

REFINITIV

DELTA REPORT

10-Q

AEP TEXAS INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	10446
CHANGES	536
DELETIONS	2501
ADDITIONS	7409

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Quarterly Period Ended **September 30, 2023** **March 31, 2024**
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Transition Period from ____ to ____

Commission File Number	Registrants; Address and Telephone Number	States of Incorporation	I.R.S. Employer Identification Nos.
1-3525	AMERICAN ELECTRIC POWER CO INC.	New York	13-4922640
333-221643	AEP TEXAS INC.	Delaware	51-0007707
333-217143	AEP TRANSMISSION COMPANY, LLC	Delaware	46-1125168
1-3457	APPALACHIAN POWER COMPANY	Virginia	54-0124790
1-3570	INDIANA MICHIGAN POWER COMPANY	Indiana	35-0410455
1-6543	OHIO POWER COMPANY	Ohio	31-4271000
0-343	PUBLIC SERVICE COMPANY OF OKLAHOMA	Oklahoma	73-0410895
1-3146	SOUTHWESTERN ELECTRIC POWER COMPANY	Delaware	72-0323455
	1 Riverside Plaza, Columbus, Ohio 43215-2373		
	Telephone (614) 716-1000		

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol	Name of Each Exchange on Which Registered
American Electric Power Company Inc.	Common Stock, \$6.50 par value	AEP	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether American Electric Power Company, Inc. is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

Indicate by check mark whether AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this Form 10-Q with the reduced disclosure format specified in General Instruction H(2) to Form 10-Q.

Number of shares of common stock outstanding of the Registrants as of	
November 2, 2023	April 30, 2024
American Electric Power Company, Inc.	525,875,633 527,121,759
	(\$6.50 par value)
AEP Texas Inc.	100
	(\$0.01 par value)
AEP Transmission Company, LLC (a)	NA
Appalachian Power Company	13,499,500
	(no par value)
Indiana Michigan Power Company	1,400,000
	(no par value)
Ohio Power Company	27,952,473
	(no par value)
Public Service Company of Oklahoma	9,013,000
	(\$15 par value)
Southwestern Electric Power Company	3,680
	(\$18 par value)

(a) 100% interest is held by AEP Transmission Holding Company, LLC, a wholly-owned subsidiary of American Electric Power Company, Inc.

NA Not applicable.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
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September 30, 2023 March 31, 2024

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SIGNATURE206167

This combined Form 10-Q is separately filed by American Electric Power Company, Inc., AEP Texas Inc., AEP Transmission Company, LLC, Appalachian Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Except for American Electric Power Company, Inc., each registrant makes no representation as to information relating to the other registrants.

GLOSSARY OF TERMS

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEGCo	
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated VIE of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP Energy Supply LLC	A nonregulated holding company for AEP's competitive generation, wholesale and retail businesses, and a wholly-owned subsidiary of AEP.
AEP Renewables	A division of AEP Energy Supply LLC that develops and/or acquires large scale renewable projects that are backed with long-term contracts with creditworthy counterparties.
AEP Texas	AEP Texas Inc., an AEP electric utility subsidiary.
AEP Transmission Holdco	AEP Transmission Holding Company, LLC, a wholly-owned subsidiary of AEP.
AEPEP	AEP Energy Partners, Inc., a subsidiary of AEP dedicated to wholesale marketing and trading, hedging activities, asset management and commercial and industrial sales in deregulated markets.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AEPTCo	AEP Transmission Company, LLC, a wholly-owned subsidiary of AEP Transmission Holdco, is an intermediate holding company that owns the State Transcos.
AEPTCo Parent	AEP Transmission Company, LLC, the holding company of the State Transcos within the AEPTCo consolidation.
AFUDC	Allowance for Equity Funds Used During Construction.
ALJ	Administrative Law Judge.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
Appalachian Consumer Rate Relief Funding	Appalachian Consumer Rate Relief Funding LLC, a wholly-owned subsidiary of APCo and a consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to the under-recovered Expanded Net Energy Cost deferral balance.
APSC	Arkansas Public Service Commission.
ARO	Asset Retirement Obligations.
ASU	Accounting Standards Update.
ATM	At-the-Market.
CAA	Clean Air Act.
CCR	Coal Combustion Residual.
CO ₂	Carbon dioxide and other greenhouse gases.
CO ₂ e	Carbon dioxide equivalent.
CODM	

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Term	Meaning
Cook Plant	Donald C. Cook Nuclear Plant, a two-unit, 2,296 MW nuclear plant owned by I&M.
COVID-19	Coronavirus 2019, a highly infectious respiratory disease. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic.
CSAPR	Cross-State Air Pollution Rule.
CWIP	Construction Work in Progress.
DCC Fuel	DCC Fuel XIII, DCC Fuel XIV, DCC Fuel XV, DCC Fuel XVI, DCC Fuel XVII, DCC Fuel XVIII, DCC Fuel XIX and DCC Fuel XVIII, XX consolidated VIEs formed for the purpose of acquiring, owning and leasing nuclear fuel to I&M.
DHLC	Dolet Hills Lignite Company, LLC, a wholly-owned lignite mining subsidiary of SWEPCo. DHLC is a non-consolidated VIE of SWEPCo.
DIR	Distribution Investment Rider.

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Dry Lake Term		Dry Lake Solar Project, a consolidated VIE whose sole purpose is to own and operate a 100 MW solar generation facility in southern Nevada in which AEP owns a 75% interest. Meaning	
EIS			
EIS		Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated VIE of AEP.	
ELG		Effluent Limitation Guidelines.	
ENEC		Expanded Net Energy Cost.	
Energy Supply		AEP Energy Supply LLC, a nonregulated holding company for AEP's competitive generation, wholesale and retail businesses, and a wholly-owned subsidiary of AEP.	
Equity Units		AEP's Equity Units issued in August 2020.	
ERCOT		Electric Reliability Council of Texas regional transmission organization.	
ESP		Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.	
ETT		Electric Transmission Texas, LLC, an equity interest joint venture between AEP Transmission Holdco and Berkshire Hathaway Energy Company formed to own and operate electric transmission facilities in ERCOT.	
Excess ADIT		Excess accumulated deferred income taxes.	
FAC		Fuel Adjustment Clause.	
FASB		Financial Accounting Standards Board.	
Federal EPA		United States Environmental Protection Agency.	
FERC		Federal Energy Regulatory Commission.	
FGD		Flue Gas Desulfurization or scrubbers.	
FIP		Federal Implementation Plan.	
FTR		Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.	
GAAP		Accounting Principles Generally Accepted in the United States of America.	
GHG		Greenhouse gas.	
I&M		Indiana Michigan Power Company, an AEP electric utility subsidiary.	
IRA		On August 16, 2022 President Biden signed into law legislation commonly referred to as the "Inflation Reduction Act" (IRA).	
IRSIRP		Integrated Resource Plan.	
IRS		Internal Revenue Service.	
ITC		Investment Tax Credit.	
IURC		Indiana Utility Regulatory Commission.	
KGPCo		Kingsport Power Company, an AEP electric utility subsidiary.	
KPCo			Kentucky Power Company, an AEP electric utility subsidiary.

Term	Meaning
KPSC	Kentucky Public Service Commission.
KTCO KWh	AEP Kentucky Transmission Company, Inc., an affiliate of KPSC and a wholly-owned subsidiary of AEP. Kilowatt-hour.
KWh	LPSC Kilowatt-hour.
LPSC	Louisiana Public Service Commission.
MATS	Mercury and Air Toxic Standards.
Maverick MISO	Maverick, part of the North Central Wind Energy Facilities, consists of 287 MWs of wind generation in Oklahoma.
MISO	Midcontinent Independent System Operator.
Mitchell Plant	A two unit, 1,560 MW coal-fired power plant located in Moundsville, West Virginia. The plant is jointly owned by KPSC and WPCO.
MMBtu	Million British Thermal Units.
MPSC	Michigan Public Service Commission.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatt-hour.
NAAQS	National Ambient Air Quality Standards.

Term	Meaning
Nonutility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain nonutility subsidiaries.
NCWF	North Central Wind Energy Facilities, a joint PSO and SWEPCo project, which includes three Oklahoma wind facilities totaling approximately 1,484 MWs of wind generation.
NMRD	New Mexico Renewable Development, LLC.
Nonutility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain nonutility subsidiaries.
NOLC	Net Operating Loss Carryforward.
NO _x	Nitrogen oxide.
OCC	Corporation Commission of the State of Oklahoma.
OHTCo OPCo	AEP Ohio Transmission Company, Inc., a wholly-owned AEPTCo transmission subsidiary.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefits.
OTC	Over-the-counter.
OTCOVEC	Over-the-counter.
OVEC	Ohio Valley Electric Corporation, which is 43.47% owned by AEP.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PMPLR	Particulate Matter.Private Letter Ruling.
PPAPM	Particulate Matter.
PPA	Purchase Power and Sale Agreement.
PSA	Purchase and Sale Agreement.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PTC	Production Tax Credit.
PUCO	Public Utilities Commission of Ohio.
PUCT	Public Utility Commission of Texas.
Registrant Subsidiaries	AEP subsidiaries which are SEC registrants: AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO and SWEPCo.
Registrants	SEC registrants: AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO and SWEPCo.

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Term	Meaning
Restoration Funding	AEP Texas Restoration Funding LLC, a wholly-owned subsidiary of AEP Texas and a consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to storm restoration in Texas primarily caused by Hurricane Harvey.
Risk Management Contracts	Trading and non-trading derivatives, including those

	derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, jointly owned by AEGCo and I&M, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana.
ROE	Return on Equity.
ROE _{RPM}	Return on Equity.
RPM	Reliability Pricing Model.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
Sabine	Sabine Mining Company, a lignite mining company that is a consolidated VIE for AEP and SWEPCo.
SEC	U.S. Securities and Exchange Commission.
SIP	State Implementation Plan.
SNF	Spent Nuclear Fuel.
SO ₂	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
State Transcos	AEPTCo's seven wholly-owned, FERC regulated, transmission only electric utilities. which

are geographically aligned with AEP's existing utility operating companies.

Sundance SWEPCo Sundance, acquired in April 2021 as part of the North Central Wind Energy Facilities, consists of 199 MWs of wind generation in Oklahoma.

SWEPCo Southwestern Electric Power Company, an AEP electric utility subsidiary.

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Term	Meaning
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the "Tax Cuts and Jobs Act" (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
Transition Funding	AEP Texas Central Transition Funding III LLC, a wholly-owned subsidiary of AEP Texas and consolidated VIE formed for the purpose of issuing and servicing securitization bonds related to Texas Restructuring Legislation.
Transource Energy	Transource Energy, LLC, a consolidated VIE formed for the purpose of investing in utilities which develop, acquire, construct, own and operate transmission facilities in accordance with FERC-approved rates.
Traverse Turk Plant	Traverse, part of the North Central Wind Energy Facilities, consists of 998 MWs of wind generation in Oklahoma.
Turk Plant	John W. Turk, Jr. Plant, a 650 MW coal-fired plant in Arkansas that is 73% owned by SWEPCo.
UPA	Unit Power Agreement.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
Virginia SCC	Virginia State Corporation Commission.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.
WVPSC	Public Service Commission of West Virginia.

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FORWARD-LOOKING INFORMATION

This report made by the Registrants contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Many forward-looking statements appear in "Part I – Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations" of this quarterly report, but there are others throughout this document which may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue" and similar

expressions, and include statements reflecting future results or guidance and statements of outlook. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements in this document are presented as of the date of this document. Except to the extent required by applicable law, management undertakes no obligation to update or revise any forward-looking statement. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are:

- Changes in economic conditions, electric market demand and demographic patterns in AEP service territories.
- The impact of pandemics and any associated disruption of AEP's business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers.
- The economic impact of increased global trade tensions including the conflicts in Ukraine and the Middle East, and the adoption or expansion of economic sanctions or trade restrictions.
- Inflationary or deflationary interest rate trends.
- Volatility and disruptions in financial markets precipitated by any cause, including failure to make progress on federal budget or debt ceiling matters or instability in the banking industry; particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt.
- The availability and cost of funds to finance working capital and capital needs, particularly (i) (a) if expected sources of capital such as proceeds from the sale of assets, subsidiaries or and tax credits and anticipated securitizations do not materialize or do not materialize at the level anticipated, and (ii) (b) during periods when the time lag between incurring costs and recovery is long and the costs are material.
- Decreased demand for electricity.
- Weather conditions, including storms and drought conditions, and the ability to recover significant storm restoration costs.
- Limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations.
- The cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and SNF.
- The availability of fuel and necessary generation capacity and the performance of generation plants.
- The ability to recover fuel and other energy costs through regulated or competitive electric rates.
- The ability to transition from fossil generation and the ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms, including favorable tax treatment, cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for renewable generation projects, and to recover all related costs.
- The impact of pandemics and any associated disruption of AEP's business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers.
- New legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or PM and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets.
- The impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings.
- The risks before, during and after generation of electricity associated with the fuels used or the byproducts by-products and wastes of such fuels, including coal ash and SNF.
- Timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance.
- Resolution of litigation or regulatory proceedings or investigations.
- The ability to constrain efficiently manage operation and maintenance costs.

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- Prices and demand for power generated and sold at wholesale.
- Changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation.
- The ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives.
- Volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas.

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- The impact of changing expectations and demands of customers, regulators, investors and stakeholders, including heightened emphasis focus on environmental, social and governance concerns.
- Changes in utility regulation and the allocation of costs within RTOs including ERCOT, PJM and SPP.
- Changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market.
- Actions of rating agencies, including changes in the ratings of debt.
- The impact of volatility in the capital markets on the value of the investments held by the pension, OPEB, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements.
- Accounting standards periodically issued by accounting standard-setting bodies.
- Other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, wildfires, cybersecurity threats and other catastrophic events.
- The ability to attract and retain the requisite work force and key personnel.

The forward-looking statements of the Registrants speak only as of the date of this report or as of the date they are made. The Registrants expressly disclaim any obligation to update any forward-looking information, except as required by law. For a more detailed discussion of these factors, see "Risk Factors" in Part I of the 2022 2023 Annual Report and in Part II of this report.

The Registrants may use AEP's website as a distribution channel for material company information. Financial and other important information regarding the Registrants is routinely posted on and accessible through AEP's website at www.aep.com/investors/. In addition, you may automatically receive email alerts and other information about the Registrants when you enroll your email address by visiting the "Email Alerts" section at www.aep.com/investors/.

Company Website and Availability of SEC Filings

Our principal corporate website address is www.aep.com. Information on our website is not incorporated by reference herein and is not part of this Form 10-Q. We make available free of charge through our website our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding AEP.

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AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE OVERVIEW

AEP Consolidated Earnings Attributable to Common Shareholders

Third First Quarter of 2023 2024 Compared to Third First Quarter of 2022 2023

Earnings Attributable to AEP Common Shareholders increased from \$684 \$397 million in 2022 2023 to \$954 million \$1,003 million in 2023 2024 primarily due to:

- A favorable impact from the receipt of PLRs in 2024 related to the treatment of NOLCs in retail rate making. See "NOLCs in Retail Jurisdictions - IRS PLRs" section below for additional information.
- Favorable rate proceedings in AEP's various jurisdictions.
- Investment in transmission assets, which resulted in higher revenues and income.
- A loss related to the expected sale of the Kentucky Operations in 2022. The expected sale was terminated in April 2023.

These increases were partially offset by:

- A decrease in weather-related sales volumes.
- An increase in interest expense due to higher interest rates and debt balances.
- A gain on the sale of mineral rights in 2022.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Earnings Attributable to AEP Common Shareholders decreased from \$1,923 million in 2022 to \$1,872 million in 2023 primarily due to:

- A decrease in weather-related sales volumes.
- An increase in interest expense due to higher interest rates and debt balances.
- Unfavorable mark-to-market economic hedge activity volumes driven by a decrease favorable weather and increased load in commodity prices, the commercial customer class.
- A loss on the sale of the competitive contracted renewables portfolio in 2023.
 - A gain on the sale of mineral rights in 2022.

These decreases were partially offset by:

- Favorable rate proceedings in AEP's various jurisdictions.
- Investment in transmission assets, which resulted in higher revenues and income.
- A loss related to the expected sale of the Kentucky Operations in 2022. The expected sale was terminated in April 2023.
- An impairment of AEP's equity investment in Flat Ridge 2 in 2022.

See "Results of Operations" section for additional information by operating segment.

Customer Demand

AEP's weather-normalized retail sales volumes for the third first quarter of 2023 2024 increased by 2.1% 2.9% from the third first quarter of 2022, 2023. Weather-normalized residential sales decreased by 0.7% in the first quarter of 2024 from the first quarter of 2023. Weather-normalized commercial sales increased by 0.6% 10.5% in the third first quarter of 2023 from the third quarter of 2022. This increase was primarily due to an increase in the number of residential customers served. Weather-normalized commercial sales increased by 7.5% in the third quarter of 2023 2024 compared to the third first quarter of 2022, 2023. The increase in commercial sales was primarily due to new data center loads and economic development. AEP's third first quarter 2023 2024 industrial sales volumes decreased increased by 1.1% 0.4% from the third first quarter of 2022. The decrease in industrial sales was primarily due to declines in the non-Oil and Gas sectors, 2023.

AEP's weather-normalized retail sales volumes for the nine months ended September 30, 2023 increased by 2.3% compared to the nine months ended September 30, 2022. Weather-normalized residential sales decreased by 0.9% for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. This decrease was primarily due to a reduction in usage per customer. Weather-normalized commercial sales increased by 7.7% for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. The increase in commercial sales was primarily due to new data center loads and economic development. AEP's industrial sales volumes for the nine months ended September 30, 2023 increased by 1.3% compared to the nine months ended September 30, 2022. The increase in industrial sales was spread across many sectors.

Supply Chain Disruption and Inflation

The Registrants have experienced certain supply chain disruptions driven by several factors including the COVID-19 pandemic, international tensions including and the ramifications of regional conflict, increased demand due to the economic recovery from the pandemic, inflation, labor shortages in certain trades and shortages in the availability of certain raw materials. These supply chain disruptions have not had a material impact on the Registrants Registrants' net income, cash flows and financial condition, but have extended lead times for certain goods and services and have contributed to higher prices for fuel, materials, labor, equipment and other needed commodities. Management has implemented risk mitigation strategies in an attempt to mitigate the impacts of these supply chain disruptions.

AEP and its utilities finance its operations with commercial paper and other variable rate instruments. AEP generally uses short-term borrowings to fund working capital needs until long-term funding is arranged. Sources of long-term funding includes the issuance of long-term debt. These financing options to maintain adequate liquidity are subject to fluctuations in interest rates. The United States economy has experienced a significant level of inflation that has contributed to increased uncertainty in the outlook of near-term economic activity, including whether the pace of inflation will continue and at what rate. To the extent interest rates continue to increase, it could reduce future net income and cash flows and impact financial condition.

moderate. A prolonged continuation or a further increase in the severity of supply chain and inflationary disruptions could result in additional increases in the cost of certain goods, services and cost of capital and further extend lead times which could reduce future net income and cash flows and impact financial condition.

Disposition of the Competitive Contracted Renewables Portfolio

2024 SIGNIFICANT DEVELOPMENTS AND TRANSACTIONS

NOLCs in Retail Jurisdictions - IRS PLRs

The Registrants have made rate filings with state commissions to transition to stand-alone treatment of NOLCs in retail rate making. The Registrants completed the transition in Tennessee, West Virginia and Virginia prior to 2024. In February 2022, AEP management announced the initiation most recent I&M, PSO and SWEPCo base rate cases, the companies filed to transition to stand-alone rate making which was contingent upon a supportive PLR from the IRS.

In April 2024, supportive PLRs for certain retail jurisdictions were received from the IRS, effective March 2024. The PLRs concluded NOLCs on a stand-alone rate making basis should be included in rate base and should also be included in the computation of a process Excess ADIT regulatory liabilities to sell all or a portion of AEP Renewables' competitive contracted renewables portfolio (the portfolio) within the Generation & Marketing segment. In late January 2023, AEP received final bids be refunded to customers. Based on this conclusion, I&M, PSO and SWEPCo recognized regulatory assets related to revenue requirement amounts to be collected from interested parties. In February 2023, AEP's Board of Directors approved management's plan customers, reduced Excess ADIT regulatory liabilities and recorded favorable impacts to sell the portfolio and AEP signed an agreement with a nonaffiliated party. AEP recorded a pretax loss of \$112 million (\$88 million after-tax) net income in the first quarter of 2023 after reaching Held for Sale status and determining 2024 as shown in the carrying value of the portfolio exceeded the estimated fair value. In August 2023, AEP completed the sale of the entire portfolio to the nonaffiliated party and received cash proceeds of approximately \$1.2 billion, net of taxes and transaction costs. See the "Disposition of the Competitive Contracted Renewables Portfolio" section of Note 6 for additional information. table below:

Registrant	Increase in Pretax Income from the Recognition of Regulatory Assets		Reduction in Income Tax Expense (a)		Increase in Net Income
	(in millions)				
I&M	\$	20.2	\$	49.5	\$ 69.7
PSO		12.1		44.7	56.8
SWEPCo		35.4		101.1	136.5
AEP Total	\$	67.7	\$	195.3	\$ 263.0

(a) Primarily relates to a \$224 million remeasurement of Excess ADIT Regulatory Liabilities partially offset by \$29 million of tax expense on favorable pretax income from the recognition of regulatory assets.

Planned Sale of AEP Energy and AEP Onsite Partners

AEP management has continued a strategic evaluation of AEP's portfolio of businesses with a focus on core regulated utility operations, risk mitigation and simplification. As a result of these efforts, the following decisions have recently been made with respect to AEP Energy and AEP Onsite Partners.

AEP Energy

In October 2022, AEP initiated a strategic evaluation for its ownership in AEP Energy, a wholly-owned retail energy supplier that supplies offers electricity and/or and natural gas on a price risk managed basis to residential, commercial and industrial customers. AEP Energy provides various energy solutions in Illinois, Pennsylvania, Delaware, Maryland, New Jersey, Ohio and Washington, D.C. AEP Energy had approximately 900,000 954,000 customer accounts as of September 30, 2023 March 31, 2024. In April 2023, AEP management completed the strategic evaluation of AEP Energy and initiated a sale process. The timing of the completion of the sales process is dependent upon a number of factors. AEP is currently targeting the sales process to be completed in the first half mid-2024. At conclusion of 2024, this process, AEP may decide to retain its interest in AEP Energy. Depending on the outcome of the sales process, it could reduce future net income and impact financial condition.

AEP Onsite Partners

In April 2023, AEP also made initiated a decision to include sales process for its ownership in AEP Onsite Partners in a sale process. Partners. AEP OnSite Partners targets opportunities in distributed solar, combined heat and power, energy storage, waste heat recovery, energy efficiency, peaking generation and other energy solutions. As of September 30, 2023 March 31, 2024, AEP OnSite Partners owned projects located in 22 21 states, including approximately 193 102 MWs of installed solar capacity and approximately 2 MWs of three solar projects under construction. construction totaling approximately 9 MWs. As of September 30, 2023 March 31, 2024, the net book value of these assets was \$353 million \$349 million. The timing of the completion of the sales process is dependent upon a number of factors. AEP is currently targeting the sales process to be completed in the first half mid-2024. At conclusion of 2024, this process, AEP may decide to retain its interest in AEP Onsite Partners.

AEP Onsite Partners also owns owned a 50% interest in NM Renewable Development, LLC, (NMRD) totaling \$119 million accounted for as an equity method investment. NMRD. The NMRD portfolio consists consisted of 9 operating solar projects totaling 185 MWs and 6 projects totaling 440 MWs in development. Separate from the remainder of AEP Onsite Partners, In December 2023, AEP and the joint owner have agreed signed an agreement to initiate sell NMRD to a joint sales process for their respective interests in NMRD. The timing of nonaffiliated third party and the completion of the sales process is dependent upon a number of factors. AEP is currently targeting the sales process to be sale was completed in February 2024. AEP received cash proceeds of approximately \$107 million, net of taxes and transaction costs. The transaction did not have a material impact on net income or financial condition. See the fourth quarter "Disposition of 2023 or early 2024, NMRD" section of Note 6 for additional information.

If AEP is unable to recover the net book value or carrying value of these assets as part of the sale process, it could reduce future net income and impact financial condition.

