aep.com>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

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Robert, attached is what I believe to be the final version of SWEPCO's PLR request. AEP plans to file SWEPCO's request as early as Monday, February 14 in concert with similar requests that will be filed on behalf of AEP affiliate operating companies Public Service Company of Oklahoma and Indiana & Michigan Power.

Bill

DUGGINS WREN MANN & ROMERO, LLP

William Coe
Duggins Wren Mann & Romero, LLP
(512) 495-8876

Attorney Work Product

From: William Coe
Sent: Thursday, October 28, 2021 11:00 AM
To: Robert Parish <Robert.Parish@puc.texas.gov>
Cc: Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Tom Brice JR. <tpbrice1@aep.com>; Melissa A Gage <magage@aep.com>; Rashmin Asher <Rashmin.Asher@puc.texas.gov>; Darryl Tietjen <Darryl.Tietjen@puc.texas.gov>; Ruth Stark <Ruth.Stark@puc.texas.gov>; Rustin Tawater <Rustin.Tawater@puc.texas.gov>; Anna Givens <Anna.Givens@puc.texas.gov>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

Robert, as we discussed yesterday, I understand your point about waiting until the November 18 open meeting before SWEPCO files its request for a PLR. I have relayed that point to the AEP/SWEPCO tax team and hope to get definitive guidance soon.

I have also attached a Word version of the PLR request. To put this document in perspective, the PLR request comes from the tax payer and is addressed to the IRS. SWEPCO is not asking Staff to endorse SWEPCO's request or the document itself. However, we'd like to be able to represent that we have described the facts accurately and described Staff's arguments fairly. So, if you have suggestions in those areas,

please let us know.

Also, I understand we are still going to try and have a call next week to discuss process. I'll be inviting one of AEP's in-house tax attorneys to the call to answer questions regarding Staff's ability to participate in meetings with the IRS, if any are required, and to make its own filing regarding the matter. This is my first time to participate in a PLR request, too. So, I'd rather that discussion come from an experienced tax attorney.

Looking forward to discussing next week.

Bill



William Coe
Duggins Wren Mann & Romero, LLP
(512) 495-8876

From: Robert Parish <Robert.Parish@puc.texas.gov>
Sent: Monday, October 25, 2021 10:46 AM
To: William Coe <wcoe@dwmrlaw.com>
Cc: Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Tom Brice JR. <tobrice1@aep.com>; Melissa A Gage <magage@aep.com>; Rashmin Asher <Rashmin.Asher@puc.texas.gov>; Darryl Tietjen <Darryl.Tietjen@puc.texas.gov>; Ruth Stark <Ruth.Stark@puc.texas.gov>; Rustin Tawater <Rustin.Tawater@puc.texas.gov>; Anna Givens <Anna.Givens@puc.texas.gov>
Subject: RE: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Bill,

Staff believes it necessary for the Commissioners to opine on this subject and issue a final order before SWEPCO submits a private letter ruling request to the IRS. The Commissioners might have their own thoughts on this subject or additional directive that might need to be included in the PLR request. The Commission is likely to take this issue up at the November 18th Open Meeting and Staff feels that Commissioner directive is an important part of the process in drafting the PLR request.

Further, Staff believes it imperative that the Company work with Staff to create a PLR request that accurately reflects both party's positions and ask that SWEPCO send over a Word version of the document so that Staff can make redlines of the document.

Unfortunately due to replies to exceptions and testimony due in another rate case this week, Staff would not be able to meet this week. We might be able to do sometime early next week depending on SWEPCO's availability.

Lastly, I also wanted to let you know that Rashmin is leaving the Commission and today is her last day. Going forward Rustin Tawater will be replacing her as the managing attorney for this docket.

Thank you,

Robert Dakota Parish
Attorney
Public Utility Commission of Texas
W: (512)936-7442 | robert.parish@puc.texas.gov

From: William Coe <wcoe@dwmrlaw.com>
Sent: Friday, October 22, 2021 2:24 PM
To: Robert Parish <Robert.Parish@puc.texas.gov>; Rashmin Asher <Rashmin.Asher@puc.texas.gov>
Cc: Rachelle Robles <Rachelle.Robles@puc.texas.gov>; Tom Brice JR. <tpbrice1@aep.com>; Melissa A Gage <magage@aep.com>
Subject: Docket No. 51415 SWEPCO Rate Case - Draft PLR Request

WARNING: EXTERNAL SENDER. Always be cautious when clicking links or opening attachments. NEVER provide your user ID or password.

Rashmin and Robert, please find the attached draft private letter ruling request we discussed a couple of weeks ago. It is my understanding from AEP's tax counsel, we are providing this ruling request to you pursuant to IRS Revenue Procedure 2021-1, which provides that a taxpayer filing a letter ruling request involving a question of whether a rate order complies with the normalization requirements must indicate whether "the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete." In addition to presenting the Company's analysis of the issue, the draft also summarizes the relevant facts and the PUCT Staff's position. It's my understanding that the goal of reaching out to you is to see if you agree that we are fairly representing the facts and Staff's position. As for timing, the Company plans to file the letter ruling request no later than the week of November 8.

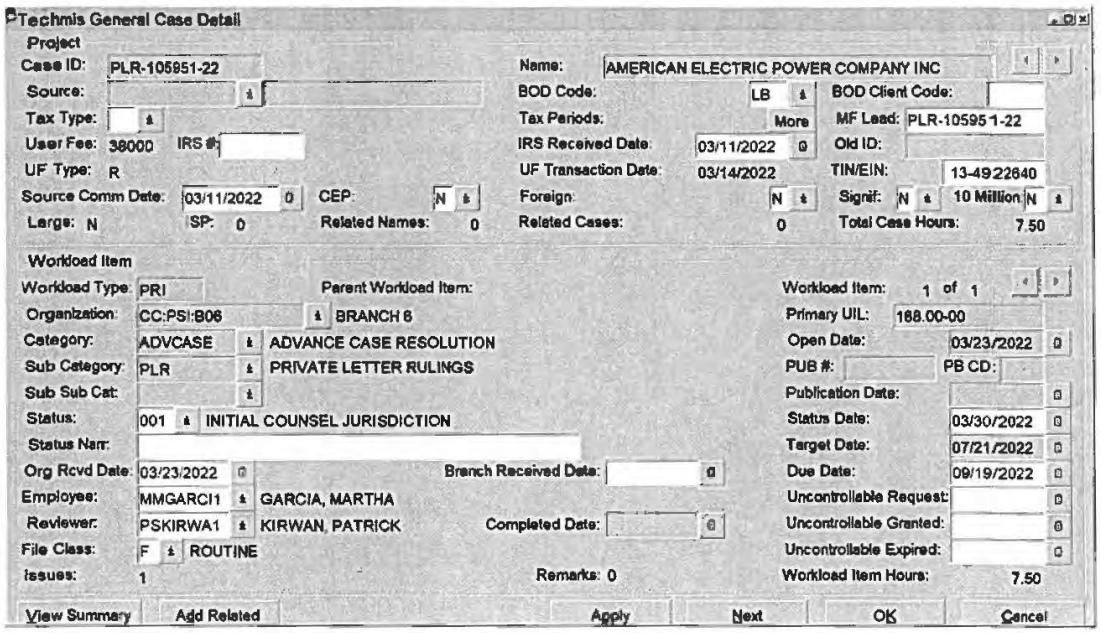
Can you and your team join a call next week to discuss the private letter ruling process? I'd like to invite AEP in-house tax counsel to the call so that he can discuss and answer questions about the process, and Staff's participation in that process, so that you will have that in mind when providing feedback on the draft. I believe tax counsel is generally available next week other than Monday from 11-12 and Wednesday after 12. Please let me know a couple of time-slots your team can be available and we will see if we can make that work on our end.

Bill



William Coe
Duggins Wren Mann & Romero, LLP
(512) 495-8876

Southwestern Electric Power
Public Utility Commission of Texas Letter to IRS



Techmis General Case Detail

Project

Case ID: PLR-105951-22 | Name: AMERICAN ELECTRIC POWER COMPANY INC

Source: | BOD Code: LB | BOD Client Code:

Tax Type: | Tax Periods: More | MF Lead: PLR-105951-22

User Fee: 38000 | IRS #: | IRS Received Date: 03/11/2022 | Old ID:

UF Type: R | UF Transaction Date: 03/14/2022 | TIN/EIN: 13-4922640

Source Comm Date: 03/11/2022 | CEP: N | Foreign: N | Signif: N | 10 Million: N

Large: N | SP: 0 | Related Names: 0 | Related Cases: 0 | Total Case Hours: 7.50

Workload Item

Workload Type: PRI | Parent Workload Item: | Workload Item: 1 of 1

Organization: CC:PSI:B06 BRANCH 6 | Primary UIL: 168.00-00

Category: ADVCASE ADVANCE CASE RESOLUTION | Open Date: 03/23/2022

Sub Category: PLR PRIVATE LETTER RULINGS | PUB #: | PB CD:

Sub Sub Cat: | Publication Date:

Status: 001 INITIAL COUNSEL JURISDICTION | Status Date: 03/30/2022

Status Narr: | Target Date: 07/21/2022

Org Rcvd Date: 03/23/2022 | Branch Received Date: | Due Date: 09/19/2022

Employee: MMGARCI1 GARCIA, MARTHA | Uncontrollable Request:

Reviewer: PSKIRWA1 KIRWAN, PATRICK | Completed Date: | Uncontrollable Granted:

File Class: F ROUTINE | Uncontrollable Expired:

Issues: 1 | Remarks: 0 | Workload Item Hours: 7.50

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Public Utility Commission of Texas

April 11, 2022

Internal Revenue Service
Associate Chief Counsel (Passthroughs & Special Industries)
Attn: CC:PA:LPD:TSS, Room 5336
1111 Constitution Ave., NW
Washington, DC 20224

RE: American Electric Power Company (AEP) and Southwestern Electric Power Company (SWEPCO) Request for Rulings Under Section 168(i)(9)

REPLY OF STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS TO SOUTHWESTERN ELECTRIC POWER COMPANY'S REQUEST FOR PRIVATE LETTER RULING

Dear Sir or Madam:

Southwestern Electric Power Company (SWEPCO), a wholly owned subsidiary of American Electric Power Company, Inc. (AEP), informed the Staff of the Public Utility Commission of Texas (PUCT) on March 14, 2022 that it filed a private letter ruling (PLR) request with the Service on March 11, 2022 (SWEPCO's Request). SWEPCO provided a copy of the final filed version of the PLR request to the PUCT Staff (Staff) on March 14, 2022. SWEPCO's Request, as drafted, contains what Staff believes to be misleading information and statements of fact that directly contradict sworn testimony and information provided in discovery as if under oath in its most recent Texas rate case. Additionally, there are omissions of relevant facts, Staff positions, and authorities supporting Staff's positions. It is Staff's understanding that the Service is not obligated to consider SWEPCO's request under Rev. Proc. 2022-1 because, as drafted, it is inadequate and incomplete. However, Staff urges the Service to rule based on the complete set of facts, Staff positions, and relevant authorities as provided below.

I. BACKGROUND

Staff finds itself in an unusual position – one in which it has not found itself before. That is, having to compose a response to the PLR request of a utility because its views and arguments were largely excluded from the PLR request document submitted by SWEPCO. It

is Staff's understanding that Internal Revenue Service (IRS) Revenue Procedure (Rev. Proc) 2022-1 governs the procedures for requesting private letter rulings. This Rev. Proc. (at Appendix F) states the following:

> A letter ruling request that involves a question of whether a rate order that is proposed or issued by a regulatory agency will meet the normalization requirements of § 168(f)(2) (pre-Tax Reform Act of 1986, § 168(e)(3)) and former §§ 46(f) and 167(l) ordinarily will not be considered unless the taxpayer states in the letter ruling request whether— (1) the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete; and (2) the taxpayer will permit the regulatory authority to participate in any Associate office conference concerning the request.[1]

With respect to the above requirement, SWEPCO's Request provides the following:

> The PUCT issued a final order on January 13, 2022 adopting Staff's position, but is aware that SWEPCO is filing this private letter ruling request. See attached exhibit containing an email from SWEPCO to Staff evincing SWEPCO's efforts to engage Staff in the ruling request process. As noted above, in accordance with Rev. Proc. 2022-1, Appendix F, the PUCT (through Staff) received a copy of the final private letter ruling request, including the required attachments, before it was submitted and they were given an opportunity to participate in any adverse conference with respect to the ruling request. In addition, if the Service is tentatively adverse to the rulings requested herein, AEP hereby requests a conference of right.[2]

The email attachment referenced above shows that the PUCT Staff does not believe that SWEPCO's Request is adequate and complete. SWEPCO indicates that Staff was given an opportunity to participate in any adverse conference with respect to the ruling request. The words "were given" seems to refer to a conference that occurred in the past. Staff is aware that AEP and SWEPCO had a pre-submission conference with the Service involving this issue,[3] but Staff was not invited to participate. Additionally, SWEPCO requests a conference of right in this passage but does not indicate that it will permit Staff to participate in any such conference.

The email correspondence attached to SWEPCO's Request shows that Staff responded to SWEPCO's initial email on October 25, 2021, stating that Staff believed it necessary for the Commissioners to opine on this subject and issue a final order before SWEPCO submitted a private letter ruling request to the IRS. This is because until all motions for rehearing were exhausted, there was the possibility for the Commission to reverse or otherwise change its ruling on the matter that is at issue in the PLR request or with respect to the PLR request itself.

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[1] IRS Rev Proc. 2022-1 at Appendix F (Jan. 3, 2022).

[2] SWEPCO's Request for Ruling Under Section 168(i)(9) (SWEPCO's Request) at 4 (Mar. 11, 2022).

[3] SWEPCO's Request at 13, Item A.6.

Staff further informed SWEPCO that it believed it imperative that SWEPCO work with Staff to create a PLR request that accurately reflects both parties' positions.

The PUCT considered SWEPCO's rate case at its November 18, 2021 open meeting and issued its order on January 13, 2022. On February 4, 2022, SWEPCO provided to Staff what it described as its final version of the PLR request and informed Staff that SWEPCO intended to file the request as early as February 14, 2022 in conjunction with similar requests to be filed on behalf of AEP affiliate operating companies Public Service Company of Oklahoma and Indiana Michigan Power Company. There was no solicitation of comments or request for feedback and input from Staff in the February 4, 2022 notification.

On February 9, 2022, Staff notified SWEPCO of its concerns regarding the proposed timeline for possible filing of the PLR request in addition to concerns about the wording of the request. Staff explained that, because a motion for rehearing could still be filed, there was not a final order for the parties to work from or for Staff to provide comments and edits to the draft PLR request. Additionally, after reviewing the most recent draft of the PLR request document provided, Staff informed SWEPCO that Staff did not believe the request was adequate and complete. Staff also advised SWEPCO that the PLR request contained misleading information, including "statements of fact" that directly contradict sworn testimony and information provided in discovery in the rate case and that there were omissions of relevant facts and Staff positions as well as authorities supporting Staff's positions.

Staff urged SWEPCO to refrain from filing its PLR request until the final order in Docket No. 51415 was no longer subject to rehearing in order to work with Staff to draft the request. Staff explained that because the Commission's order in the case provides for SWEPCO to record a regulatory asset associated with the net operating loss carryforward deferred tax asset (NOLC DTA), there was no compelling reason for SWEPCO to rush the PLR request. Moreover, Staff pointed out that filing with the Service a request that does not appropriately reflect Staff's input is something no other utility in Texas has done before and that, if SWEPCO filed the PLR request as drafted, Staff would file this response with the Service that includes testimony, discovery responses, and transcripts from the case that directly contradict some of the purported "facts" and other representations presented by SWEPCO.

Despite Staff's request that SWEPCO wait until the Commission's order was final and to allow Staff to participate in the drafting of the PLR request at that appropriate time, on February 10, 2022, SWEPCO informed Staff that the request for private letter ruling addresses "only the technical requirements associated with the tax normalization issue and not arguments based on other factors" and that SWEPCO and its AEP affiliates needed to move forward in the process to resolve the issue.

On March 8, 2022, SWEPCO informed Staff that it intended to file its PLR request on or about Friday, March 11, 2022, and that SWEPCO would answer "No" in response to the question of whether the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete. Staff is aware that when there has been disagreement between regulatory staff and the utility in prior PLR requests, the utility has included the regulatory staff's views and arguments in the form of a separate attachment to the request. SWEPCO did not offer to include such information from Staff and instructed that if Staff wished to provide a summary of its positions or otherwise comment on SWEPCO's PLR request, to please refer to the

procedures outlined in IRS Rev. Proc. 2022-1, Appendix F. However, there is no process outlined for Staff to provide its positions and arguments in Rev. Proc. 2022-1, Appendix F as there is only a procedure for consumer advocates to provide comments.

On March 23, 2022, the PUCT declined to hear motions for rehearing making the Commission's order a final determination for which the right to request a rehearing has now lapsed. Other than the email correspondence attached to its request, it does not appear that SWEPCO has otherwise informed the Service that Staff has previously notified SWEPCO that its request is inadequate and incomplete.

Staff has several concerns regarding the point of view presented in SWEPCO's Request. Staff contends that SWEPCO's representation that its PLR is based on the "technical requirements associated with the normalization issue and not arguments based on other factors" does not include all of the actual facts in SWEPCO's Texas rate case. Staff believes that the PLR request, as presented, is based on untrue statements and material omissions of facts and relevant authorities that would be of little value in settling the matter, and a PLR based on such would not be binding on the PUCT with respect to SWEPCO's Texas rate case because of these defects.

Staff is unsure of the permissible or required procedures for participating in the PLR process or the degree of input it is entitled to with respect to SWEPCO's Request. However, Staff feels compelled to provide a response to SWEPCO's presentation to the Service of a PLR request that does not fully demonstrate the issues underlying the request.

II. FACTS

While it may not be as clear from reading the account of SWEPCO's recent Texas rate case in its PLR request, the heart of the disagreement between SWEPCO and Staff is SWEPCO's proposed adjustment to add $455 million associated with a theoretical stand-alone net operating loss carryforward deferred tax asset (NOLC DTA) to its actual regulatory rate base book balance at test year end.

SWEPCO filed a general rate case (GRC) with the PUCT on October 14, 2020 using the historical test year ending March 31, 2020. SWEPCO's actual books and records, kept in accordance with Generally Accepted Accounting Principles (GAAP) and the Federal Energy Regulatory Commission's (FERC's) Uniform System of Accounts reflected a NOLC DTA balance of $0 at test year end as shown below. SWEPCO asserted that on a stand-alone basis, its NOLC DTA would have been $455 million at test year end if not for the $455 million it received through its tax allocation agreement (TAA) from its affiliates through parent AEP for the use of SWEPCO's tax losses to offset the taxable income of the AEP consolidated group in filing its consolidated federal income tax returns.