Planned Sale and Strategic Evaluation of Certain Transmission Joint Ventures Voluntary Severance Program

In April 2023, AEP also initiated 2024, management announced a strategic evaluation for its ownership in certain transmission joint ventures voluntary severance program designed to achieve a reduction in the AEP Transmission HoldCo segment including Pioneer Transmission, LLC, Prairie Wind Transmission, LLC size of AEP's workforce and Transource Energy. In July 2023, AEP made help offset increasing Other Operation and Maintenance expenses due to inflation in order to keep electricity costs affordable for customers. Approximately 7,400 of AEP's 16,800 employees are eligible to participate in the program. Participating employees will receive two weeks of base pay for every year of service with a decision minimum of four weeks and a maximum of 52 weeks of base pay. Management expects to initiate record a sales process for its investment charge to expense in Pioneer

Transmission, LLC and Prairie Wind Transmission, LLC. As the second quarter of September 30, 2023, AEP's investment in Pioneer Transmission, LLC, and Prairie Wind Transmission, LLC was \$48 million and \$19 million, respectively.

As of September 30, 2023, the net book value of Transource Energy was \$286 million inclusive of \$39 million 2024 related to noncontrolling interest this voluntary severance program. At this time, management is unable to predict the impact on AEP's balance sheet. Potential alternatives net income, cash flows and financial condition, but the amount may include continued ownership or a sale. AEP management has not made a decision regarding the potential alternatives, but expects to complete the strategic evaluation by the end of 2023.

be material.

Federal Tax Legislation

In August 2022, President Biden signed H.R. 5376 into law, commonly known as the Inflation Reduction Act of 2022, or IRA.

In June 2023, the IRS issued temporary regulations related to the transfer of tax credits. In the third quarter of 2023, AEP, on behalf of PSO, SWEPCo and SWEPCo, AEP Energy Supply, LLC, entered into a transferability agreement agreements with a nonaffiliated party parties to sell 2023 generated PTCs resulting in cash proceeds of approximately \$80 million expected \$174 million with \$102 million received in 2023, \$62 million received in the fourth first quarter of 2023, 2024 and the remaining \$10 million was received in April 2024. AEP expects to continue to explore the ability to efficiently monetize its tax credits through third party transferability agreements.

I&M's Cook Plant qualifies for the transferable Nuclear PTC, which is available for tax years beginning in 2024 through 2032. The Nuclear PTC is calculated based on electricity generated and sold to third-parties and is subject to a "reduction amount" as the facility's gross receipts increase above a certain threshold. Due to lack of guidance and uncertainty surrounding the computation of gross receipts, AEP and I&M are unable to estimate the amount of the Nuclear PTCs earned as of March 31, 2024 and have not included any Nuclear PTCs in the annualized effective tax rate for the first quarter of 2024. See Note 11 - Income Taxes for additional information.

Termination of Planned Disposition of KPCo and KTCO

In October 2021, AEP entered into a Stock Purchase Agreement (SPA) New Generation to sell KPCo and KTCO to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The SPA was subsequently amended in September 2022 to reduce the purchase price to approximately \$2.646 billion. The sale required approval from the KPSC and from the FERC under Section 203 of the Federal Power Act. The SPA contained certain termination rights if the closing of the sale did not occur by April 26, 2023.

In May 2022, the KPSC approved the sale of KPCo to Liberty subject to certain conditions contingent upon the closing of the sale. In December 2022, the FERC issued an order denying, without prejudice, authorization of the proposed sale stating the applicants failed to demonstrate the proposed transaction will not have an adverse effect on rates. In February 2023, a new filing for approval under Section 203 of the Federal Power Act was submitted. In March 2023, the KPSC and other intervenors made filings recommending the FERC reject AEP and Liberty's new Section 203 application seeking approval of the sale.

In April 2023, AEP, AEPTCo and Liberty entered into a Mutual Termination Agreement (Termination Agreement) terminating the SPA. The parties entered into the Termination Agreement as all of the conditions precedent to closing the sale could not be satisfied prior to April 26, 2023. Support Reliability

The impact growth of AEP's regulated generation portfolio reflects the Termination Agreement did not have a material impact on AEP's statements of income for the three company's commitment to meet customer's energy and nine months ended September 30, 2023. Upon reverting to a held capacity needs while balancing cost and used model in the first quarter of 2023, AEP was required to present its investment in the Kentucky Operations at the lower of fair value or historical carrying value which resulted in a \$335 million reduction recorded in Property, Plant and Equipment. The reduced investment in KPCo's assets is being amortized over the 30 year average useful life of the KPCO assets. reliability.

Regulatory Matters Significant Approved Generation Filings

AEP's public utility subsidiaries are involved AEP has received regulatory approvals from various state regulatory commissions to acquire approximately 2,811 MWs of owned renewable generation facilities, totaling approximately \$6.6 billion, in rate and regulatory proceedings at the FERC and their state commissions. Depending on the outcomes, these rate and regulatory proceedings can have a material impact on results addition to 612 MWs of operations, cash flows and possibly financial condition. AEP is currently involved renewable purchase power agreements, as included in the following key proceedings. See Note 4 - Rate Matters for additional information. table:

Company	Generation Type	Expected Commercial Operation	Owned/PPA	Generating Capacity (in MWs)
APCo	Solar	2024-2026	PPA	439
APCo	Wind	2025-2026	Owned	347
I&M	Solar	2025	PPA	100
I&M	Solar	2027	Owned	469
PSO (a)	Solar	2025-2026	Owned	443
PSO (a)	Wind	2025-2026	Owned	553

SWEPCo (b)	Solar	2025-2027	Owned/PPA	273
SWEPCo (b)(c)	Wind	2024-2025	Owned	799
Total Approved Renewable Projects				3,423

- (a) **2012 Texas Base Rate Case** - In 2012, SWEPCo filed PSO issued notices to proceed for the construction of two wind facilities and one solar facility for a request with combined total capacity of 477 MWs that will have an approximate cost of \$1 billion. These facilities reflect the PUCT to increase annual base rates primarily due to the completion first of the Turk Plant. In 2013, approved projects contemplated within PSO's 996 MWs of total new renewable generation.
- (b) Includes approvals by the PUCT issued an order affirming APSC and LPSC for 999 MWs of owned projects. Additionally, the prudence LPSC approved the flex-up option, allowing SWEPCo to provide additional service to Louisiana customers and recover the portion of the Turk Plant but determined projects denied by the PUCT.
- (c) SWEPCo issued notice to proceed for the construction of a 200 MW capacity wind facility that will have an approximate cost of \$425 million. This facility is the Turk Plant's Texas jurisdictional capital cost cap established in a previous Certificate of Convenience and Necessity case also limited SWEPCo's recovery of AFUDC in addition to limits on its recovery of cash construction costs. Upon rehearing in 2014, the PUCT reversed its initial ruling and determined that AFUDC was excluded from the Turk Plant's Texas jurisdictional capital cost cap. In 2017, the Texas District Court upheld the PUCT's 2014 order and intervenors filed appeals with the Texas Third Court of Appeals. In August 2021, the Texas Third Court of Appeals reversed the Texas District Court judgment affirming the PUCT's order on AFUDC, concluding that the language first of the PUCT's original 2008 order intended to include AFUDC in the Texas jurisdictional capital cost cap, and remanded the case to the PUCT for future proceedings. In

November 2021, SWEPCo and the PUCT submitted Petitions for Review with the Texas Supreme Court. In October 2022, the Texas Supreme Court denied the Petitions for Review submitted by SWEPCo and the PUCT. In December 2022, SWEPCo and the PUCT filed requests for rehearing with the Texas Supreme Court. In June 2023, the Texas Supreme Court denied approved projects contemplated within SWEPCo's request for rehearing and the case was remanded to the PUCT for future proceedings. In October 2023, SWEPCo filed testimony with the PUCT in the remanded proceeding recommending no refund or disallowance.

Management does not believe a disallowance 799 MWs of capitalized Turk Plant costs or a revenue refund is probable as of September 30, 2023. However, if SWEPCo is ultimately unable to recover AFUDC in excess of the Texas jurisdictional capital cost cap, it would be expected to result in a pretax net disallowance ranging from \$80 million to \$90 million. In addition, if SWEPCo is ultimately unable to recover AFUDC in excess of the Texas jurisdictional cost cap, SWEPCo estimates it may be required to make customer refunds, including interest, ranging from \$0 to \$200 million related to revenues collected from February 2013 through September 2023 and such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis.

- **Litigation Related to Ohio House Bill 6 (HB 6)** - In July 2019, HB 6, which offered incentives for power-generating facilities with zero or reduced carbon emissions, was signed into law by the Ohio Governor. HB 6 terminated energy efficiency programs as of December 31, 2020, including OPCo's shared savings revenues of \$26 million annually and phased out total new renewable mandates after 2026. HB 6 also provided for continued recovery of existing renewable energy contracts on a bypassable basis through 2032 and included a provision for continued recovery of OVEC costs through 2030 which is allocated to all electric distribution utility customers in Ohio on a non-bypassable basis. OPCo's Inter-Company Power Agreement for OVEC terminates in June 2040. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of the Speaker of the Ohio House of Representatives, Larry Householder, four other individuals, and Generation Now, an entity registered as a 501(c)(4) social welfare organization, in connection with an alleged racketeering conspiracy involving the adoption of HB 6. Certain defendants in that case had previously plead guilty and, in March 2023, a federal jury convicted Larry Householder and another individual of participating in the racketeering conspiracy. In 2021, four AEP shareholders filed derivative actions purporting to assert claims on behalf of AEP against certain AEP officers and directors. See "Litigation Related to Ohio House Bill 6" section of Litigation below for additional information. wind generation.

In March 2021, the Governor of Ohio signed legislation that, among other things, repealed the payments addition to the nonaffiliated owner of Ohio's nuclear generation projects in the table above, AEP enters into Capacity Purchase Agreements (CPA) to satisfy operating companies capacity reserve margins to serve customers. The following table includes CPA amounts currently under contract, by year:

	APCo	I&M		KPCo		PSO		SWEPCo		WPCo
	Coal	Coal	Natural Gas	Coal	Natural Gas	Natural Gas	Wind	Natural Gas	Wind	Coal
Delivery Start Year	(in MWs)									
2024	34	230	314	56	80	1,114	29	425	57	56
2025	—	—	440	—	85	1,150	29	350	135	—
2026	—	—	—	—	—	980	86	200	78	—
2027	—	—	210	—	—	260	86	—	78	—
2028	—	—	210	—	—	260	—	—	—	—
After 2028	—	—	1,050	—	—	780	—	—	—	—

Significant Generation Requests for Proposal (RFP)

The table below includes RFPs recently issued for both owned and purchased power plants that were previously authorized under HB 6. The new legislation, House Bill 128, went into effect in May 2021 and leaves unchanged other provisions of HB 6 regarding energy efficiency programs, recovery of renewable energy costs and recovery of OVEC costs. To the extent that the law changes or OPCo is unable generation. Unless otherwise noted, RFPs issued are all-source solicitations for accredited capacity. Projects selected will be subject to recover the costs of renewable energy contracts on a bypassable basis by the end of 2032, recover costs of OVEC after 2030 or incurs significant costs associated with the derivative actions, it could reduce future net income and cash flows and impact financial condition. regulatory approval.

Company	Issuance Date	Projected In-Service Dates	Generating Capacity	
			(in MWs)	
I&M (a)	March 2023	2027	2,505	
KPCo (b)	September 2023	2026/2027	1,300	
PSO	November 2023	2027/2028	1,500	
SWEPCo	January 2024	2028	2,100	
Total Significant RFPs			7,405	

- (a) FERC 2021 PJM RFP is seeking nameplate capacity proposals from various types of generation. Actual MWs by technology type depends on the portfolio of projects selected and SPP Transmission Formula Rate Challenge individual contribution toward meeting I&M's overall capacity need.
- (b) - In March 2023 and May 2023, certain joint customers submitted a complaint and a formal challenge at the FERC related to the 2022 Annual Update of the 2021 Transmission Formula Rates of the AEP transmission owning subsidiaries within PJM and SPP, respectively. These challenges primarily relate to stand-alone treatment of NOLCs in the transmission formula rates of the AEP transmission owning subsidiaries. AEPSC, on behalf of the AEP transmission owning subsidiaries within PJM and SPP, filed answers to the joint formal challenge and complaint with the FERC in the second quarter of 2023. RFP is seeking proposals for PPAs only.

The Registrants transitioned to stand-alone treatment of NOLCs in its PJM and SPP transmission formula rates beginning with the 2022 projected transmission revenue requirements and 2021 true-up to actual transmission revenue requirements, and provided notice of this change in informational filings made with the FERC. Stand-alone treatment of NOLCs for transmission formula rates increased the annual revenue requirements for years 2023, 2022 and 2021 by \$60 million, \$69 million and \$78 million, respectively. Through the third quarter of 2023, the Registrants' financial statements reflect a provision for refund for certain NOLC revenues billed by PJM and SPP. If the Registrants are required to make refunds as a result of these challenges, it could reduce future net income and cash flows and impact financial condition.

The Registrants are also transitioning to stand-alone treatment of NOLCs in retail jurisdiction rate filings. As a result of retail jurisdiction base rate cases in Arkansas, Indiana, Louisiana, Oklahoma and Texas, inclusion of NOLCs in rates in those jurisdictions is contingent upon a supportive private letter ruling from the IRS. If the Registrants are successful in transitioning to stand-alone treatment of NOLCs, it could have a material, favorable impact on future net income.

- **Securitization Legislation Regulatory Matters** - In March 2023, Kentucky (Senate Bill 192) and West Virginia (House Bill 3308) both passed legislation that would allow the securitization of certain plant assets. Eligible costs to be securitized in Kentucky include certain retired generation costs with a minimum value of \$200 million as well as certain other regulatory assets, including deferred extraordinary storm costs, as long as the cumulative total requested for securitization is at least \$275 million. Eligible costs to be securitized in West Virginia include historical, and if deemed appropriate by the commission, projected costs relating to environmental control costs, expanded net energy costs, storm recovery costs and undepreciated generation utility plant balances.

In April 2023, APCo and WPCo submitted their 2023 annual ENEC filing with the WVPSC proposing two alternatives to increase ENEC rates effective September 1, 2023. One of the alternatives included an option to securitize approximately \$1.9 billion of assets. In June 2023, KPCo filed a request with the KPSC requesting to finance, through the issuance of securitization bonds, approximately \$471 million of regulatory assets. See Note 4 - Rate Matters for additional information.

In April 2023, the Virginia General Assembly approved the Governor's proposed changes to House Bill 1777, modifying APCo's earnings review and base rate process, with a biennial earnings review replacing APCo's current triennial earnings review. APCo will submit its first biennial review filing in 2024 using only a 2023 test year. Also included in this approved legislation is the option for APCo to securitize deferred fuel costs.

- **Texas Legislation** - In May 2023, legislation (Senate Bill 1016) was passed in Texas allowing certain financially based employee incentive compensation to be recovered. As a result of this law change, in the second quarter of 2023 AEP Texas and SWEPCo recognized a favorable impact to pretax income of approximately \$27 million and \$6 million, respectively.

Utility Rates and Rate Proceedings

The Registrants file are involved in rate cases and other proceedings with their regulatory commissions in order to establish fair and appropriate electric service rates to recover their costs and earn a fair return on their investments. The Depending on the outcomes, of these regulatory rate cases and proceedings can have a material impact the Registrants' current and future on results of operations, cash flows and possibly financial position, condition. AEP is currently involved in the following key proceedings.

The following tables show the Registrants' completed and pending base rate case proceedings in 2023, 2024. See Note 4 - Rate Matters for additional information.

Completed Base Rate Case Proceedings

			Approved Revenue	Approved	New Rates							
			Annual									
			Base Revenue									
			Base Revenue									
			Base Revenue					Approved	New Rates			
Company	Company	Jurisdiction	Requirement Increase	ROE	Effective	Company	Jurisdiction	Increase		ROE		Effective
			(in millions)									
	SWEPCo	Louisiana	\$ 21.0	(a)	9.5%							
			(in millions)									
	PSO											
	PSO											
	PSO											
	APCo					Oklahoma	\$ 131.0	(a)		9.3%		January 2024
	KPCo					APCo	Virginia	127.0	(b)	9.5%		January 2024
						KPCo	Kentucky	60.0	(c)	9.75%		January 2024

(a) See "2020 Louisiana "2022 Oklahoma Base Rate Case" section of Note 4 in the 2022 2023 Annual Report for additional information.

(b) See "2020-2022 Virginia Triennial Review" section of Note 4 in the 2023 Annual Report for additional information.

(c) See "2023 Kentucky Base Rate and Securitization Case" section of Note 4 in the 2023 Annual Report for additional information.

Pending Base Rate Case Proceedings

Company	Jurisdiction	Filing Date	Requested Revenue Requirement Increase	Requested ROE	Commission Staff/ Intervenor Range of Recommended ROE
(in millions)					
PSO	Oklahoma	November 2022	\$ 173.0 (a)	10.4%	8.6%-9.5%
APCo	Virginia	March 2023	213.0	10.6%	9.5%
KPCo	Kentucky	June 2023	94.0	9.9%	9.3%-9.7%
I&M	Indiana	August 2023	116.0	10.5%	(b)
I&M	Michigan	September 2023	34.0	10.5%	(c)

(a) Requested revenue requirement increase, net

Company	Jurisdiction	Filing Date	Annual Base Revenue Increase Request	Requested ROE
(in millions)				
I&M	Indiana	August 2023	\$ 116.0	10.5%
I&M	Michigan	September 2023	34.0	10.5%
PSO	Oklahoma	January 2024	218.0	10.8%
AEP Texas	Texas	February 2024	164.0	10.6%
APCo	Virginia	March 2024	95.0	10.8%

Other Significant Regulatory Matters

Ohio ESP Filings

In January 2023, OPco filed an application with the PUCO to approve an ESP that included proposed rate adjustments, proposed new riders and the continuation and modification of certain existing rider revenues riders, including the DIR, effective June 2024 through May 2030. The proposal includes a return on common equity of 10.65% on capital costs for certain riders. In June 2023, intervenors filed testimony opposing OPco's plan for various new riders and modifications to existing riders, including the DIR. In September 2023, OPco and certain incremental renewable facility benefits expected intervenors filed a settlement agreement with the PUCO addressing the ESP application. The settlement included a four year term from June 2024 through May 2028, an ROE of 9.7% and continuation of a number of riders including the DIR subject to be provided to customers through riders. See "2022 Oklahoma Base Rate Case" section of Note 4 for additional information.

(b) Intervenor testimony is due in November 2023.

(c) Intervenor testimony is due in January 2024.revenue caps. In April 2024, the PUCO issued an order approving the settlement agreement.

SWEPco 2012 Texas Base Rate Case

In 2012, SWEPCo filed a request with the PUCT to increase annual base rates primarily due to the completion of the Turk Plant. In 2013, the PUCT issued an order affirming the prudence of the Turk Plant but determined that the Turk Plant's Texas jurisdictional capital cost cap established in a previous Certificate of Convenience and Necessity case also limited SWEPCo's recovery of AFUDC in addition to limits on its recovery of cash construction costs. Upon rehearing in 2014, the PUCT reversed its initial ruling and determined that AFUDC was excluded from the Turk Plant's Texas jurisdictional capital cost cap. In 2017, the Texas District Court upheld the PUCT's 2014 order and intervenors filed appeals with the Texas Third Court of Appeals. In August 2021, the Texas Third Court of Appeals reversed the Texas District Court judgment affirming the PUCT's order on AFUDC, concluding that the language of the PUCT's original 2008 order intended to include AFUDC in the Texas jurisdictional capital cost cap, and remanded the case to the PUCT for future proceedings. In November 2021, SWEPCo and the PUCT submitted Petitions for Review with the Texas Supreme Court. In October 2022, the Texas Supreme Court denied the Petitions for Review submitted by SWEPCo and the PUCT. In December 2022, SWEPCo and the PUCT filed requests for rehearing with the Texas Supreme Court. In June 2023, the Texas Supreme Court denied SWEPCo's request for rehearing and the case was remanded to the PUCT for future proceedings. In October 2023, SWEPCo filed testimony with the PUCT in the remanded proceeding recommending no refund or disallowance.

On December 14, 2023, the PUCT approved a preliminary order stating the PUCT will not address SWEPCo's request that would allow the PUCT to find cause to allow SWEPCo to exceed the Texas jurisdictional capital cost cap in the current remand proceeding. As a result of the PUCT's approval of the preliminary order, SWEPCo believes it is probable the PUCT will disallow capitalized AFUDC in excess of the Texas jurisdictional capital cost cap and recorded a pretax, non-cash disallowance of \$86 million in the fourth quarter of 2023. Such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis. On December 21, 2023, SWEPCo filed a motion with the PUCT for reconsideration of the preliminary order. In January 2024, the PUCT denied the motion for reconsideration of the preliminary order.

The PUCT's December 2023 approval of the preliminary order determined that it will address, in the ongoing PUCT remand proceeding, any potential revenue refunds to customers that may be required by future PUCT orders. In January 2024, the PUCT established a procedural schedule for the remand proceeding. On March 1, 2024, SWEPCo filed supplemental direct testimony with the PUCT in response to the December 2023 preliminary order. On March 8, 2024, intervenors and the PUCT staff filed a motion with the PUCT to strike portions of SWEPCo's October 2023 direct testimony and March 2024 supplemental direct testimony. On March 19, 2024, the ALJ granted portions of the motion which included removal of testimony supporting SWEPCo's position that refunds are not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. A decision by the PUCT on the appeal is expected in the second quarter of 2024. In April 2024, intervenors and PUCT staff submitted testimony recommending customer refunds through December 2023 ranging from \$149 million to \$197 million, including carrying charges, with refund periods ranging from 18 months to 48 months. A hearing is scheduled for May 2024. Although SWEPCo does not currently believe any refunds are probable of occurring, SWEPCo estimates it could be required to make customer refunds, including interest, ranging from \$0 to \$200 million related to revenues collected from February 2013 through March 2024.

FERC 2021 PJM and SPP Transmission Formula Rate Challenge

The Registrants transitioned to stand-alone treatment of NOLCs in its PJM and SPP transmission formula rates beginning with the 2022 projected transmission revenue requirements and 2021 true-up to actual transmission revenue requirements, and provided notice of this change in informational filings made with the FERC. Stand-alone treatment of the NOLCs for transmission formula rates increased the annual revenue requirements for years 2024, 2023, 2022 and 2021 by \$52 million, \$60 million, \$69 million and \$78 million, respectively.

In January 2024, the FERC issued two orders granting formal challenges by certain unaffiliated customers related to stand-alone treatment of NOLCs in the 2021 Transmission Formula Rates of the AEP transmission owning subsidiaries within PJM and SPP. The FERC directed the AEP transmission owning subsidiaries within PJM and SPP to provide refunds with interest on all amounts collected for the 2021 rate year, and for such refunds to be reflected in the annual update for the next rate year. In February 2024, AEPSC on behalf of the AEP transmission owning subsidiaries within PJM and SPP filed requests for rehearing. In March 2024, the FERC denied AEPSC's requests for rehearing of the January 2024 orders by operation of law and stated it may address the requests for rehearing in future orders. In March 2024, AEPSC submitted refund compliance reports to the FERC, which preserve the non-finality of the FERC's January 2024 orders pending further proceedings on rehearing and appeal. In April 2024, AEP made filings with the FERC which request that the FERC: (a) reopen the record so that the FERC may take the IRS PLRs received in April 2024 regarding the treatment of stand-alone NOLCs in ratemaking into evidence and consider them in substantive orders on rehearing, and (b) stay its January 2024 orders and related compliance filings and refunds to provide time for consideration of the April 2024 IRS PLRs. The Registrants have not yet been directed to make cash refunds related to the 2024, 2023 or 2022 rate years.

As a result of the January 2024 FERC orders, the Registrants' balance sheets reflect a liability for the probable refund of all NOLC revenues included in transmission formula rates for years 2024, 2023, 2022 and 2021, with interest. The probable refunds to affiliated and nonaffiliated customers are reflected as Deferred Credits and Other Noncurrent Liabilities on the balance sheets, with the exception of amounts expected to be refunded within one year which are reflected in Other Current Liabilities. Refunds probable to be received by affiliated companies, resulting in a reduction to affiliated transmission expense, were deferred as an increase to Regulatory Liabilities or a reduction to Regulatory Assets on the balance sheets where management expects that refunds would be returned to retail customers through authorized retail jurisdiction rider mechanisms.

Merchant Portion of Turk Plant

SWEPCo constructed the Turk Plant, a base load 600 MW (650 MW net maximum capacity) pulverized coal ultra-supercritical generating unit in Arkansas, which was placed in-service in December 2012 and is included in the Vertically Integrated Utilities segment. SWEPCo owns 73% (440 MW/477 MWs) of the Turk Plant and operates the facility. As of March 31, 2024, the net book value of the Turk Plant was \$1.4 billion, before cost of removal including CWIP and inventory.

Approximately 20% of SWEPCo's portion of the Turk Plant output is currently not subject to cost-based rate recovery in Arkansas. This portion of the plant's output is being sold into the wholesale market. Approximately 80% of the Turk Plant investment is recovered under retail cost-based rate recovery in Texas, Louisiana and through SWEPCo's wholesale customers under FERC-approved rates. In November 2022, SWEPCo filed a Certificate of Public Convenience and Necessity with the APSC for approval to operate the Turk Plant to serve Arkansas customers and recover the associated costs through a cost recovery rider. Cost-based recovery of the Turk Plant would aid SWEPCo's near-term capacity needs and support compliance with SPP's 2023 increased capacity planning reserve margin requirements. In April 2023, intervenors filed testimony recommending the APSC deny the Certificate of Public Convenience and Necessity on the basis that the Turk Plant is not the least cost alternative. In March 2024, the APSC issued an order denying SWEPCo's request to allow the merchant portion of the Turk Plant to serve Arkansas customers. As a result of the APSC's March 2024 order, SWEPCo recorded a \$32 million favorable impact to net income as a result of the reduction to the regulatory liability related to the merchant portion of Turk Plant Excess ADIT.

Kentucky Securitization Case

In January 2024, the KPSC issued a financing order approving KPCo's request to securitize certain regulatory assets balances as of the time securitization bonds are issued and concluding that costs requested for recovery through securitization were prudently incurred. The KPSC's financing order includes certain additional requirements related to securitization bond structuring, marketing, placement, and issuance that were not reflected in KPCo's proposal. In accordance with Kentucky statutory requirements and the financing order, the issuance of the securitized bonds is subject to final review by the KPSC after bond pricing. KPCo expects to proceed with the securitized bond issuance process and to complete the securitization process in the second half of 2024, subject to market conditions. As of March 31, 2024, regulatory asset balances expected to be recovered through securitization total \$476 million and include: (a) \$288 million of plant retirement costs, (b) \$79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) \$46 million of deferred purchased power expenses, (d) \$62 million of under-recovered purchased power rider costs and (e) \$1 million of deferred issuance-related expenses including KPSC advisor expenses. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Investigation of the Service, Rates and Facilities of KPCo

In June 2023, the KPSC issued an order directing KPCo to show cause why it should not be subject to Kentucky statutory remedies, including fines and penalties, for failure to provide adequate service in its service territory. The KPSC's show cause order did not make any determination regarding the adequacy of KPCo's service. In July 2023, KPCo filed a response to the show cause order demonstrating that it has provided adequate service. In December 2023 and February 2024, KPCo and certain intervenors filed testimony with the KPSC. In February 2024, KPCo filed a motion to strike and exclude intervenor testimony. In March 2024, the KPSC denied KPCo's February 2024 motion. A hearing is expected in 2024. If any fines or penalties are levied against KPCo relating to the show cause order, it could reduce net income and cash flows and impact financial condition.

KPCo Fuel Adjustment Clause (FAC) Review

In December 2023, KPCo received intervenor testimony in its FAC review for the two-year period ending October 31, 2022, recommending a disallowance ranging from \$44 million to \$60 million of its total \$432 million purchased power cost recoveries as a result of proposed modifications to the ratemaking methodology that limits purchased power costs recoverable through the FAC. A hearing was held in February 2024 and an order is expected in the second quarter of 2024. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Deferred Fuel Costs Merchant Portion of Turk Plant

Increases SWEPCo constructed the Turk Plant, a base load 600 MW (650 MW net maximum capacity) pulverized coal ultra-supercritical generating unit in **fuel** Arkansas, which was placed in-service in December 2012 and is included in the Vertically Integrated Utilities segment. SWEPCo owns 73% (440 MWs/477 MWs) of the Turk Plant and operates the facility. As of March 31, 2024, the net book value of the Turk Plant was \$1.4 billion, before cost of removal including CWIP and inventory.

Approximately 20% of SWEPCo's portion of the Turk Plant output is currently not subject to cost-based rate recovery in Arkansas. This portion of the plant's output is being sold into the wholesale market. Approximately 80% of the Turk Plant investment is recovered under retail cost-based rate recovery in Texas, Louisiana and through SWEPCo's wholesale customers under FERC-approved rates. In November 2022, SWEPCo filed a Certificate of Public Convenience and Necessity with the APSC for approval to operate the Turk Plant to serve Arkansas customers and recover the associated costs through a cost recovery rider. Cost-based recovery of the Turk Plant would aid SWEPCo's near-term capacity needs and support compliance with SPP's 2023 increased capacity planning reserve margin requirements. In April 2023, intervenors filed testimony recommending the APSC deny the Certificate of Public Convenience and Necessity on the basis that the Turk Plant is not the least cost alternative. In March 2024, the APSC issued an order denying SWEPCo's request to allow the merchant portion of the Turk Plant to serve Arkansas customers. As a result of the APSC's March 2024 order, SWEPCo recorded a \$32 million favorable impact to net income as a result of the reduction to the regulatory liability related to the merchant portion of Turk Plant Excess ADIT.

Kentucky Securitization Case

In January 2024, the KPSC issued a financing order approving KPCo's request to securitize certain regulatory assets balances as of the time securitization bonds are issued and concluding that costs requested for recovery through securitization were prudently incurred. The KPSC's financing order includes certain additional requirements related to securitization bond structuring, marketing, placement, and issuance that were not reflected in KPCo's proposal. In accordance with Kentucky statutory requirements and the financing order, the issuance of the securitized bonds is subject to final review by the KPSC after bond pricing. KPCo expects to proceed with the securitized bond issuance process and to complete the securitization process in the second half of 2024, subject to market conditions. As of March 31, 2024, regulatory asset balances expected to be recovered through securitization total \$476 million and include: (a) \$288 million of plant retirement costs, (b) \$79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) \$46 million of deferred purchased power **prices in excess** expenses, (d) \$62 million of **amounts included in fuel-related revenues has led to an increase in the under collection under-recovered purchased power rider costs** and (e) \$1 million of fuel costs from customers in most jurisdictions in recent years. The table below illustrates the increase (decrease) in the deferred fuel regulatory assets by company and jurisdiction, excluding the impacts of the February 2021 severe winter weather event. See the "February 2021 Severe Winter Weather Impacts in SPP" section in Note 4 for additional information. **issuance-related expenses including KPSC advisor expenses.** If any of these **deferred fuel costs** are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Company	Jurisdiction	Traditional FAC Recovery Reset	As of September 30, 2023	As of December 31, 2022	Increase/ (Decrease)
(in millions)					
APCo	Virginia (a)	Annually	\$ 286.9	\$ 407.9	\$ (121.0)
APCo	West Virginia	Annually	301.3	288.5	12.8
I&M	Indiana	Bi-Annually	—	38.1	(38.1)
I&M	Michigan	Annually	13.3	9.0	4.3
PSO	Oklahoma (b)	Annually	168.2	431.5	(263.3)
SWEPCo	Arkansas	Annually	30.0	65.8	(35.8)
SWEPCo	Texas (c)	Tri-Annually	134.7	191.4	(56.7)
KPCo	Kentucky	Monthly	6.3	23.2	(16.9)
WPCo	West Virginia	Annually	273.5	231.1	42.4
Total			\$ 1,214.2	\$ 1,686.5	\$ (472.3)

- (a) Includes \$146 million and \$223 million as of September 30, 2023 and December 31, 2022, respectively, of noncurrent deferred fuel classified as a Regulatory Asset on APCo's balance sheets.
- (b) Includes \$0 and \$253 million as of September 30, 2023 and December 31, 2022, respectively, of noncurrent deferred fuel classified as a Regulatory Asset on PSO's balance sheets.
- (c) Includes \$74 million and \$0 as of September 30, 2023 and December 31, 2022, respectively, of noncurrent deferred fuel classified as a Regulatory Asset on SWEPCo's balance sheets.

The AEP utility subsidiaries are working with various state commissions on *Investigation of the timing Service, Rates and Facilities* of recovering deferred fuel balances and the following are recent developments relating to the recovery of deferred fuel: *KPCo*

In April June 2023, the WVPSC Staff submitted KPCo issued an order directing KPCo to show cause why it should not be subject to Kentucky statutory remedies, including fines and penalties, for failure to provide adequate service in its service territory. The KPSC's show cause order did not make any determination regarding the adequacy of KPCo's service. In July 2023, KPCo filed a *prudency* response to the show cause order demonstrating that it has provided adequate service. In December 2023 and February 2024, KPCo and certain intervenors filed testimony with the KPSC. In February 2024, KPCo filed a motion to strike and exclude intervenor testimony. In March 2024, the KPSC denied KPCo's February 2024 motion. A hearing is expected in 2024. If any fines or penalties are levied against KPCo relating to the show cause order, it could reduce net income and cash flows and impact financial condition.

KPCo Fuel Adjustment Clause (FAC) Review

In December 2023, KPCo received intervenor testimony in its FAC review prepared by an independent consultant retained by for the WVPSC staff. Adoption of the consultant report's findings by the WVPSC could result in two-year period ending October 31, 2022, recommending a disallowance ranging from \$44 million to \$60 million of up its total \$432 million purchased power cost recoveries as a result of proposed modifications to \$285 million. Management disagrees with the conclusions and recommendations contained in ratemaking methodology that limits purchased power costs recoverable through the consultant's report and a FAC. A hearing was held with the WVPSC in September 2023. APCo February 2024 and WPCo are awaiting a WVPSC order addressing: (a) the prudency review requested by the WVPSC regarding 2021 and 2022 ENEC under-recovery balances, (b) potential securitization of ENEC under-recovery balances, Amos and Mountaineer Plant property balances and deferred storm costs and (c) potential further adjustment to ENEC rates. An order is anticipated in the fourth quarter of 2023. In September 2023, APCo received an order from the WVPSC authorizing an \$89 million annual increase in ENEC rates for the Companies' forecasted costs for the period September 2023 through August 2024. See "ENEC Filings" section of Note 4 for additional information.

In September 2023, APCo submitted its annual Virginia fuel factor filing with the Virginia SCC requesting to recover a projected October 31, 2023 Virginia fuel under-recovered balance of \$273 million over two years. Interim Virginia FAC rates were implemented in November 2023. An order from the Virginia SCC is expected in the *first second* quarter of 2024. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

In April 2023, the PUCT issued an order approving an interim fuel surcharge, effective February 2023, allowing SWEPCo to recover \$83 million of non Sabine and Oxbow mine related fuel costs through June 2024. In September 2023, an unopposed settlement agreement was approved by the PUCT that allows SWEPCo to recover \$81 million of Sabine and Oxbow mine related fuel costs through 2035. See "Dolet Hills Power Station

and Related Fuel Operations" and "Pirkey Plant and Related Fuel Operations" sections in Note 4 for additional information related to the recovery of fuel costs in SWEPCo's Arkansas and Louisiana jurisdictions.

Renewable Generation

The growth of AEP's regulated renewable generation portfolio reflects the company's strategy to diversify generation resources to provide clean energy to customers that meet both their energy and capacity needs.

Significant Renewable Generation Placed Into Service

In 2023, AEP acquired and placed into service 159 MWs of owned renewable generation facilities totaling approximately \$154 million.

Significant Approved Renewable Generation Filings

AEP has received regulatory approvals from various state regulatory commissions to acquire approximately 2,811 MWs of owned renewable generation facilities, totaling approximately \$6.6 billion, in addition to 557 MWs of renewable purchase power agreements, as included in the following table:

Company	Generation Type	Expected Commercial Operation	Owned/PPA	Generating Capacity (in MWs)
APCo (a)	Solar	Q2 2024 through Q1 2026	PPA	204
APCo (a)	Wind	Q3 2025 through Q1 2026	Owned	347
I&M	Solar	Q4 2025	PPA	280
I&M (b)	Solar	Q2 2026	Owned	469
PSO	Solar	Q2 2025 through Q4 2025	Owned	443
PSO	Wind	Q1 2025 through Q2 2026	Owned	553
SWEPCo (c)	Solar	Q2 2025 through Q4 2025	Owned/PPA	273
SWEPCo (c)	Wind	Q4 2024 through Q4 2025	Owned	799
Total Approved Renewable Projects				3,368

- (a) In September 2023, the Virginia SCC issued an order approving a 143 MW owned project and 204 MWs of PPAs, approval from the WVPSC is pending.
- (b) Projects fully approved by the IURC and partially approved by the MPSC, final approval pending from the MPSC for 245 MW of owned solar.
- (c) Includes approvals by the APSC and LPSC for 999 MWs of owned projects. Additionally, the LPSC approved the flex-up option, allowing SWEPCo to recover the portion of the projects denied by the PUCT.

Significant Renewable Generation Requests for Proposal (RFP)

As part of AEP's transition to diversify the company's regulated generation resources and build its renewable generation portfolio, RFPs have been issued to identify potential renewable projects. The table below includes RFPs recently issued for owned generation and purchased power generation. These projects would be subject to regulatory approval.

Company	Issuance Date	Projected In-Service Dates	Generation Type	Generating Capacity (in MWs)
I&M	March 2023	Year End 2027	Wind (a)	800
I&M	March 2023	Year End 2027	Solar (a)(b)	850
APCo	April 2023	Year End 2026	Wind and/or Solar (c)(d)	800
KPCo	September 2023	Year end 2027	Wind and/or Solar (e)	1,300
Total Significant RFPs				3,750

- (a) RFP is an all-source solicitation seeking proposals for both owned projects and PPAs from various types of generation including 315 MWs of storage (a portion of which may derive from solar/storage hybrid projects) and 540 MWs of natural gas.
- (b) Includes consideration of up to 300 MWs of hybrid solar with up to 60 MWs of battery storage.
- (c) Includes RFP for up to 200 MWs of PPAs.
- (d) Includes an option for battery storage.
- (e) RFP is an all-source solicitation seeking proposals for PPAs for solar, wind, thermal resources and/or standalone storage for up to approximately 875 MWs of PJM-accredited summer capacity and approximately 1,300 MWs of PJM-accredited winter capacity.

Merchant Portion of Turk Plant

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Approximately 20% of SWEPCo's portion of the Turk Plant output is currently not subject to cost-based rate recovery in Arkansas. This portion of the plant's output is being sold into the wholesale market. Approximately 80% of the Turk Plant investment is recovered under retail cost-based rate recovery in Texas, Louisiana and through SWEPCo's wholesale customers under FERC-approved rates. In November 2022, SWEPCo filed a Certificate of Public Convenience and Necessity with the APSC for approval to operate the Turk plant Plant to serve Arkansas customers and recover the associated costs through a cost recovery rider. Cost-based recovery of the Turk Plant would aid SWEPCo's near-term capacity needs and support compliance with SPP's 2023 increased capacity planning reserve margin requirements. In April 2023, intervenors filed testimony recommending the APSC deny the Certificate of Public Convenience and Necessity on the basis that the Turk Plant is not the least cost alternative. In March 2024, the APSC issued an order denying SWEPCo's request to allow the merchant portion of the Turk Plant to serve Arkansas customers. As a result of the APSC's March 2024 order, SWEPCo recorded a \$32 million favorable impact to net income as a result of the reduction to the regulatory liability related to the merchant portion of Turk Plant Excess ADIT.

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Investigation of the Service, Rates and Facilities of KPCo

In June 2023, SWEPCo the KPSC issued an order directing KPCo to show cause why it should not be subject to Kentucky statutory remedies, including fines and penalties, for failure to provide adequate service in its service territory. The KPSC's show cause order did not make any determination regarding the adequacy of KPCo's service. In July 2023, KPCo filed rebuttal a response to the show cause order demonstrating that it has provided adequate service. In December 2023 and February 2024, KPCo and certain intervenors filed testimony with the APSC. KPSC. In July February 2024, KPCo filed a motion to strike and exclude intervenor testimony. In March 2024, the KPSC denied KPCo's February 2024 motion. A hearing is expected in 2024. If any fines or penalties are levied against KPCo relating to the show cause order, it could reduce net income and cash flows and impact financial condition.

KPCo Fuel Adjustment Clause (FAC) Review

In December 2023, additional KPCo received intervenor testimony was filed with in its FAC review for the APSC by two-year period ending October 31, 2022, recommending a disallowance ranging from \$44 million to \$60 million of its total \$432 million purchased power cost recoveries as a result of proposed modifications to the Attorney General of Arkansas and ratemaking methodology that limits purchased power costs recoverable through the APSC staff with recommendations consistent with the previously filed April 2023 intervenor testimony. FAC. A hearing was held in October 2023 February 2024 and an order is expected in the fourth second quarter of 2024. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Deferred Fuel Costs

Increases in fuel and purchased power costs in excess of amounts included in fuel-related revenues has led to an increase in the under collection of fuel costs from customers in several jurisdictions in recent years. To help ease the financial burden on customers, certain state commissions have issued orders allowing recovery of these costs over periods exceeding the traditional jurisdictional FAC terms. The table below illustrates the current and noncurrent under-recovered fuel regulatory asset balances, by jurisdiction, impacted by these orders. If any of these deferred fuel costs are not recoverable, it could reduce future net income and cash flows and impact financial condition. See Note 4 - Rate Matters for additional information.

		Expected/Authorized	As of		As of		Increase/
Company	Jurisdiction	Recovery Period	March 31, 2024		December 31, 2023		(Decrease)
(in millions)							
APCo	Virginia	2025	\$	221.1 (a)	\$	254.4	\$ (33.3)
APCo	West Virginia	2034		164.1 (b)		162.2	1.9
PSO	Oklahoma	2024		155.8 (c)		118.3	37.5
SWEPCo	Texas	2035		81.0 (d)		80.9	0.1
WPCo	West Virginia	2034		206.2 (b)		181.3	24.9
Total			\$	828.2	\$	797.1	\$ 31.1

- (a) In September 2023, APCo submitted a filing with the Virginia SCC requesting to extend the previously authorized recovery period through October 2024 to October 2025. Interim Virginia FAC rates were implemented in November 2023. As The Virginia SCC staff analyzed APCo's fuel procurement activities and concluded the procurement practices were reasonable and prudent and have recommended no disallowances. In March 2024, the Hearing Examiner issued a report on APCo's Virginia fuel update filing that did not recommend any disallowances. The Hearing Examiner's report recommended leaving the review of September 30, 2023, APCo fuel costs for 2021 and 2022 open for further evaluation. An order from the net book value Virginia SCC is expected in the first half of 2024.

- (b) In January 2024, the WVPSC issued a final order which approved the recovery of \$321 million (\$174 million attributable to APCo and \$147 million attributable to WPCo) of under-recovered ENEC regulatory assets as of February 28, 2023 over 10 years beginning September 1, 2024. In February 2024, the Companies filed briefs with the West Virginia Supreme Court to initiate an appeal of this order.
- (c) In September 2022, the Director of the Turk Plant Public Utility Division of the OCC approved a Fuel Cost Adjustment rate designed to collect a \$402 million deferred fuel balance through December 2024. In April 2024, the OCC issued an order confirming the prudence of the 2022 fuel and purchased power expenses.
- (d) In September 2023, the PUCT issued an order approving an unopposed settlement agreement that provides recovery of \$81 million of Oxbow mine and Sabine related fuel costs through 2035.

Ohio House Bill 6 (HB 6)

In July 2019, HB 6, which offered incentives for power-generating facilities with zero or reduced carbon emissions, was \$1.4 billion, before cost signed into law by the Ohio Governor. HB 6 terminated energy efficiency programs as of removal December 31, 2020, including CWIP OPCo's shared savings revenues of \$26 million annually and inventory. If SWEPCo cannot ultimately recover its investment phased out renewable mandates after 2026. HB 6 also provided for continued recovery of existing renewable energy contracts on a bypassable basis through 2032 and expenses related included a provision for continued recovery of OVEC costs through 2030 which is allocated to all electric distribution utility customers in Ohio on a non-bypassable basis. OPCo's Inter-Company Power Agreement for OVEC terminates in June 2040. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of the Speaker of the Ohio House of Representatives, Larry Householder, four other individuals, and Generation Now, an entity registered as a 501(c)(4) social welfare organization, in connection with an alleged racketeering conspiracy involving the adoption of HB 6. Certain defendants in that case had previously plead guilty and, in March 2023, a federal jury convicted Larry Householder and another individual of participating in the racketeering conspiracy. In 2021, four AEP shareholders filed derivative actions purporting to assert claims on behalf of AEP against certain AEP officers and directors. See "Litigation Related to Ohio House Bill 6" section of Litigation below for additional information.

In March 2021, the Governor of Ohio signed legislation that, among other things, repealed the payments to the Arkansas retail portion nonaffiliated owner of Ohio's nuclear power plants that were previously authorized under HB 6. The new legislation, House Bill 128, went into effect in May 2021 and leaves unchanged other provisions of HB 6 regarding energy efficiency programs, recovery of renewable energy costs and recovery of OVEC costs. To the Turk Plant, extent that the law changes or OPCo (a) is unable to recover the costs of renewable energy contracts on a bypassable basis by the end of 2032, (b) is unable to recover costs of OVEC after 2030 or (c) incurs significant costs associated with the derivative actions, it could reduce future net income and cash flows and impact financial condition.

LITIGATION

In the ordinary course of business, AEP is involved in employment, commercial, environmental and regulatory litigation. Since it is difficult to predict the outcome of these proceedings, management cannot predict the eventual resolution, timing or amount of any loss, fine or penalty. Management assesses the probability of loss for each contingency and accrues a liability for cases that have a probable likelihood of loss if the loss can be estimated. Adverse results in these proceedings have the potential to reduce future net income and cash flows and impact financial condition. See Note 4 – Rate Matters and Note 5 – Commitments, Guarantees and Contingencies for additional information.

Litigation Related to Ohio House Bill 6 (HB 6)

In 2019, Ohio adopted and implemented HB 6 which benefits OPCo by authorizing rate recovery for certain costs including renewable energy contracts and OVEC's coal-fired generating units. OPCo engaged in lobbying efforts and provided testimony during the legislative process in connection with HB 6. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of an Ohio legislator and associates in connection with an alleged racketeering conspiracy involving the adoption of HB 6. After AEP learned of the criminal allegations against the Ohio legislator and others relating to HB 6, AEP, with assistance from outside advisors, conducted a review of the circumstances surrounding the passage of the bill. Management does not believe that AEP was involved in any wrongful conduct in connection with the passage of HB 6.

In August 2020, an AEP shareholder filed a putative class action lawsuit in the U. S. District Court for the Southern District of Ohio against AEP and certain of its officers for alleged violations of securities laws. In December 2021, the district court issued an opinion and order dismissing the securities litigation complaint with prejudice, determining that the complaint failed to plead any actionable misrepresentations or omissions. The plaintiffs did not appeal the ruling.

In January 2021, an AEP shareholder filed a derivative action in the U.S. District Court for the Southern District of Ohio purporting to assert claims on behalf of AEP against certain AEP officers and directors. In February 2021, a second AEP shareholder filed a similar derivative action in the Court of Common Pleas of Franklin County, Ohio. In April 2021, a third AEP shareholder filed a similar derivative action in the U.S. District Court for the Southern District of Ohio and a fourth AEP shareholder filed a similar derivative action in the Supreme Court for the State of New York, Nassau County. These derivative complaints allege the officers and directors made misrepresentations and omissions similar to those alleged in the putative securities class action lawsuit filed against AEP. The derivative complaints together assert claims for: (a) breach of fiduciary duty, (b) waste of corporate assets, (c) unjust enrichment, (d) breach of duty for insider trading and (e) contribution for violations of sections 10(b) and 21D of the Securities Exchange Act of 1934; and seek monetary damages and changes to AEP's corporate governance and internal policies among other forms of relief. The court entered a scheduling order in the New York state court derivative action staying the case other than with respect to briefing the motion to dismiss. AEP filed substantive and forum-based motions to dismiss on April 29, 2022. On September 13, 2022, in April 2022. In June 2022, the Ohio state court entered an order continuing the stays of that case until the final resolution of the consolidated derivative actions pending in Ohio federal district court. In September 2022, the New York state court granted the forum-based motion to dismiss with prejudice and the plaintiff subsequently filed a notice of appeal with the New York appellate court. On January 20, 2023, in January 2023, the New York plaintiff filed a motion to intervene in the pending Ohio federal court action and withdrew his appeal in New York. The two derivative actions pending in federal district court in Ohio have been consolidated and the plaintiffs in the consolidated action filed an amended complaint. AEP filed a motion to dismiss the amended complaint and subsequently filed a brief in opposition to the New York plaintiffs' motion to intervene in the consolidated action in Ohio. On March 20, 2023, in March 2023, the federal district court issued an order granting the motion to dismiss with prejudice and denying the New York plaintiffs' motion to intervene. On April 20, 2023, in April 2023, one of the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Sixth Circuit of the Ohio federal district court order dismissing the consolidated action and denying the intervention. On June 15, 2022, the Ohio state court entered an order continuing the stays of that case until the final resolution of the consolidated derivative actions pending in Ohio federal district court. The defendants will continue to defend against the claims. Management is unable to determine a does not believe the range of potential losses that is reasonably possible of occurring.

occurring will have a material impact on results of operations, cash flows or financial condition.