SWEPCO claimed that the use of its actual NOLC DTA book balance of $0 to calculate its rates would violate the normalization requirements of the Internal Revenue Code (I.R.C.) and that it therefore must add the $455 million of theoretical stand-alone NOLC DTA to its rate base to reflect its NOLC DTA balance on a stand-alone basis. Staff objected to SWEPCO's proposed adjustment for various reasons, discussed below, including that the use of the actual NOLC DTA book balance of $0 is consistent with normalization rules because a consolidated group is considered a single entity by the Service and SWEPCO's NOLC DTA

was actually completely used to defer taxes of the AEP consolidated group, and that the PLRs SWEPCO provided for support did not require the use of a stand-alone method or even use the term "stand-alone." The PUCT rejected SWEPCO's proposed adjustment and adopted Staff's recommendation to use SWEPCO's actual test year end NOLC DTA balance of $0 to set rates. However, the Commission's order allows SWEPCO to record a regulatory asset for the return that would be associated with inclusion of SWEPCO's theoretical stand-alone NOLC DTA in the calculation of rate base and the amortization of excess ADFIT in the calculation of cost of service, pending receipt of a PLR on the issue.

The disagreement between SWEPCO and Staff is not based on how to treat an actual asset that existed on SWEPCO's GAAP or regulated books as of the end of the test year, or one that exists on its GAAP or regulatory books today. Instead, it is based on a hypothetical stand-alone amount, calculated by SWEPCO, that would have the PUCT and the Service ignore the undisputed fact that SWEPCO received $455 million in actual cash payments under the AEP tax allocation agreement in exchange for the AEP consolidated group's use of SWEPCO's NOLC DTA, where receipt of that $455 million reduced SWEPCO's actual book NOLC DTA balance to $0.

SWEPCO does not deny the fact that it received a net amount of $455 million for the AEP consolidated group's use of its NOLC DTA. SWEPCO provided a discovery response in its rate case that showed that the amount of its TAA payments and receipts each year is its own taxable income or loss multiplied by the tax rate to determine the amount of tax payment owed to AEP or the amount received from AEP for the consolidated group's use of its tax losses.[4] The net amount of the payments and receipts is $455 million.[5] The economic reality of this is that SWEPCO effectively sold the $455 million tax benefit of its net operating losses to its parent, AEP, Inc. for $455 million in cash compensation and therefore no longer has a NOLC DTA as reflected by a balance of $0 in its actual GAAP and regulatory books.

Despite these facts, SWEPCO asserts the following in its PLR request to the Service:

> In SWEPCO's current GRC, the Staff of the PUCT asserted that SWEPCO had effectively "sold" the DTA such that it was no longer available to offset the depreciation-related portion of the NOL included in the deferred tax reserve used to reduce rate base. As evidence of the "sale," Staff points to the elimination of the DTA on SWEPCO's financial (GAAP) books resulting from the TAA payments ***notwithstanding that SWEPCO's ratemaking regulated books of account in this rate case reflected the DTA unreduced by the TAA payments***.[6] (emphasis added)

SWEPCO further states that:

> Although it was clearly an alternative presented, PUCT Staff would likely contend that it is not necessarily excluding used and useful public utility property from rate base and that it is simply using the recorded adjusted ***ADIT***

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[4] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Seventeenth Request for Information at Question Staff No. 17-11, Staff 17-11 Attachment 1. *See* Attachment 1.

[5] *Id.*

[6] SWEPCO's Request at 3.

> ***balance reflected on SWEPCO's financial, but not its regulatory, books and records*** that, prior to the tax sharing payments, served as an offset to the deferred tax reserve reducing rate base.[7] (emphasis added)

These statements are not factually true and directly contradict representations of fact as presented by SWEPCO in its rate case. SWEPCO's ratemaking regulated books of account did not reflect the NOLC DTA balance unreduced by the TAA payments. SWEPCO confirmed in response to a discovery request (answered as if under oath) that the balance of its NOLC DTA at the March 31, 2020 test year end on its books and records kept in accordance with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts and reported on its FERC Form 3Q for that date, was zero.[8] The PUCT's Electric Substantive Rules require a major electric utility like SWEPCO to maintain, for purposes of accounting and reporting to the Commission, its books and records in accordance with the uniform system of accounts adopted and amended by FERC *for all regulatory purposes.*[9] The term "all regulatory purposes" includes ratemaking. Thus, SWEPCO's regulatory books and records for the FERC and Texas jurisdictions are the same as its ratemaking books which reflected the NOLC DTA actual balance of $0 at the end of the test year.

Further evidence of the actual $0 balance on SWEPCO's ratemaking/regulatory books is the fact that in the rate case, SWEPCO proposed an adjustment to *add* $455 million to its regulatory books for the theoretical stand-alone NOLC DTA.[10] If the ratemaking regulated books of account had already reflected the $455 million NOLC DTA, there would have been no need for SWEPCO to propose an adjustment to add it to rate base.

With respect to the $455 million of AEP TAA payments received by SWEPCO for the AEP consolidated group's use of its NOLC DTA to offset taxable income of the consolidated group, SWEPCO claimed that:

> In the instant situation, however, for tax purposes, the cash flows are effectively treated as a deemed dividend from the profitable affiliates to the parent (AEP) followed by a deemed capital contribution from AEP to SWEPCO. SWEPCO could have used the funds for whatever purpose it wanted, or simply held the funds for future use, but it chose to rebalance its capital structure to improve liquidity.[11]

This statement is misleading and conflicts with testimony of SWEPCO's own witnesses and other information provided in the rate case. The AEP tax sharing agreement provides that the payments received from and paid to its members like SWEPCO are for taxes

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[7] SWEPCO's Request at 11.

[8] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Seventeenth Request for Information at Question Staff No. 17-9. *See* Attachment 2.

[9] 16 Texas Administrative Code § 25.72(c)(1). *See* Attachment 3.

[10] PUCT Docket No. 51415, SWEPCO's Application at Workpaper G-7.4b and Direct Testimony of David A. Hodgson at 27. *See* Attachment 4.

[11] SWEPCO's Request at 11.

due on their net positive taxable income or payments for amounts of members' net tax losses that reduce the consolidated tax.[12] The agreement also provides that the holding company will pay the IRS the consolidated group's net federal income tax from the net of these receipts and payments.[13] These payments were not accounted for as deemed dividends or deemed capital contributions on the actual GAAP or regulatory books of account. SWEPCO provided sample journal entries to record the payments by affiliates with taxable income to AEP and from AEP to tax loss members like SWEPCO with the offsetting accounting entry to the cash payments paid or received made to "Income Taxes Payable" or "NOLC Deferred Tax Asset," respectively.[14]

SWEPCO's federal income tax witness testified in the rate case that SWEPCO used the $455 million cash proceeds it received from its affiliates for the use of its NOLC DTA to finance prudent plant investment without having to raise additional equity or incur additional debt.[15] SWEPCO's capital structure witness in the rate case also testified that adding the $455 million NOLC DTA back to SWEPCO's regulatory books as it requested does not create debt or equity and that no adjustment was made to debt or equity related to the NOLC DTA in the rate case.[16] SWEPCO's "deemed" capital contribution from AEP was not reflected in its capital structure in the rate case. SWEPCO's proposal to add $455 million to its rate base did not include any offsetting adjustment elsewhere in its rate base or cost of service.

SWEPCO provided information showing its taxable income and losses each year and the return year in which the AEP consolidated group utilized SWEPCO's losses to offset income of the consolidated group.[17] This information showed that the balance of SWEPCO's tax losses unused by the AEP consolidated group as of the end of the test year was $0.[18] This means that SWEPCO no longer has $455 million of NOLC DTA to shield its own taxable income, so to the extent that SWEPCO has taxable income in any year, it must remit current payments to AEP under the tax allocation agreement. It also shows that SWEPCO's $455 million NOLC DTA no longer exists at the AEP consolidated level, either. The AEP, Inc. and Subsidiary Companies Consolidated Statements of Income reported on Form 10-K to the U.S. Securities and Exchange Commission for calendar years 2019 and 2020 show that as of December 31, 2019 and December 31, 2020, AEP had no federal net income tax operating loss

[12] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Ninth Request for Information at Question Staff No. 9-17, at Staff 9-17 Attachment 1, Paragraph (7). *See* Attachment 5.

[13] *Id.*

[14] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Ninth Request for Information at Question Staff No. 9-20(c). *See* Attachment 6.

[15] PUCT Docket No. 51415. Rebuttal Testimony of David A. Hodgson at 14-15. *See* Attachment 7.

[16] PUCT Docket No. 51415, Hearing on the Merits, Cross Examination of Renee Hawkins, Transcript at page 968. *See* Attachment 8.

[17] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Ninth Request for Information at Question Staff No. 9-19, at Staff 9-19 Attachment 1. *See* Attachment 9.

[18] *Id.*

carryforward.[19] This confirms that there was no AEP consolidated federal NOLC DTA at the March 31, 2020 end of the test year in SWEPCO's rate case.

III. AUTHORITIES SUPPORTING STAFF'S POSITIONS

As noted above, Staff argued in SWEPCO's rate case that reflecting a NOLC DTA balance of $0 in rate base is consistent with the normalization requirements of the I.R.C. There are several authorities that are relevant and supportive of Staff's position that SWEPCO should not be allowed to add $455 million to its rate base.

A. Treas. Reg. § 1.167(l)-1(h)(1)(iii)

Although SWEPCO does not explain its support for Staff's position, it lists Treas. Reg. § 1.167(l)-I(h)(iii) in its "Statement of Law" which provides:

> Except as provided in this subparagraph, the amount of Federal income tax liability deferred as a result of the use of different method of depreciation under subdivision (i) of this subparagraph is the excess (computed without regard to credits) of the amount the tax liability would have been had a subsection (l) method been used over the amount of the actual tax liability. Such amount shall be taken into account for the taxable year in which such different methods of depreciation are used. If, however, in respect of any taxable year the use of a method of depreciation other than a subsection (l) method for purposes of determining the taxpayer's reasonable allowance under section 167(a) results in a net operating loss carryover (as determined under section 172) to a year succeeding such taxable year which would not have arisen (or an increase in such carryover which would not have arisen) had the taxpayer determined his reasonable allowance under section 167(a) using a subsection (l) method, then the amount and time of the deferral of tax liability shall be taken into account in such appropriate time and manner as is satisfactory to the district director.

This provision explains that the treatment of net operating loss carryforwards is less prescriptive than most of the deferred tax normalization rules, including those cited by SWEPCO to support its position, and does not provide for any specific methods of ratemaking for NOLC DTAs that comply with or violate those rules. Instead, it gives the District Director the discretion to determine the appropriate treatment of tax loss carryforwards on a case-by-case basis but specifically directs that the amount and time of deferral of tax liabilities shall be considered in determining compliance with the normalization requirements. Based on Staff's interpretation there is no mandate that requires the Service to use a theoretical stand-alone calculation of NOLC DTAs that disregards the actual amount and timing of the utilization of a utility's NOLC DTA by its consolidated group to defer tax liability.

[19] AEP, Inc. and Subsidiary Companies Consolidated Statements of Income, Form 10-K for calendar years 2019 and 2020, at pages 282 and 357, respectively. *See* Attachment 10.

Staff's recommendation, as adopted by the Commission, appropriately reflects the actual amount and timing of the utilization of SWEPCO's NOLC DTA by the AEP consolidated group to defer tax liability consistent with Treas. Reg. § 1.167(l)-1(h)(iii).

B. PLR No. 202206010

Exactly one month prior to SWEPCO filing its PLR request, the Service released PLR No. 202206010, which specifically addresses the normalization issue associated with NOLC DTAs for members of a consolidated group when determining excess ADIT. Although this ruling was released after both SWEPCO and Staff argued their positions in the rate case, it is the Service's most directly relevant and instructive to date on the matter at issue in SWEPCO's request. Despite this fact, SWEPCO's Request makes no mention of it, or of the Service's analyses and conclusions outlined therein.

Among other questions at issue in PLR No. 202206010 was whether the utility's position that the NOLC DTA of a consolidated group must be allocated to its members for purposes of complying with the normalization requirements, and whether determination of the amount of a consolidated group's NOLC attributable to a subsidiary on a separate return basis is consistent with the normalization rules. The consumer advocate in the case had argued that doing so allowed regulated treatment of the parent company's unrelated losses. With respect to these issues, the Service reached the following conclusions:[20]

1) The Commission's determination of EADIT without regard to a consolidated NOL DTA is inconsistent with the Normalization Rules.
2) Combined Division's position with regard to a consolidated NOL DTA being required to be allocated to its members is consistent with the Normalization Rules.
3) Under Taxpayer's facts, the NOL of a consolidated group must be appropriately allocated among its subsidiaries for purposes of complying with the Normalization Rules.
4) The computation of a NOL attributable to a subsidiary taxpayer of a consolidated group on a separate return methodology is consistent with the Normalization Rules.

In reaching these conclusions, the Service stated that a NOLC DTA will not have economic substance until it actually offsets taxable income[21] and explained:

> The DTL serves as an offset to rate base to the extent it is a cost-free source of capital. A NOL represents an unfunded portion of a DTL in which there is no economic effect until the NOL offsets taxable income and reduces a tax liability in a future tax period. This offset, and therefore the economic effect of the DTL

[20] IRS PLR No. 202206010 at 10.

[21] *Id.*

as a cost-free source of capital only occurs to the extent an actual deferral of tax liability occurs.[22]

As shown here, the crux of the Service's analysis in PLR No. 202206010 was that a NOLC DTA has no economic effect or substance until it actually offsets taxable income. That is, a NOLC DTA is a portion of the deferred tax liability (commonly referred to as ADFIT) that has yet to provide cost-free capital by actually offsetting tax liability. Determination of compliance with normalization requirements based on the NOLC DTA balance at the consolidated level (as opposed to at the subsidiary level) is appropriate because it is at the consolidated level that NOLC DTAs are actually used to offset taxable income and reduce tax liability on the consolidated tax returns. Staff asserted in the rate case that because the IRS considers the consolidated group as a single entity and the NOLC DTA of SWEPCO actually deferred tax liabilities of the AEP consolidated group, there is no NOLC DTA that must be included in SWEPCO's rates. SWEPCO itself admitted in the rate case that the common parent of a consolidated group is the taxpayer relevant to the IRS, citing Treas. Reg. § 1.1502-77.

By concluding that using the NOLC DTA of a consolidated group is consistent with the normalization rules, the Service's ruling in PLR No. 202206010 appropriately considers the amount and time of the deferral of tax liability as directed by Treas. Reg. § 1.167(l)-1(h)(iii) because doing so considers the actual amount and actual timing of tax liability deferral by the consolidated group on the consolidated tax returns. The Service's determination that the use of the separate return methodology to determine the portion of the consolidated NOLC DTAs attributable to each subsidiary ensures that the amount of each subsidiary's share of the consolidated NOLC DTA that has not actually been used to offset taxable income in the consolidated returns is appropriately included in the subsidiary's rate base as an unfunded portion of its deferred tax liability.

As explained above, there is no disagreement between SWEPCO and Staff that SWEPCO's NOLC DTAs have been completely exhausted to offset the taxable income of the consolidated group. Based on the Service's reasoning in PLR No. 202206010, SWEPCO's NOLC DTAs have already produced economic effect and substance (cost-free capital) through the actual reduction of the consolidated group's tax liability. The AEP consolidated NOLC DTA balance at the end of the test year was $0 so SWEPCO's allocated share of that using a separate return methodology was $0. Using SWEPCO's allocated share of the AEP consolidated NOLC DTA balance of $0, rather than SWEPCO's proposed theoretical stand-alone NOLC DTA of $455 million, is consistent with the normalization requirements in Treas. Reg. § 1.167(l)-1(h)(iii) as interpreted in PLR No. 202206010 because it reflects the actual amount and actual timing of tax deferral from the use of SWEPCO's NOLC DTAs by the AEP consolidated group on its tax returns. The PUCT's reflection of a $0 balance of NOLC DTAs in SWEPCO's rate base is therefore not a violation of the normalization rules.

C. PLR No. 201828010

[22] *Id.*

Another authority that supports Staff's position, PLR, No. 201828010, directly addresses the rate base treatment of a reduction of a utility's NOLC DTA balance in rate base that was created by a payment from its parent under a tax sharing agreement.

The taxpayer at issue in PLR 201828010 was a utility that was a member of a group that filed a consolidated income tax return. The PLR notes that an audit of the consolidated tax returns of the consolidated group resulted in adjustments to the taxable income of both regulated and non-regulated members of the group. The Service and the consolidated group entered into a settlement agreement that absorbed a portion of the consolidated NOLC DTA attributable to the utility and the utility received payments from the group under its tax sharing agreement for the use of its NOLC DTA. These results were recorded on the utility's books resulting in a reduction in the utility's NOLC DTA. The PLR explained that by reducing the utility's NOLC DTA, its ADFIT balance increased. The Service refers to this result as "the impact of the IRS Settlement" in its analysis and conclusion in the PLR.

Subsequent to the recordation of the adjustments to its NOLC DTA balance due to the payments received under the tax sharing agreement, the utility filed rate cases in two of the state jurisdictions in which it operates. The recordation of the reduction to the NOLC DTA occurred in the last month of the test period used for the case in the first state and in the fourth month prior to the end of the test period in the second state. Both states employ a 13-month average to compute rate base and the utility proposed including 1/13 and 4/13, respectively, of the reduction to its NOLC DTA (the impact of the IRS settlement) in determining its requested rate base. Intervening parties in both states proposed to reflect the full amount (end of test period amount) of the NOLC DTA reduction (impact of the IRS settlement) in rate base. The question before the IRS in that PLR was:

> Whether the application of a 13-month average regulatory convention to most elements of rate base, including most elements of Taxpayer's ADFIT balance, and the application of a different regulatory convention (end of test period) to the impact of the IRS Settlement is acceptable under the Normalization Rules.[23]

The Service noted in the section titled "Law and Analysis" that "In order to satisfy the requirements of § 168(i)(9)(B), there must be consistency in the procedures and adjustments used in ratemaking to calculate elements in rate base, depreciation expense, tax expense, and the reserve for deferred taxes."[24] The Service further explained that "**In this case, the IRS settlement has an effect on Taxpayer's ADFIT balance** and the Taxpayer, along with Commission A and Commission B, agree that the settlement must be taken into account in setting Taxpayer's rates."[25] The IRS explained that "the only question is whether the same convention used to calculate other elements of rate base, including ADFIT, a 13-month averaging convention, must also apply to calculate the effect of the IRS Settlement, or whether a different convention may apply to this element."[26] The Service concluded that "the application of a 13-month average regulatory convention to most elements of rate base,

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[23] PLR No. 201828010 at 5.

[24] *Id.* at 6.

[25] *Id.* (emphasis added).