In March 2021, AEP received a litigation demand letter from counsel representing a purported AEP shareholder. The litigation demand letter was directed to the Board of Directors of AEP (AEP Board) and contained factual allegations involving HB 6 that were generally consistent with those in the derivative litigation filed in state and federal court. The shareholder that sent the letter has since withdrawn the litigation demand, which is now terminated and of no further effect. In April 2023, AEP received a litigation demand from counsel representing the purported AEP shareholder who filed the dismissed derivative action in New York state court and unsuccessfully tried to intervene in the consolidated derivative actions in Ohio federal court. The litigation demand letter is directed to the AEP Board and contains factual allegations involving HB 6 that are generally consistent with those in the derivative litigation filed in state and federal court. The letter demands, among other things, that the AEP Board undertake an independent investigation into alleged legal violations by certain current and former directors and officers, and that AEP commence a civil action for breaches of fiduciary duty and related claims against any individuals who allegedly harmed AEP. The AEP Board considered the 2023 litigation demand letter and formed a committee of the Board (the "Demand Review Committee") to investigate, review, monitor and analyze the allegations in the letter and make a recommendation to the AEP Board regarding a reasonable and appropriate response to the same. The AEP Board will act in response to the letter as appropriate. Management is unable to determine a does not believe the range of potential losses that is reasonably possible of occurring, occurring will have a material impact on results of operations, cash flows or financial condition.

In May 2021, AEP received a subpoena from the SEC's Division of Enforcement seeking various documents, including documents relating to the passage of HB 6 and documents relating to AEP's policies and financial processes and controls. In August 2022, AEP received a second subpoena from the SEC seeking various additional documents relating to its ongoing investigation. AEP is cooperating fully with the SEC's investigation, which has included taking testimony from certain individuals and inquiries regarding Empowering Ohio's Economy, Inc., which is a 501(c)(4) social welfare organization, and related disclosures. The SEC staff has advanced its discussions with certain parties involved in the investigation, including AEP, concerning the staff's intentions regarding potential claims under the securities laws. AEP and the SEC are engaged in discussions about a possible resolution of the SEC's investigation and potential claims under the securities laws. Any resolution or filed claims, the outcome of which cannot be predicted, and could may subject AEP to civil penalties and other remedial measures. Management is unable to determine a Discussions are continuing and management does not believe the range of potential losses that is reasonably possible of occurring but management does not believe the results as a result of this investigation, or a possible resolution thereof, will have a material impact on results of operations, cash flows or financial condition.

Claims for Indemnification Made by Owners of the Gavin Power Station

In November 2022, the Federal EPA issued a final decision denying Gavin Power LLC's requested extension to allow a CCR surface impoundment at the Gavin Power Station to continue to receive CCR and non-CCR waste streams after April 11, 2021 until May 4, 2023 (the Gavin Denial). As part of the Gavin Denial, the Federal EPA made several determinations assertions related to the CCR Rule (see "Coal Combustion Residual (CCR) CCR Rule" section below for additional information), including a determination an assertion that the closure of the 300 acre unlined fly ash reservoir (FAR) is noncompliant with the CCR Rule in multiple respects. The Gavin Power Station was formerly owned and operated by AEP and was sold to Gavin Power LLC and Lightstone Generation LLC in 2017. Pursuant to the PSA, AEP maintained responsibility to complete closure of the FAR in accordance with the closure plan approved by the Ohio EPA which was completed in July 2021. The PSA contains indemnification provisions, pursuant to which the owners of the Gavin Power Station have notified AEP they believe they are entitled to indemnification for any damages that may result from these claims, including any future enforcement or litigation resulting from the Federal EPA's any determinations of noncompliance by the Federal EPA with various aspects of the CCR Rule as part of consistent with the Gavin Denial. The owners of the Gavin Power Station have also sought indemnification for landowner claims for property damage allegedly caused by modifications to the FAR. Management does not believe that the owners of the Gavin Power Station have any valid claim for indemnity or otherwise against AEP under the PSA. In addition, Gavin Power LLC, several AEP subsidiaries, and other parties have filed Petitions for Review of the Gavin Denial with the U.S. Court of Appeals for the District of Columbia Circuit. Management is unable to determine a range of potential losses that is reasonably possible of occurring. In January 2024, Gavin Power LLC also filed a complaint with the United States District Court for the Southern District of Ohio, alleging various violations of the Administrative Procedure Act and asserting that the Federal EPA, through its prior inaction, has waived and is estopped from raising certain objections raised in the Gavin Denial. Management cannot predict the outcome of that litigation.

Claims for Damages Related to Sabine Lignite Mining Agreement Litigation Regarding Justice Thermal Coal Contract

In May/December 2023, North American Coal Corporation (NACC) APCo filed a suit in the Franklin County Ohio Court of Common Pleas seeking a declaratory judgment confirming APCo's right to terminate a long-term coal contract with Justice Thermal LLC ("Justice Thermal") based on Justice Thermal's failure to perform under the contract. APCo terminated that contract in January 2024, and Sabine, in April 2024 APCo filed an amended complaint seeking a subsidiary of NACC, filed suit against SWEPCo in Texas state court declaration that the termination was proper and also seeking damages for Justice Thermal's breach of contract. Justice Thermal filed an answer and counterclaim in April 2024, contesting the Lignite Mining Agreement (LMA) between Sabine and SWEPCo. NACC and Sabine assert that the terms validity of the LMA require SWEPCo to continue operating the Pirkey Plant contract termination and obtaining coal from the Sabine mine through 2035 and asserting counterclaims. Justice Thermal's counterclaims allege that SWEPCo has APCo breached the agreement by closing contract, assert a claim for fraud relating to APCo's alleged fabrication of coal sample analyses, and seek damages. APCo will continue to pursue its claims and defend against the plant. In August 2023, counterclaims. Management is unable to determine a settlement agreement was reached and the suit was dismissed by the Texas state court. The settlement agreement did not have a material impact on SWEPCo's net income, cash flows or financial condition, range of potential losses that is reasonably possible of occurring.

ENVIRONMENTAL ISSUES

AEP has a substantial capital investment program and incurs additional operational costs to comply with environmental control requirements. Additional investments and operational changes will be made in response to existing and anticipated requirements to reduce emissions from fossil generation and in response to rules governing the beneficial use and disposal of coal combustion by-products, clean water and renewal permits for certain water discharges.

AEP is engaged in litigation about environmental issues, was notified of potential responsibility for the clean-up of contaminated sites and incurred costs for disposal of SNF and future decommissioning of the nuclear units. Management is engaged in the development of possible future requirements including the items discussed below.

AEP will seek recovery of expenditures for pollution control technologies and associated costs from customers through rates in regulated jurisdictions. Environmental rules could result in accelerated depreciation, impairment of assets or regulatory disallowances. If AEP cannot recover the costs of environmental compliance, it would reduce future net income and cash flows and impact financial condition.

Impact of Environmental Controls Impact Compliance on the Generating Fleet

The rules and proposed environmental controls control requirements discussed below will have an a material impact on AEP System generating units. Management continues to evaluate the impact of these rules, project scope and technology available to achieve compliance, AEP's operations. As of September 30, 2023 March 31, 2024, the AEP System owned generating capacity of approximately 23,300 23,200 MWs, of which approximately 10,700 MWs were coal-fired. In April 2024, the Federal EPA announced four major new rules directed at fossil-fuel electric generation facilities. Management continues to evaluate the impacts of these rules on the plans for the future of AEP's generating fleet, in particular, the economic feasibility of making the requisite environmental investments on AEP's fossil generation fleet and fleet. AEP continues to refine the cost estimates of complying with these rules and evaluate other impacts to identify the best alternative for ensuring compliance with all of the environmental proposals on fossil generation. rules while meeting AEP's obligations to provide reliable and affordable electricity.

The cost estimates will change depending on the timing costs of implementation and whether the Federal EPA provides flexibility in finalizing proposed complying with new rules or revising certain existing requirements. The cost estimates will may also change based on: (a) potential state rules that impose additional more stringent standards, (b) additional rulemaking activities in response to court decisions, (c) actual performance of the pollution control technologies installed, (d) changes in costs for new pollution controls, (e) new generating technology developments, (f) total MWs of capacity retired and replaced, including the type and amount of such replacement capacity, (g) compliance with the Federal EPA's revised coal combustion residual rules and (h) (g) other factors.

Clean Air Act Requirements

The CAA establishes a comprehensive program to protect and improve the nation's air quality and control sources of air emissions. The states implement and administer many of these programs and could impose additional or more stringent requirements. The primary regulatory programs that continue to drive investments in AEP's existing generating units include: (a) periodic revisions to NAAQS and the development of SIPs to achieve more stringent standards, (b) implementation of the regional haze program by the states and the Federal EPA, (c) regulation of hazardous air pollutant emissions under MATS, (d) implementation and review of CSAPR and (e) the Federal EPA's regulation of greenhouse gas emissions from fossil generation under Section 111 of the CAA. Notable developments in significant CAA regulatory requirements affecting AEP's operations are discussed in the following sections.

National Ambient Air Quality Standards

The Federal EPA periodically reviews and revises the NAAQS for criteria pollutants under the CAA. Revisions tend to increase the stringency of the standards, which in turn may require AEP to make investments in pollution control equipment at existing generating units, or, since most units are already well controlled, to make changes in how units are dispatched and operated. In January 2023, February 2024, the Federal EPA announced its proposed decision finalized a new more stringent annual primary PM_{2.5} standard.

Areas with air quality that does not meet the new standard will be designated by the Federal EPA as "nonattainment," which will trigger an obligation for states to strengthen revise their SIPs to include additional requirements, resulting in further emission reductions to ensure that the primary (health-based) annual PM_{2.5} standard. Management cannot currently predict if any changes to these standards are likely to new standard will be finalized or what such changes met. Areas around some of AEP's generating facilities may be but deemed nonattainment, which may require those facilities to install additional pollution controls or to implement operational constraints. The nonattainment designations by the Federal EPA and the subsequent SIP revisions by the affected states will continue take some time to monitor this issue and any future rulemakings. complete; therefore, management cannot reasonably estimate the impact on AEP's operations, cash flows, net income or financial condition.

Regional Haze

The Federal EPA issued a Clean Air Visibility Rule (CAVR) in 2005, which could require power plants and other facilities to install best available retrofit technology to address regional haze in federal parks and other protected areas. CAVR is implemented by the states, through SIPs, or by the Federal EPA, through FIPs. In 2017, the Federal EPA revised the rules governing submission of SIPs to implement the visibility programs. Petitions for review of the final rule revisions have been filed in the U.S. Court of Appeals for the District of Columbia Circuit.

In Texas, the The Federal EPA disapproved portions of the Texas regional haze SIP and finalized a FIP that allows participation in the CSAPR ozone season program to satisfy the NO_x regional haze obligations for electric generating units in Texas. Additionally, the Federal EPA finalized an intrastate SO₂ emissions trading program based on CSAPR allowance allocations. Legal challenges to these various rulemakings are pending in both the U.S. Court of Appeals for the Fifth Circuit and the U.S. Court of Appeals for the District of Columbia Circuit. Management cannot predict the outcome of that litigation, although management supports the intrastate trading program as a compliance alternative to source-specific controls and has intervened in the litigation in support of the Federal EPA.

Cross-State Air Pollution Rule

CSAPR is a regional trading program that the Federal EPA began implementing in 2015, which was originally designed to address interstate transport of emissions that contribute significantly to non-attainment and interfere with maintenance of the 1997 ozone NAAQS and the 1997 and 2006 PM_{2.5} NAAQS in downwind states. CSAPR relies on SO₂ and NO_x allowances and individual state budgets to compel further emission reductions from electric utility generating units. Interstate trading of allowances is allowed on a restricted basis. The Federal EPA has revised, or updated, the CSAPR trading programs several times since they were established.

In January 2021, the Federal EPA finalized a revised CSAPR, which substantially reduced the ozone season NO_x budgets for several states, including states where AEP operates, beginning in ozone season 2021. Management believes it can AEP has been able to meet the requirements of the revised rule in over the near term, first few years of implementation, and is evaluating its compliance options for later years, when the budgets are further reduced.

In addition, in February 2023, the Federal EPA Administrator finalized the disapproval of interstate transport SIPs submitted by 19 states, including Texas, addressing the 2015 Ozone NAAQS. The Federal EPA disapproved interstate transport SIPs submitted by additional states soon thereafter. Disapproval of the SIPs provides provided the Federal EPA

with authority to impose a FIP for those states, replacing the SIPs that were disapproved. Petitions for review of the SIP disapprovals for several states have been filed in federal courts of appeals by states, utilities and other industry parties and the federal courts have stayed the disapprovals of SIPs submitted by twelve states, including Arkansas, Kentucky, Oklahoma, Texas and West Virginia. In March/August 2023, the Federal EPA finalized a FIP that went into effect that further revises/revised the ozone season NO_x budgets under the existing CSAPR program in states to which the FIP applies. Several states and industry parties initiated legal challenges to the Federal EPA's SIP disapprovals, and at the request of those parties, the courts have stayed SIP disapprovals for several states, including some states in which AEP operates. The Federal EPA has issued interim rules staying the FIP that went into effect in August 2023 and has also been challenged in for states where the U.S. Court of Appeals courts have stayed the underlying SIP disapprovals for the D.C. Circuit and in several other federal circuits. In light of period while the various court/judicial stays of the SIP disapprovals the Federal EPA has issued two interim final rules that adjust or stay certain requirements remain in place. The disapproval of the FIP consistent with the court orders, pending resolution SIPs and implementation of the FIPs continues to be subject to extensive litigation. Management continues/will continue to monitor the outcome of various SIP challenges this litigation and evaluate the impacts/development of the FIP and cannot predict the outcome of the litigation. SIPs for any potential impact to operations.

Climate Change, CO₂ Regulation and Energy Policy

In May 2023, April 2024, the Administrator of the Federal EPA proposed signed new greenhouse gas standards and guidelines for new and existing fossil-fuel fired sources. The proposal rule relies heavily on carbon capture and sequestration and natural gas co-firing as means to reduce CO₂ emissions from coal fired plants and hydrogen co-firing and carbon capture and sequestration to reduce CO₂ emissions from new gas turbines. Management The Federal EPA deferred the finalization of standards for existing gas turbines until later in 2024. AEP is in the early stages of evaluating and identifying the proposed best strategy for complying with this and other new rules, discussed below, while ensuring the adequacy of resources to meet customer needs. AEP is also evaluating potential legal challenges to the rule.

While no Even in the absence of federal regulatory requirements to reduce CO₂ emissions, are in place, AEP has already taken action to reduce and offset CO₂ emissions from its generating fleet. AEP expects CO₂ emissions from its operations to continue to decline due to the retirement of some of its coal-fired generation units, and actions taken to diversify the generation fleet and increase energy efficiency where there is regulatory support for such activities. The majority of the Certain states where AEP has generating facilities have passed legislation establishing renewable energy, alternative energy and/or energy efficiency requirements that can assist in reducing carbon emissions.

AEP routinely submits IRPs in various regulatory jurisdictions to address future generation and capacity needs. These IRPs take into account economics, customer demand, grid reliability and resilience, regulations and RTO capacity requirements. The objective of the IRPs is to recommend future generation and capacity resources that provide the most cost-efficient and reliable power to customers. In October 2022, AEP announced new intermediate and long-term CO₂ emission reduction goals, based on the output of the company's integrated resource plans, which take into account economics, customer demand, grid reliability and resiliency, regulations and the company's current business strategy. goals. AEP adjusted its near-term CO₂ emission reduction target from a 2000 baseline to a 2005 baseline, upgraded its 80% reduction by 2030 target to include full Scope 1 emissions and accelerated its net-zero goal by five years to 2045. 2045 for Scope 1 and Scope 2 emissions. AEP's total Scope 1 greenhouse gas (GHG) GHG estimated emissions in 2022 2023 were approximately 52.5 million 44.5 million metric tons, CO₂e, approximately a 65% 67% reduction according to the GHG Protocol, which excludes emission reductions that result from assets that have been sold, or a 71% reduction from AEP's 2005 Scope 1 GHG emissions (inclusive of emission reductions that result from plants that have been sold).

AEP has made significant progress in reducing CO₂ emissions from its power generation fleet and expects its emissions to continue to decline. Technological advances, decline over the long-term. AEP also expects Scope 1 GHG emissions to vary annually depending on the mix of its own generation and purchased power used to serve customers. AEP's ability to achieve these goals is dependent upon a number of factors including energy storage, will determine how quickly AEP can achieve zero emissions while continuing to provide the most cost-efficient and reliable affordable power to customers, having regulatory support to execute on renewable resource plans, evolving RTO requirements, the advancement of carbon-free generation technologies, customer demand for customers, carbon-free energy, potential tariffs, carbon policy and regulation, operational performance of renewable generation and supply chain costs and constraints.

Excessive costs to comply with future legislation or environmental regulations have led to the announcement of early plant closures across the country. The Federal EPA's new GHG rules and the suite of other new rules announced simultaneously and directed at the fossil-fuel fired electric utility industry, see discussion of other rules below, and could force AEP to close additional coal-fired generation facilities earlier than their estimated useful life. If AEP is unable to recover the costs of its investments, it would reduce future net income and cash flows and impact financial condition.

MATS Rule

In April 2023, 2024, the Federal EPA issued a proposed revised MATS rule that would revise the MATS for power plants. The proposed rule includes a more stringent standard for emissions of filterable PM for coal-fired electric generating units, as well as a new mercury standard for lignite-fired electric generating units. The proposed rule also requires the installation and operation of continuous emissions monitors for PM. Management is evaluating the impacts of the rule, as proposed and will continue to monitor but does not anticipate any significant challenges complying with the rulemaking. rule.

CCR Rule

The Federal EPA's CCR rule regulates the disposal and beneficial re-use of CCR, including fly ash and bottom ash created from coal-fired generating units and FGD gypsum generated at some coal-fired plants. The original rule applies applied to active and inactive CCR landfills and surface impoundments at facilities of active electric utility or independent power producers. With revisions announced in April 2024, the scope of the rule has expanded significantly, to include inactive impoundments at inactive facilities ("legacy CCR surface impoundments") as well as to establish requirements for currently exempt solid waste management units that involve the direct placement of CCR on the land ("CCR management units").

In 2020, the Federal EPA revised the original CCR rule to include a requirement that unlined CCR storage ponds cease operations and initiate closure by April 11, 2021. The revised rule provides two options that allow facilities to extend the date by which they must cease receipt of coal ash and close the ponds.

The first option provides an extension to cease receipt of CCR no later than October 15, 2023 for most units, and October 15, 2024 for a narrow subset of units; however, the Federal EPA's grant of such an extension requires a satisfactory demonstration of the need for additional time to develop alternative ash disposal capacity and will be limited to the soonest timeframe technically feasible to cease receipt of CCR. Additionally, each request must undergo formal review, including public comments, and be approved by the Federal EPA. AEP filed applications for additional time to develop alternative disposal capacity at the following plants:

Company	Plant Name	Generating Capacity	Net Book Value (a)		Projected Retirement Date
		(in MWs)	(in millions)		
AEGCo	Rockport Plant	1,310	\$	291.7	2028
APCo	Amos Plant	2,930		2,136.8	2040
APCo	Mountaineer Plant	1,320		963.9	2040
I&M	Rockport Plant	1,310		548.2 (b)	2028
KPCo	Mitchell Plant	780		557.0	2040
SWEPCo	Flint Creek Plant	258		256.6	2038
WPCo	Mitchell Plant	780		680.8	2040

(a) Net book value as of September 30, 2023, before cost of removal including CWIP and inventory.

(b) Amount includes a \$129 million regulatory asset related to the retired Tanners Creek Plant. The IURC and MPSC authorized recovery of the Tanners Creek Plant regulatory asset over the useful life of Rockport Plant, Unit 1 in 2015 and 2014, respectively, various plants.

In January 2022, the Federal EPA proposed to deny several extension requests filed by the other utilities based on allegations that those utilities are not in compliance with the CCR Rule (the January Actions). In November 2022, the Federal EPA finalized one of these denials (the November Denial) Gavin Denial, discussed above). The Federal EPA's allegations of noncompliance rely on new interpretations of the CCR Rule requirements. The January Actions of the Federal EPA and the November Gavin Denial have been challenged in the U.S. Court of Appeals for the District of Columbia Circuit as unlawful rulemaking that revises the existing CCR Rule requirements without proper notice and without opportunity for comment. Management is unable to predict the outcome of that litigation. litigation or how it may impact the Federal EPA's interpretation of the CCR Rule.

In July 2022, the Federal EPA proposed conditional approval of the pending extension request for the APCo's Mountaineer Plant. The Federal EPA alleged that the Mountaineer Plant was not fully compliant with the CCR Rule. In December 2022, AEP withdrew the pending extension request for the Mountaineer Plant as work to construct new CCR disposal facilities was completed and the extension was no longer needed. In addition, AEP ceased receiving ash in the other ponds subject to the extension requests, completed construction of new, CCR Rule compliant facilities at the plants listed in the table above and withdrew all of the remaining applications for additional time to develop alternative disposal capacity.

Closure and post-closure estimated costs have been included in ARO in accordance with the requirements in the Federal EPA's final CCR rule. Additional ARO revisions will occur on a site-by-site basis if groundwater monitoring activities conclude that corrective actions are required to mitigate groundwater impacts. AEP may incur significant additional costs complying with the Federal EPA's CCR Rule, including costs to upgrade or close and replace surface impoundments and landfills used to manage CCR and to conduct any required remedial actions including removal of coal ash. If additional costs are incurred and AEP is unable to obtain cost recovery, it would reduce future net income and cash flows and impact financial condition. Management will continue to participate in rulemaking activities and make adjustments based on new federal and state requirements affecting its ash disposal units.

Under the second option for obtaining an extension of the April 11, 2021 deadline to cease operation of unlined impoundments, a generating facility may continue operating its existing impoundments without developing alternative CCR disposal, provided the facility commits to cease combustion of coal by a date certain. Under this option, a generating facility had until October 17, 2023 to cease coal-fired operations and to close CCR storage ponds 40 acres or less in size, or through October 17, 2028 for facilities with CCR storage ponds greater than 40 acres in size. Pursuant to this option, AEP informed the Federal EPA of its intent to retire the Pirkey Plant and cease using coal at the Welsh Plant. In March 2023, the Pirkey Plant was retired. The table below summarizes the net book value of Welsh Plant, Units 1 and 3 as of September 30, 2023.

Company	Plant Name and Unit	Generating Capacity	Net Investment (a)		Accelerated Depreciation Regulatory Asset	Projected Retirement Date
		(in MWs)	(in millions)			
SWEPCo	Welsh Plant, Units 1 and 3	1,053	\$	368.8	\$ 115.5	2028 (b)(c)

(a) Net book value including CWIP excluding cost of removal and materials and supplies.

(b) In November 2020, management announced it will cease using coal at the Welsh Plant in 2028.

(c) Unit 1 is currently being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Unit 3 is currently being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

To date, the Federal EPA has not taken any action on the pending extension request for the Welsh Plant. Under the second option above, AEP may need to recover remaining depreciation and estimated closure costs associated with these plants over a shorter period. If AEP cannot ultimately recover the costs of environmental compliance and/or the remaining depreciation and estimated closure costs associated with these plants in a timely manner, it would reduce future net income and cash flows and impact financial condition.

In **May 2023, April 2024**, the Federal EPA **proposed finalized** revisions to the CCR Rule to expand the scope of the rule to include inactive impoundments at inactive facilities ("legacy CCR surface impoundments") as well as to establish requirements for currently exempt solid waste management units that involve the direct placement of CCR on the land ("CCR management units"). The **proposed** Federal EPA is requiring that owners and operators of legacy surface impoundments comply with all of the existing CCR Rule requirements applicable to inactive CCR surface impoundments at active facilities, except for the location restrictions and liner design criteria. The rule establishes compliance deadlines for legacy surface impoundments to meet regulatory requirements, including a requirement to initiate closure within five years after the effective date of the final rule. The rule requires evaluations to be completed at both active facilities and inactive facilities with one or more legacy surface impoundments. AEP is evaluating the applicability of the rule to current and former plant sites and is working to develop estimates of compliance costs, which are expected to be material, including costs to upgrade or close and replace legacy CCR surface impoundments and to conduct any required remedial actions including removal of coal ash.

Closure and post-closure estimated costs for facilities subject to the original CCR Rule have been included in ARO in accordance with the requirements in the Federal EPA's original CCR rule. Material ARO revisions will be necessary to address the expanded scope of facilities subject to the revised rule. Additional material ARO revisions may occur on a site-by-site basis if **finalized**, groundwater monitoring activities conclude that corrective actions are required to mitigate groundwater impacts. AEP may incur significant additional costs complying with the Federal EPA's CCR Rule, including costs to upgrade or close and replace surface impoundments and landfills used to manage CCR and to conduct any required remedial actions including removal of coal ash.

AEP would need to seek cost recovery through regulated rates, including proposing new regulatory mechanisms for cost recovery where existing mechanisms are not applicable, for which regulatory approval cannot be assured. The rule could have a material adverse impact on net income, cash flows and financial condition if AEP cannot ultimately recover any additional costs of compliance. Management is also evaluating potential legal challenges to the revised rule.

Clean Water Act Regulations

The Federal EPA's ELG rule for generating facilities establishes limits for FGD wastewater, fly ash and bottom ash transport water and flue gas mercury control wastewater, which are to be implemented through each facility's wastewater discharge permit. A revision to the ELG rule, published in October 2020, established additional options for reusing and discharging small volumes of bottom ash transport water, provided an exception for retiring units and extended the compliance deadline to a date as soon as possible beginning one year after the rule was published but no later than December 2025. Management has assessed technology additions and retrofits to comply with the rule and the impacts of the Federal EPA's actions on facilities' wastewater discharge permitting for FGD wastewater and bottom ash transport water. For affected facilities that must install additional technologies to meet the ELG rule limits, permit modifications were filed in January 2021 that reflect the outcome of that assessment. AEP continues to work with state agencies to finalize permit terms and conditions. Other facilities opted to file Notices of Planned Participation (NOPP), pursuant to which the facilities are not required to install additional controls to meet ELG limits provided they make commitments to cease coal combustion by a date certain. In **March 2023, April 2024**, the Federal EPA **proposed finalized** further revisions to the ELG rule **which, if finalized, would that** establish a zero liquid discharge standard for FGD wastewater, **and** bottom ash transport water, and **managed combustion residual leachate, as well as** more stringent discharge limits for **unmanaged** combustion residual leachate. **The revised rule provides a new compliance alternative that would avoid the need to install zero liquid discharge systems for facilities that comply with the 2020 rule's control technology requirements and commit to retire by 2024.** Management is evaluating the **impacts** compliance alternatives in the rule, taking into consideration the requirements of the **proposed rule** other new rules and their combined impacts to operations. Management cannot predict whether **is also evaluating potential legal challenges to the** Federal EPA will actually finalize further revisions, but will continue to monitor this issue and will participate in further rulemaking activities as they arise, **rule.**

In January 2023, the Federal EPA and the Department of the Army finalized a new rule revising the definition of "waters of the United States," which became effective in March 2023. The new rule expands the scope of the definition, which means that permits may be necessary where none were previously required and issued permits may need to be reopened to impose additional obligations. A number of legal challenges in courts across the country have resulted in the rule being stayed in more than half of the states, including Arkansas, Indiana, Louisiana, Ohio, Oklahoma, Virginia and West Virginia. Management is evaluating what impacts the revised rule will have on operations.

In May 2023, the United States Supreme Court issued a decision that significantly narrowed the scope of "waters of the United States," specifically which wetlands can be regulated as waters of the United States. In August 2023, the Federal EPA and the Department of the Army issued a final rule to amend the January 2023 revised definition of "waters of the United States" to conform to the Supreme Court's decision, which rendered parts of the January 2023 rule invalid. The conforming rule became effective in September 2023 and applies in those states **not has been** subject to rule making and litigation which has led to inconsistent scope among the **court's stay of the January 2023 rule, states.** Management will continue to monitor developments in rule making and litigation for any potential impact to operations.

Impact of Environmental Regulation on Coal-Fired Generation

Compliance with extensive environmental regulations requires significant capital investment in environmental monitoring, installation of pollution control equipment, emission fees, disposal, remediation and permits. Management continuously evaluates cost estimates of complying with these regulations which may result in a decision to retire coal-fired generating facilities earlier than their currently estimated useful lives.

The table below summarizes the net book value, as of **September 30, 2023 March 31, 2024**, of generating facilities retired or planned for early retirement in advance of the retirement date currently authorized for ratemaking purposes:

						Current	
			Net	Accelerated Depreciation	Actual/Projected	Authorized	
Company	Company	Plant	Investment (a)	Regulatory Asset	Retirement	Recovery	
					Date	Period	Annual Depreciation (b)
(in millions)							
Company							
Company							

The remainder of AEP's activities are presented as Corporate and Other. While Other, which is not considered a reportable segment, Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries, Parent's guarantee revenue received from affiliates, investment income, interest income and interest expense, and other nonallocated costs. segment. See Note 8 - Business Segments for additional information on AEP's segments.

The following discussion of AEP's results of operations by operating segment includes an analysis provides a comparison of Gross Margin, which is a non-GAAP financial measure. Gross Margin includes Total Revenues less Earnings Attributable to AEP Common Shareholders for the costs of Fuel three months ended March 31, 2024 as compared to the three months ended March 31, 2023. For AEP's Vertically Integrated Utilities and Other Consumables Used for Electric Generation, as well as Purchased Electricity for Resale, as presented in Transmission and Distribution Utilities segment and subsidiary registrants within these segments, the Registrants' statements of income as applicable. Under results include revenues from rate rider mechanisms designed to recover fuel, purchased power and other recoverable expenses such that the various state utility rate making processes, revenues and expenses associated with these expenses are items generally reimbursable directly from offset and billed to customers. As a result, they do not typically impact Operating Income or affect Earnings Attributable to AEP Common Shareholders. Management believes that Gross Margin provides a useful measure For additional information regarding the financial results for investors the three months ended March 31, 2024 and other financial statement users to analyze AEP's financial performance in that it excludes 2023 see the effect on Total Revenues caused discussions of Results of Operations by volatility in these expenses. Operating Income, which is presented in accordance with GAAP in AEP's statements of income, is the most directly comparable GAAP financial measure to the presentation of Gross Margin. AEP's definition of Gross Margin may not be directly comparable to similarly titled financial measures used by other companies.

Subsidiary Registrant.

The following tables present Earnings (Loss) Attributable to AEP Common Shareholders by segment:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in millions)		(in millions)	
Vertically Integrated Utilities	Vertically Integrated Utilities	\$512.5	\$476.9	\$1,051.6	\$1,076.3
Transmission and Distribution Utilities	Transmission and Distribution Utilities	206.0	165.5	508.4	483.1
Transmission and Distribution Utilities					
Transmission and Distribution Utilities					
AEP Transmission Holdco					
AEP Transmission Holdco					
AEP Transmission Holdco	AEP Transmission Holdco	202.9	170.5	580.8	485.4
Generation & Marketing	Generation & Marketing	130.7	97.5	(59.3)	284.3
Generation & Marketing					
Generation & Marketing					
Corporate and Other					
Corporate and Other					
Corporate and Other	Corporate and Other	(98.4)	(226.7)	(209.6)	(406.2)

	2019	2018	2017	2016	2015
Earnings Attributable to					
AEP Common					
Shareholders					
Earnings Attributable to					
AEP Common					
Shareholders					

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Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost				
		31.6	14.1	1.5	6.6
Interest Expense	Interest Expense	(197.1)	(93.8)	(53.6)	(18.7)
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	481.3	250.3	232.7	118.4
Income Tax Expense (Benefit)	Income Tax Expense (Benefit)	(32.4)	44.3	51.1	(16.2)
Equity Earnings (Loss) of Unconsolidated Subsidiary	Equity Earnings (Loss) of Unconsolidated Subsidiary	0.3	—	22.3	(1.8)
Net Income	Net Income	514.0	206.0	203.9	132.8
Net Income Attributable to Noncontrolling Interests	Net Income Attributable to Noncontrolling Interests	1.5	—	1.0	2.1
Earnings Attributable to AEP Common Shareholders	Earnings Attributable to AEP Common Shareholders	\$ 512.5	\$ 206.0	\$ 202.9	\$ 130.7

Three Months Ended September 30, 2022				
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	\$ 3,226.3	\$ 1,530.2	\$ 430.9	\$ 735.4
Fuel, Purchased Electricity and Other	1,191.9	399.5	—	566.1
Gross Margin	2,034.4	1,130.7	430.9	169.3
Other Operation and Maintenance	834.0	503.6	46.5	44.7
Asset Impairments and Other Related Charges	24.9	—	—	—
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	(37.0)	—	—	—
Depreciation and Amortization	520.6	188.3	89.5	23.1
Taxes Other Than Income Taxes	130.1	176.7	70.5	3.1
Operating Income	561.8	262.1	224.4	98.4
Other Income	9.0	1.4	0.7	12.5
Allowance for Equity Funds Used During Construction	6.0	9.3	20.3	—
Non-Service Cost Components of Net Periodic Benefit Cost	27.4	11.9	1.3	5.1
Interest Expense	(168.8)	(85.4)	(44.4)	(16.7)
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	435.4	199.3	202.3	99.3
Income Tax Expense (Benefit)	(41.2)	33.8	52.1	(5.1)
Equity Earnings (Loss) of Unconsolidated Subsidiary	0.3	—	21.2	(8.2)
Net Income	476.9	165.5	171.4	96.2
Net Income (Loss) Attributable to Noncontrolling Interests	—	—	0.9	(1.3)
Earnings Attributable to AEP Common Shareholders	\$ 476.9	\$ 165.5	\$ 170.5	\$ 97.5

Nine Months Ended September 30, 2023				
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	\$ 8,737.7	\$ 4,348.5	\$ 1,390.8	\$ 1,225.1
Fuel, Purchased Electricity and Other	2,989.0	970.5	—	1,116.0
Gross Margin	5,748.7	3,378.0	1,390.8	109.1
Other Operation and Maintenance	2,480.7	1,472.7	109.9	130.4
Loss on the Sale of the Competitive Contracted Renewables Portfolio	—	—	—	112.0
Depreciation and Amortization	1,411.3	576.2	297.9	34.7
Taxes Other Than Income Taxes	390.8	519.1	222.0	6.1
Operating Income (Loss)	1,465.9	810.0	761.0	(174.1)
Other Income	20.2	1.9	7.0	32.2
Allowance for Equity Funds Used During Construction	30.5	30.7	62.2	—
Non-Service Cost Components of Net Periodic Benefit Cost	94.9	42.1	4.6	19.7
Interest Expense	(565.1)	(270.0)	(153.7)	(69.2)
Income (Loss) Before Income Tax Expense (Benefit) and Equity Earnings	1,046.4	614.7	681.1	(191.4)
Income Tax Expense (Benefit)	(7.2)	106.3	158.7	(127.3)
Equity Earnings of Unconsolidated Subsidiary	1.0	—	61.2	1.9
Net Income (Loss)	1,054.6	508.4	583.6	(62.2)
Net Income (Loss) Attributable to Noncontrolling Interests	3.0	—	2.8	(2.9)
Earnings (Loss) Attributable to AEP Common Shareholders	\$ 1,051.6	\$ 508.4	\$ 580.8	\$ (59.3)

Nine Months Ended September 30, 2022				
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	\$ 8,562.2	\$ 4,078.6	\$ 1,221.1	\$ 2,014.3
Fuel, Purchased Electricity and Other	2,895.8	884.8	—	1,534.0
Gross Margin	5,666.4	3,193.8	1,221.1	480.3
Other Operation and Maintenance	2,383.1	1,373.2	114.4	71.2
Asset Impairments and Other Related Charges	24.9	—	—	—
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	(37.0)	—	—	—
Gain on Sale of Mineral Rights	—	—	—	(116.3)
Depreciation and Amortization	1,525.0	559.5	262.7	68.8
Taxes Other Than Income Taxes	383.9	504.9	207.9	9.3
Operating Income	1,386.5	756.2	636.1	447.3
Other Income	24.9	3.7	1.1	21.4
Allowance for Equity Funds Used During Construction	20.4	23.6	51.2	—
Non-Service Cost Components of Net Periodic Benefit Cost	82.4	35.7	3.8	15.4
Interest Expense	(477.1)	(242.2)	(124.2)	(30.7)
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	1,037.1	577.0	568.0	453.4
Income Tax Expense (Benefit)	(41.3)	94.7	141.9	(25.3)
Equity Earnings (Loss) of Unconsolidated Subsidiary	1.0	0.8	61.7	(200.6)
Net Income	1,079.4	483.1	487.8	278.1
Net Income (Loss) Attributable to Noncontrolling Interests	3.1	—	2.4	(6.2)
Earnings Attributable to AEP Common Shareholders	\$ 1,076.3	\$ 483.1	\$ 485.4	\$ 284.3

Three Months Ended March 31, 2023				
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	\$ 2,857.8	\$ 1,464.2	\$ 455.5	\$ 327.0
Fuel, Purchased Electricity and Other	976.2	392.7	—	382.3
Other Operation and Maintenance	832.2	491.9	36.7	43.0
Loss on the Sale of the Competitive Contracted Renewable Portfolio	—	—	—	112.0
Depreciation and Amortization	473.5	186.2	97.5	18.2
Taxes Other Than Income Taxes	132.4	178.8	76.8	2.8
Operating Income (Loss)	443.5	214.6	244.5	(231.3)
Other Income	7.2	0.5	1.9	9.0
Allowance for Equity Funds Used During Construction	5.8	9.1	16.4	—
Non-Service Cost Components of Net Periodic Benefit Cost	31.8	14.0	1.6	6.6
Interest Expense	(172.9)	(88.1)	(47.2)	(24.3)
Income (Loss) Before Income Tax Expense (Benefit) and Equity Earnings	315.4	150.1	217.2	(240.0)
Income Tax Expense (Benefit)	53.5	24.4	52.3	(78.1)
Equity Earnings of Unconsolidated Subsidiary	0.3	—	17.5	5.5
Net Income (Loss)	262.2	125.7	182.4	(156.4)
Net Income Attributable to Noncontrolling Interests	1.2	—	0.9	1.3
Earnings (Loss) Attributable to AEP Common Shareholders	\$ 261.0	\$ 125.7	\$ 181.5	\$ (157.7)

VERTICALLY INTEGRATED UTILITIES

Summary of KWh Energy Sales for Vertically Integrated Utilities					
		Three Months Ended	Nine Months Ended		
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(in millions of KWhs)			
Retail:	Retail:				
Residential	Residential	8,975	9,115	23,406	25,379
Residential					
Residential					
Commercial					
Commercial					
Commercial	Commercial	6,686	6,640	17,781	18,069
Industrial	Industrial	8,731	8,862	25,686	25,930
Industrial					
Industrial					
Miscellaneous	Miscellaneous	618	623	1,684	1,745

Actual – Cooling (c)	Actual – Cooling (c)	748	783	967	1,178
Actual – Cooling (c)					
Actual – Cooling (c)					
Normal – Cooling (b)					
Normal – Cooling (b)					
Normal – Cooling (b)	Normal – Cooling (b)	751	745	1,095	1,082
<u>Western Region</u>					
<u>Western Region</u>					
<u>Western Region</u>					
<u>Western Region</u>					
Actual – Heating (a)	Actual – Heating (a)	—	—	657	930
Actual – Heating (a)					
Actual – Heating (a)					
Normal – Heating (b)					
Normal – Heating (b)					
Normal – Heating (b)	Normal – Heating (b)	—	—	916	906
Actual – Cooling (c)	Actual – Cooling (c)	1,634	1,653	2,436	2,558
Actual – Cooling (c)					
Actual – Cooling (c)					
Normal – Cooling (b)	Normal – Cooling (b)	1,430	1,413	2,162	2,134
Normal – Cooling (b)					
Normal – Cooling (b)					

- Heating degree days are calculated on a 55 degree temperature base.
- Normal Heating/Cooling represents the thirty-year average of degree days.
- Cooling degree days are calculated on a 65 degree temperature base.

Reconciliation of 2022 to 2023 Earnings Attributable to AEP Common Shareholders
(in millions)

	Three Months Ended September 30,	Nine Months Ended September 30,
2022 Earnings Attributable to AEP Common Shareholders	\$ 476.9	\$ 1,076.3
Changes in Gross Margin:		
Retail Margins	52.2	68.6
Margins from Off-system Sales	(14.4)	32.8
Transmission Revenues	(5.5)	(11.6)
Other Revenues	1.2	(7.5)
Total Change in Gross Margin	33.5	82.3
Changes in Expenses and Other:		
Other Operation and Maintenance	4.6	(97.6)
Asset Impairments and Other Related Charges	24.9	24.9
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	(37.0)	(37.0)
Depreciation and Amortization	39.9	113.7
Taxes Other Than Income Taxes	(1.8)	(6.9)
Other Income	(3.1)	(4.7)
Allowance for Equity Funds Used During Construction	9.0	10.1
Non-Service Cost Components of Net Periodic Pension Cost	4.2	12.5
Interest Expense	(28.3)	(88.0)
Total Change in Expenses and Other	12.4	(73.0)
Income Tax Benefit	(8.8)	(34.1)
Net Income Attributable to Noncontrolling Interests	(1.5)	0.1
2023 Earnings Attributable to AEP Common Shareholders	\$ 512.5	\$ 1,051.6

Third Quarter of 2023 Compared to Third Quarter of 2022

Reconciliation of First Quarter of 2023 to First Quarter of 2024 Earnings Attributable to AEP Common Shareholders from Vertically Integrated Utilities (in millions)

First Quarter of 2023	\$	261.0
Changes in Revenues:		
Retail Revenues		56.2
Off-system Sales		3.7
Transmission Revenues		10.2
Other Revenues		20.0
Total Change in Revenues		90.1
Changes in Expenses and Other:		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation		(22.9)
Other Operation and Maintenance		(53.1)
Depreciation and Amortization		19.9
Taxes Other Than Income Taxes		(7.3)
Other Income		(2.1)
Allowance for Equity Funds Used During Construction		5.9
Non-Service Cost Components of Net Periodic Pension Cost		(5.9)
Interest Expense		15.7
Total Change in Expenses and Other		(49.8)
Income Tax Expense		259.7
Equity Earnings of Unconsolidated Subsidiary		0.1
Net Income Attributable to Noncontrolling Interests		(0.3)
First Quarter of 2024	\$	560.8

The major components of the increase in **Gross Margin**, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and **purchased electricity Revenues** were as follows:

- **Retail Margins Revenues** increased \$52 million \$56 million primarily due to the following:
 - A \$28 million \$46 million increase in rider revenues at APCo.
 - A \$24 million increase in weather-related usage primarily in the residential class driven by an 11% increase in heating degree days.
 - A \$19 million increase in base rate and rider revenues at PSO. This increase was partially offset in other expense items below.
 - A \$23 million increase at SWEPCo due to a base rate revenue \$15 million increase in Louisiana and rider increases in Texas and Louisiana. These increases were partially offset in other expense items below. revenues at KPCo.
 - A \$20 million \$5 million increase in weather-normalized retail margins primarily in the commercial and industrial classes.
 - A \$19 million increase at APCo due to rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below. at I&M.

These increases were partially offset by:

- An \$18 million A \$45 million decrease in fuel revenues primarily due to decreases at PSO and SWEPCo, due to an increase in PTC benefits provided to customers. This increase in PTC benefits was partially offset in Income Tax Benefit below. by increases at APCo and I&M.
- A \$13 million decrease in weather-related usage primarily in the residential class.
- **Margins from Off-system Sales** decreased \$14 million primarily due to reduced Turk Plant merchant sales and Rockport Plant, Unit 2 merchant operations activity. a regulatory provision for refund at I&M.
- **Transmission Revenues** decreased increased \$10 million primarily due to:
 - A \$6 million increase primarily due to lower PJM rates in 2023 for certain point-to-point transmission formula rate true-up activity. service resulting from a December 2022 FERC approved settlement agreement.
 - A \$3 million increase due to increased transmission investment.
- **Other Revenues** increased \$20 million primarily due to pole attachment revenue at APCo, increases in associated business development at PSO and SWEPCo and increased affiliated rent revenue at PSO.

Expenses and Other and Income Tax **Benefit Expense** changed between years as follows:

- **Asset Impairments Purchased Electricity, Fuel and Other Related Charges Consumables Used for Electric Generation** decreased \$25 million expenses increased \$23 million primarily due to increases at APCo due to the prior year write-off of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to the

2017-2019 Virginia Triennial Review and I&M, partially offset by decreases at PSO and SWEPCo.

- **Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset** Other Operation and Maintenance expenses decreased \$37 million at APCo increased \$53 million primarily due to:
 - A \$39 million increase in transmission services.
 - A \$14 million increase primarily due to a disallowance recorded at SWEPCo on the establishment remaining net book value of the Dolet Hills Power Station as a regulatory asset result of an LPSC approved settlement agreement in 2022 based on an August 2022 Virginia Supreme Court opinion and resulting under-earning during the 2017-2019 Virginia Triennial Review, April 2024.
- **Depreciation and Amortization expenses** decreased \$40 million \$20 million primarily due to a \$46 million \$17 million decrease at AEGCo and I&M due to the expiration deferral of Excess ADIT as a result of the Rockport Plant, Unit 2 lease in December 2022, partially offset by PLR received regarding the treatment of stand alone NOLCs and the timing of refunds to customers under rate rider mechanisms.
- **Taxes Other Than Income Taxes** increased \$7 million primarily due to an increase in depreciation expense due to the acquisition of Rockport Plant, Unit 2 Virginia state minimum tax liability at the end of the lease. APCo and increased property taxes driven by additional investments and higher tax rates at I&M.
- **Allowance for Equity Funds Used During Construction** increased \$9 million \$6 million primarily due to higher CWIP and AFUDC equity rates rates.
- **Non-Service Cost Components of Net Periodic Pension Cost** increased \$6 million primarily due to a decrease in the expected return on asset assumption, an increase in loss amortization, changes in prior service credit amortization, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and CWIP, lower interest costs due to lower interest rates.
- **Interest Expense** increased \$28 million decreased \$16 million primarily due to:
 - A \$49 million decrease due to the recognition of debt carrying charges as a result of the IRS PLR received regarding the treatment of stand alone NOLCs in retail rate making.This decrease was partially offset by:
 - A \$17 million increase due to higher long-term debt balances and interest rates.
 - A \$14 million increase due to a decrease in carrying charges at SWEPCo on storm-related regulatory assets due to a prior year settlement agreement in Louisiana.
- **Income Tax Benefit Expense** decreased \$9 million \$260 million primarily due to the following:
 - A \$10 million \$212 million decrease due to a reduction in Excess ADIT regulatory liabilities at I&M, PSO, and SWEPCo as a result of the PLR received regarding the treatment of stand alone NOLCs.
 - A \$32 million decrease due to a reduction in Excess ADIT regulatory liabilities as a result of the APSC's denial of SWEPCo's request to allow the merchant portion of the Turk Plant to serve Arkansas customers.
 - A \$15 million decrease due to an increase in pretax book income.
 - A \$10 million increase in state income tax.
 - A \$3 million decrease in amortization of Excess ADIT. This decrease was partially offset in Retail Margins above.
 - A \$3 million decrease due to a lower cost of removal deduction.These decreases were partially offset by:
 - An \$18 million increase in PTCs. This increase was partially offset in Retail Margins above.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$69 million primarily due to the following:
 - A \$58 million increase at SWEPCo primarily due to base rate revenue increases in Arkansas and Louisiana and rider increases in all retail jurisdictions. These increases were partially offset in other expense items below.
 - A \$54 million increase in weather-normalized margins primarily in the residential and commercial classes.
 - A \$47 million increase in base rate and rider revenues at PSO. This increase was partially offset in other expense items below.
 - A \$44 million increase at APCo due to rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below.
 - A \$40 million increase due to lower customer refunds related to Tax Reform. This increase was offset in Income Tax Benefit below.These increases were partially offset by:
 - A \$151 million decrease in weather-related usage primarily in the residential class.
 - A \$26 million decrease at PSO and SWEPCo due to an increase in PTC benefits provided to customers. This increase in PTC benefits was offset in Income Tax Benefit below.
- **Margins from Off-system Sales** increased \$33 million primarily due to Rockport Plant, Unit 2 merchant operations including PJM performance incentives related to winter storm Elliott in December 2022, partially offset by reduced Turk Plant merchant sales.
- **Transmission Revenues** decreased \$12 million primarily due to transmission formula rate true-up activity.
- **Other Revenues** decreased \$8 million primarily due to the following:
 - A \$4 million decrease at APCo primarily due to pole attachment revenue.
 - A \$4 million decrease at I&M due to a reduction in the sale of allowances. This decrease was partially offset in Retail Margins above.