[26] *Id.*

including most elements of Taxpayer's ADFIT balance, and the application of a different regulatory convention (end of test period) to the impact of the IRS Settlement is not acceptable under the Normalization Rules."[27]

SWEPCO's Request made the following assertion with respect to PLR No. 201828010:

> For example, although the parties in PLR 201828010 agreed that a tax settlement effectuated by the affiliated group had to be reflected to account for the increased tax liability, the ratemaking impact of tax sharing payments was not at issue in the ruling. Rather, "[t]he only question [was] whether the same convention used to calculate other elements of rate base, including ADFIT . . . must also apply to calculate the effect of the IRS settlement, or whether a different convention may apply to this element." The IRS ruled that the consistency rules required that the same convention had to be applied to the IRS settlement. There was no discussion of, or ruling with respect to, the impact of tax sharing payments on the normalization issue.[28]

SWEPCO's contention that the ratemaking impact of tax sharing payments was not at issue in the ruling in PLR 201828010 is disingenuous. The ratemaking treatment of the reduction in the utility's NOLC DTA balance that resulted from the tax sharing payments it received due to the IRS settlement was clearly at issue in the PLR. In fact, it was the only issue in the PLR – whether the consistency provisions of the normalization rules permitted the reduction in the NOLC DTA balance (that increased the ADFIT balance) to be reflected at the test year-end balance while other elements of rate base were determined using a 13-month average. One can see this by substituting "tax sharing payment received by the utility that reduced the NOLC DTA" for "impact of the IRS Settlement" when reading the PLR.

In noting that the taxpayer and its two different state commissions both agreed that the reduction to the NOLC DTA from the tax sharing payments (the effect of the IRS settlement) should be taken into account in setting rates, the Service did not say that doing so would be a normalization violation. Instead, the Service's analysis found that the IRS settlement reduced the NOLC DTA balance which had an effect on the balance of ADFIT. The Service's analysis of the law did not question the reduction of the NOLC DTA that increased the ADFIT balance because of the tax sharing payment, only that it was included in rate base at the end-of-period balance as opposed to the 13-month average convention used for the other rate base items. Staff believes that if it were a normalization violation to reduce the NOLC DTA balance in rate base by the funds received from the tax sharing agreement the Service could not and would not ignore such a violation and would be compelled to point out any violation it found in its analysis.

The recognition by the Service in PLR No. 201828010 that the receipt of TAA payments for the use of a utility's NOLC DTA by its consolidated group reduces the amount of NOLC DTA on the utility's books is consistent with Treas. Reg. § 1.167(l)-1(h)(iii) and the ruling in PLR No. 202206010, discussed above, because it reflects the actual use and timing

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[27] *Id.*

[28] SWEPCO's Request at 10.

of the NOLC DTA to defer a tax liability by the consolidated group and the economic effect and substance of the TAA payments to the utility.

The facts in PLR No. 201828010 are very similar to the facts in SWEPCO's rate case – SWEPCO received payments under the tax sharing agreement for the use of its NOLC DTA by the consolidated group and the receipts of those payments were recorded in the appropriate NOLC DTA accounts which resulted in the actual reduction of the NOLC DTA balance to $0. The PUCT included this actual end of test year balance in rate base consistent with the end of test year balance included for the other components of SWEPCO's rate base, so the consistency requirement of the normalization rules is met. It is also consistent with SWEPCO's end of test year allocated share of the AEP consolidated NOLC DTA balance of $0.

D. PLR No. 201418024

Notwithstanding the facts and authorities previously discussed, the PUCT's method of determining the federal income tax expense in SWEPCO's rates in the past and most recent rate cases supports the exclusion of its theoretical stand-alone NOLC DTA from rate base based on the Service's conclusions in a prior PLR. This PLR addresses the situation where a regulatory commission determines rates that permit a utility to collect amounts from ratepayers equal to income taxes that would have been due absent an existing NOL carryforward and minimum tax credit carryforward (MTCC).

PLR No. 201418024 states the following:

> Both Commission and Taxpayer have intended, at all relevant times, to comply with the normalization requirements. Commission has stated that, in setting rates it includes a provision for deferred taxes based on the entire difference between accelerated tax and regulatory depreciation, including situations in which a utility has an NOLC or MTCC. Such a provision allows a utility to collect amounts from ratepayers equal to income taxes that would have been due absent the NOLC and MTCC. Thus, Commission has already taken the NOLC and MTCC into account in setting rates. Because the NOLC and MTCC have been taken into account, Commission's decision to not reduce the amount of the reserve for deferred taxes by these amounts does not result in the amount of that reserve for the period being used in determining the taxpayer's expense in computing cost of service exceeding the proper amount of the reserve and violate the normalization requirements. We therefore conclude that the reduction of Taxpayer's rate base by the full amount of its ADIT account without regard to the balances in its NOLC-related account and its MTCC-related account was consistent with the requirements of § 168(i)(9) and § 1.167(l)-1 of the Income Tax regulations.[29]

This PLR has important and relevant considerations for Staff's position in SWEPCO's rate case. In it, the Service concluded that a rate treatment that allows a utility to collect amounts from ratepayers equal to income taxes that would have been due absent a NOL carryforward has already taken the NOL carryforward into account in setting rates. The

[29] PLR No. 201418024 at 6.

Service further explained that because the NOL carryforward had been taken into account in this way, the commission's decision to not reduce the amount of the reserve for deferred taxes by the NOL carryforward-related amounts does not result in the amount of that reserve for the period being used in determining the taxpayer's expense in computing cost of service exceeding the proper amount of the reserve and violate the normalization requirements.

In setting SWEPCO's Texas rates, SWEPCO's depreciation expense used in calculating federal income tax expense in rates is the same as the depreciation expense used in setting its rates. The full difference between that depreciation expense and the accelerated depreciation used for federal income tax reporting purposes is recorded as ADFIT. The total amount of the current and deferred income taxes is included in SWEPCO's cost of service and there is no reduction for a federal net operating loss in SWEPCO's income tax expense calculation that determines the current and deferred taxes included in its rates. Therefore, the PUCT's tax expense calculation for ratemaking provides for a provision for deferred taxes based on the entire difference between accelerated tax depreciation and regulatory depreciation to be included in rates without regard to any NOLC and the amount of federal income tax expense collected from ratepayers is equal to what would have been due absent the NOLC.

The total company federal income tax expense approved by the PUCT in SWEPCO's current rate case is over $45 million annually even though it now claims to be in a net operating loss position on a theoretical stand-alone basis. A review of the federal income tax expense calculation included in the number running schedules in the rate case confirms that there were no reductions to SWEPCO's federal income tax expense for the net operating loss that it now claims exists.[30] The PUCT's exclusion of SWEPCO's proposed $455 million of theoretical stand-alone NOLC DTA balance in rate base is consistent with the ruling in PLR No. 201418024 and does not result in a normalization violation because, in addition to having an actual balance of $0, SWEPCO's NOLC has already been taken into account in setting rates as explained, above, and the NOLC has not been used to reduce income tax expense in SWEPCO's cost of service.

E. Rev. Proc. 2017-47

Rev. Proc. 2017-47 Section 2.01 provides an explanation of Congress' intent in enacting the normalization provisions:

> .01 Congressional Intent. Congress had two principal objectives in adopting the Normalization Rules. The first objective was to preserve the utility's incentive to invest. Congress enacted the ITC and accelerated depreciation to stimulate investment. These incentives were not intended to subsidize the consumption of any products or services, including utility products or services. Recognizing that public utility rates are set based on the utility's costs incurred to provide the utility service, including federal income tax expense, Congress enacted a set of rules to assure that some or all of the value of the incentives it provided for

[30] PUCT Docket No. 51415 Number Running Schedule VI, Federal Income Tax Expense. *See* Attachment 11.

> utility capital investment would not be diverted from investment by utilities to lower prices for consumption by customers of utilities.

According to this revenue procedure, Congress enacted accelerated depreciation in part to stimulate investment, and the Congressional intent in adopting the normalization rules was to preserve the utility's incentives for capital investment by preventing diversion of this investment incentive to lower utility rates for consumers. This is the basis of the idea of cost-free capital provided by the government in the form of ADFIT. If utilities such as SWEPCO are unable to take advantage of this cost-free capital from the government on a stand-alone basis because of the tax net operating losses generated by accelerated depreciation, but are part of an consolidated group that can use those losses to offset taxable income of the group, it makes sense that many such utilities participate in tax allocation agreements whereby they exchange their NOLC DTAs with the consolidated group for cash payments in order to realize that cost-free capital faster and use those payments to finance capital investments. SWEPCO ignores this important point when it argues:

> Given the number of normalization PLRs that have been issued to date, the Service is well aware that utilities are frequently members of affiliated groups joining in the filing of consolidated returns and thus are parties to tax allocation agreements providing for payments amongst the affiliates for the use of each other's tax attributes. As demonstrated by the two rulings cited above, and implicitly recognizing the importance of separate return ratemaking, the Service has never to SWEPCO's knowledge deemed those payments to be relevant to its analysis of depreciation normalization compliance. That is neither an oversight nor surprising.[31]

and

> Ultimately, since depreciation normalization is based upon the construct of the extension of an interest-free loan from the federal government to the utility in the form of deferred taxes, whether and how the group members allocate tax liabilities amongst themselves is irrelevant to the analysis. *Id.* at Sec. 8.01, *et. seq.* While under certain circumstances, the intercompany payments under a TAA might create an imputed loan between members, that is not a loan from the federal government, which is the *sine qua non* of depreciation normalization.[32]

Staff believes that the Service has never deemed it to be a normalization violation when utilities recognize the impact of the actual use of their NOL DTAs by their consolidated group resulting in TAA payments that reduce their NOLC DTA balances (and thereby increase their ADFIT balances) in the ratemaking process. As SWEPCO stated, the Service is well aware that many utilities are parties to tax allocation agreements. The Service recognized the financial consequence of those actual cash payments on a utility's ADFIT balance in PLR No.

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[31] SWEPCO's Request at 10.

[32] *Id.* at 11.

201828010, discussed above. As shown in that PLR, the Service acknowledged that receipt of TAA payments reduces NOLC DTA balances, which in turn increases ADFIT balances.

SWEPCO claimed in its rate case that its request to add the $455 million to its rate base is because its accelerated depreciation has not been able to produce cash benefits on the basis of its separate tax return method. SWEPCO's argument lacks merit because it did realize cash benefits in the amount of $455 million that it received from its parent and affiliates under the TAA and the consolidated group actually used SWEPCO's NOLC DTAs to offset taxable income.

As explained previously, SWEPCO's tax witness testified that it used the TAA payments to finance prudent assets without having to raise additional debt or equity capital. These investments are included in SWEPCO's rate base. This form of utility asset financing is not a normalization violation because it is consistent with Congress' intent with respect to the normalization rules -- to incentivize investment by utilities. Additionally, the AEP, Inc. consolidated group has already received the full economic benefit from SWEPCO's NOLC DTAs as they have been fully exhausted to actually defer taxes of the consolidated group in prior periods. SWEPCO has already realized the full and only amount of cost-free capital associated with its accelerated depreciation through the TAA payments even though it claims it is in a net operating loss position on a stand-alone basis. The $455 million of TAA payments had real economic effect and substance as evidenced by SWEPCO's use of them to finance plant assets. SWEPCO cannot use "theoretical" NOLC DTAs to finance future actual investments.

IV. EXCESS DEFERRED INCOME TAXES

SWEPCO correctly noted in its PLR request that it and Staff generally agreed that the proper treatment of SWEPCO's EDIT should be determined in the same manner as the resolution of the NOLC DTA issue.[33] Rev. Proc. 2020-39 provides guidance under § 168 of the IRC to clarify the normalization requirements following the corporate tax rate reduction provided for in the Tax Cuts and Jobs Act (TCJA). With respect to net operating loss carryforwards, this revenue procedure provides:

> Compliance with normalization requires a determination of the source of an NOLC so that rate base is not overstated in jurisdictions in which net deferred tax liabilities reduce rate base. While § 1.167(l)-1(h)(iii) is the relevant general authority, there is not one single methodology provided for determination of the portion of an NOLC that is attributable to depreciation. Section 1.167(l)-1(h)(iii) instead informs taxpayers that the amount and time of the deferral of tax attributable to depreciation when there is an NOLC should be taken into account in such "appropriate time and manner as is satisfactory to the district director." Regulating commissions have expertise in this area, and any reasonable method for determining the portion of the NOLC attributable to

[33] *Id.* at 4.

> depreciation should generally be respected provided such method does not clearly violate normalization requirements.[34]

As discussed previously, recently released PLR No. 202206010 concluded that the NOLC of a consolidated group must be appropriately allocated among its subsidiaries for purposes of complying with the normalization rules and that determination of EADIT without regard to a consolidated NOLC DTA is inconsistent with the normalization rules.[35] The normalization rules therefore require determination of excess ADFIT by considering the consolidated NOLC DTA as opposed to a theoretical stand-alone NOLC DTA. This is consistent with the requirements of Rev. Proc. § 1.167(l)-1(h)(iii) discussed in Rev. Proc. 2020-39 that the amount and time of deferral must be taken into account.

SWEPCO explained that:

> In accordance with TCJA § 13001 SWEPCO computed its EDIT as of December 31, 2017 based on the deferred tax balances on its GAAP financial books and records, which did not include the NOLC DTA as it had been reduced to zero by reason of the TAA payments. Although SWEPCO had a stand-alone NOL attributable to accelerated depreciation, the AEP consolidated group had taxable income, and SWEPCO commenced amortization of such EDIT (unreduced by the NOLC DTA using the ARAM as of January 1, 2018.[36]

As explained previously and confirmed in this passage by SWEPCO, the AEP consolidated group had no NOLC DTA at the consolidated level at the end of the test year. SWEPCO's allocated share of that consolidated NOLC DTA on a stand-alone basis is therefore $0. Consistent with the normalization rules as explained in PLR No. 202206010, SWEPCO's EDIT should be based on SWEPCO's allocated share of the consolidated NOLC DTA balance of $0 and should not be reduced by its theoretical stand-alone NOLC DTA. The method that SWEPCO used to begin amortization of its EDIT is consistent with the normalization requirements and this method remained unchanged by the PUCT in its order in the rate case.

However, SWEPCO claims that:

> In accordance with section 13001 of Public Law 115-97, commonly referred to as the Tax Cuts and Jobs Act ("TCJA"), SWEPCO calculated its so-called excess deferred income taxes ("EDIT") as of December 31, 2017, representing the amount of accelerated depreciation-related taxes previously collected from customers that had not yet been paid by SWEPCO and became excess due to the reduction in tax rates in the TCJA. See Rev. Proc. 2020-39, Sec. 2.05. The total EDIT so-calculated was based on the deferred tax balances on SWEPCO's financial (GAAP) books and as a result did not include any adjustment for the NOLC DTA. Had the calculation of EDIT taken into account the NOLC DTA, it would have resulted in a reduction to the balance of $194,453,551.[37]

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[34] Rev. Proc. 2020-39 at 8.

[35] IRS PLR No. 202206010 at 10.

[36] SWEPCO's Request at 12.

[37] *Id.* at 3

SWEPCO further claims that:

> In connection with the preparation of SWEPCO's current General Rate Case ("GRC"), SWEPCO determined that amortization of its EDIT must take into account the $194,453,551 related to the NOLC DTA as a reduction to the total EDIT available to be amortized and seeks to correct such treatment prospectively in the current GCR, the "next available opportunity," pursuant to Section 4.01(6) of Rev. Proc. 2020-39.[38]

In addition to being inconsistent with the Service's ruling in PLR No. 202206010, SWEPCO's argument ignores the fact that, due to the PUCT's method of determining federal income tax expense in rates explained above, its ratepayers have paid the full amount of both the current and deferred taxes in rates without regard for any net operating loss as there is no reduction to the total federal income tax expense included in cost of service for a net operating loss. This supports the fact that ratepayers paid the full amount of the EDIT, and the full amount should be refunded to them without regard to any theoretical stand-alone net operating loss. The PUCT's ruling that excludes the theoretical stand-alone NOLC DTA from amortization of excess ADIT is consistent with the normalization rules.

V. SWEPCO's ALLEGATIONS REGARDING STAFF'S RECOMMENDATION

A. Representations by SWEPCO that Staff proposes an adjustment to the NOLC DTA or that Staff has otherwise imputed attributes of its affiliates in determining the deferred tax reserve are not accurate.

SWEPCO's arguments for its proposal to add a $455 million theoretical stand-alone NOLC DTA to its rate base largely centers around Treas. Reg. § 1.167(l)-1(h)(2) and the Service's rulings in PLR No. 8904008. In an attempt to make the facts of its current rate case comport with 33-year-old PLR No. 8904008, SWEPCO makes the following representation:

> Accordingly, as PLR 8904008 clearly states, adoption of Staff's proposed adjustment to the DTA would result in a violation of the deferred tax maintenance rules of Treas. Reg. 1.167(l)-1(h). Notably, Staff has not identified any tax authority supporting its proposed adjustment, nor has it addressed how its position can be reconciled with PLR 8904008. Moreover, SWEPCO is not aware of any authorities supporting the imputation of attributes of affiliates in computing the establishment or adjustment of the deferred tax reserve under the provisions of Treas. Reg. Sec. 1.167(l)-1(h).[39]

Staff takes issue with several assertions in this statement by SWEPCO. First, Staff's discussion of relevant authorities above speaks for itself. The reconciliation of Staff's position

[38] *Id.* at 3

[39] *Id.* at 8.

with PLR No. 8904008 is addressed after the following discussion of SWEPCO's false insinuation that Staff is imputing attributes of SWEPCO's affiliates in establishing the deferred tax reserve.

In accounting, imputed costs are costs that do not involve the exchange of cash and do not appear on financial statements. As explained previously, Staff proposed to use SWEPCO's actual end of test year NOLC DTA balance of $0 as reflected on its regulatory books. There is no dispute that SWEPCO calculates its taxes on a separate return basis each year and records its own depreciation expense, tax expense, rate base and deferred tax reserve (including its NOLC DTAs) as applicable. There is also no dispute that SWEPCO accepted $455 million of cash TAA payments in exchange for the AEP consolidated group's actual use of its NOLC DTAs to offset consolidated tax liabilities.

SWEPCO admitted that because the receipt of cash through the tax sharing agreement reduces the deferred tax asset balance for the NOL carryforward, the trial balance reflects the full DTL associated with accelerated depreciation.[40] Thus, SWEPCO acknowledged that the TAA payments reduced the balance of the NOLC DTA to $0. The NOLC DTA balance of $0 reflected on SWEPCO's regulated and GAAP books is the result of an actual exchange of cash – a true economic transaction with real economic effect and substance. The NOLC DTAs were removed from SWEPCO's books by its own actions and not the result of a consolidated tax savings adjustment or imputation by the PUCT in the rate case. SWEPCO's insinuation that Staff proposed an adjustment or imputation to SWEPCO's actual books and records is untrue.

The amount SWEPCO seeks to add to its rate base is a derived amount based on a theoretical SWEPCO stand-alone calculation – in other words, an imputation of what SWEPCO claims *would* be the balance on its books, not the actual balance. As described above, the theoretical NOLC DTA that SWEPCO seeks to include in rate base no longer exists on its books because it received $455 million for it and all of the actual NOLC DTA has been used to reduce the tax liabilities of the AEP consolidated group. SWEPO, by attempting to add $455 million to the $0 balance of the NOLC DTA on its actual regulatory and GAAP books, is itself proposing an adjustment or an imputation.

SWEPCO's case is therefore distinguishable from the facts in PLR No. 8904008 whereby the regulatory authority was imputing the tax losses of affiliates to the utility absent any actual financial transaction or economic benefit to the utility.

B. SWEPCO's allegation that Staff has not addressed how its position can be reconciled with PLR 8904008 is inaccurate.

Contrary to SWEPCO's claim, Staff directly addressed PLR 8904008 in its post-hearing brief on this issue as follows:

> In PLR No. 8904008, the utility's regulator proposed to use tax effects of the utility's nonregulated affiliates be added to the deferred tax reserve and therefore reduce rate base of the utility. The utility claimed this would violate

[40] PUCT Docket No. 51415, Southwestern Electric Power Company's Response to Commission Staff's Ninth Request for Information at Question Staff No. 9-20(d). *See* Attachment 6.

> consistency between depreciation expense, tax expense, and the reserve for deferred taxes and that some rate base items would be based on the utility alone while others would be based on a combination of taxpayer with other companies in the consolidated group. The IRS ruled that using the tax losses of affiliates would create an excess deferred tax reserve that would reduce rate base to an amount less than needed to meet normalization requirements. The IRS also ruled that using tax losses of affiliates to determine deferred taxes but ignoring them for purposes of determining other components of rate base and cost of service would violate the normalization rules. In this PLR, the regulator was imputing tax losses of affiliates to reduce utility rate base. In this case, it is SWEPCO's tax losses at issue, not losses of its affiliates and Staff proposes that only SWEPCO's actual economic costs be included in rate base. Additionally, because the funds received from the tax allocation agreement for the use of SWEPCO's NOLC ADFIT were used to finance other assets, SWEPCO's rate base is not lower than it would be based on the utility alone (if the NOLC ADFIT is included and not the assets financed by the NOLC ADFIT) as discussed above.[41]

In PLR No. 8904008, a utility made tax payments to its parent for its total income tax payable, but the parent did not make payments to the federal government because of nonregulated subsidiary losses. The utility's regulator sought to impute the tax liability payments made by the utility back to the deferred tax reserve to reduce rate base in addition to the reduction that already arose because of the use of accelerated depreciation. The IRS explained that if a variable such as tax benefits resulting from tax losses of affiliates were introduced, an excess deferred tax reserve would be created which would reduce the rate base to an amount less than that needed to meet normalization requirements and that if tax benefits attributable to entities other than the regulated utility to determine deferred taxes to reduce rate base, the utility would fail to comply with the normalization provisions. The IRS also noted that using the tax benefits of affiliates to determine deferred taxes (and therefore rate base) while the tax losses of those affiliates are ignored for purposes of determining the other components of the utility's cost of service like tax expense, depreciation expense, etc. would violate the consistency requirements of the normalization provisions and that the taxpayer will not be in compliance with the normalization requirements if it uses the so called consolidated tax savings adjustments proposal as a reduction of rate base.

With respect to this ruling SWEPCO claims that:

> Although I.R.C. Sec. 168(i)(9) does not specifically adopt and use the term "separate return ratemaking, it clearly establishes certain fundamental relationships amongst four ratemaking elements impacted by depreciation, comprising two cost of service elements (depreciation expense and tax expense) and two rate base elements (rate base and the deferred tax reserve).[42]

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[41] PUCT Docket No. 51415, Staff's Initial brief at 26-27.

[42] SWEPCO's Request at 8-9.

and

> Moreover, SWEPCO asserted that the Staff proposal would violate the deferred tax reserve computational rules of Treas. Reg. Sec. 1.167(l)-1(h)(2) by introducing a variable, *i.e.*, the profits of affiliates and/or the TAA payments, other than the method and life differences between book and tax depreciation and the statutory rate.[43]

While it is true that the provisions of Treas. Reg. Sec. 1.167(l)-1(h)(2) prescribe specific guidelines for determining the amount of the deferred tax reserve, SWEPCO fails to acknowledge that Treas. Reg. § 1.167(l)-1(h)(iii), as discussed previously, modifies the deferred tax reserve computational rules when a NOLC DTA results from the use of accelerated depreciation. This modification requires that the amount and timing of the deferral of tax liability must be taken into account with respect to a NOLC DTA. Thus, the strict deferred tax reserve computational guidelines that were the basis of the Service's ruling in PLR No. 8904008 do not apply to the treatment of SWEPCO's NOLC DTA in its rate case as SWEPCO tries to argue. The facts of SWEPCO's current rate case and the facts in PLR No. 8904008 do not align as SWEPCO represents to the Service.

SWEPCO's arguments with respect to these authorities are a red herring because, as outlined above, Staff's position as adopted by the PUCT is in compliance with the normalization rules in Treas. Reg. § 1.167(l)-1(h)(iii) and is consistent with the Service's interpretation of the normalization rules related to NOLC DTAs in PLR No. 202206010 and PLR No. 201828010 discussed above. As also explained above, PLR No. 201418024 provides support for Staff's recommendation based on the methodology used by the PUCT to determine income tax expense included in SWEPCO's rates because it already takes the NOLC into consideration. This treatment is also consistent with the Congressional intent of the normalization provisions as explained in Rev. Proc. 2017-47 Section 2.01.

VI. STAFF'S ALTERNATIVE RECOMMENDATIONS

Although Staff is confident that the PUCT's use of the $0 balance of SWEPCO's NOLC DTA is consistent with the normalization requirements for all of the foregoing reasons, it nonetheless provided alternative recommendations in the event the Service disagrees and the $455 million theoretical stand-alone NOLC DTA must be added to SWEPCO's rate base. If SWEPCO prevails in its normalization argument, the PUCT must be able to recognize the receipt of the $455 million in cash TAA payments that reduced the NOLC DTA balance to $0 and financed rate base assets in another way. One of the proposed alternatives Staff recommended was to remove assets financed with the TAA payments from SWEPCO's rate base. The other alternative presented was to recognize the TAA payments as zero cost capital in SWEPCO's capital structure. Each of these alternatives is explained in more detail below.

A Removal of assets financed with $455 million TAA payments from SWEPCO's rate base

[43] *Id.* at 4.

To be clear, Staff's primary recommendation was to disallow SWEPCO's proposal to add the $455 million of theoretical stand-alone NOLC DTA to its rate base. Staff's alternative proposal was that if the Service rules that the $455 million theoretical NOLC DTA must be added to rate base in this case to prevent a normalization violation, then the plant assets that SWEPCO admitted were financed with the $455 million of TAA payments it received in exchange for its NOLC DTAs, that were not debt or equity, must be removed from rate base.

Staff requests that the Service not ignore the fact that SWEPCO already received $455 million for the NOLC DTA it wishes to add to rate base and then allow it to also earn a debt and equity return on the plant assets included in rate base that were financed with those TAA cash payments. Not recognizing an offsetting adjustment for the addition of $455 million of theoretical NOLC DTAs to SWEPCO's rate base would result in SWEPCO earning a return on the theoretical NOLC DTAs plus a return on the assets financed with the cash received for the actual NOLC DTAs, thus it would essentially be earning a return on the same $455 million twice.

The fact that SWEPCO used the cash from the TAA payments to finance plant investment, and the fact that the plant investment financed by the TAA payments is included in SWEPCO's rate base is critical information omitted by SWEPCO. This is because SWEPCO seeks to earn a debt and equity return on that plant. Staff contends that SWEPCO essentially swapped one type of asset in its rate base (the NOLC DTA) for another type of asset (the plant investment financed by the TAA payments SWEPCO received for the NOLC DTA). Only one or the other should be included in rate base, otherwise, SWEPCO's rate base is overstated.

According to SWEPCO's Request:

> SWEPCO asserted that the adoption of Staff's proposal would violate the normalization rules of I.R.C. Sec. 168(i)(9), and particularly the consistency rules of subsection (B). Specifically, SWEPCO contended that the adjustment to remove used and useful assets from rate base, while computing depreciation expense, tax expense, and the reserve for deferred taxes by including such assets, would violate the consistency rules.[44]

Although Staff did not explicitly describe the method to remove the assets from rate base, the recommendation was made with the assumption that attendant impacts (depreciation expense, return, tax expense, and deferred taxes) would also be removed. The standard number running instructions from the administrative law judges (ALJs) that preside over PUCT contested cases contain instructions to reflect the attendant impacts of their recommendations. Removal of depreciation expense, return, tax expense and deferred taxes are flow-through impacts of removing plant from rate base. The ALJ's number running instructions in the present case provided this standard direction:

> The ALJs intend that all flow-through impacts of the ALJs' recommendations on other issues be reflected in the PFD schedules. If the ALJs state below a

[44] SWEPCO's Request at 4.

specific number, which should instead reflect such flow-through impacts, please reflect the flow-through impact.[45]

Thus, adding the theoretical stand-alone NOLC DTA to rate base, while removing the assets financed with the TAA payments SWEPCO received for the use of the NOLC DTAs, would not violate the consistency rules because all flow-through impacts of the removed assets would also be removed from rates.

B. Reflection of the TAA payments as zero cost capital in SWEPCO's capital structure

Alternatively, including the plant assets financed with the TAA payments in rate base means that SWEPCO customers bear the cost of those assets (through depreciation expense, return, taxes, etc.), so if both the assets and the theoretical NOLC DTAs are included in rate base, the $455 million of TAA payments must be reflected for what they are – zero cost capital. There is no debt upon which interest is paid, nor is there any equity for which dividends are paid related to the $455 million of TAA cash received. Further, the amounts will not be repaid to SWEPCO's parent or affiliates under any existing agreement.

Staff explained in the rate case that proper accounting requires that debits equal credits. If SWEPCO is allowed to make an adjustment to its regulatory ratemaking books to add to its rate base a theoretical asset (debit) of $455 million related to a NOLC DTA for which it already received $455 million in actual cash payments, the offsetting credit entry to reflect the receipt of those payments must be reflected somewhere. As explained previously, two SWEPCO witnesses testified that the $455 million of cash TAA payments that it received was not debt or equity, so the amount should be reflected as zero cost capital in the capital structure.

Adding the $455 million theoretical NOLC DTA to rate base would mean that SWEPCO gave up nothing (zero) in return for the $455 million in cash TAA payments it received. In other words, it cost SWEPCO nothing to get $455 million to finance rate base assets included in rate base under SWEPCO's proposed adjustment. The TAA payments must be reflected as zero cost capital if the $455 million of theoretical NOLC DTAs are added to rate base and the assets financed with the TAA payments also remain in rate base.

Staff believes that it would not be a normalization violation for the PUCT to reflect the $455 million of TAA payments as zero cost capital in SWEPCO's capital structure if the Service rules that the NOLC DTA must be added to rate base. Adding the $455 million theoretical NOLC DTA to SWEPCO's rate base would mean that its rate base would not be below what it alleges is required for normalization purposes. SWEPCO claimed that the IRS does not care about the tax allocation payments and has no mandate with respect to how they are treated, so under this scenario reflecting them as zero cost capital in the capital structure would not be a normalization violation.

To emphasize once again, Staff made these alternative recommendations on the chance that the Service agreed with SWEPCO on the issue of the theoretical stand-alone NOLC DTA being required to be included in its rate base. Because Staff believes there is no normalization

[45] PUCT Docket No. 51415 ALJ Number-Running Summary at 2.

violation related to the PUCT's disallowance of SWEPCO's proposal, Staff likewise believes neither of its proposed alternatives is necessary in this case.

VII. SWEPCO's NOTICE REGARDING POTENTIAL CHANGE OF METHOD OF REGULATED ACCOUNTING

SWEPCO's PLR request includes the following statement without further explanation:

> This request also is intended to serve as the notice required under Treas. Reg. Sec. 1.167(l)(-1(h)(5) regarding the potential change of SWEPCO's method of regulated accounting.

This Treasury Regulation states:

> **(5)** ***Change in method of regulated accounting.*** The taxpayer shall notify the district director of a change in its method of regulated accounting, an order by a regulatory body or court that such method be changed, or an interim or final rate determination by a regulatory body which determination is inconsistent with the method of regulated accounting used by the taxpayer immediately prior to the effective date of such rate determination. Such notification shall be made within 90 days of the date that the change in method, the order, or the determination is effective. In the case of a change in the method of regulated accounting, the taxpayer shall recompute its tax liability for any affected taxable year and such recomputation shall be made in the form of an amended return where necessary unless the taxpayer and the district director have consented in writing to extend the time for assessment of tax with respect to the issue of normalization method of regulated accounting.

It is unclear from the PLR request what the potential change of SWEPCO's method of regulated accounting is. On the one hand, SWEPCO claims that its ratemaking regulatory books already reflect the theoretical NOLC DTA that it requested to add to rate base in the rate case (see above). SWEPCO states further that:

> For ratemaking purposes, SWEPCO includes all used and useful public utility property in rate base, calculates depreciation expense thereon using a straight-line method, depreciates such property for federal income tax purposes using accelerated depreciation (MACRS), and makes an adjustment to the reserve for deferred taxes (at the statutory rate) to reflect the difference in tax liability attributable to the use of different depreciation methods for book and tax purposes. All of these calculations were done on a separate return basis without regard to the property, tax attributes, or separate tax liability of affiliates, or the non-Texas property of SWEPCO.[46]

[46] SWEPCO's Request at 2-3.

If, as SWEPCO claims, its regulated books of account already reflect the theoretical NOLC DTA that it sought to add to its regulated books and records in its Texas rate case, it is unclear what is the alleged change in regulated accounting method it seeks. There would seem to be no need for a change in accounting method if it is the case that SWEPCO's actual books and records already reflect the theoretical stand-alone NOLC DTA.

Staff believes that on the other hand, this could be SWEPCO's tacit admission that its regulatory books and records do not actually reflect a theoretical NOLC DTA balance of $455 million and that this potential change in accounting method would add the $455 million to its books only if this PLR is approved as it requests.

VIII. CONCLUSION

As stated previously, Staff does not believe that SWEPCO's filed PLR request accurately reflects the evidentiary record in its Texas rate case, nor does it appropriately include Staff's input and participation. SWEPCO is therefore not able to make the affirmation specified at Rev. Proc. 2022-1, Appendix F that "the regulatory authority responsible for establishing or approving the taxpayer's rates has reviewed the request and believes that the request is adequate and complete" although such affirmation appears to be implicitly required for the Service to consider SWEPCO's request. However, because the PUCT's determination in SWEPCO's rate case is consistent with how the PUCT sets rates for utilities in Texas, and because the Service's ruling on SWEPCO's Request has the potential to impact ratemaking practice in Texas and across the country, Staff respectfully urges the Service to reject SWEPCO's requested rulings and to instead find as follows based on the facts and supporting authorities discussed herein with respect to each of SWEPCO's requested rulings:

A. The implementation of Staff's proposal to reflect SWEPCO's actual test year end NOLC DTA balance of zero does not violate the deferred tax computational rules of Treas. Ref. Sec. 1.167(l)-1(h)(2).

There is no specific prescribed method regarding the treatment of NOLC DTAs in the I.R.C. or Internal Revenue Service regulations because Treas. Reg. § 1.167(l)-1(h)(iii) modifies the deferred tax computational rules of Treas. Ref. Sec. 1.167(l)-1(h)(2) when accelerated depreciation creates a NOLC DTA. It is required by the Service's District Director to consider the facts and circumstances related to the amount and timing of deferral of tax liability in determining whether a specific treatment is consistent with the normalization provisions. Consideration of NOLC DTAs at the consolidated group level is consistent with Treas. Reg. § 1.167(l)-1(h)(iii) because doing so takes into consideration the actual amount and actual timing of deferral of tax liability. SWEPCO's NOLC DTAs have actually been used to offset taxable income of its consolidated group and both SWEPCO and the consolidated group have already realized the economic effects and substance of its NOLC DTAs. There is no NOLC DTA at the AEP consolidated group level so SWEPCO's allocated share of the consolidated NOLC DTA based on a separate return methodology is $0.

SWEPCO's actual ratemaking books of account reflected a NOLC DTA balance of $0 at the end of the test year because it received $455 million in tax allocation agreement payments

for the AEP consolidated group's use of SWEPCO's NOLC DTA. Receipt of TAA payments by SWEPCO had the effect of reducing its NOLC DTA balance to $0, which also had the effect of increasing its ADFIT balance. Including the actual end of test period balance of the NOLC DTA balance of $0, consistent with the use of the end of test period balance used for the other elements of SWEPCO's rate base, complies with the consistency requirements of the normalization provisions of the I.R.C.

SWEPCO actually recorded the receipt of the TAA payments in its official books and records as a reduction to the NOLC DTA balance, resulting in an actual NOLC DTA available to SWEPCO of $0 so use of SWEPCO's actual NOLC DTA regulatory book balance of $0 is not the result of an adjustment or imputation by the PUCT, but instead is the result of SWEPCO's own actual financial transactions. The reduction of SWEPCO's NOLC DTAs to $0 due to receipt of actual cash TAA payments for its affiliates' use of them does not result in an improper introduction of the profits of affiliates into SWEPCO's cost of service and is not a consolidated tax savings adjustment.

The PUCT's decision not to reduce SWEPCO's ADFIT by a theoretical NOLC DTA does not result in that reserve exceeding the proper amount in violation of the normalization rules because the NOLC has already been taken into account in setting SWEPCO's rates by the inclusion of an amount of federal income tax expense in rates that is equal to what would have been due absent the NOLC.

The disallowance of SWEPCO's proposal to add a theoretical stand-alone NOLC DTA to its rate base is not a normalization violation for all of the reasons outlined above. However, if the Service rules that it must be included in SWEPCO's rate base, one of the alternatives proposed by PUCT Staff must also be reflected in SWEPCO's rates, therefore:

B. Putting into effect a rate order that either disallows SWEPCO's proposal to add a theoretical stand-alone NOLC DTA to its rate base, removes from rate base property financed with the TAA payments SWEPCO received in exchange for the AEP consolidated group's use of SWEPCO's NOLC DTA to reduce tax liability on the consolidated return, or treating the TAA payments as zero-cost capital would not violate the consistency rules of I.R.C. Sec. 168(i)(9)(B).

Adding the theoretical stand-alone NOLC DTA to rate base, while removing the assets financed with the TAA payments SWEPCO received for the use of the NOLC DTAs, would not violate the consistency rules because all flow-through impacts of the removed assets would also be removed from rates. This treatment recognizes that SWEPCO essentially swapped one type of asset in its rate base (the NOLC DTA) for another type of asset (the plant investment financed by the TAA payments SWEPCO received for its NOLC DTAs) and only one or the other should be included in rate base, otherwise SWEPCO's rate base is overstated.