Expenses and Other and Income Tax Benefit changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$98 million primarily due to the following:
 - A \$30 million increase in generation expenses primarily due to plant outages and maintenance at I&M.
 - A \$29 million increase in accounts receivable factoring expenses primarily due to increased interest rates.
 - A \$27 million increase in distribution storm expenses primarily due to major storms at APCo.
 - A \$21 million increase at APCo due to the amortization of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to under-earnings during the 2017-2019 Triennial Review. This increase was offset in Retail Margins above.
 - A \$14 million increase at APCo due to gains from the sale of land in 2022.
 - An \$11 million increase in distribution expenses.
 These increases were partially offset by:
 - A \$43 million decrease in employee-related expenses.
- **Asset Impairments and Other Related Charges** decreased \$25 million at APCo due to the prior year write-off of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to the 2017-2019 Virginia Triennial Review.
- **Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset** decreased \$37 million at APCo due to the establishment of a regulatory asset in 2022 based on an August 2022 Virginia Supreme Court opinion and resulting under-earning during the 2017-2019 Virginia Triennial Review.
- **Depreciation and Amortization** expenses decreased \$114 million primarily due to a \$138 million decrease at AEGCo and I&M primarily due to the expiration of the Rockport Plant, Unit 2 lease in December 2022, partially offset by an increase in depreciation expense due to the acquisition of Rockport Plant, Unit 2 at the end of the lease.
- **Taxes Other Than Income Taxes** increased \$7 million primarily due to the following:
 - A \$16 million increase primarily due to property taxes at SWEPCo and PSO driven by the investment in the NCWF.
 - A \$6 million increase at APCo primarily due to an increase in Virginia state minimum taxes.
 These increases were partially offset by:
 - A \$14 million decrease at I&M primarily due to the repeal of the Indiana Utility Receipts Tax in July 2022. This decrease was partially offset in Retail Margins above.
- **Allowance for Equity Funds Used During Construction** increased \$10 million primarily due to higher AFUDC equity rates and CWIP.
- **Non-Service Cost Components of Net Periodic Benefit Cost** decreased \$13 million primarily due to additional loss amortization as the result of unfavorable asset returns during 2022, higher interest costs due to higher discount rates and the expiration of prior service credits from previous plan changes.
- **Interest Expense** increased \$88 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Benefit** decreased \$34 million primarily due to the following:
 - A \$38 million decrease in amortization of Excess ADIT. This decrease was partially offset in Retail Margins above.
 - A \$12 million increase in state income tax.
 - An \$11 million decrease due to unfavorable discrete adjustments.
 These decreases were partially offset by:
 - A \$27 million increase in PTC and ITC amortization. This increase was partially offset in Retail Margins above.

TRANSMISSION AND DISTRIBUTION UTILITIES

Summary of KWh Energy Sales for Transmission and Distribution Utilities

Summary of kWh Energy Sales for Transmission and Distribution Units						
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		2024				
		Three Months Ended	Nine Months Ended			
		2024				
		2024				
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	
		(in millions of KWhs)				
Retail:	Retail:					(in millions of KWhs)
Residential	Residential	8,442	8,033	20,618	21,599	
Residential						
Residential						
Commercial						

(in millions of KWhs)

Commercial					
Commercial	Commercial	8,574	7,538	22,711	20,478
Industrial	Industrial	6,601	6,554	19,800	19,131
Industrial					
Industrial					
Miscellaneous	Miscellaneous	220	210	565	578
Miscellaneous					
Miscellaneous					
Total Retail (a)					
Total Retail (a)					
Total Retail (a)	Total Retail (a)	23,837	22,335	63,694	61,786
Wholesale (b)	Wholesale (b)	485	587	1,366	1,723
Wholesale (b)					
Wholesale (b)					
Total KWhs	Total KWhs	24,322	22,922	65,060	63,509
Total KWhs					
Total KWhs					

- (a) Represents energy delivered to distribution customers.
(b) Primarily Ohio's contractually obligated purchases of OVEC power sold to PJM.

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues. In general, degree day changes in the eastern region have a larger effect on revenues than changes in the western region due to the relative size of the two regions and the number of customers within each region.

Summary of Heating and Cooling Degree Days for Transmission and Distribution Utilities

Three Months Ended March 31,					
	Three Months Ended		Nine Months Ended		
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					
	September 30,		September 30,		
	2023		2022	2023	2022
(in degree days)			(in degree days)		
<u>Eastern Region</u>	<u>Eastern Region</u>				
Actual – Heating (a)	Actual – Heating (a)	—	8	1,521	2,078
Actual – Heating (a)					
Actual – Heating (a)					

Normal – Heating						
(b)						
Normal – Heating						
(b)						
Normal	Normal					
–	–					
Heating	Heating					
(b)	(b)	4	5	2,080	2,077	
Actual –	Actual –					
Cooling	Cooling					
(c)	(c)	625	755	809	1,115	
Actual – Cooling						
(c)						
Actual – Cooling						
(c)						
Normal – Cooling						
(b)						
Normal – Cooling						
(b)						
Normal	Normal					
–	–					
Cooling	Cooling					
(b)	(b)	697	688	1,005	989	
<u>Western</u>	<u>Western</u>					
<u>Region</u>	<u>Region</u>					
<u>Western Region</u>						
<u>Western Region</u>						
Actual –	Actual –					
Heating	Heating					
(a)	(a)	—	—	143	278	
Actual – Heating						
(a)						
Actual – Heating						
(a)						
Normal – Heating						
(b)						
Normal – Heating						
(b)						
Normal	Normal					
–	–					
Heating	Heating					
(b)	(b)	—	—	197	193	
Actual –	Actual –					
Cooling	Cooling					
(d)	(d)	1,719	1,478	2,945	2,701	
Actual – Cooling						
(d)						
Actual – Cooling						
(d)						
Normal	Normal					
–	–					
Cooling	Cooling					
(b)	(b)	1,387	1,382	2,454	2,433	
Normal – Cooling						
(b)						

Normal – Cooling
(b)

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Eastern Region cooling degree days are calculated on a 65 degree temperature base.
- (d) Western Region cooling degree days are calculated on a 70 degree temperature base.

Transmission and Distribution Utilities			
Reconciliation of 2022 to 2023 Earnings Attributable to AEP Common Shareholders			
(in millions)			
	Three Months Ended September 30,	Nine Months Ended September 30,	
2022 Earnings Attributable to AEP Common Shareholders	\$ 165.5	\$	483.1
Changes in Gross Margin:			
Retail Margins	99.3		98.1
Margins from Off-system Sales	(5.5)		35.9
Transmission Revenues	16.7		50.3
Other Revenues	4.1		(0.1)
Total Change in Gross Margin	114.6		184.2
Changes in Expenses and Other:			
Other Operation and Maintenance	(37.5)		(99.5)
Depreciation and Amortization	(18.6)		(16.7)
Taxes Other Than Income Taxes	(4.6)		(14.2)
Other Income	(0.8)		(1.8)
Allowance for Equity Funds Used During Construction	4.1		7.1
Non-Service Cost Components of Net Periodic Benefit Cost	2.2		6.4
Interest Expense	(8.4)		(27.8)
Total Change in Expenses and Other	(63.6)		(146.5)
Income Tax Expense	(10.5)		(11.6)
Equity Earnings of Unconsolidated Subsidiary	—		(0.8)
2023 Earnings Attributable to AEP Common Shareholders	\$ 206.0	\$	508.4

Third Quarter of 2023 Compared to Third Quarter of 2022

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Earnings Attributable to AEP Common Shareholders from Transmission and Distribution Utilities

(in millions)

First Quarter of 2023	\$	125.7
Changes in Revenues:		
Retail Revenues		3.3
Off-system Sales		(3.6)
Transmission Revenues		12.9
Other Revenues		13.4
Total Change in Revenues		26.0
Changes in Expenses and Other:		
Purchased Electricity for Resale		134.0
Purchased Electricity from AEP Affiliates		(46.6)
Other Operation and Maintenance		(27.3)
Depreciation and Amortization		(36.3)
Taxes Other Than Income Taxes		(12.0)
Allowance for Equity Funds Used During Construction		5.0
Non-Service Cost Components of Net Periodic Benefit Cost		(2.9)
Interest Expense		(8.1)
Total Change in Expenses and Other		5.8
Income Tax Expense		(7.1)
Equity Earnings of Unconsolidated Subsidiary		(0.1)
First Quarter of 2024	\$	150.3

The major components of the change/increase in Gross Margin, defined as revenues less the related direct cost of purchased electricity Revenues were as follows:

- Retail Margins Revenues** increased \$99 million \$3 million primarily due to the following:
 - A \$43 million \$105 million increase in revenue from rate riders in Ohio. This increase was partially offset in Margins from Off-system Sales and other expense items below, rider revenues.
 - A \$24 million \$20 million increase in weather-normalized revenues primarily in all retail classes, the residential and commercial classes in Texas.
 - A \$23 million net \$16 million increase in Basic Transmission Cost Rider revenues and recoverable PJM expenses. This weather-related usage driven by a 9% increase was in heating degree days in Ohio.
 These increases were partially offset by:
 - A \$122 million decrease due to lower customer participation in Other Operation and Maintenance expenses below, OPCo's SSO, partially offset by higher prices.
 - A \$7 million increase \$9 million decrease in revenue from rate riders weather-normalized revenues in Texas. This increase was the residential and industrial classes, partially offset by the commercial class in other expense items below, Ohio.
 - Margins from Off-system Sales An \$8 million decrease in weather-related usage primarily due to a 46% decrease in cooling degree days in Texas.
- Transmission Revenues** decreased \$6 million increased \$13 million primarily due to interim rate increases driven by increased transmission investments in Texas.
- Other Revenues** increased \$13 million primarily due to the following:
 - A \$32 million decrease in off-system sales at OVEC due to lower market prices and volume. This decrease was offset in Retail Margins above.
 This decrease was partially offset by:
 - A \$26 million increase in deferrals of OVEC costs. This increase was offset in Retail Margins above.
- Transmission Revenues** increased \$17 million primarily due to the following:
 - An \$8 million \$10 million increase due to increased load in Texas, third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.
 - A \$6 million increase in interim rates driven by increased transmission investments refundable sales of renewable energy credits in Texas, Ohio.

Expenses and Other and Income Tax Expense changed between years as follows:

- Other Operation and Maintenance Purchased Electricity for Resale** expenses increased \$38 million decreased \$134 million primarily due to the following:
 - A \$20 million increase \$177 million decrease due to an energy assistance program for qualified Ohio customers, lower auction volumes driven by lower customer participation in OPCo's SSO, partially offset by higher prices.

This increase/decrease was partially offset by:

- A \$30 million decrease in Retail Margins above, deferrals of recoverable OVEC costs.
 - Purchased Electricity from AEP Affiliates expenses increased \$47 million primarily due to increased purchases in OPCo's SSO auction.
 - Other Operation and Maintenance expenses increased \$27 million primarily due to the following:
 - A \$19 million \$27 million increase in transmission expenses primarily due to an increase in recoverable PJM expense. This increase was offset expenses in Retail Margins above, Ohio.
 - A \$7 million \$16 million increase in distribution expenses primarily due related to recoverable storm restoration costs and recoverable vegetation management expenses in Ohio. This increase was offset in Retail Margins above.
- These increases were partially offset by:
- A \$7 million \$5 million decrease due to employee-related in distribution-related expenses in Texas.
 - A \$3 million decrease in recoverable transmission expenses in Texas.
 - Depreciation and Amortization expenses increased \$19 million \$36 million primarily due to the following: a higher depreciable base and an increase in recoverable rider depreciable expenses in Ohio.
 - A \$25 million increase in depreciation expense Taxes Other Than Income Taxes increased \$12 million primarily due to an increase property taxes as a result of increased transmission and distribution investment and higher tax rates in depreciable base. This increase was partially offset by:
 - A \$9 million decrease in recoverable DIR expense in Ohio. This decrease was offset in Retail Margins above.
 - Interest Expense increased \$8 million primarily due to higher long-term debt balances and interest rates in Texas, rates.
 - Income Tax Expense increased \$11 million \$7 million primarily due to an increase in pretax book income.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the change in Gross Margin, defined as revenues less the related direct cost of purchased electricity were as follows:

- Retail Margins increased \$98 million primarily due to the following:
 - An \$86 million increase in revenue from rate riders in Ohio. This increase was partially offset in Margins from Off-system Sales and other expense items below.
 - A \$57 million net increase in Basic Transmission Cost Rider revenues and recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below.
- These increases were partially offset by:
- A \$47 million decrease in weather-related usage due to a 27% decrease in heating degree days and a 28% decrease in cooling degree days in Ohio.
 - A \$9 million decrease in weather-normalized revenues primarily due to the residential class in Texas.
 - Margins from Off-system Sales increased \$36 million due to the following:
 - A \$111 million increase in deferrals of OVEC costs. This increase was offset in Retail Margins above.
- This increase was partially offset by:
- A \$75 million decrease in off-system sales at OVEC due to lower market prices and volume. This decrease was offset in Retail Margins above.
 - Transmission Revenues increased \$50 million primarily due to the following:
 - A \$24 million increase in interim rates driven by increased transmission investments in Texas.
 - A \$22 million increase due to increased load income in Texas.

Expenses and Other and Income Tax Expense changed between years as follows:

- Other Operation and Maintenance expenses increased \$100 million primarily due to the following:
 - A \$68 million increase due to an energy assistance program for qualified Ohio customers. This increase was offset in Retail Margins above.
 - A \$41 million increase in transmission expenses primarily due to:
 - A \$33 million increase in recoverable PJM expenses. This increase was offset in Retail Margins above.
 - An \$11 million increase in transmission formula rate true-up activity in Ohio.
 - A \$15 million increase in distribution expenses due to vegetation management in Ohio. This increase was offset in Retail Margins above.
 - A \$14 million increase in distribution-related expenses in Texas.
- These increases were partially offset by:
- A \$30 million decrease due to legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
 - A \$24 million decrease in employee-related expenses.
 - A \$5 million decrease in transmission expenses in Texas. This decrease was offset in Retail Margins above.
 - Depreciation and Amortization expenses increased \$17 million primarily due to the following:
 - A \$50 million increase in depreciation expense primarily due to an increase in depreciable base.
 - A \$5 million increase in recoverable smart grid depreciable expenses in Ohio. This increase was offset in Retail Margins above.
- These increases were partially offset by:
- A \$30 million decrease in recoverable DIR expense in Ohio. This decrease was offset in Retail Margins above.
 - An \$11 million decrease in recoverable advanced metering system depreciable expenses in Texas.
 - Taxes Other Than Income Taxes increased \$14 million primarily due to higher property taxes driven by increased investments in Texas.

- **Allowance for Equity Funds Used During Construction** increased \$7 million due to a higher AFUDC base in Texas.
- **Interest Expense** increased \$28 million primarily due to:
 - A \$48 million increase primarily due to higher debt balances and interest rates.
 - This increase was partially offset by:
 - A \$16 million decrease due to an increase in AFUDC base.
- **Income Tax Expense** increased \$12 million primarily due to an increase in pretax book income.

AEP TRANSMISSION HOLDCO

Summary of Investment in Transmission Assets for AEP Transmission Holdco

		September 30,	
		2023	2022
		(in millions)	
		March 31,	March 31,
		2024	2023
		(in millions)	
Plant in Service	Plant in Service	\$ 14,042.9	\$12,628.6
Construction Work in Progress	Construction Work in Progress	2,037.0	1,760.3
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	1,261.2	1,000.3
Total Transmission Property, Net	Total Transmission Property, Net	\$ 14,818.7	\$13,388.6

AEP Transmission Holdco

Reconciliation of 2022 to 2023 Earnings Attributable to AEP Common Shareholders

(in millions)

	Three Months Ended September 30,	Nine Months Ended September 30,
2022 Earnings Attributable to AEP Common Shareholders	\$ 170.5	\$ 485.4
Changes in Transmission Revenues:		
Transmission Revenues	45.8	169.7
Total Change in Transmission Revenues	45.8	169.7
Changes in Expenses and Other:		
Other Operation and Maintenance	7.2	4.5
Depreciation and Amortization	(12.4)	(35.2)
Taxes Other Than Income Taxes	(5.0)	(14.1)
Interest and Investment Income	1.4	5.9
Allowance for Equity Funds Used During Construction	2.4	11.0
Non-Service Cost Components of Net Periodic Pension Cost	0.2	0.8
Interest Expense	(9.2)	(29.5)
Total Change in Expenses and Other	(15.4)	(56.6)
Income Tax Expense	1.0	(16.8)
Equity Earnings of Unconsolidated Subsidiary	1.1	(0.5)
Net Income Attributable to Noncontrolling Interests	(0.1)	(0.4)
2023 Earnings Attributable to AEP Common Shareholders	\$ 202.9	\$ 580.8

Third Quarter of 2023 Compared to Third Quarter of 2022

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Earnings Attributable to AEP Common Shareholders from AEP Transmission Holdco

(in millions)

First Quarter of 2023	\$	181.5
Changes in Transmission Revenues:		
Transmission Revenues		41.8
Total Change in Transmission Revenues		41.8
Changes in Expenses and Other:		
Other Operation and Maintenance		(0.4)
Depreciation and Amortization		(10.6)
Taxes Other Than Income Taxes		1.8
Interest and Investment Income		0.5
Allowance for Equity Funds Used During Construction		1.4
Non-Service Cost Components of Net Periodic Pension Cost		(0.6)
Interest Expense		(9.7)
Total Change in Expenses and Other		(17.6)
Income Tax Expense		(2.0)
Equity Earnings of Unconsolidated Subsidiary		5.2
Net Income Attributable to Noncontrolling Interests		(0.2)
First Quarter of 2024	\$	208.7

The major component components of the increase in transmission revenues, Transmission Revenues, which consists of wholesale sales to affiliates and nonaffiliates was were as follows:

- **Transmission Revenues** increased \$46 million \$42 million primarily due to continued investment in transmission assets.

Expenses and Other and Equity Earnings of Unconsolidated Subsidiary changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$7 million primarily due to the following:
 - A \$5 million decrease due to cancelled capital projects in 2022.
 - A \$3 million decrease in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$12 million \$11 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$5 million primarily due to higher property taxes driven by increased transmission investment.
- **Interest Expense** increased \$9 million primarily due to higher long-term debt balances and interest rates.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in transmission revenues, which consists of wholesale sales to affiliates and nonaffiliates, were as follows:

- **Transmission Revenues** increased \$170 million primarily due to the following:
 - A \$131 million increase due to continued investment in transmission assets.
 - A \$33 million increase due to affiliated transmission formula rate true-up activity. This increase was offset in Other Operation and Maintenance expenses across the other Registrant Subsidiaries.
 - A \$6 million increase due to nonaffiliated transmission formula rate true-up activity.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Depreciation and Amortization** expenses increased \$35 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$14 million primarily due to higher property taxes driven by increased transmission investment.
- **Interest and Investment Income** increased \$6 million primarily due to higher advances to affiliates and higher interest rates.
- **Allowance for Equity Funds Used During Construction** increased \$11 million primarily due to higher CWIP and AFUDC equity rates.
- **Interest Expense** increased \$30 million \$10 million primarily due to higher long-term debt balances and interest rates.

- **Income Tax Expense** **Equity Earnings of Unconsolidated Subsidiary** increased **\$17 million** **\$5 million** primarily due to **an increase in higher** pretax **book income**, **equity earnings** for ETT.

GENERATION & MARKETING

Generation & Marketing			
Reconciliation of 2022 to 2023 Earnings (Loss) Attributable to AEP Common Shareholders			
(in millions)			
	Three Months Ended September 30,		Nine Months Ended September 30,
2022 Earnings Attributable to AEP Common Shareholders	\$ 97.5	\$	284.3
Changes in Gross Margin:			
Merchant Generation	12.5		7.9
Renewable Generation	(26.3)		(34.8)
Retail, Trading and Marketing	4.6		(344.3)
Total Change in Gross Margin	(9.2)		(371.2)
Changes in Expenses and Other:			
Other Operation and Maintenance	13.5		(59.2)
Loss on the Sale of the Competitive Contracted Renewables Portfolio	—		(112.0)
Gain on Sale of Mineral Rights	—		(116.3)
Depreciation and Amortization	14.8		34.1
Taxes Other Than Income Taxes	1.5		3.2
Interest and Investment Income	(1.0)		10.8
Non-Service Cost Components of Net Periodic Benefit Cost	1.5		4.3
Interest Expense	(2.0)		(38.5)
Total Change in Expenses and Other	28.3		(273.6)
Income Tax Benefit	11.1		102.0
Equity Earnings of Unconsolidated Subsidiaries	6.4		202.5
Net Loss Attributable to Noncontrolling Interests	(3.4)		(3.3)
2023 Earnings (Loss) Attributable to AEP Common Shareholders	\$ 130.7	\$	(59.3)

Third Quarter of 2023 Compared to Third Quarter of 2022

Reconciliation of First Quarter of 2023 to First Quarter of 2024 Earnings Attributable to AEP Common Shareholders from Generation & Marketing (in millions)

First Quarter of 2023	\$	(157.7)
Changes in Revenues:		
Merchant Generation		(5.0)
Renewable Generation		(20.8)
Retail, Trading and Marketing		262.3
Total Change in Revenues		236.5
Changes in Expenses and Other:		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation		9.7
Other Operation and Maintenance		11.5
Loss on the Sale of the Competitive Contracted Renewables Portfolio		112.0
Depreciation and Amortization		10.0
Taxes Other Than Income Taxes		2.6
Interest and Investment Income		2.0
Non-Service Cost Components of Net Periodic Benefit Cost		(0.8)
Interest Expense		18.3
Total Change in Expenses and Other		165.3
Income Tax Benefit		(103.2)
Equity Earnings of Unconsolidated Subsidiaries		(4.6)
Net Loss Attributable to Noncontrolling Interests		1.3
First Quarter of 2024	\$	137.6

The major components of the decrease/increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, purchased electricity and certain cost of service for retail operations Revenues were as follows:

- **Merchant Generation** increased \$13 million/decreased \$5 million primarily due to higher hedge gains related to the Cardinal Plant, lower market prices in 2024.
- **Renewable Generation** decreased \$26 million/\$21 million primarily due to lower production in 2023 and the sale of the competitive contracted renewables portfolio in August 2023.

Expenses and Other, Income Tax Benefit and Equity Earnings of Unconsolidated Subsidiaries changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$14 million primarily due to:
 - A \$7 million decrease due to the sale of the competitive contracted renewables portfolio in August 2023.
 - A \$5 million decrease due to an increase in proceeds received for insurance policy settlements.
- **Depreciation and Amortization** decreased \$15 million primarily due to the ceasing of depreciation on the competitive contracted renewables portfolio as a result of held for sale classification and subsequent sale in 2023.
- **Income Tax Benefit** increased \$11 million primarily due to:
 - A \$30 million increase due to favorable discrete adjustments primarily related to the amortization of deferred ITCs from the sale of competitive contracted renewables portfolio.
 - This increase was partially offset by:
 - An \$11 million decrease in PTCs.
 - A \$5 million decrease due to an increase in pretax book income.
 - A \$3 million increase in state taxes.
- **Equity Earnings of Unconsolidated Subsidiaries** increased \$6 million primarily due to the sale of competitive contracted renewables portfolio in August 2023.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the decrease in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, purchased electricity and certain cost of service for retail operations were as follows:

- **Merchant Generation** increased \$8 million primarily due to higher asset hedge gains.
- **Renewable Generation** decreased \$35 million primarily due to lower production in 2023 and the sale of competitive contracted renewables portfolio in August 2023.
- **Retail, Trading and Marketing** decreased \$344 million increased \$262 million primarily due to a \$222 million \$145 million unrealized loss on economic hedge activity in 2023 and a \$208 million \$91 million unrealized gain on economic hedge activity hedging gains in 2022 2024 driven by changes in commodity prices.