Alternatively, recognizing the TAA payments as zero cost capital in SWEPCO's capital structure would not result in a normalization violation if both the theoretical stand-alone NOLC DTA and the assets financed by the TAA payments received in exchange for SWEPCO's NOLC DTA are included in rate base because this would mean that SWEPCO gave up nothing in return for the $455 million of TAA payments used to finance rate base assets. SWEPCO's

receipt of $455 million in tax allocation agreement payments from its affiliates for the use of SWEPCO's NOLC DTAs was not a deemed capital contribution, as there was no impact to SWEPCO's capital structure related to the TAA payments.

C. Putting into effect a rate order that excludes SWEPCO's proposed theoretical stand-alone NOLC DTA as a reduction to total EDIT available to be amortized would not constitute a violation of the normalization requirements of TCJA § 13001.

The Service has previously ruled in PLR No. 202206010 that determination of EADIT without regard to a consolidated NOLC DDTA is inconsistent with the Normalization Rules and that the requirement that a consolidated NOLC DTA is to be allocated to its members is consistent with the Normalization Rules. This PLR further ruled that the NOLC of a consolidated group must be appropriately allocated among its subsidiaries for purposes of complying with the Normalization Rules and that the computation of a NOLC attributable to a subsidiary taxpayer of a consolidated group on a separate return methodology is consistent with the Normalization Rules.

Consideration of NOLC DTAs at the consolidated group level is consistent with Treas. Reg. § 1.167(l)-1(h)(iii) because doing so takes into consideration the actual amount and actual timing of deferral of tax liability. SWEPCO's NOLC DTAs have actually been used to offset taxable income of its consolidated group and both SWEPCO and the consolidated group have already realized the economic effects and substance of its NOLC DTAs. There is no NOLC DTA at the AEP consolidated group level so SWEPCO's allocated share of the consolidated NOLC DTA based on a separate return methodology is $0.

Additionally, refunding the full amount of excess ADFIT to ratepayers without regard to a theoretical stand-alone NOLC DTA that does not exist on SWEPCO's actual books would not be a violation of the normalization rules because ratepayers paid the full amount of deferred taxes in rates unreduced for any NOLC.

D. Implementation of any of Staff's proposed ratemaking treatments in a final rate order would not violate the depreciation normalization rules and would not result in the disallowance of SWEPCO's right to claim accelerated depreciation on all of its Texas public utility property.

IX. PROCEDURAL MATTERS

In addition to the above-requested rulings, Staff respectfully requests to be included in any conference of right associated with SWEPCO's Request and any other rights to which Staff is entitled.

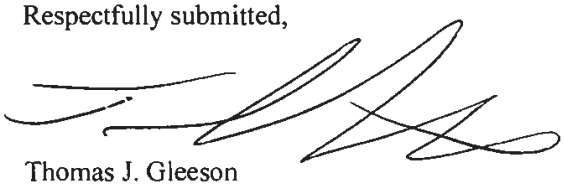
Thank you in advance for your consideration of Staff's views and arguments with respect to the normalization issue outlined herein. If you have any questions regarding this document, or if we may be of additional assistance as you consider SWEPCO's Request, please contact the following PUCT Staff members:

Darryl Tietjen, CPA, CFA
Director, Rate Regulation Division
(512) 936-7436
darryl.tietjen@puc.texas.gov

Anna Givens, CPA
Director, Financial Review
Rate Regulation Division
(512) 936-7462
anna.givens@puc.texas.gov

Ruth Stark, CPA
Senior Regulatory Accountant
Rate Regulation Division
(512) 936-7460
ruth.stark@puc.texas.gov

Respectfully submitted,



Thomas J. Gleeson
Executive Director
Public Utility Commission of Texas

ATTACHMENT

1

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION STAFF'S SEVENTEENTH REQUEST FOR INFORMATION

Question Staff No. 17-11:

For each of the years 2009, 2011, 2013, 2014, 2015, 2018, 2019, and 2020 confirm whether SWEPCO actually made or anticipates making cash payments to its parent or the IRS for federal income tax liabilities for each year. If SWEPCO made cash payments to its parent or the IRS in these years please provide the amounts of each actual cash payment made by SWEPCO to its parent or the IRS, shown separately for each year. Please also explain how any cash payments by SWEPCO for income taxes in these years impacted the use of the cash received through the tax allocation agreement to fund investments as suggested by the rebuttal testimony of Mr. Hodgson.

Response Staff No. 17-11:

Confirmed. In the years identified, SWEPCO generated separate company taxable income. In accordance with the consolidated income tax allocation agreement, SWEPCO made payments to AEP based on that stand-alone taxable income. Please see Staff 17-11 Attachment 1 for the payments associated with the requested years.

On a separate return basis, the taxable income generated in the years in question would have been offset by a NOL and customers would have received the benefits of the NOL utilized.

Staff 17-11 Attachment 1 will be provided electronically on the PUC Interchange.

Prepared By: David A. Hodgson — Title: Tax Acctg & Reg Support Mgr

Sponsored By: David A. Hodgson — Title: Tax Acctg & Reg Support Mgr

SOAH Docket No. 473-21-0538
PUC Docket No. 51415
Commission Staff's 17th RFI, Q. # Staff 17-11
Attachment 1
Page 1 of 1

				Tax Allocation Agreement	
Tax Year	Taxable Income	Tax Rate	Tax	Payments	Receipts
2009	46,739,333	35%	16,358,767	16,358,767	-
2010	(58,670,714)	35%	(20,534,750)	-	(20,534,750)
2011	55,366,940	35%	19,378,429	19,378,429	-
2012	(1,207,127,066)	35%	(422,494,473)	-	(422,494,473)
2013	61,224,910	35%	21,428,719	21,428,719	-
2014	56,112,581	35%	19,639,403	19,639,403	-
2015	114,448,324	35%	40,056,913	40,056,913	-
2016	(358,866,044)	35%	(125,603,115)	-	(125,603,115)
2017	(98,182,199)	35%	(34,363,770)	-	(34,363,770)
2018	57,203,764	21%	12,012,790	12,012,790	-
2019	80,238,343	21%	16,850,052	16,850,052	-
Q1 2020	10,231,165	21%	2,148,545	2,148,545	-
	(1,241,280,663)		(455,122,490)	147,873,618	(602,996,108)

ATTACHMENT

2

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION STAFF'S SEVENTEENTH REQUEST FOR INFORMATION

Question Staff No. 17-9:

Please refer to Item No. 394 filed in Project No. 35588 on the PUCT Interchange, which is SWEPCO's *FERC Form No.1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3Q: Quarterly Financial Report for the first quarter of 2020.* Please provide the actual March 31, 2020 balance of SWEPCO's NOLC asset that was reported on this form at page 16 of 96. Please confirm if this amount is recorded consistent with the FERC Uniform System of Accounts. If the amount of SWEPCO's NOLC asset reported on this page is not consistent with the FERC Uniform System of Accounts, why is it not consistent?

Response Staff No. 17-9:

The 3-31-20 balance of SWEPCO's NOLC asset that was reported on Form 3Q reflects the payments received through the consolidated tax allocation agreement and as a result is zero. This amount is recorded consistent with the FERC Uniform System of Accounts. However, the regulatory treatment of the NOLC asset in this case is governed by PURA and federal normalization requirements, not the FERC Uniform System of Accounts.

Prepared By: David A. Hodgson	Title: Tax Acctg & Reg Support Mgr
Sponsored By: David A. Hodgson	Title: Tax Acctg & Reg Support Mgr

ATTACHMENT

3

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter D. RECORDS, REPORTS, AND OTHER REQUIRED INFORMATION.

§25.72. Uniform System of Accounts.

(a) Each electric utility and electric cooperative shall keep uniform accounts, in accordance with this section, of all business transacted. The classification of electric utilities and electric cooperatives, index of accounts, definitions, and general instructions pertaining to each uniform system of accounts as amended from time to time shall be adhered to at all times, unless provided otherwise by these rules, or specifically permitted by the commission.

(b) **Classification**. For the purposes of accounting and reporting to the commission under this subchapter, each electric utility or electric cooperative shall be classified as follows:
- (1) **Major**: electric utilities or electric cooperatives that had in each of the last three consecutive years sales or transmission service that exceeded any one or more of the following:
  - (A) one million megawatt-hours of total sales;
  - (B) 100 megawatt-hours of sales for resale;
  - (C) 500 megawatt-hours of gross interchange out; or
  - (D) 500 megawatt-hours of wheeling for others (deliveries plus losses).
- (2) **Nonmajor**: electric utilities or electric cooperatives that are not classified as "major" as defined in paragraph (1) of this subsection.

(c) **System of accounts.** For the purpose of accounting and reporting to the commission, each electric utility and electric cooperative shall maintain its books and records in accordance with the following prescribed uniform system of accounts:
- (1) **Major**: uniform system of accounts as adopted and amended by the Federal Energy Regulatory Commission (FERC) for major electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.
- (2) **Nonmajor**: uniform system of accounts as adopted and amended by the FERC for nonmajor electric utilities and electric cooperatives or other commission-approved system of accounts as will be adequately informative for all regulatory purposes.

(d) **Other system of accounts.** When an electric utility or electric cooperative has adopted a uniform system of accounts required or approved by a state or federal agency other than the FERC (e.g., United States Department of Agriculture - Rural Utilities Service), that system of accounts may be adopted by the electric utility or electric cooperative after notification to the commission.

(e) **Merchandise accounting.** Each electric utility and electric cooperative shall keep separate accounts to show all revenues and expenses resulting from the sale or lease of appliances, fixtures, equipment, directory advertising, or other merchandise.

(f) **Accounting period**. Each electric utility and electric cooperative shall keep its books on a monthly basis so that for each month all transactions applicable thereto shall be entered in the books of the electric utility or electric cooperative.

(g) **Rules related to capitalization of construction costs**. Each electric utility and electric cooperative shall accrue allowance for funds used during construction on construction work in progress to the extent not included in rate base. In the event construction work in progress is included in rate base pursuant to the rules in §25.231(c)(2)(D) of this title (relating to Cost of Service), capitalization of allowance for funds used during construction for electric utilities and electric cooperatives shall be discontinued to the extent construction work in progress is included.

ATTACHMENT

4

SOUTHWESTERN ELECTRIC POWER COMPANY
ADJUSTMENT SUPPORT
TEST YEAR ENDING MARCH 31, 2020

Description	Schedule Reference	Amounts	Description	
NON-UTILITY / NON-APPLICABLE				
ACCOUNT 282 NORMALIZED ADJUSTMENT		45,815,932	ADFIT Related to Unprotected Excess	960F-XS
		13,720	ADFIT Related to Joint Ventures System Fuel Project	680A
		-	ADFIT Related to Book Impaired Asset Reserve - SFAS 121	651A
	Schedule G-7.4b - Page 2 - Line 57	45,829,652	Total Non-Utility / Non-Applicable - Account 282	
ACCOUNT 283 NORMALIZED ADJUSTMENT	Schedule G-7.4b - Page 2 - Line 57	9,578,820	ADFIT Related to Unprotected Excess	960F-XS
KNOWN CHANGES				
ACCOUNT 190 NORMALIZED ADJUSTMENT	Schedule B-15 - Adjustment B-15.13	(913,340)	To adjust ADFIT for Accrued Mine Reclamation	
		21%		
	Schedule G-7.4b - Page 1 - Line 15	191,801	ADFIT Related to Accrued Mine Reclamation	
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule B-15 - Adjustment B-15.4	224,168,719	Adjustment to Accumulated Depreciation for Texas Depreciation Rates	
	Schedule B-15 - Adjustment B-15.10	(4,446,089)	Adjustment to Accumulated Depreciation for ABFUDC	
	Schedule B-15 - Adjustment B-15.11	(13,389,353)	Adjustment to Accumulated Depreciation for SFAS 143	
		21%	Federal Income Tax Rate	
			Adjust ADFIT Related to Adjustment to Accumulated Depreciation for Texas Depreciation Rates,	
		(43,329,988)	ABFUDC & SFAS 143	
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule B-15 - Adjustment B-15.11	(10,042,883)	ADFIT Related to Protected Excess for NOL	960F-XS
	Schedule B-15 - Adjustment B-15.13	455,122,490	To adjust for a Stand-Alone Federal Net Operating Loss	
	Schedule G-7.4b - Page 2 - Line 74	401,749,619	Adjustment to Property Related ADFIT - Account 282	
ACCOUNT 283 ACCRUED BOOK PENSION COSTS	Schedule B-15 - Adjustment B-15.8	83,452,444	13 Month Average — Pension Prepaid Asset Balance Expense Amount	
		21%	Federal Income Tax Rate	
	Schedule G-7.4b - Page 3 - Line 61	(17,525,013)	Required ADFIT Balance	
	Schedule G-7.4b - Page 3 - Line 61	(14,834,029)	ADFIT Recorded in Account 283	
	Schedule G-7.4b - Page 3 - Line 61	(2,690,984)	Adjustment to ADFIT Related to Accrued Book Pension Costs Expense Amount	
POST TEST YEAR ADJUSTMENTS				
ACCOUNT 282 NORMALIZED ADJUSTMENT	Schedule G-7.1I - Page 1 of 1 - Line 3	N/A		
	Workpaper Schedule D-4	N/A		
	Schedule G-7.1I - Page 1 of 1 - Line 3	N/A		

Sponsored by: David A. Hodgson

A. Pro forma adjustments made to the ADFIT balance as of March 31, 2020 include the following: 1) adjustments to ADFIT related to pro forma adjustments to other rate base items; 2) adjustments made for ratemaking purposes, such as removing ADFIT that does not relate to the Texas jurisdiction and reducing ADFIT by the NOLC balance; and 3) adjustments made to ADFIT related to balances that are not related to electric service.

Q. CAN YOU SPECIFICALLY IDENTIFY ADJUSTMENTS MADE TO ADFIT YOU JUST DESCRIBED?

A. Yes. RFP Schedule G-7.4b provides the adjustments and the explanation of the adjustments made to historical test year ADFIT.

Q. CAN YOU DISCUSS THE PRO FORMA ADJUSTMENT TO RATE BASE FOR THE NOL?

A. The pro forma adjustment of $455,122,490 is being made to reduce the ADFIT balance for an NOL calculated on a separate return basis. This adjustment represents the amount of ADFIT associated with accelerated tax depreciation which has not been able to produce cash benefits to the company on the basis of a separate tax return method as of the end of the historic test year. The calculation of the amount of the NOL can be seen on Schedule G-7.13f. This adjustment reflects the ADFIT associated with the taxable losses the Company has generated in excess of the taxable income it has generated and been able to offset based on the NOLC and carryback provisions of the Code.

ATTACHMENT

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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION STAFF'S NINTH REQUEST FOR INFORMATION

Question No. STAFF 9-17:

Please provide a copy of the AEP and subsidiary companies federal income tax sharing agreement.

Response No. STAFF 9-17:

Please see 9-17 Attachment 1 for a copy of the tax agreement for allocating consolidated income taxes for AEP Inc. and its consolidated affiliates.

Prepared By: Jessica M. Criss Title: Tax Analyst Prin

Sponsored By: David A. Hodgson Title: Tax Acctg & Reg Support Mgr

AMERICAN ELECTRIC POWER COMPANY, INC. AND ITS CONSOLIDATED AFFILIATES --- 2019 TAX AGREEMENT REGARDING METHOD OF ALLOCATING CONSOLIDATED INCOME TAXES

The below listed affiliated companies, joining in the annual filing of a consolidated federal income tax return with American Electric Power Company, Inc., under the provisions of sections 1501 and 1502 of the Internal Revenue Code (the "Code") and the Treasury Regulations thereunder, agree to allocate the consolidated annual net current federal income tax liability and/or benefit to the members of the consolidated group in accordance with the following procedures:

(1) The consolidated regular federal income tax, exclusive of capital gains and preference taxes and before the application of general business credits including foreign tax credits, shall be apportioned among the members of the consolidated group based on corporate taxable income. Loss companies shall be included in the allocation, receiving a negative tax allocation which is similar to a separate return carryback refund, before considering general business credits, which would have resulted had the loss company historically filed a separate return.

(2) The corporate taxable income of each member of the group shall be first reduced by its proportionate share of American Electric Power Company, Inc.'s (the holding company) tax loss (excluding the effects of extraordinary items which do not apply to the regulated business) in arriving at adjusted corporate taxable income for each member of the group with positive taxable income.

(3) To the extent that the consolidated and corporate taxable incomes include material items taxed at rates other than the statutory tax rate (such as capital gains and preference items), the portion of the consolidated tax attributable to these items shall be apportioned directly to the members of the group giving rise to such items.

(4) General business credits, other tax credits, and foreign tax credits shall be equitably allocated to those members whose investments or contributions generates the tax credit.

(5) If the tax credits can not be entirely utilized to offset the consolidated tax liability, the tax credit carryover shall be equitably allocated to those members whose investments or contributions generated the credit.

(6) Should the consolidated group generate a net operating tax loss for a calendar year, the tax benefits of any resultant carryback refund shall be allocated proportionately to member companies that generated corporate tax losses in the year the consolidated net operating loss was generated.

Any related loss of general business credits, shall be allocated to the member companies that utilized the credits in the prior year in the same proportion that the credit lost is to the total credit utilized in the prior year. A consolidated net operating tax loss carryfoward shall be allocated proportionately to member companies that generated the original tax losses that gave rise to the consolidated net operating tax loss carryforward.

(7) A member with a net positive tax allocation shall pay the holding company the net amount allocated, while a tax loss member with a net negative tax allocation shall receive current payment from the holding company in the amount of its negative allocation. The payment made to a member with a tax loss should equal the amount by which the consolidated tax is reduced by including the member's net corporate tax loss in the consolidated tax return. The holding company shall pay to the Internal Revenue Service the consolidated group's net current federal income tax liability from the net of the receipts and payments.

(8) No member of the consolidated group shall be allocated a federal income tax which is greater than the federal income tax computed as if such member had filed a separate return.

(9) In the event the consolidated tax liability is subsequently revised by Internal Revenue Service audit adjustments, amended returns, claims for refund, or otherwise, such changes shall be allocated in the same manner as though the adjustments on which they are based had formed part of the original consolidated return using the tax allocation agreement which was in effect at that time.

Any current state tax liability and/or benefit associated with a state tax return involving more than one member of the consolidated group, shall be allocated to such members following the principles set forth above for current federal income taxes. Due to certain states utilizing a unitary approach, the consolidated return liability may exceed the sum of the liabilities computed for each company on a separate return basis. If this occurs, the excess of the consolidated liability over the sum of the separate return liabilities shall be allocated proportionally based on each member's contribution to the consolidated apportionment percentage. If additional tax is attributable to a significant transaction or event, such additional tax shall be allocated directly to the members who are party to said transaction or event.

This agreement is subject to revision as a result of changes in federal and state tax law and relevant facts and circumstances.

The above procedures for apportioning the consolidated annual net current federal and state tax liabilities and expenses of American Electric Power Company, Inc. and its

consolidating affiliates have been agreed to by each of the below listed members of the consolidated group as evidenced by the signature of an officer of each company.

Any additional company that becomes a member of the consolidated group. within the meaning of section 1504 of the Code, shall become a party to this agreement by amendment thereto. This agreement shall cease to apply with respect to any company that is a party hereto that ceases to be a member of the consolidated group, effective for all tax years of such company beginning after the company ceases to be a member of the consolidated group.

COMPANY	OFFICER'S SIGNATURE
American Electric Power Company, Inc.	/S/
American Electric Power Service Corporation	/S/
Abstract Digital, LLC	/S/
AEP Appalachian Transmission Company, Inc.	/S/
AEP Clean Energy Resources, LLC	/S/
AEP Coal, Inc.	/S/
AEP Credit, Inc.	/S/
AEP Energy, Inc.	/S/
AEP Energy Partners, Inc.	/S/
AEP Energy Services, Inc.	/S/
AEP Energy Scrviccs Gas Holding Company	/S/
AEP Energy Supply LLC	/S/
AEP Generating Company	/S/
AEP Gcneration Resources, Inc.	/S/
AEP Indiana Michigan Transmission Company, Inc.	/S/

AEP Investments, Inc.	/S/
AEP Kentucky Coal, LLC	/S/
AEP Kentucky Transmission Company, Inc.	/S/
AEP Nonutility Funding, LLC	/S/
AEP Ohio Transmission Company, Inc.	/S/
AEP Oklahoma Transmission Company, Inc.	/S/
AEP OnSite Partners, LLC	/S/
AEP Pro Serv, Inc.	/S/
AEP Properties, LLC	/S/
AEP Renewables, LLC	/S/
AEP Retail Energy Partners, LLC	/S/
AEP Southwestern Transmission Company, Inc.	/S/
AEP Storage Holding Company, LLC	/S/
AEP Storage New York, LLC	/S/
AEP T & D Services, LLC	/S/
AEP Texas Central Transition Funding, LLC	/S/
AEP Texas Central Transition Funding II, LLC	/S/
AEP Texas Central Transition Funding III, LLC	/S/
AEP Texas Inc.	/S/
AEP Texas North Generation Company, LLC	/S/
AEP Texas Restoration Funding LLC	/S/
AEP Transmission Company, LLC	/S/
AEP Transmission Holding Company, LLC	/S/

AEP Transmission Partner, LLC	/S/
AEP Utility Funding, LLC	/S/
AEP West Virginia Transmission Company, Inc.	/S/
AEP Wind Holdings, LLC	/S/
Appalachian Consumer Rate Relief Funding LLC	/S/
Appalachian Power Company	/S/
Blackhawk Coal Company	/S/
Bold Transmission, LLC	/S/
Boulder Solar II, LLC	/S/
Brainerd Solar LLC	/S/
Broad Street Fuel Cell, LLC	/S/
BSE Solutions, LLC	/S/
Cedar Coal Company	/S/
Central Appalachian Coal Company	/S/
Central Coal Company	/S/
Century West PNL LLC	/S/
Conesville Coal Preparation Company	/S/
CSW Energy, Inc.	/S/
Dolet Hills Lignite Company, LLC	/S/
Dynasty PNL LLC	/S/
Exeter Solar Power 1, LLC	/S/
Franklin Real Estate Company	/S/
Garnet Solar Partners, LLC	/S/

Imboden II Solar, LLC	/S/
Imboden III Solar, LLC	/S/
Indiana Franklin Realty, Inc.	/S/
Indiana Michigan Power Company	/S/
Jacumba Solar, LLC	/S/
Kamaaha PNL LLC	/S/
Kentucky Power Company	/S/
Kingsport Power Company	/S/
Kyte Works, LLC	/S/
Kona CE, LLC	/S/
Midwest Energy Finance, LLC	/S/
Mutual Energy SWEPCO LLC	/S/
North Smithfield Solar Power 1, LLC	/S/
Northwest Jacksonville Solar Partners, LLC	/S/
Ogdensburg Solar Partners, LLC	/S/
Ohio Franklin Realty, LLC	/S/
Ohio Phase-In Recovery Funding LLC	/S/
Ohio Power Company	/S/
Pavant Solar III LLC	/S/
Price River Coal Company, Inc.	/S/
Public Service Company of Oklahoma	/S/
Quincy II Solar Garden LLC	/S/
Rutland Renewable Energy LLC	/S/

Snowcap Coal Company, Inc.	/S/
SoCore Sherburne 1 LLC	/S/
Southern Appalachian Coal Company	/S/
Southwest Arkansas Utilities Corp.	/S/
Southwestern Electric Power Company	/S/
SSLV PNL LLC	/S/
Trout Creek Solar, LLC	/S/
Twin Lantern Solar Partners, LLC	/S/
United Sciences Testing, Inc.	/S/
Wheeling Power Company	/S/

ATTACHMENT

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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION STAFF'S NINTH REQUEST FOR INFORMATION

Question No. STAFF 9-20:

Refer to the answer to question Staff 9-19.

a) If any of SWEPCO's taxable losses were used to reduce the amount of consolidated taxable income or consolidated taxes paid by the AEP consolidated group, has SWEPO received any payments or other compensation from its parent or affiliates for the use of such losses?
b) If SWEPCO has received payments or compensation for the use of such losses, please provide by year the amounts received by affiliate and provide detailed calculations with explanations of how such amounts were determined.
c) Please provide the journal entries recorded by SWEPCO related to each payment received.
d) If SWEPCO received such payments during the test year, where are theyreflected in SWEPCO's requested revenue requirement and where are theyreflected on Schedule A-4 (3/31/20 trial balance)?
e) If SWEPCO received such payments during the test year and the payments are not reflected in its requested revenue requirement, why not?
f) If any of SWEPCO's taxable losses reported on Schedule G-7.13(f) were used to reduce the amount of consolidated taxable income or consolidated taxes paid by the AEP consolidated group, and SWEPCO did not receive compensation for the use of such taxable net operating losses, why did it not receive compensation?

Response No. STAFF 9-20:

a) Yes, SWEPCO participates in the AEP consolidated federal return and its Tax Allocation Agreement. The agreement states that the holding company will provide a payment to any tax loss member equal to "the amount by which the consolidated tax is reduced by including the member's net corporate tax loss in the consolidated tax return." AEP affiliates receiving any payment from the holding company under the tax allocation agreement as the result of tax losses are therefore dependent upon other companies within the consolidated group generating taxable income. Any such payments received by a loss affiliate represent the tax obligation of income affiliates that have been deferred as the result of filing a consolidated return and are not the direct result of the regulated operations of the loss affiliate. Under the Tax Allocation Agreement SWEPCO has received payments from AEP Inc. as a result of its losses as reported on Staff 9-19 Attachment 1.

b) See Staff 9-19 Attachment 1 for a schedule of the utilization of SWEPCO's NOL by the AEP consolidated group by tax return year. The tax sharing agreement (Staff 9-17 Attachment 1) provides the method in which any cash allocations are calculated.

c) An example of journal entries to record the consolidated tax sharing agreement are as follows:

Subsidiary A
Debit Income Taxes Payable (Account 236)
Credit – Cash
AEP Inc.
Debit – Cash (From Subsidiary A)
Credit – Income Taxes Payable (Account 236)

Debit – Income Taxes Payable (Account 236)
Credit – Cash (To SWEPCO)
SWEPCO
Debit – Cash
Credit – NOLC Deferred Tax Asset (Account 190)

d) SWEPCO participated in the consolidated tax allocation agreement during the test year. As a result of other companies within the group generating taxable income, SWEPCO received payment from the holding company under the agreement. As indicated in the response to part c) of Staff 9-20 the payment received by SWEPCO is recorded as both a credit to the deferred tax asset account and a debit to cash. Because the receipt of cash through the tax sharing agreement reduces the deferred tax asset balance for the NOL carryforward, the trial balance reflects the full DTL associated with accelerated depreciation.

e) The requested revenue requirement is based on the recognition of a separate return net operating loss carryforward deferred tax asset as a component of the ADFIT included in rate base. The federal income taxes requested by the Company are based on revenues and expenses included in the cost of service calculation. The use of a separate return approach to the income taxes requested prevents the cross-subsidization of costs or benefits among affiliate companies.

As described on pages 12-13 of the direct testimony of Company witness David Hodgson, the proforma adjustment to reflect SWEPCO's NOL on a separate return basis is consistent with the normalization rules of the Code. The specific normalization provisions of the Code that guide the Company's proforma adjustment in this case include –

- Treasury Regulation Section 1.167(l)-1(h) and accompanying IRS rulings directly addressing instances in which accelerated depreciation produces NOLs, and

- Internal Revenue Code Section 168(i)(9)(B) which requires consistency among the assumptions used for determining the revenue requirement elements of book depreciation expense, income tax expense (the book-to-tax differences used to compute current and deferred income tax expense), and the rate base components for accumulated deferred income taxes and net book value.

As discussed by witness Hodgson on page 12 of his direct testimony, the IRS has issued a number of private letter rulings which determine that NOL carryforward ADFIT must be included in rate base when the NOL is associated with accelerated depreciation. As stated on page 28 of the direct testimony of Company witness Hodgson, the Company performed a with-and-without test which determined that the NOL carryforward is a result of accelerated depreciation. Because SWEPCO's NOL carryforward is a result of accelerated depreciation, including the proforma adjustment is consistent with the normalization requirements of the Code.

f) SWEPCO has received payments from its parent company, AEP, Inc.

Prepared By: Jessica M. Criss Title: Tax Analyst Prin

Sponsored By: David A. Hodgson Title: Tax Acctg & Reg Support Mgr

ATTACHMENT

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Q. PART OF STAFF'S ARGUMENT IN REJECTING THE NOL IS WHAT IS DESCRIBED AS THE ECONOMIC REALITY OF IT. IS THERE A FLAW IN THIS ARGUMENT?

A. Yes there is. The flaw in Staff's argument is that it fails to capture the overall rate impact of the NOL carryforward ADFIT and the funds received as a result of the Company's tax allocation agreement. Staff testimony focuses solely on the rate impact of the NOL carryforward ADFIT and ignores the rate impact of the funds received by the Company through the tax allocation agreement. These two items cannot be looked at in isolation or it skews the economic reality of the situation. When you look at the overall impact of the Company's request you see that the end result is neutral on rates with respect to the NOL carryforward ADFIT and the cash receipts as a result of the tax allocation agreement. The end result provides consistency with the requirements of PURA §36.060. That is, within rates, there should be no tax benefits and no tax detriments but those that are the direct result of providing utility service to customers.

What is missing in the analysis provided by Staff is that the Company's rates as approved in Docket No. 46449, and others prior to it, reflect a reduction as a result of the cash received through the tax allocation agreement. Staff has pointed out in its testimony, and the Company has acknowledged, that the Company has received cash as a result of its tax allocation agreement. Being a rate regulated utility, the Company must prudently invest its capital into plant that is to the benefit of providing service to its customers. The Commission reviews the prudency of those investments when approving the Company's rates. To the extent that the Company received cash through its tax allocation agreement, the Company would not use that additional capital to build

plant beyond what would be prudent in serving its customers. Instead, the cash received by the Company through the tax allocation agreement would reduce the otherwise needed capital to fund those prudent investments. As a result, the Company would need less capital through debt and equity than it would have absent the cash received through the tax allocation agreement.

Q. CAN YOU DEMONSTATE HOW THE COMPANY'S REQUEST RESULTS IN A NEUTRAL IMPACT ON RATES WITH RESPECT TO THE NOL CARRYFORWARD AND THE CASH RECEIPTS THROUGH THE TAX ALLOCATION AGREEMENT?

A. Yes. I will provide two examples. The first example will involve a company with no tax allocation agreement. The second example will involve a company with a tax allocation agreement. I will then apply both Staff's and the Company's recommended approach to the second example. The results will show that the Company's approach produces the same revenue requirement as the first example involving a company with no tax allocation agreement. Staff's approach does not match the first example.

Example 1

Let's start with the same example from earlier in my testimony where a utility has pre-tax book income of $10,000 and a deduction for accelerated tax depreciation of $11,000. As in the example before, this results in an NOL of $1,000, a deferred tax liability of $2,310, and a deferred tax asset of $210.

ATTACHMENT

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you're the sponsor of Schedule K. Correct, Ms. Hawkins?
A Yes.
Q And can you show me where in Schedule K the regulatory ratemaking pro forma adjustment to debt and equity in that amount just cited, the 455 million amount?
A I am not familiar with that being included in K-1, which is where the debt and equity for SWEPCO are included.
Q So, Ms. Hawkins, why was the $455 million not reflected for debt and equity in Schedule K-1?
A Now, I don't understand -- sorry. K-1 per -- you know, we did the K schedules per the rules.
Q Uh-huh.
A I can't speak to the -- you know, that tax schedule.
Q But that amount was not included?
A No.
Q So does putting that -- and, again, with your limited knowledge of the deferred tax excess, I'll ask this question. If you don't know, you can say so.
Does putting the DTA NOL in rate base shown in the journal entries we discussed earlier create debt and equity? Can you speak to that?
A It doesn't create debt and equity. You know,

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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO COMMISSION STAFF'S NINTH REQUEST FOR INFORMATION

Question No. STAFF 9-19:

Were any of SWEPCO's taxable losses reported on Schedule G-7.13(f) used to reduce the amount of consolidated taxable income or consolidated taxes paid by the AEP consolidated group? If so, please provide the amount of SWEPCO taxable losses utilized by year and the balance remaining at the end of each year.

Response No. STAFF 9-19:

SWEPCO is a member of AEP Inc.'s consolidated tax return group. The taxable income of the consolidated return includes the income and losses of all members of the consolidated group. The income and losses of SWEPCO reported on Schedule G-7.13(f) increased or decreased the consolidated taxable income of the group in any given tax year. Staff 9-19 Attachment 1 provides a schedule showing the tax return year in which the AEP Inc. consolidated group utilized the losses of SWEPCO to offset the income of other members of the group and any unused SWEPCO loss balance remaining unutilized at the end of each year.

Prepared By: Jessica M. Criss Title: Tax Analyst Prin

Sponsored By: David A. Hodgson Title: Tax Acctg & Reg Support Mgr

SOAH Docket No. 473-21-0538 PUC
Docket No 51415
STAFF 9th RFI, Q. # STAFF 9-19
Attachment 1
Page 1 of 1

		Tax Loss Utilized by AEP Consolidated												
Tax Year	SWEPCO Taxable Income (Loss)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1 2020	
2009	46,739,333													
2010	(58,670,714)		58,670,714											-
2011	55,366,940													
2012	(1,207,127,066)				729,914,069		477,212,997							-
2013	61,224,910													
2014	56,112,581													
2015	114,448,324													
2016	(358,866,044)								332,672,840		26,193,204			-
2017	(98,182,199)							34,878,110			55,137,567		8,166,523	-
	(1,388,953,935)													
2018	57,203,764													
2019	80,238,343													
Q1 2020	10,231,165													
	147,673,272													
Tax loss balance unused by AEP		-	-	-	477,212,997	477,212,997		422,170,133	89,497,293	89,497,293	8,166,523	8,166,523	0	

ATTACHMENT 10

All Other, Net	6.9	14.2
Net Deferred Tax Liabilities	$ (628.3)	$ (607.8)

SWEPCo

	December 31, 2019	December 31, 2018
	(in millions)	
Deferred Tax Assets	$ 359.6	$ 317.4
Deferred Tax Liabilities	(1,300.5)	(1,220.2)
Net Deferred Tax Liabilities	$ (940.9)	$ (902.8)
Property Related Temporary Differences	$ (947.6)	$ (913.3)
Amounts Due to Customers for Future Income Taxes	169.8	183.4
Deferred State Income Taxes	(200.3)	(193.6)
Regulatory Assets	(30.2)	(30.8)
Net Operating Loss Carryforward	38.2	36.2
All Other, Net	29.2	15.3
Net Deferred Tax Liabilities	$ (940.9)	$ (902.8)

AEP System Tax Allocation Agreement

AEP and subsidiaries join in the filing of a consolidated federal income tax return. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses ("Parent Company Loss Benefit") to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss, the loss of the Parent and tax credits, the method of allocation reflects a separate return result for each company in the consolidated group.

Federal and State Income Tax Audit Status

AEP and subsidiaries are no longer subject to U.S. federal examination by the IRS for all years through 2015. During the third quarter of 2019, AEP and subsidiaries elected to amend the 2014 and 2015 federal returns and as such the IRS may examine only the amended items on the 2014 and 2015 federal returns.

Net Income Tax Operating Loss Carryforward

As of December 31, 2019, AEP has no federal net income tax operating loss carryforward. AEP, AEPTCo, I&M, PSO and SWEPCo have state net income tax operating loss carryforwards as indicated in the table below

Company	State/Municipality	State Net Income Tax Operating Loss Carryforward	Years of Expiration
		(in millions)	
AEP	Arkansas	$ 102.5	2020 - 2024
AEP	Kentucky	144.9	2030 - 2037
AEP	Louisiana	541.0	2025 - 2039
AEP	Oklahoma	544.1	2034 - 2037
AEP	Tennessee	29.0	2028 - 2034
AEP	Virginia	22.6	2030 - 2037
AEP	West Virginia	16.1	2029 - 2037
AEP	Ohio Municipal	414.1	2020 - 2024
AEPTCo	Oklahoma	269.4	2034 - 2037
AEPTCo	Ohio Municipal	37.3	2020 - 2023
I&M	West Virginia	2.0	2031 - 2037
PSO	Oklahoma	240.5	2034 - 2037
SWEPCo	Arkansas	101.7	2021 - 2024
SWEPCo	Louisiana	528.1	2032 - 2037

As of December 31, 2019, AEP has recorded a valuation allowance of $6 million, against certain state and municipal net income tax operating loss carryforwards since future taxable income is not expected to be sufficient to realize the remaining state net income tax operating loss tax benefits before the carryforward expires.

of 2019, AEP and subsidiaries elected to amend the 2014 and 2015 federal returns. In the first quarter of 2020, the IRS notified AEP that it was beginning an examination of these amended returns, including the NOL carryback to 2015 that originated in the 2017 return. As of December 31, 2020, the IRS has not challenged any items on these returns and the IRS is limited in their proposed adjustments to the amount AEP claimed on the amended returns.