Expenses and Other, Income Tax Benefit and Equity Earnings of Unconsolidated Subsidiaries changed between years as follows:

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased \$10 million primarily due to a reduction in energy costs in 2024.
- **Other Operation and Maintenance** expenses increased \$59 million decreased \$12 million primarily due to a decrease in land sales and a prior year the sale of renewable development projects. the competitive contracted renewables portfolio in August 2023.
- **Loss on the Sale of the Competitive Contracted Renewables Portfolio** increased \$112 million due to the pretax loss on the sale in 2023.
- **Gain on Sale of Mineral Rights Depreciation and Amortization** decreased \$116 million due to the prior year sale of mineral rights.
- **Depreciation and Amortization** expenses decreased \$34 million \$10 million primarily due to the ceasing sale of depreciation on the competitive contracted renewables portfolio as a result of held for sale classification and subsequent sale in August 2023.
- **Interest and Investment Income** increased \$11 million primarily due to higher interest rates on advances to affiliates.
- **Interest Expense** increased \$39 million decreased \$18 million primarily due to higher interest rates in 2023. lower advances from affiliates.
- **Income Tax Benefit** increased \$102 million decreased \$103 million primarily due to:
 - A \$94 million increase An \$83 million decrease due to a decrease in increased pretax book income.
 - A \$35 million increase \$19 million decrease due to favorable discrete adjustments primarily related an decrease in PTCs.
 - A \$9 million decrease due to the amortization of deferred ITCs from the sale of the competitive contracted renewables portfolio. portfolio in 2023.
 These increases decreases were partially offset by:
 - A \$26 million decrease in PTCs. \$12 million increase due to the amortization of deferred ITCs from the sale of NMRD.
- **Equity Earnings of Unconsolidated Subsidiaries** increased \$203 million decreased \$5 million primarily due to the prior year impairment sale of AEP's investment the competitive contracted renewables portfolio in Flat Ridge 2 Wind LLC. August 2023.

CORPORATE AND OTHER

Third First Quarter of 2023 2024 Compared to Third First Quarter of 2022 2023

Earnings Attributable to AEP Common Shareholders from Corporate and Other increased decreased from a loss of \$227 million \$14 million in 2022 2023 to a loss of \$98 million \$54 million in 2023 2024 primarily due to:

- A \$195 million pretax loss in 2022 related to the termination of the sale of the Kentucky Operations.
 - A \$21 million increase \$23 million decrease in interest income, primarily due to higher interest income from lower advances to affiliates.
 - An \$18 million decrease in corporate expenses.
 - A \$17 million increase in business development income.
 - A \$10 million increase at EIS, primarily due to higher returns on investments.
- These increases in earnings were partially offset by:
- A \$73 million increase in Income Tax Expense primarily due to a \$42 million increase driven by increased pretax book income and a \$30 million increase due to less favorable consolidating tax adjustments.
 - A \$72 million \$14 million increase in interest expense due to higher interest rates and an increase in long-term debt balances.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Earnings Attributable to AEP Common Shareholders from Corporate and Other increased from a loss of \$406 million in 2022 to a loss of \$210 million in 2023 primarily due to:

- A \$263 million pretax loss in 2022 related to the termination of the sale of the Kentucky Operations.
 - A \$96 million \$10 million increase in interest income, primarily due to higher interest income from affiliates.
 - A \$54 million decrease in corporate expenses, primarily due to prior-year adjustments driven by the termination of the sale of the Kentucky Operations. operations.
- These decreases in earnings were partially offset by a \$5 million decrease in Income Tax Expense due to the following:
- A \$15 million decrease due to a decrease in pretax book income.
 - A \$42 million \$10 million decrease due to an increase in factoring revenues from affiliates.
 - A \$38 million increase at EIS, primarily due to higher returns on investments. PTCs.
- These increases decreases in Income Tax Expense were partially offset by:
- A \$259 million \$12 million increase in interest expense due to higher interest rates the impact of the termination of the sale of the Kentucky operations in 2023.
 - An \$8 million increase due to a decrease in amortization of Excess ADIT.

AEP CONSOLIDATED INCOME TAXES

First Quarter of 2024 Compared to First Quarter of 2023

Income Tax Expense decreased \$152 million primarily due to:

- A \$224 million decrease due to a reduction in Excess ADIT regulatory liabilities at I&M, PSO, and an increase SWEPCo as a result of the PLRs received regarding the treatment of stand alone NOLCs in debt balances, retail rate making.
- A \$52 million \$32 million decrease in Income Tax Benefit primarily due to the reversal of a regulatory liability related to the merchant portion of Turk Plant Excess ADIT as a result of the APSC's March 2024 denial of SWEPCo's request to allow the merchant portion of the Turk Plant to serve Arkansas customers.

These decreases were partially offset by:

- A \$95 million increase due to an increase in pretax book income.

AEP SYSTEM INCOME TAXES

Third Quarter of 2023 Compared to Third Quarter of 2022

Income Tax Expense increased \$80 million primarily due to:

- A \$75 million increase due to an increase in pretax book income.
- A \$23 million decrease in PTCs.
- A \$20 million increase in state taxes.

These increases in Income Tax Expense were partially offset by:

- A \$41 million decrease due to discrete adjustments in 2023 primarily related to the amortization of deferred ITCs from the sale of the competitive contracted renewables portfolio.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Income Tax Expense increased \$12 million primarily due to:

- A \$38 million decrease in amortization of Excess ADIT.
- A \$20 million decrease in PTCs.
- A \$20 million increase in state taxes.

These increases in Income Tax Expense were partially offset by:

- A \$51 million decrease due to discrete adjustments in 2023 primarily related to the amortization of deferred ITCs from the sale of the competitive contracted renewables portfolio and an outside basis adjustment related to the termination of the sale of the Kentucky Operations.
- A \$16 million decrease in flow-through depreciation.

FINANCIAL CONDITION

AEP measures financial condition by the strength of its balance sheet and the liquidity provided by its cash flows.

LIQUIDITY AND CAPITAL RESOURCES

Debt and Equity Capitalization

		September 30, 2023				December 31, 2022				March 31, 2024				December 31, 2023			
		(dollars in millions)								(dollars in millions)							
Long-term Debt, including amounts due within one year	Long-term Debt, including amounts due within one year	\$39,489.1	58.4 %	\$36,801.0	56.6 %	Long-term Debt, including amounts due within one year				\$39,835.9	57.4	57.4 %	\$40,143.2	58.8	58.8 %		
Short-term Debt	Short-term Debt	2,730.4	4.0	4,112.2	6.3												
Total Debt	Total Debt	42,219.5	62.4	40,913.2	62.9												
AEP Common Equity	AEP Common Equity	25,309.7	37.5	23,893.4	36.7												
Noncontrolling Interests	Noncontrolling Interests	39.9	0.1	229.0	0.4												

Total Debt and Equity Capitalization	Total Debt and Equity Capitalization										
	\$67,569.1	100.0 %	\$65,035.6	100.0 %	Total Debt and Equity Capitalization	\$69,417.2	100.0	100.0 %	\$68,259.3	100.0	100.0 %

AEP's ratio of debt-to-total capital decreased slightly from 62.9% 63.0% to 62.8% as of December 31, 2022 to 62.4% as of September 30, 2023 December 31, 2023 and March 31, 2024, respectively, primarily due to the issuance of common equity an increase in connection with the settlement of the forward equity purchase contracts related to the 2020 Equity Units earnings in addition to the utilization of cash proceeds received from the sale of the competitive contracted renewables portfolio which were used to reduce Short-term Debt, 2024, partially offset by an increase in Long-term Debt debt to support distribution, transmission and renewable investment growth in addition to working capital needs.

Liquidity

Liquidity, or access to cash, is an important factor in determining AEP's financial stability. Management believes AEP has adequate liquidity. As of September 30, 2023 March 31, 2024, AEP had \$5 billion \$6 billion of revolving credit facilities to support its commercial paper program. Additional liquidity is available from cash from operations and a receivables securitization agreement. Management is committed to maintaining adequate liquidity. AEP generally uses short-term borrowings to fund working capital needs, property acquisitions and construction until long-term funding is arranged. Sources of long-term funding include issuance of long-term debt, long-term asset securitizations, leasing agreements, hybrid securities or common stock. AEP and its utilities finance its operations with commercial paper and other variable rate instruments that are subject to fluctuations in interest rates. To the extent that the there is an increase in interest rates, continue to rise, it could reduce future net income and cash flows and impact financial condition.

Market volatility and reduced liquidity in the financial markets could affect AEP's ability to raise capital on reasonable terms to fund capital needs, including construction costs and refinancing maturing indebtedness. AEP is also monitoring the current bank environment and any impacts thereof. AEP was not materially impacted by these conditions during the nine three months ended September 30, 2023 March 31, 2024.

AEP continues to address the cash flow implications of increased fuel and purchased power costs, see "Deferred Fuel Costs" section of Executive Overview for additional information.

Net Available Liquidity

AEP manages liquidity by maintaining adequate external financing commitments. As of September 30, 2023 March 31, 2024, available liquidity was approximately \$3.5 billion \$3.4 billion as illustrated in the table below:

	Amount	Maturity (a)
	(in millions)	
Commercial Paper Backup:		
Revolving Credit Facility	\$ 4,000.0 5,000.0	March 2027 2029
Revolving Credit Facility	1,000.0	March 2025 2027
Cash and Cash Equivalents	353.3 230.7	
Total Liquidity Sources	5,353.3 6,230.7	
Less: AEP Commercial Paper Outstanding	1,826.5 2,832.2	
Net Available Liquidity	\$ 3,526.8 3,398.5	

- (a) In March 2024, AEP increased its \$4 billion Revolving Credit Facility to \$5 billion and extended the maturity date from March 2027 to March 2029. Also, in March 2024, AEP extended the maturity date of its \$1 billion Revolving Credit Facility from March 2025 to March 2027.

AEP uses its commercial paper program to meet the short-term borrowing needs of its subsidiaries. The program funds a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and the short-term debt requirements of subsidiaries that are not participating in either money pool for regulatory or operational reasons, as direct borrowers. The maximum amount of commercial paper outstanding during the first nine three months of 2023 2024 was \$3.2 billion \$2.9 billion. The weighted-average interest rate for AEP's commercial paper during 2023 2024 was 5.31% 5.62%.

Other Credit Facilities

An uncommitted facility gives the issuer of the facility the right to accept or decline each request made under the facility. AEP issues letters of credit on behalf of subsidiaries under six uncommitted facilities totaling \$450 million. The Registrants' maximum future payments for letters of credit issued under the uncommitted facilities as of September 30, 2023 March 31, 2024 was \$249 million \$247 million with maturities ranging from October 2023 April 2024 to September 2024 March 2025.

Securitized Accounts Receivables

AEP Credit's receivables securitization agreement provides a commitment of \$900 million from bank conduits to purchase receivables. The agreement was amended in August 2023 to increase the commitment from \$750 million receivables and expires in September 2025. As of September 30, 2023 March 31, 2024, the affiliated utility subsidiaries were in compliance with all requirements under the agreement.

Debt Covenants and Borrowing Limitations

AEP's credit agreements contain certain covenants and require it to maintain a percentage of debt-to-total capitalization at a level that does not exceed 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in AEP's credit agreements. Debt as defined in the revolving credit agreement excludes securitization bonds and debt of AEP Credit. As of **September 30, 2023** **March 31, 2024**, this contractually-defined percentage was **59.4%** **60.2%**. Non-performance under these covenants could result in an event of default under these credit agreements. In addition, the acceleration of AEP's payment obligations, or the obligations of certain of AEP's major subsidiaries, prior to maturity under any other agreement or instrument relating to debt outstanding in excess of **\$50 million** **\$100 million**, would cause an event of default under these credit agreements. This condition also applies, **at the more restrictive level of \$50 million of debt outstanding**, in a majority of AEP's non-exchange-traded commodity contracts and would similarly allow lenders and counterparties to declare the outstanding amounts payable. However, a default under AEP's non-exchange-traded commodity contracts would not cause an event of default under its credit agreements.

The revolving credit facilities do not permit the lenders to refuse a draw on any facility if a material adverse change occurs.

Utility Money Pool borrowings and external borrowings may not exceed amounts authorized by regulatory orders and AEP manages its borrowings to stay within those authorized limits.

ATM Program

AEP participates in an ATM offering program that allows AEP to issue, from time to time, up to an aggregate of **\$1 billion** **\$1.7 billion** of its common stock, including shares of common stock that may be sold pursuant to an equity forward sales agreement. There were no issuances under the ATM program for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**. As of **September 30, 2023** **March 31, 2024**, approximately **\$511 million** **\$1.7 billion** of equity is available for issuance under the ATM offering program. See **Note 12 - Financing Activities** for additional information.

Equity Units

In August 2020, AEP issued 17 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$850 million. Net proceeds from the issuance were approximately \$833 million. Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 1.30% Junior Subordinated Notes due in 2025 and a forward equity purchase contract which settled after three years in August 2023. The proceeds were used to support AEP's overall capital expenditure plans.

In June 2023, AEP successfully remarketed the Junior Subordinated Notes on behalf of holders of the corporate units. AEP did not receive any proceeds from the remarketing which were used to purchase a portfolio of treasury securities that matured on August 14, 2023. On August 15, 2023, the proceeds from the treasury portfolio were used to settle the forward equity purchase contract with AEP. The interest rate on the Junior Subordinated Notes was reset to 5.699% with the maturity remaining in 2025. In August 2023, AEP issued 10,048,668 shares of AEP common stock and received proceeds totaling \$850 million under the settlement of the forward equity purchase contracts. AEP common stock held in treasury was used to settle the forward equity purchase contracts. The proceeds were used to pay down debt balances and support AEP's overall capital expenditure plans. See Note 12 - Financing Activities for additional information.

Dividend Policy and Restrictions

The Board of Directors declared a quarterly dividend of \$0.88 per share in **October 2023** **April 2024**. Future dividends may vary depending upon AEP's profit levels, operating cash flow levels and capital requirements, as well as financial and other business conditions existing at the time. Parent's income primarily derives from common stock equity in the earnings of its utility subsidiaries. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of the subsidiaries to transfer funds to Parent in the form of dividends. Management does not believe these restrictions will have any significant impact on its ability to access cash to meet the payment of dividends on its common stock. See "Dividend Restrictions" section of Note 12 for additional information.

Credit Ratings

AEP and its utility subsidiaries do not have any credit arrangements that would require material changes in payment schedules or terminations as a result of a credit downgrade, but its access to the commercial paper market may depend on its credit ratings. In addition, downgrades in AEP's credit ratings by one of the rating agencies could increase its borrowing costs. Counterparty concerns about the credit quality of AEP or its utility subsidiaries could subject AEP to additional collateral demands under adequate assurance clauses under its derivative and non-derivative energy contracts.

CASH FLOW

AEP relies primarily on cash flows from operations, debt issuances and its existing cash and cash equivalents to fund its liquidity and investing activities. AEP's investing and capital requirements are primarily capital expenditures, repaying of long-term debt and paying dividends to shareholders. AEP uses short-term debt, including commercial paper, as a bridge to long-term debt financing. The levels of borrowing may vary significantly due to the timing of long-term debt financings and the impact of fluctuations in cash flows.

Nine Months Ended September 30,		Three Months Ended March 31,	
2023	2022	2024	2023
(in millions)		(in millions)	

Cash, Cash Equivalents and Restricted Cash at Beginning of Period	Cash, Cash Equivalents and Restricted Cash at Beginning of Period	\$ 556.5	\$ 451.4
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	3,675.7	4,733.2
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(4,643.5)	(5,822.5)
Net Cash Flows from Financing Activities	Net Cash Flows from Financing Activities	818.4	1,215.2
Net Increase (Decrease) in Cash and Cash Equivalents		(149.4)	125.9
Net Decrease in Cash and Cash Equivalents			
Net Decrease in Cash and Cash Equivalents			
Net Decrease in Cash and Cash Equivalents			
Cash, Cash Equivalents and Restricted Cash at End of Period	Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 407.1	\$ 577.3

Operating Activities

		Nine Months Ended September 30, 2023 2022	
		(in millions)	
Net Income	Net Income	\$1,874.8	\$1,922.2
Non-Cash Adjustments to Net Income (a)	Non-Cash Adjustments to Net Income (a)	2,469.5	2,661.1
Mark-to- Market of Risk Management Contracts	Mark-to- Market of Risk Management Contracts	(82.8)	162.3

Three Months Ended
March 31,

2024

2024

(in millions)

Three Months Ended
March 31,

2023

(in millions)

Property Taxes	Property Taxes	486.1	459.9
Property Taxes			
Property Taxes			
Deferred Fuel Over/Under-Recovery, Net	Deferred Fuel Over/Under-Recovery, Net	542.8	(148.7)
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(396.8)	(6.0)
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	(21.5)	324.0
Change in Certain Components of Working Capital	Change in Certain Components of Working Capital	(1,196.4)	(641.6)
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	\$3,675.7	\$4,733.2

- (a) Non-Cash Adjustments to Net Income includes Depreciation and Amortization, Deferred Income Taxes, Loss on the Expected Sale of the Kentucky Operations, Loss on the Sale of the Competitive Contracted Renewables Portfolio Asset Impairments and Other Related Charges, Impairment of Equity Method Investment, AFUDC, Gain on Sale of Mineral Rights and Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset, AFUDC.

Net Cash Flows from Operating Activities decreased increased by \$1.1 billion \$724 million primarily due to the following:

- A \$736 \$311 million increase in cash from Net Income, after non-cash adjustments. See Results of Operations for further detail.
- A \$220 million decrease increase in cash from the Change in Certain Components of Working Capital. The increase is primarily due to the timing of accounts payable, decreases in fuel, material and supplies driven by coal inventory on hand and proceeds received from the sale of transferable tax credits. These increases were partially offset by the timing of accounts receivable collections.
- A \$142 million increase in cash from Changes in Other Noncurrent Assets and Liabilities. This decrease increase is primarily due to changes in regulatory assets and liabilities driven by timing differences between collections from and refunds to customers under rate rider mechanisms.
- A \$555 \$123 million decrease in cash from the Change in Certain Components of Working Capital. The decrease is increase primarily due to the timing of accounts payable and property tax payments, increases in fuel, material and supplies driven by coal inventory on hand as a result of the mild current year weather and a decrease in margin deposits held due to unfavorable current year pricing variances. These decreases were partially offset by the timing of accounts receivable collections.
- A \$245 million decrease primarily due to a reduction an increase in collateral held associated with risk management contracts driven by the reduction a change in commodity prices.
- A \$239 million decrease in cash from Net Income, after non-cash adjustments. See Results of Operations for further detail.

These decreases increases in cash were partially offset by:

- A \$692 An \$85 million increase decrease in cash primarily due to the timing of fuel and purchase power revenues and expenses. See the "Deferred Fuel Costs" section of Executive Overview for additional information.

Investing Activities

Nine Months Ended September 30,	
Three Months Ended March 31,	Three Months Ended March 31,

		2023	2022	2024	2023
		(in millions)		(in millions)	
Construction Expenditures	Construction Expenditures	\$(5,767.1)	\$(4,748.5)		
Acquisitions of Nuclear Fuel	Acquisitions of Nuclear Fuel	(60.9)	(91.9)		
Acquisitions of Renewable Energy Facilities	Acquisitions of Renewable Energy Facilities	(154.0)	(1,207.3)		
Proceeds from Sale of Assets	Proceeds from Sale of Assets	1,335.6	215.7		
Proceeds from Sale of Equity Method Investment	Proceeds from Sale of Equity Method Investment				
Proceeds from Sale of Equity Method Investment	Proceeds from Sale of Equity Method Investment				
Proceeds from Sale of Equity Method Investment	Proceeds from Sale of Equity Method Investment				
Other	Other	2.9	9.5		
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	\$(4,643.5)	\$(5,822.5)		

Net Cash Flows Used for Investing Activities decreased by \$576 million primarily due to the following:

- A \$328 million decrease in Construction Expenditures, primarily due to decreases in Transmission and Distribution Utilities of \$140 million, AEP Transmission Holdco of \$76 million and Vertically Integrated Utilities of \$74 million.
- A \$146 million decrease due to the 2023 acquisition of the Rock Falls Wind Facility. See "Rock Falls Wind Facility" section of Note 6 for additional information.
- A \$114 million increase in Proceeds from Sale of Equity Method Investment. See "Disposition of NMRD" section of Note 6 for additional information.

Financing Activities

	Three Months Ended March 31,	
	2024	2023
	(in millions)	
Issuance of Common Stock	\$ 40.6	\$ 41.1
Issuance/Retirement of Debt, Net	605.1	1,837.7
Dividends Paid on Common Stock	(466.9)	(431.8)
Other	(48.9)	(82.6)
Net Cash Flows from Financing Activities	\$ 129.9	\$ 1,364.4

Net Cash Flows from Financing Activities decreased by \$1.2 billion primarily due to the following:

- A \$1.1 \$2 billion decrease primarily due to the 2022 acquisition of Traverse, partially offset by the 2023 acquisition of the Rock Falls Wind Facility. See "Acquisitions" section of Note 6 for additional information.
- A \$1.1 billion increase in Proceeds from Sale of Assets, primarily due to the sale of the competitive contracted renewables portfolio in 2023, partially offset by the sale of mineral rights in 2022. See "Dispositions" section of Note 6 for additional information.

These decreases in cash used were partially offset by:

- A \$1 billion increase in Construction Expenditures, primarily due to increases in Vertically Integrated Utilities of \$489 million, Transmission and Distribution Utilities of \$394 million and AEP Transmission Holdco of \$180 million.

Financing Activities

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Issuance of Common Stock	\$ 959.3	\$ 827.2
Issuance/Retirement of Debt, Net	1,282.7	1,837.6
Dividends Paid on Common Stock	(1,293.8)	(1,212.5)
Other	(129.8)	(237.1)
Net Cash Flows from Financing Activities	\$ 818.4	\$ 1,215.2

Net Cash Flows from Financing Activities decreased by \$397 million primarily due to the following:

- A \$1.5 billion decrease due to changes in short-term debt. See Note 12 - Financing Activities for additional information.

This decrease in cash was partially offset by:

- A \$589 million increase in issuances of long-term debt. See Note 12 - Financing Activities for additional information.
- A \$326 \$643 million decrease increase in retirements of long-term debt. See Note 12 - Financing Activities for additional information.

These decreases in cash were partially offset by:

- A \$132 million \$1.4 billion increase in issuances of common stock primarily due to the current year settlement of the 2020 equity units partially offset by the prior year settlement of the 2019 equity units. changes in short-term debt. See Note 12 - Financing Activities for additional information.

See the "Long-term Debt Subsequent Events" section of Note 12 for Long-term debt and other securities issued, retired and principal payments made after September 30, 2023 March 31, 2024 through November 2, 2023 April 30, 2024, the date that the third first quarter 10-Q was filed.

BUDGETED CAPITAL EXPENDITURES

Management forecasts approximately \$7.5 billion of capital expenditures of \$7.1 billion in 2023, 2024. For the four year period, 2024 2025 through 2027, 2028, management forecasts capital expenditures of \$32.9 billion. \$35 billion. The expenditures are generally for transmission, generation, distribution, regulated renewables and required environmental investment to comply with the Federal EPA rules. Estimated capital expenditures are subject to periodic review and modification and may vary based on the ongoing effects of regulatory constraints, environmental regulations, business opportunities, market volatility, economic trends, supply chain issues, weather, legal reviews, inflation and the ability to access capital. Management expects to fund these capital expenditures through cash flows from operations, proceeds from the strategic sale of assets and financing activities. Generally, the Registrant Subsidiaries use cash or short-term borrowings under the money pool to fund these expenditures until long-term funding is arranged. For complete information of forecasted capital expenditures, see "Budgeted Capital Expenditures" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2022 2023 Annual Report.

SIGNIFICANT CASH REQUIREMENTS

A summary of significant cash requirements is included in the 2022 2023 Annual Report and has not changed significantly from year-end other than the debt issuances and retirements discussed in the "Cash Flow" section above.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES AND ACCOUNTING STANDARDS

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

See the "Critical Accounting Policies and Estimates" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2022 2023 Annual Report for a discussion of the estimates and judgments required for regulatory accounting, revenue recognition, derivative instruments, the valuation of long-lived assets, the accounting for pension and other postretirement benefits and the impact of new accounting standards. standards and SEC rulemaking activity.