Net Income Tax Operating Loss Carryforward

As of December 31, 2020, AEP has no federal net income tax operating loss carryforward. AEP, AEPTCo, I&M, PSO and SWEPCo have state net income tax operating loss carryforwards as indicated in the table below:

Company	State/Municipality	State Net Income Tax Operating Loss Carryforward	Years of Expiration
		(in millions)	
AEP	Arkansas	$ 87.2	2021 - 2028
AEP	Kentucky	163.7	2030 - 2037
AEP	Louisiana	466.8	2025 - 2040
AEP	Oklahoma	569.4	2034 - 2037
AEP	Tennessee	31.1	2028 - 2033
AEP	Virginia	29.4	2025 - 2037
AEP	West Virginia	21.9	2029 - 2037
AEP	Ohio Municipal	649.8	2021 - 2025
AEP	Indiana	145.7	2039
AEP	Colorado	95.7	NA
AEP	Pennsylvania	56.5	2030 - 2040
AEP	New Jersey	60.2	2036 - 2040
AEP	Illinois	15.6	2031
AEP	Michigan	14.9	2029
AEPTCo	Oklahoma	195.4	2034 - 2037
AEPTCo	Ohio Municipal	18.4	2023
I&M	West Virginia	2.5	2032 - 2037
PSO	Oklahoma	354.5	2034 - 2037
SWEPCo	Arkansas	86.4	2021 - 2024
SWEPCo	Louisiana	454.3	2032 - 2037

As of December 31, 2020, AEP recorded a valuation allowance of $9 million, against certain state and municipal net income tax operating loss carryforwards since future taxable income is not expected to be sufficient to realize the remaining state net income tax operating loss tax benefits before the carryforward expires. Management anticipates future taxable income will be sufficient to realize the remaining state net income tax operating loss tax benefits before the carryforward expires for each state.

Tax Credit Carryforward

Federal and state net income tax operating losses sustained in 2016, 2017 and 2019 resulted in unused federal and state income tax credits. As of December 31, 2020, the Registrants have federal tax credit carryforwards and AEP and PSO have state tax credit carryforwards as indicated in the table below. If these credits are not utilized, federal general business tax credits will expire in the years 2036 through 2040 and state tax credits will remain available indefinitely.

Company	Total Federal Tax Credit Carryforward	Total State Tax Credit Carryforward
	(in millions)	
AEP	$ 323.6	$ 38.4
AEP Texas	1.2	—
AEPTCo	0.1	—
APCo	1.6	—
I&M	9.7	—
OPCo	0.5	—
PSO	0.5	38.4
SWEPCo	1.3	—

The Registrants anticipate future federal taxable income will be sufficient to realize the tax benefits of the federal tax credits before they expire unused.

Valuation Allowance

AEP assesses the available positive and negative evidence to estimate whether sufficient future taxable income of the appropriate tax character will be generated to realize the benefits of existing deferred tax assets. When the evaluation of the evidence indicates that AEP will not be able to realize the benefits of existing deferred tax assets, a valuation allowance is recorded to reduce existing deferred tax assets to the net realizable amount. Objective evidence evaluated includes whether AEP has a history of recognizing income, future reversals of existing temporary differences and tax planning strategies.

Valuation allowance activity for the years ended December 31, 2020, 2019 and 2018 was immaterial.

Uncertain Tax Positions

ATTACHMENT
11

Attachment A

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415
COMPANY NAME Southwestern Electric Power Company
TEST YEAR END 31-Mar-20

Commission Schedule VI
Federal Income Taxes
Page 1 of 1

FEDERAL INCOME TAXES - METHOD 1	REBUTTAL Co Requested Test Year Total Electric	Commission Adj To Company Request	Commission Adjusted Total Electric
	(a)	(b)	(c) = (a) + (b)
Return	387,226,159	(61,997,326)	325,228,832
Less:			
Synchronized Interest	113,324,648	(10,445,516)	102,879,132
DITC Amortization	1,458,080	0	1,458,080
Amortization of Protected Excess DFIT	3,719,670	4,664,032	8,383,702
Preferred Dividend Exclusion	0	0	0
Medicare Subsidy	0	0	0
AFUDC	0	0	0
Restricted Stock Plan - Tax Deduction	73,596	0	73,596
Prior Year T/R Adjustment	0	0	0
Accelerated Book Depletion	16,602,098	0	16,602,098
Parent Company Tax Loss Saving	0	0	0
TOTAL	135,178,092	(5,781,484)	129,396,608
Plus:		0	0
AFUDC		0	0
Business Meals not Deductible	542,023	0	542,023
Additional Depreciation	10,069,545	0	10,069,545
Stock based Compensation	1,538,774	0	1,538,774
AFUDC-BIP Amortization	0	0	0
FAS 106 (Medicare Reimbursement)		0	0
Business Meals Not Deductible			0
TOTAL	12,150,342	0	12,150,342
TAXABLE COMPONENT OF RETURN	264,198,409	(56,215,843)	207,982,565
TAX FACTOR (1/1-.21)(.21)	26.582278%	26.582278%	26.582278%
TOTAL FIT BEFORE ADJUSTMENTS	70,229,957	(14,943,452)	55,286,505
Adjustments			
Amortization of DITC	(1,458,080)	0	(1,458,080)
Amortization of Excess DFIT	(3,719,670)	(4,664,032)	(8,383,702)
	0	0	0
Prior Year T/R Adjustment	0	0	0
		0	0
TOTAL	(5,177,750)	(4,664,032)	(9,841,782)
		0	
TOTAL FEDERAL INCOME TAXES	65,052,207	(19,607,484)	45,444,723

KPCO_R_AG_1_61_ConfidentialAttachment5 is redacted in its entirety.

KPCO_R_AG_1_61_ConfidentialAttachment6 is redacted in its entirety.

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_62 Confirm that Sections 167 and 168 of the Internal Revenue Code (IRC) and the related Regulations describe the so-called normalization rules. Confirm that the normalization rules apply only to the ADIT related to the tax depreciation and book depreciation temporary differences and not to tax/book basis differences, repair allowance, cost of removal, abandonment losses, or any other temporary differences.

RESPONSE

The Company objects to this request to the extent it calls for a legal conclusion. Subject to and without waiving this objection, Kentucky Power states that Section 167 and 168 of the Internal Revenue Code contain regulations that set forth the normalization rules that are discussed in the testimony of Company Witness Hodgson. Those regulations speak for themselves.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_63 Confirm that only the tax depreciation in excess of book depreciation as the last dollar deduction in the calculation of the Company's taxable loss each year is subject to the so-called normalization rules. If denied, then provide a corrected statement and a copy of all support relied on for your response.

RESPONSE

The Company objects to this request to the extent it calls for a legal conclusion. Subject to and without waiving this objection, Kentucky Power states that Company Witness Hodgson confirms on page 11 line 1 of his Direct filed testimony that "ADIT associated with the taxable losses the Company has generated in excess of the taxable income it has generated and been able to offset based on the NOLC and carryback provisions of the Internal Revenue Code." Furthermore, on page 10 line 12, Company Witness Hodgson states "Including a NOLC on a stand-alone basis in the calculation of ADIT and Excess ADIT is necessary to comply with the requirements of section 168(i)(9) of the Internal Revenue Code, Treasury Regulation § 1.167(l)-1(h), and section 13001 of the TCJA ("Normalization Rules").

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_64 Provide the Company's taxable income/taxable loss, NOLC, and NOLC DTA in each year, including 2024 and the twelve months ending May 31, 2025, starting with the first year of the Company's NOLC calculated on a separate tax return basis and without consideration of the AEP payments to the Company as a loss member of the AEP affiliate group pursuant to the AEP Tax Allocation Agreement.

RESPONSE

The Company objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving this objection, please see the KYPCO NOL Vintage Year tab in KPCO_R_AG_KIUC_1_64_Attachment1.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_65 Provide the Company's tax depreciation and book depreciation temporary differences in each year, including 2024 and the twelve months ending May 31, 2025, starting with the first year of the Company's NOLC calculated on a separate tax return basis and without consideration of the AEP payments to the Company as a loss member of the AEP affiliate group pursuant to the AEP Tax Allocation Agreement.

RESPONSE

The Company objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving this objection, please see the Book Depr Components tab in KPCO_R_AG_KIUC_1_64_Attachment1.

Witness: David A. Hodgson

DATA REQUEST

AG_KIUC 1_66 Provide a detailed description the methodology used by the Company to calculate taxable income/taxable loss in each month during a calendar tax year, e.g., estimated annual taxable income/taxable loss divided by 12. Provide an illustration of the Company's methodology using the first five months of 2025. Describe whether and if so, how, the Company updates/revises the estimated annual taxable income/taxable loss and the resulting effects on the taxable income/taxable loss each month during the calendar tax year. Provide an illustration of the Company's monthly update/revision methodology using the first five months of 2025. Describe whether and how the Company updates/revises the estimated annual taxable income/taxable loss recorded for accounting purposes in the calendar year for the effects of the actual tax returns filed for the tax year in the following the calendar year, e.g., the updates/revisions to the calendar tax year are recorded in the following calendar year when the tax returns are filed. Provide an illustration of the Company's annual update/revision methodology for the actual tax return filed in 2024 for the calendar tax year 2023.

RESPONSE

The Company objects to this request as vague, undefined, and overly broad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving this objection, the Company states as follows. Kentucky Power processes actuals monthly based on pre-tax book income, which includes a mix of annual estimates divided by 12 and actual data extracted from the financial statements. Please see KPCO_R_AG_KIUC_1_66_Attachment1, which is a current provision report from Kentucky Power's 2025 year-to-date activity. The provision report begins with Pre-tax book income, includes temporary timing differences and permanent tax items to calculate Taxable income/taxable loss for the period (refer to cell C107 on "Current Fed Provision" tab).

The return-to-provision (RTP) true-up is booked in the quarter in which the Federal/State tax returns are filed. For AEP and its subsidiaries, this historically occurs in Q4 of the calendar year. The RTP is considered an out-of-period adjustment as it applies to a prior year. Differences between the tax return and provision are analyzed and discussed by management if a change in estimate is needed for the current year prospectively. Please see KPCO_R_AG_KIUC_1_66_Attachment1 tab “2024 Record 2023 RTP”, which is a provision report illustrating the true-up between the 2023 tax return and 2023 tax provision recorded in 2024.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_67 Indicate whether the Company calculates the minimum NOLC DTA on a separate tax return basis necessary to comply with the normalization rules. If not, explain why it does not. If so, then provide the Company's calculations for 2023 and 2024, including all assumptions, data, and supporting workpapers and/or calculations in an Excel workbook in live format and with all formulas intact.

RESPONSE

The Company objects to this request as vague, undefined, and overly broad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving this objection, the Company states as follows. To comply with the normalization rules of the IRS, the Company calculates the NOLC DTA based upon the income and expenses of Kentucky Power and does not include the income and expenses of entities that are not part of the ratemaking of Kentucky Power. The calculation excludes the impact of the receipts of payments from the AEP Tax Allocation Agreement as to not reduce the NOLC DTA by the income of the Company's affiliates. Please see KPCO_R_AG_KIUC_1_69_Attachment1 for the calculation of the NOLC.

Witness: David A. Hodgson

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_68 Refer to the Direct Testimony of David Hodgson at 16-17 wherein he addresses the NOLC DTA and the NOLC regulatory asset. Provide the Company's calculations of the NOLC DTA and the NOLC regulatory asset by month since the Commission Order in Case 2023-00159, including all assumptions, data, and supporting workpapers and/or calculations in an Excel workbook in live format and with all formulas intact.

RESPONSE

The Company objects to this this request as vague and overbroad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving these objections, please see KPCO_R_AG_KIUC_1_68_Attachment1.

Witness: David A. Hodgson

The entirety of this attachment was submitted via USB to the Commission due to its voluminous size (over 50MB)

Kentucky Power Company
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_69 Indicate if there is an NOLC DTA included in rate base. If so, indicate the amount and schedules/workpapers wherein the amount is included. In addition, provide the source and calculation of the NOLC DTA in an Excel workbook in live format and with all formulas intact.

RESPONSE

The Company objects to this request as vague and overly broad. Subject to and without waiving these objections, there is an NOLC DTA of $44,950,166 included in rate base. Please see column labeled "PROFORMA ADJUSTMENTS" in Section V, Exhibit 3, page 15 of 18. See KPCO_R_AG_KIUC_1_69_Attachment1 for the calculation of the proforma adjustment.

Witness: David A. Hodgson

Kentucky Power Company
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_70 Indicate if there is a deficient NOLC DTA included in rate base or regulatory asset for the deficient NOLC DTA as a reduction to the protected EDIT regulatory liability. If so, indicate the amount and schedules/workpapers wherein the amount is included. In addition, provide the source and calculation of the NOLC DTA in an Excel workbook in live format and with all formulas intact.

RESPONSE

The Company objects to this request as vague and overly broad. Subject to and without waiving these objections, there is a deficient NOLC DTA of $9,675,296 included in rate base. Please see column labeled "PROFORMA ADJUSTMENTS" in Section V, Exhibit 3, page 16 of 18. Please reference KPCO_R_AG_KIUC_1_69_Attachment1 provided in response to question 69 for the calculation of the deficient NOLC DTA.

Witness: David A. Hodgson

Kentucky Power Company
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_71 Confirm that the Company will not record an NOLC DTA on its accounting books to the extent that AEP makes a payment for the tax effects of the Company's taxable losses each year pursuant to the AEP Tax Allocation Agreement. If this is not correct, then provide a corrected statement and a detailed explanation of each correction and a copy of all support relied on for your response. Confirm that the NOLC DTA is for ratemaking purposes only and will require a proforma adjustment to rate base in each base rate case filing, all else equal.

RESPONSE

The Company objects to this request as vague and overly broad. The Company further objects to this request as speculative and not timebound. Subject to and without waiving these objections, as set forth in this case, the Company is not proposing to record a net NOLC DTA on its accounting books to the extent that AEP makes a payment for the tax effects of the Company's taxable losses pursuant to the AEP Tax Allocation Agreement but may record a NOLC DTA in its utility account and a contra NOLC DTA in a non-utility account. The Company is proposing a pro forma adjustment to rate base for the NOLC DTA.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_72 Indicate if it is the Company's proposal to include the NOLC DTA and/or the deficient NOLC DTA in the FTC rider along with its proposal to include the regulatory asset for the return on the NOLC DTA if the IRS issues a PLR that supports the Company's position.

RESPONSE

It is the Company's proposal in this case to include the recovery of the NOLC regulatory asset in the FTC rider if the IRS issues a PLR that supports the Company's position. The regulatory asset accrual is based on the revenue requirement for the NOLC DTA and the deficient NOLC DTA that was excluded from base rates in Case No. 2023-00159. The accrual of the NOLC regulatory asset would cease when the NOLC DTA and deficient NOLC DTA are components of a base rate revenue requirement.

Witness: David A. Hodgson

Kentucky Power Company
KPSC Case No. 2025-00257
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DATA REQUEST

AG_KIUC 1_73 Refer to the Direct Testimony of John Spanos at 15:1-3. Provide a copy of the referenced "generally accepted depreciation concepts."

RESPONSE

The generally accepted depreciation concepts referenced in the Direct Testimony of John Spanos at 15:1-3 are explained in the following question on the same page of the testimony. These concepts are from two authoritative depreciation texts discussed in the next question of the testimony, and the materials from these texts cannot be produced due to copyright restrictions. However, they are the basis for all depreciation concepts discussed in Company Witness Spanos's Direct Testimony.

Witness: John Spanos

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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_74 Confirm that generally accepted accounting principles (GAAP) does not allow future net salvage costs to be included in depreciation expense, except for rate regulated utilities if allowed by the regulator. If denied, then provide a copy of all GAAP authorities relied on for your response. If none, then so state.

RESPONSE

The Company cannot confirm the request. Generally accepted accounting principles (GAAP) treats the cost of removal of an asset as a period expense, but includes the salvage value of an asset in the calculation of an assets depreciation rates. Furthermore, the FERC USofA's General Instructions, Instruction 22 "Depreciation Accounting", paragraph A, states: "Utilities must use a method of depreciation that allocates in a systematic and rational manner the service value of depreciable property over the service life of the property." Service value as defined by the FERC USofA means "the difference between original cost and net salvage value of electric plant."

Witness: Brian C. Ciborek

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_75 Refer to Exhibit JJS-1 at 45-46 wherein it states: "For the purpose of calculating remaining life accruals as of March 31, 2025, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account." Describe this depreciation reserve allocation in greater detail providing a step by step of the calculations Witness Spanos undertook for this purpose. Indicate the reserve allocations were limited to intra- account allocations or extended to inter-account allocations. Explain your response.

RESPONSE

The cited information on Exhibit JJS-1 at 45-46 relates to the book reserve allocations among vintages for each account. The book reserve is maintained at the account level and when properly calculating remaining life rates you must allocate the total book reserve to the vintage level. Therefore, to describe the reserve allocation process referenced in Exhibit JJS-1 at 45-46, Company Witness Spanos will use the depreciation calculation for Account 364.00 Poles, Towers and Fixtures which can be found on pages IX-49 and IX-50 of the Depreciation Study. The calculated accrued depreciation is calculated in column 3 for each vintage using the original cost of that vintage, the survivor curve, and the net salvage percent. The Company has total book reserve recorded by account, which for Account 364.00 is $122,005,680. That total book reserve amount from the Company's books is then allocated amongst the vintages in column 4 in proportion to the calculated accrued amounts in column 3.

Witness: John Spanos

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_76 Provide the amount of 401(k) matching contributions included in the test year associated with employees who also participated in the Company's defined benefit plan.

RESPONSE

The Company objects to this request as vague, undefined, and overly broad. Subject to and without waiving this objection, Kentucky Power states as follows. The amount of 401(k) contributions included in the test year, inclusive of the Company's 50% ownership of the Mitchell Plant, equaled approximately $1,934,000.

Witness: Brian C. Ciborek

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_77 Provide a copy of the Company's most recently filed Environmental Surcharge calculation in electronic format with all formulas intact.

RESPONSE

Please see KPCO_R_AG_KIUC_1_77_Attachment1 for the excel version of the Company's environmental surcharge for August 2025, filed in September 2025.

Witness: John D. Cullop

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_78 Refer to the electronic workpaper named "KPCO_R_KPSC_1_55_Attachment27_SpaethWP7" attached to the responses to Staff 1-55 and further to tab "2025 Rates." Provide a similar recap of such rates charged associated with the AEP LSE OATT for PJM and charged to the Company for the years 2023 and 2024.

RESPONSE

Please see KPCO_R_AG_KIUC_1_78_Attachment1 for the requested information.

Witness: Michael M. Spaeth

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_79 Refer to the Direct Testimony of Michael M. Spaeth at 26 regarding the Section V, Exhibit 2, W16 adjustment to annualize increases in OATT expenses based on 2025 rates and billing units. Provide the per books revenues and expenses reflected in the W16 adjustment for each month during 2023, 2024, and 2025 to date.

RESPONSE

Please see KPCO_R_AG-KIUC_1_79_Attachment1 for the requested information.

Witness: Michael M. Spaeth

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_80 Refer to the Direct Testimony of Brian C. Ciborek at 24 regarding the Section V, Exhibit 2, W25 adjustment to annualize increases in lease payments from $187,211 in the teat year to $304,154 on an annualized basis based on the level of expense recorded in May 2025, amounting to an $116,943 proforma increase (62.5%). Explain all reasons why the overall lease expenses are expected to increase by 62.5% compared to the test year actual expenses.

RESPONSE

Please see the Company's response to KPSC 2_84.

Witness: Brian C. Ciborek

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DATA REQUEST

AG_KIUC 1_81 Provide the accounts payable balances for CWIP (construction) at month-end for each month January 2023 through August 2025. Describe the process the Company utilized to determine the accounts payable balances for CWIP (construction). If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects that the request seeks a narrative response. Subject to and without waiving these objections, the Company states as follows. Please see KPCO_R_AG_KIUC_1_81_Attachment1. Accounts payable balances for CWIP were determined by analyzing accrued and unpaid balances related to account 107.

Witness: Brian C. Ciborek

Kentucky Power Company
KPSC Case No. 2025-00257
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_82 Provide the accounts payable balances for fuel inventories at month-end for each month January 2023 through August 2025. Describe the process the Company utilized to determine the accounts payable balances for fuel inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving these objections, the Company states as follows. Please see KPCO_R_AG_KIUC_1_82_Attachment1. Accounts payable balances for fuel inventories were determined by analyzing accrued and unpaid balances related to account 151 and 152.

Witness: Brian C. Ciborek

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_83 Provide the accounts payable balances for non-fuel materials and supplies inventories at month-end for each month January 2023 through August 2025. Describe the process the Company utilized to determine the accounts payable balances for materials and supplies inventories. If these payables are maintained in a separate subaccount, then provide the balances for the months requested by subaccount.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects that the request seeks a narrative response. Subject to and without waiving these objections, the Company states as follows. Please see KPCO_R_AG_KIUC_1_83_Attachment1. Accounts payable balances for non-fuel materials and supplies were determined by analyzing accrued and unpaid balances related to account 154.

Witness: Brian C. Ciborek

DATA REQUEST

AG_KIUC 1_84 Refer to the electronic attachment response to Staff 1-1 named "KPCO_R_KPSC_1_1_Attachment1" and further to the expenses listed for account 5650023 (Amort of PROVISION RTO Expense) for the following years: 2022 $267,046 2023 $305,975 2024 $54,808 Test Year $4,001,731

a. Explain all reasons why the expense amount is increasing exponentially in the test year compared to all other years.

b. Describe the expense that is depicted in this account, including the source of the amount and amortization period.

c. Indicate whether the test year amount should be considered recurring and explain why.

d. Provide the amount recorded in this account for each month during 2023, 2024 and 2025 to date.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects to the extent the request mischaracterizes the information provided in response to the Commission Staff and/or is argumentative. Subject to and without waiving these objections, the Company states as follows:

a. The increase in expense recorded to 5650023 is primarily driven by the amortization of incremental cost attributable to rate year 2023 as determined by the 2023 PJM Annual Transmission Revenue Requirement (ATRR) filing. This activity is offset by PJM billing credits which would be recorded to LSE expense accounts.

b. In addition to the amortization of rate year 2023 transmission expense as determined by the 2023 PJM ATRR filing, incremental expense was recorded associated with the amortization of rate year 2021 net operating loss carryforward provision which was incorporated into rates via the 2025 PJM PTRR filing (this activity is also offset by PJM billing credits recorded to LSE expense accounts). Amortization period for both items is calendar year 2025.

c. NOLC impacts to 2021 rate year are not recurring. Annual true-up is recorded on an annual basis and the Company cannot opine as to the magnitude of future true ups. Again, the activity recorded to account 5650023 is offset by PJM billing credits which would be recorded to LSE expense accounts.

d. Please see KPCO_R_AG_KIUC_1_84_Attachment1.

Witness: Brian C. Ciborek

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DATA REQUEST

AG_KIUC 1_85 Refer to the electronic attachment response to Staff 1-1 named "KPCO_R_KPSC_1_1_Attachment1" and further to the expenses listed for account 9260064 (Def AEPSC Pension Settlement) for the following years: 2022 $0 2023 $0 2024 $1,688,800 Test Year $1,689,276

a. Describe the expense that is depicted in this account starting in 2024, including the source of the amount and how it was determined.

b. Indicate whether the test year amount should be considered recurring and explain why.

c. Provide the amount recorded in this account for each month during 2024 and 2025 to date.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving these objections, the Company states as follows.

(a)&(b) - As discussed on pages 21 & 22 of Company Witness Ciborek's Direct Testimony, the test-year amount is not recurring and represents a one-time adjustment to record the expense associated with pension settlement accounting. Pension settlement accounting does not change the overall cost of the pension benefit plan; rather, it simply results in a change in the timing of expense recognition required by GAAP. For ratemaking purposes, a normalized level of net pension expense recognized under GAAP is included in base rate cost-of-service. Accelerated expense of $1,689,276 associated with 2024 pension settlement accounting was removed (adjustment W46) from the normalized level of net pension expense reflected in Kentucky Power's requested base rate cost-of-service for ratemaking purposes. The adjustments recorded in December 2024 and January 2025 were calculated and provided by the Company's third-party actuary (Willis Towers Watson).
(c) - December 2024 – 1,688,800, January 2025 - $476, total $1,689,276.

Witness: Brian C. Ciborek

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DATA REQUEST

AG_KIUC 1_86 Reference the Messner Direct testimony. Provide all cost of capital exhibits and work papers in spreadsheet format with cell formulas intact. Include KPCO's weighted average cost of debt and all supporting work papers.

RESPONSE

See tabs "2 P1," "Sch 3," "3 P1," and "3 P2" within KPCO_R_KPSC_1_55_Attachment63_WPSection_V_ Exhibit_1.

Witness: Franz D. Messner

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DATA REQUEST

AG_KIUC 1_87 To the extent not provided in Question 1, provide all work papers and supporting documentation for KPCO's detailed cost of long-term and short-term debt. Provide all spreadsheets with cell formulas intact.

RESPONSE

See tabs "2 P1," "Sch 3," "3 P1," and "3 P2" within KPCO_R_KPSC_1_55_Attachment63_WPSection_V_ Exhibit_1.

Witness: Franz D. Messner

Kentucky Power Company
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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_88 Provide all work papers and supporting documentation used by Mr. McKenzie in the preparation of his Direct Testimony and exhibits. Provide all spreadsheets with cell formulas intact. Provide all tables and figures in native spreadsheet formula with cell formulas intact. Provide associated documentation for the data used in the tables and figures.

RESPONSE

Please see KPCO_R_KPSC_1_55_Attachment30_McKenzieWP1.

Witness: Adrien McKenzie

Kentucky Power Company
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DATA REQUEST

AG_KIUC 1_89 Provide all of Mr. McKenzie's exhibits in native spreadsheet format with cell formulas intact.

RESPONSE

Please see KPCO_R_KPSC_1_55_Attachment30_McKenzieWP1.

Witness: Adrien McKenzie

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DATA REQUEST

AG_KIUC 1_90 Provide an analysis showing how Mr. McKenzie used his selection criteria both to include and exclude companies from his proxy group. Show the reason(s) why each company was excluded from the proxy group.

RESPONSE

Please refer to tab “Proxy Group Criteria” in KPCO_R_KPSC_1_55_Attachment30_McKenzieWP1.

Witness: Adrien McKenzie

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Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_91 Provide a full explanation of the following footnote (FN 1) in Mr. Spaeth's testimony on page 14: The calculated standard rates of a $28.16 basic service charge and $0.13965 energy rate are based upon the proposed rate design percentage of full cost recovery and are not indicative of what the Company would calculate had it not offered its proposed rate design.

RESPONSE

To clarify, the "standard" rate that is compared to was determined using the same revenue requirement and billing units as the proposed rate and results in a $28.16 basic service charge and $0.13971 volumetric energy rate. Please note that the volumetric charge referenced is $0.00006 higher than the footnote in Company Witness Spaeth's Direct Testimony due to rounding. The standard rate includes the percent of customer related costs recovered through the basic service charge.

However, the standard rate does not have a tiered basic service charge or blocked energy rates. The 61% of customer-related costs recovered through the basic service charge is calibrated for the tiered basic service charge and was not optimized for a standard rate design. Absent the proposed residential rate structure, the Company would conduct analyses to determine the appropriate cost recovery by components for the residential class.

Witness: Michael M. Spaeth

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_92 Refer to Mr. Spaeth's Direct testimony on pages 11 to 20. Provide all analyses, quantifications and workpapers supporting Mr. Spaeth's statements regarding intra-class subsidies in the Company's residential rate. Include all Excel workbooks and a complete description of the methodology used to develop the subsidy calculations.

RESPONSE

As shown in Company Witness Spaeth's Direct Testimony, pages 19-20, in figure MMS-4, of the proposed revenues for Residential Service tariffs, 23.4% of the Company's costs to serve the residential class are classified as Customer costs by the cost-of-service. However, under the proposed rate design, only 14.4% of costs are recovered through the customer charge. As the remaining costs must be recovered through the volumetric energy charge, high-usage customers subsidize low-usage customers. Until the customer charge is set to recover 100% of customer-related charges, there will always exist a residential, intraclass subsidy. Please refer the class-cost-of-service study for the functional cost breakdown for the residential class.

Witness: Michael M. Spaeth

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_93 Provide the Excel workbooks, with formulas, supporting each of Mr. Spaeth's exhibits, tables and figures.

RESPONSE

Please see KPCO_R_KPSC_1_55_Attachment1 for workpapers. For Figures MMS-2, MMS-3, MMS-4, see KPCO_R_AG_KIUC_1_93_Attachment1.

Witness: Michael M. Spaeth

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_94 Provide the complete set of workpapers, in Excel, that support the development of the rate class energy and demand allocation factors that are used in the class cost of service study. This would include, but not be limited to, the hourly loads for each rate class, to the extent that such data was developed for the purpose of calculating the 12 CP demands and the other demands used in the cost study (e.g., for distribution-related costs).

RESPONSE

Please see KPCO_R_AG_KIUC_1_94_Attachment1.

Witness: Nicole M. Coon

The entirety of this attachment was submitted via USB to the Commission due to its voluminous size (over 50MB)

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_95 Confirm that under the Company's proposed blocked customer charge design, the incremental cost to a residential customer for a 1 kWh increase in the customer's monthly usage from 2,000 kWh to 2,001 kWh would be $14. Please explain why the Company believes that this is reasonable.

RESPONSE

Confirmed. This is intended and not an oversight. A clear and direct price signal and incentive is necessary to affect customer behavior.

As shown in Spaeth Direct Testimony at page 20 the tiered customer charge provides a clear usage target for customers to conserve towards. For customers with usage just under 2,000 kWh, there is a clear incentive to not cross the threshold. For customers with usage just above 2,000 kWh, there is a clear and achievable energy conservation goal. As stated, on their base bill alone (customer + energy charge), a customer reducing their usage from 2,050 kWh to 1,950 kWh will save over $26 on their bill. Inclusive of riders and other charges, the savings rise to $32. This represents only a 5% reduction in energy usage to achieve significant savings. In this way, the design is intended to empower customers to meaningfully engage with their bill, and conscientiously target their energy conservation towards a goal.

The opportunity to avoid the Tier 2 charge is most relevant for a narrow band of customers whose usage is just above the 2,000 kWh threshold, generally in the 2,000–2,200 kWh range. Based on test-year data, this group represents roughly 2.4% of winter bills and 1.2% of non-winter bills. Beyond this range, the declining block energy rate provides increasing bill relief.

Witness: Michael M. Spaeth

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_96 Provide all supporting workpapers, in Excel, for Mr. Wolffram's Exhibit TSW-2.

RESPONSE

Please see KPCO_R_KPSC_2_28_Attachment1 for the requested information.

Witness: Tanner S. Wolffram

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_97 Provide any analyses, reports, memoranda or other writings that address the change in Rate IGS relative rate of return since the 2020 rate case (RROR at present rates in 2020 case of 1.97; RROR of 0.99 in 2025 case).

RESPONSE

Kentucky Power has no responsive documentation in its possession or control.

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_98 Provide an explanation for the change in Rate IGS relative rate of return since the 2020 rate case.

RESPONSE

Kentucky Power has no responsive documentation in its possession or control. Please see KPCO_R_KPSC_1_54_Attachment1 for the class cost-of-service performed for this case which also calculates the relative rate of return. A class relative rate of return compares the current class rate of return to the jurisdictional rate of return. Simply stated, the IGS class rate of return has declined relative to the jurisdictional average rate of return when comparing this case to the 2020 case.

Witness: Nicole M. Coon

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_99 Refer to Mr. Spaeth's Exhibit MMS-1, Page 19 or 40. Provide the source data for each of the values in the Excel workbook supporting the IGS rate design. Identify, at a minimum, the TAB and cell number (col, row) of the class cost of service study where each of the values was obtained. To the extent that the value (e.g., "I Proposed Revenue, Demand, Energy, Customer") was obtained from an Excel workbook other than the class cost of service study, provide the supporting schedules, including any Excel workbooks.

RESPONSE

Please refer to KPCO_R_KPSC_1_54_Attachment1, columns 10, 11, 12, and 13 rows 4,823 through 4,830 for the proposed revenues. Please see KPCO_R_KPSC_1_55_Attachment28_SpaethWP8 worksheet "Final billing units by tariff" for the billing units used in rate development. Please also see Please see KPCO_R_AG_KIUC_1_94_Attachment1 "IGS" for the load research data used in the development of equipment credits associated with the IGS rate design.

Witness: Michael M. Spaeth

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's First Set of Data Requests
Dated September 29, 2025

DATA REQUEST

AG_KIUC 1_100 To the extent not provided in response to a previous question, provide the supporting workpapers, including Excel workbooks, used to develop the proposed new Generation Rider (Tariff G.R.). Include all workpapers supporting the allocation of the G.R. revenue requirement to rate classes and the rate design for each rate class.

RESPONSE

Please see the Company's response to KPSC 2_28.

Witness: Tanner S. Wolffram

VERIFICATION

The undersigned, Andrew R. Carlin, being duly sworn, deposes and says he is the Director of Compensation and Executive Benefits, for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Andrew R. Carlin

State of Ohio)
County of Franklin)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Andrew R. Carlin, on October 9, 2025.

Notary Public

My Commission Expires: [illegible]

NOTARIAL SEAL STATE OF OHIO

David C. House, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

Notary ID Number _____

VERIFICATION

The undersigned, Brian C. Ciborek, being duly sworn, deposes and says he is the Accounting Senior Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Brian C. Ciborek

Franklin)
Ohio)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian C. Ciborek, on October 8, 2025.

Notary Public



My Commission Expires Never

Notary ID Number —

VERIFICATION

The undersigned, Stevi N. Cobern, being duly sworn, deposes and says she is a Regulatory Consultant Principle for Kentucky Power, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

Stevi N. Cobern

Stevi N. Cobern

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stevi N. Cobern, on October 9, 2025.

Marilyn Michelle Caldwell
Notary Public

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, Nicole M. Coon, being duly sworn, deposes and says she is a Regulatory Consultant Principal for American Electric Power Service Corporation, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

Nicole M. Coon

State of Ohio)
)
_____)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Nicole M. Coon, on October 6th 2025.

Notary Public

My Commission Expires Never

Notary ID Number No ID

NOTARIAL SEAL STATE OF OHIO

Paul D. Flory
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

VERIFICATION

The undersigned, John D. Cullop, being duly sworn, deposes and says he is the Regulatory Consultant Senior for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

John D. Cullop

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John D. Cullop, on 10/3/2025.

Notary Public

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, David A. Hodgson, being duly sworn, deposes and says he is the Managing Director, Tax Accounting and Regulatory for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

David A Hodgson
David A. Hodgson

State of Ohio)
) Case No. 2025-00257
County of Franklin)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by David A. Hodgson, on October 6, 2025.

Pauline A Lutz
Notary Public

Pauline A Lutz
NOTARY PUBLIC
State of Ohio
My Commission Expires 9/12/2026

My Commission Expires

Notary ID Number 2016-RE-600919

VERIFICATION

The undersigned, Robert A. Jessee, being duly sworn, deposes and says he is the Vice President of Generating Assets East for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Robert A. Jessee

State of West Virginia)
County of Kanawha)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Robert A. Jessee, on October 6, 2025

Maisha T. Staples
Notary Public

My Commission Expires November 23, 2026

Notary ID Number 319345

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Maisha T. Staples
Appalachian Power Company
200 Association Drive, Suite 201
Charleston, WV 25311
My Commission Expires 11/23/2026

VERIFICATION

The undersigned, Adrien M. McKenzie, being duly sworn, deposes and says he is the President of FINCAP, Incorporated, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Adrien M. McKenzie

STATE OF TEXAS)
)
COUNTY OF TRAVIS)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Adrien M. McKenzie, on October 8, 2025.

Notary Public

BRUCE HARCUM FAIRCHILD
Notary ID #131906507
My Commission Expires
February 25, 2027

My Commission Expires 2/25/2027

Notary ID Number 131906507

VERIFICATION

The undersigned, Franz D. Messner, being duly sworn, deposes and says he is the Managing Director of Corporate Finance for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Franz D. Messner

State of Ohio)
County of Franklin) Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Franz D. Messner, on October 8, 2025

Notary Public

My Commission Expires



David C. House, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

Notary ID Number _____

VERIFICATION

The undersigned, Jeffrey D. Newcomb, being duly sworn, deposes and says he is the Vice President of Regulatory and Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Jeffrey D. Newcomb

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jeffrey D. Newcomb, on October 9, 2025.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, Michele Ross, being duly sworn, deposes and says she is a Vice President of Distribution Region Operations for Kentucky Power, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

Michele Ross

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Michele Ross, on October 9, 2025.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

VERIFICATION

The undersigned, Michael M. Spaeth, being duly sworn, deposes and says he is the Regulatory Pricing and Analysis Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Michael M. Spaeth

State of Ohio)
)
) Case No. 2025-00257
)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Michael M. Spaeth, on 10/8/2025.

Notary Public

My Commission Expires Never

Notary ID Number NO ID

NOTARIAL SEAL STATE OF OHIO

Paul D. Flory
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

VERIFICATION

The undersigned, John J. Spanos, being duly sworn, deposes and says he is the President of Gannett Fleming Valuation and Rate Consultants, LLC, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

John J. Spanos

Commonwealth of Pennsylvania)
) Case No. 2025-00257
County of Cumberland)

Subscribed and sworn to before me, a Notary Public in and before said County and Commonwealth, by John J. Spanos, on October 2nd, 2025.

Notary Public

Commonwealth of Pennsylvania - Notary Seal
Cheryl Ann Rutter, Notary Public
Cumberland County
My commission expires February 20, 2027
Commission number 1143028
Member, Pennsylvania Association of Notaries

My Commission Expires February 20, 2027

Notary ID Number 1143028

VERIFICATION

The undersigned, Tanner S. Wolffram, being duly sworn, deposes and says he is the Director of Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Tanner S. Wolffram

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tanner S. Wolffram, on October 9, 2025.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027