ACCOUNTING STANDARDS

See Note 2 - New Accounting Standards for information related to accounting standards. There are no new standards expected to have a material impact to the Registrants' financial statements. and SEC rulemaking activity.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks

The Vertically Integrated Utilities segment is exposed to certain market risks as a major power producer and through transactions in power, coal, natural gas and marketing contracts. These risks include commodity price risks which may be subject to capacity risk, credit risk as well as interest rate risk. These risks represent the risk of loss that may impact this segment due to changes in the underlying market prices or rates.

The Transmission and Distribution Utilities segment is exposed to energy procurement risk and interest rate risk.

The Generation & Marketing segment conducts marketing, risk management and retail activities in ERCOT, PJM, SPP and MISO. This segment is exposed to certain market risks as a marketer of wholesale and retail electricity. These risks include commodity price risks which may be subject to capacity risk, credit risk as well as interest rate risk. These risks represent the risk of loss that may impact this segment due to changes in the underlying market prices or rates. In addition, the Generation & Marketing segment is also exposed to certain market risks as a power producer and through transactions in wholesale electricity, natural gas and marketing contracts.

Management employs risk management contracts including physical forward and financial forward purchase-and-sale contracts. Management engages in risk management of power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. As a result, AEP is subject to price risk. The amount of risk taken is determined by the Commercial Operations, Energy Supply and Finance groups in accordance with established risk management policies as approved by the Finance Committee of the Board of Directors. AEPSC's market risk oversight staff independently monitors risk policies, procedures and risk levels and provides members of the Regulated Risk Committee and the Energy Supply Risk Committee (Competitive Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Risk Committee consists of AEPSC's Chief Financial Officer, Chief Commercial Officer, Executive Vice President Utilities, **Executive Vice President Grid Solutions & Government Affairs**, Senior Vice President of Regulated Commercial Operations, Senior Vice President of Treasury and Risk and Chief Risk Officer. The Competitive Risk Committee consists of AEPSC's Chief Financial Officer, Chief Commercial Officer, Senior Vice President of Treasury and Risk, Senior Vice President of Competitive Commercial Operations and Chief Risk Officer. When commercial activities exceed predetermined limits, positions are modified to reduce the risk to be within the limits unless specifically approved by the respective committee.

The following table summarizes the reasons for changes in total MTM value as compared to **December 31, 2022** **December 31, 2023**:

		MTM Risk Management Contract Net Assets (Liabilities)			Nine Months Ended September 30, 2023	
MTM Derivative Contract Net Assets (Liabilities)		MTM Derivative Contract Net Assets (Liabilities)				
		Three Months Ended March 31, 2024				
		Three Months Ended March 31, 2024				
		Three Months Ended March 31, 2024				
		Vertically Integrated Utilities	Transmission and Distribution Utilities	Generation & Marketing	Total	
		Vertically Integrated Utilities				
		Vertically Integrated Utilities				
		Vertically Integrated Utilities	Transmission and Distribution Utilities		Generation & Marketing	
		Vertically Integrated Utilities	Transmission and Distribution Utilities		Total	
		(in millions)			(in millions)	
Total MTM Risk Management Contract Net Assets (Liabilities) as of December 31, 2022		\$ 134.7	\$ (40.0)	\$ 360.5	\$455.2	
Total MTM Risk Management Contracts - Commodity Net Assets (Liabilities) as of December 31, 2023						
(Gain)/Loss from Contracts Realized/Settled During the Period and Entered in a Prior Period	(Gain)/Loss from Contracts Realized/Settled During the Period and Entered in a Prior Period	(136.6)	1.1	(150.6)	(286.1)	

Fair Value of New Contracts at Inception When Entered During the Period (a)	Fair Value of New Contracts at Inception When Entered During the Period (a)	—	—	1.5	1.5
Changes in Fair Value Due to Market Fluctuations During the Period (b)	Changes in Fair Value Due to Market Fluctuations During the Period (b)	2.1	—	(45.9)	(43.8)
Changes in Fair Value Due to Market Fluctuations During the Period (b)					
Changes in Fair Value Due to Market Fluctuations During the Period (b)					
Changes in Fair Value Allocated to Regulated Jurisdictions (c)	Changes in Fair Value Allocated to Regulated Jurisdictions (c)	111.0	(11.9)	—	99.1
Total MTM Risk Management Contract Net Assets (Liabilities) as of September 30, 2023					
		\$ 111.2	\$ (50.8)	\$ 165.5	225.9
Total MTM Risk Management Contracts - Commodity Net Assets (Liabilities) as of March 31, 2024					
Commodity Cash Flow Hedge Contracts	Commodity Cash Flow Hedge Contracts				127.8
Interest Rate Cash Flow Hedge Contracts					
Fair Value Hedge Contracts	Fair Value Hedge Contracts				(138.1)
Collateral Deposits	Collateral Deposits				(92.6)
Total MTM Derivative Contract Net Assets as of September 30, 2023					
					\$123.0
Total MTM Derivative Contract Net Assets as of March 31, 2024					
Total MTM Derivative Contract Net Assets as of March 31, 2024					
Total MTM Derivative Contract Net Assets as of March 31, 2024					

- (a) Reflects fair value on primarily **auctions or** long-term structured contracts which are typically with customers that seek fixed pricing to limit their risk against fluctuating energy prices. The contract prices are valued against market curves associated with the delivery location and delivery term. A significant portion of the total volumetric position has been economically hedged.
- (b) Market fluctuations are attributable to various factors such as supply/demand, weather, etc.
- (c) Relates to the net gains (losses) of those contracts that are not reflected on the statements of income. These net gains (losses) are recorded as regulatory liabilities/assets or accounts payable on the balance sheet.

See Note 9 – Derivatives and Hedging and Note 10 – Fair Value Measurements for additional information related to risk management contracts. The following tables and discussion provide information on credit risk and market volatility risk.

Credit Risk

Credit risk is mitigated in wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

AEP has risk management contracts (includes non-derivative contracts) with numerous counterparties. Since open risk management contracts are valued based on changes in market prices of the related commodities, exposures change daily. As of **September 30, 2023** **March 31, 2024**, credit exposure net of collateral to sub investment grade counterparties was approximately **5.25%** **7.7%**, expressed in terms of net MTM assets, net receivables and the net open positions for contracts not subject to MTM (representing economic risk even though there may not be risk of accounting loss).

As of **September 30, 2023** **March 31, 2024**, the following table approximates AEP's counterparty credit quality and exposure based on netting across commodities, instruments and legal entities where applicable:

Counterparty Credit Quality	Counterparty Credit Quality	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number of Counterparties >10% of Net Exposure	Net Exposure of Counterparties >10%	Counterparty Credit Quality	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number of Counterparties >10% of Net Exposure	Net Ex c Counte >1
(in millions, except number of counterparties)							(in millions, except number of counterparties)					
Investment Grade	Investment Grade	\$ 411.1	\$ 83.6	\$ 327.5	2	\$ 123.3						
Split Rating	Split Rating	20.6	—	20.6	1	20.6						
No External Ratings:	No External Ratings:											
No External Ratings:												
No External Ratings:												
Internal Investment Grade	Internal Investment Grade	53.3	23.1	30.2	2	15.3						
Internal Noninvestment Grade	Internal Noninvestment Grade	46.7	25.7	21.0	1	17.5						
Total as of September 30, 2023		\$ 531.7	\$ 132.4	\$ 399.3								
Total as of March 31, 2024												

All exposure in the table above relates to AEPSC and AEPEP as AEPSC is agent for and transacts on behalf of certain AEP subsidiaries, including the Registrant Subsidiaries and AEPEP is agent for and transacts on behalf of other AEP subsidiaries.

In addition, AEP is exposed to credit risk related to participation in RTOs. For each of the RTOs in which AEP participates, this risk is generally determined based on the proportionate share of member gross activity over a specified period of time.

Value at Risk (VaR) Associated with Risk Management Contracts

Management uses a risk measurement model, which calculates VaR, to measure AEP's commodity price risk in the risk management portfolio. The VaR is based on the variance-covariance method using historical prices to estimate volatilities and correlations and assumes a 95% confidence level and a one-day holding period. Based on this VaR analysis, as of **September 30, 2023** **March 31, 2024**, a near term typical change in commodity prices is not expected to materially impact net income, cash flows or financial condition.

Management calculates the VaR for both a trading and non-trading portfolio. The trading portfolio consists primarily of contracts related to energy trading and marketing activities. The non-trading portfolio consists primarily of economic hedges of generation and retail supply activities.

The following tables show the end, high, average and low market risk as measured by VaR for the periods indicated:

VaR Model Trading Portfolio												
Nine Months Ended September 30, 2023				Twelve Months Ended December 31, 2022								
Three Months Ended March 31, 2024												
End	End	High	Average	Low	End	High	Average	Low	End	High	Average	Low

(in millions)	(in millions)				(in millions)				(in millions)				(in millions)			
\$	0.1	\$0.9	\$	0.2	\$0.1	\$0.5	\$4.5	\$	0.7	\$0.1						
VaR Model Non-Trading Portfolio																
Nine Months Ended September 30, 2023								Twelve Months Ended December 31, 2022								
Three Months Ended March 31, 2024								Three Months Ended March 31, 2024				Twelve Months Ended December 31, 2023				
End	End	High	Average	Low	End	High	Average	Low	End	High	Average	Low	End	High	Average	Low
(in millions)	(in millions)				(in millions)				(in millions)				(in millions)			
\$	13.1	\$32.7	\$	16.4	\$6.1	\$17.7	\$76.9	\$	24.7	\$6.7						

Management back-tests VaR results against performance due to actual price movements. Based on the assumed 95% confidence interval, the performance due to actual price movements would be expected to exceed the VaR at least once every 20 trading days.

As the VaR calculation captures recent price movements, management also performs regular stress testing of the trading portfolio to understand AEP's exposure to extreme price movements. A historical-based method is employed whereby the current trading portfolio is subjected to actual, observed price movements from the last several years in order to ascertain which historical price movements translated into the largest potential MTM loss. Management then researches the underlying positions, price movements and market events that created the most significant exposure and reports the findings to the Risk Executive Committee, Regulated Risk Committee or Competitive Risk Committee as appropriate.

Interest Rate Risk

AEP is exposed to interest rate market fluctuations in the normal course of business operations. Prior to 2022, interest rates remained at low levels and the Federal Reserve maintained the federal funds target range at 0.0% to 0.25% for much of 2021. However, during During 2022 and 2023, the Federal Reserve approved several 11 rate increases for a cumulative total of a 4.25% 5.25% increase. In the first nine months of 2023, the Federal Reserve approved another four rate increases for a cumulative total of a 1.0% rate increase and further increases in interest rates may be authorized during 2023. AEP has outstanding short and long-term debt which is subject to variable rates. AEP manages interest rate risk by limiting variable-rate exposures to a percentage of total debt, by entering into interest rate derivative instruments and by monitoring the effects of market changes in interest rates. For the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023, a 100 basis point change in the benchmark rate on AEP's variable rate debt would impact pretax interest expense annually by \$45 million \$40 million and \$47 million \$43 million, respectively.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions, except per-share and share amounts)
(Unaudited)

Three Months Ended March 31,		
Three Months Ended March 31,		
Three Months Ended March 31,		
2024		
2024		
2024		
REVENUES		
REVENUES		
REVENUES		
Vertically Integrated Utilities		
Vertically Integrated Utilities		
Vertically Integrated Utilities		
Transmission and Distribution Utilities		

Transmission and Distribution Utilities					
Transmission and Distribution Utilities					
Generation & Marketing					
Generation & Marketing					
Generation & Marketing					
Other Revenues					
Other Revenues					
Other Revenues					
TOTAL REVENUES					
TOTAL REVENUES					
TOTAL REVENUES					
EXPENSES					
EXPENSES					
EXPENSES					
Purchased Electricity, Fuel and Other					
Consumables Used for Electric					
Generation					
Purchased Electricity, Fuel and Other					
Consumables Used for Electric					
Generation					
Purchased Electricity, Fuel and Other					
Consumables Used for Electric					
Generation					
Other Operation					
Other Operation					
Other Operation					
Maintenance					
Maintenance					
Maintenance					
Loss on the Sale of the Competitive					
Contracted Renewables Portfolio					
Loss on the Sale of the Competitive					
Contracted Renewables Portfolio					
Loss on the Sale of the Competitive					
Contracted Renewables Portfolio					
	Three Months Ended		Nine Months Ended		
	September 30,		September 30,		
Depreciation and Amortization					
		2023	2022	2023	2022
REVENUES					
Vertically Integrated Utilities	\$	3,158.1	\$	3,174.6	\$ 8,416.4
Transmission and Distribution Utilities		1,535.2		1,525.5	4,321.3
Generation & Marketing		527.5		733.1	1,172.6
Other Revenues		120.9		92.9	307.8
TOTAL REVENUES		5,341.7		5,526.1	14,405.1
EXPENSES					
Purchased Electricity, Fuel and Other					
Consumables Used for Electric					
Generation		1,756.8		2,111.9	4,887.8
Depreciation and Amortization					
Other Operation		719.9		797.0	2,031.1
Maintenance		325.5		298.1	982.8

Loss on the Expected Sale of the Kentucky Operations	—	194.5	—	263.3
Loss on the Sale of the Competitive Contracted Renewables Portfolio	—	—	112.0	—
Asset Impairments and Other Related Charges	—	24.9	—	24.9
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	—	(37.0)	—	(37.0)
Gain on Sale of Mineral Rights	—	—	—	(116.3)
Depreciation and Amortization	792.3	821.8	2,309.4	2,416.8
Taxes Other Than Income Taxes	393.9	384.8	1,149.2	1,118.5

Taxes Other Than Income Taxes

Taxes Other Than Income Taxes

TOTAL EXPENSES	TOTAL EXPENSES	3,988.4	4,596.0	11,472.3	11,835.8

TOTAL EXPENSES

TOTAL EXPENSES

OPERATING INCOME

OPERATING INCOME

OPERATING INCOME	OPERATING INCOME	1,353.3	930.1	2,932.8	2,922.6
Other Income (Expense):	Other Income (Expense):				

Other Income (Expense):

Other Income (Expense)	11.9	4.8	41.0	(5.6)

Other Income (Expense):

Other Income

Other Income

Other Income

Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	51.1	35.6	123.4	95.2

Allowance for Equity Funds Used During Construction

Allowance for Equity Funds Used During Construction

Non-Service Cost Components of Net Periodic Benefit Cost

Non-Service Cost Components of Net Periodic Benefit Cost

Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost	55.2	47.2	165.9	141.5
Interest Expense	Interest Expense	(470.3)	(360.7)	(1,346.0)	(1,001.7)

INCOME BEFORE INCOME TAX

EXPENSE (BENEFIT) AND EQUITY

EARNINGS (LOSS)	1,001.2	657.0	1,917.1	2,152.0

Interest Expense

Interest Expense

INCOME BEFORE INCOME TAX

EXPENSE (BENEFIT) AND EQUITY

EARNINGS

INCOME BEFORE INCOME TAX					
EXPENSE (BENEFIT) AND EQUITY EARNINGS					
INCOME BEFORE INCOME TAX					
EXPENSE (BENEFIT) AND EQUITY EARNINGS					
Income Tax Expense (Benefit)	Income Tax Expense (Benefit)	64.2	(16.1)	103.2	90.7
Equity Earnings (Loss) of Unconsolidated Subsidiaries					
		21.3	10.2	60.9	(139.1)
Income Tax Expense (Benefit)					
Income Tax Expense (Benefit)					
Equity Earnings of Unconsolidated Subsidiaries					
Equity Earnings of Unconsolidated Subsidiaries					
Equity Earnings of Unconsolidated Subsidiaries					
NET INCOME	NET INCOME	958.3	683.3	1,874.8	1,922.2
Net Income (Loss) Attributable to Noncontrolling Interests					
		4.6	(0.4)	2.9	(0.7)
NET INCOME					
NET INCOME					
Net Income Attributable to Noncontrolling Interests					
Net Income Attributable to Noncontrolling Interests					
Net Income Attributable to Noncontrolling Interests					
EARNINGS ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	EARNINGS ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 953.7	\$ 683.7	\$ 1,871.9	\$ 1,922.9
EARNINGS ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS					
EARNINGS ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS					
WEIGHTED AVERAGE NUMBER OF BASIC AEP COMMON SHARES OUTSTANDING					
WEIGHTED AVERAGE NUMBER OF BASIC AEP COMMON SHARES OUTSTANDING					
WEIGHTED AVERAGE NUMBER OF BASIC AEP COMMON SHARES OUTSTANDING	WEIGHTED AVERAGE NUMBER OF BASIC AEP COMMON SHARES OUTSTANDING	520,459,880	513,730,196	516,528,239	511,162,723

TOTAL BASIC	TOTAL BASIC				
EARNINGS PER	EARNINGS PER				
SHARE	SHARE				
ATTRIBUTABLE	ATTRIBUTABLE				
TO AEP	TO AEP				
COMMON	COMMON				
SHAREHOLDERS	SHAREHOLDERS	\$	1.83	\$	1.33
				\$	3.62
					3.76

TOTAL BASIC EARNINGS PER SHARE
ATTRIBUTABLE TO AEP COMMON
SHAREHOLDERS

TOTAL BASIC EARNINGS PER SHARE
ATTRIBUTABLE TO AEP COMMON
SHAREHOLDERS

WEIGHTED AVERAGE NUMBER OF
DILUTED AEP COMMON SHARES
OUTSTANDING

WEIGHTED AVERAGE NUMBER OF
DILUTED AEP COMMON SHARES
OUTSTANDING

WEIGHTED	WEIGHTED				
AVERAGE	AVERAGE				
NUMBER OF	NUMBER OF				
DILUTED AEP	DILUTED AEP				
COMMON	COMMON				
SHARES	SHARES				
OUTSTANDING	OUTSTANDING	521,444,125	515,315,994	517,784,726	512,714,006

TOTAL DILUTED	TOTAL DILUTED				
EARNINGS PER	EARNINGS PER				
SHARE	SHARE				
ATTRIBUTABLE	ATTRIBUTABLE				
TO AEP	TO AEP				
COMMON	COMMON				
SHAREHOLDERS	SHAREHOLDERS	\$	1.83	\$	1.33
				\$	3.62
					3.75

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

TOTAL DILUTED EARNINGS PER
SHARE ATTRIBUTABLE TO AEP
COMMON SHAREHOLDERS

TOTAL DILUTED EARNINGS PER
SHARE ATTRIBUTABLE TO AEP
COMMON SHAREHOLDERS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net Income	\$ 958.3	\$ 683.3	\$ 1,874.8	\$ 1,922.2

OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Cash Flow Hedges, Net of Tax of \$(0.3) and \$(19.5) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(31.5) and \$81.6 for the Nine Months Ended September 30, 2023 and 2022, Respectively	(0.9)	(73.3)	(118.5)	307.1
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.8) and \$(0.8) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(5.9) and \$(4.5) for the Nine Months Ended September 30, 2023 and 2022, Respectively	(3.2)	(3.2)	(22.4)	(17.0)
Reclassifications of KPCo Pension and OPEB Regulatory Assets, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$4.4 and \$0 for the Nine Months Ended September 30, 2023 and 2022, Respectively	—	—	16.7	—
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(4.1)	(76.5)	(124.2)	290.1
TOTAL COMPREHENSIVE INCOME	954.2	606.8	1,750.6	2,212.3
Total Comprehensive Income (Loss) Attributable To Noncontrolling Interests	4.6	(0.4)	2.9	(0.7)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 949.6	\$ 607.2	\$ 1,747.7	\$ 2,213.0

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

	Three Months Ended March 31,	
	2024	2023
Net Income	\$ 1,005.7	\$ 400.4
OTHER COMPREHENSIVE LOSS, NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$(1.6) and \$(40.5) in 2024 and 2023, Respectively	(6.2)	(152.4)
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.2) and \$(4.3) in 2024 and 2023, Respectively	(0.6)	(16.1)
Reclassifications of KPCo Pension and OPEB Regulatory Assets, Net of Tax of \$0 and \$4.4 in 2024 and 2023, Respectively	—	16.7
TOTAL OTHER COMPREHENSIVE LOSS	(6.8)	(151.8)
TOTAL COMPREHENSIVE INCOME	998.9	248.6
Total Comprehensive Income Attributable To Noncontrolling Interests	2.6	3.4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS	\$ 996.3	\$ 245.2

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023
 (in millions)
 (Unaudited)

	AEP Common Shareholders					
	Common Stock					
	Common Stock					
	Common Stock					
	Shares					
	Shares					
	Shares					
TOTAL		Amount	Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total
EQUITY –						
DECEMBER						
31, 2022						
Issuance of Common Stock						

Issuance of Common Stock									
Issuance of Common Stock									
Common Stock									
Dividends									
Other Changes									
in Equity									
Net Income									
Other									
Comprehensive									
Loss									
TOTAL									
EQUITY –									
MARCH 31,									
2023									
	AEP Common Shareholders								
	Common Stock				Accumulated				
					Other				
	Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Noncontrolling Interests	Total		
TOTAL EQUITY – DECEMBER									
31, 2021									
TOTAL EQUITY – DECEMBER									
31, 2023									
TOTAL EQUITY – DECEMBER									
31, 2023									
TOTAL EQUITY – DECEMBER									
31, 2023									
Issuance of	Issuance of								
Common Stock	Common Stock	0.4	2.4	807.1					809.5
Common Stock Dividends				(395.2) (a)		(3.6)			(398.8)
Other Changes in Equity				(15.2)	(1.5)				(16.7)
Net Income				714.7		3.4			718.1
Other Comprehensive Income					245.8				245.8
TOTAL EQUITY – MARCH 31,									
2022									
524.8 3,411.1 7,964.5 11,985.1 430.6 246.8 24,038.1									
Issuance of	Issuance of								
Common Stock	Common Stock	0.1	0.9	2.3					3.2
Common Stock Dividends				(402.6) (a)		(2.1)			(404.7)
Other Changes in Equity				17.2	1.6				18.8
Net Income (Loss)				524.5		(3.7)			520.8
Other Comprehensive Income					120.8				120.8
TOTAL EQUITY – JUNE 30,									
2022									
524.9 3,412.0 7,984.0 12,108.6 551.4 241.0 24,297.0									
Issuance of Common Stock		0.1	0.5	14.0					14.5
Common Stock Dividends				(402.5) (a)		(6.5)			(409.0)
Other Changes in Equity				3.0					3.0
Net Income (Loss)				683.7		(0.4)			683.3
Other Comprehensive Loss					(76.5)				(76.5)
TOTAL EQUITY –									
SEPTEMBER 30, 2022									
525.0 \$3,412.5 \$8,001.0 \$12,389.8 \$ 474.9 \$234.1 \$24,512.3									
TOTAL EQUITY – DECEMBER									
31, 2022									
525.1 \$3,413.1 \$8,051.0 \$12,345.6 \$ 83.7 \$229.0 \$24,122.4									
Issuance of	Issuance of								
Common Stock	Common Stock	0.8	5.1	36.0					41.1

Common Stock	Common Stock							
Dividends	Dividends				(428.8) (b)		(3.0)	(431.8)
Other Changes in Equity	Other Changes in Equity				(12.7)		0.2	(12.5)
Net Income	Net Income				397.0		3.4	400.4
Other Comprehensive Loss						(151.8)		(151.8)
TOTAL EQUITY – MARCH 31, 2023								
	525.9	3,418.2	8,074.3	12,313.8		(68.1)	229.6	23,967.8
Issuance of Common Stock	0.5	3.3	33.2					36.5
Common Stock Dividends				(429.5) (b)			(2.3)	(431.8)
Other Changes in Equity			3.3					3.3
Net Income (Loss)				521.2			(5.1)	516.1
Other Comprehensive Income						31.7		31.7
TOTAL EQUITY – JUNE 30, 2023								
	526.4	3,421.5	8,110.8	12,405.5		(36.4)	222.2	24,123.6
Issuance of Common Stock	0.4	2.8	878.9					881.7
Common Stock Dividends				(429.7) (b)			(0.5)	(430.2)
Other Changes in Equity			6.7					6.7
Disposition of Competitive Contracted Renewables Portfolio							(186.4)	(186.4)
Net Income								
Net Income	Net Income				953.7		4.6	958.3
Other Comprehensive Loss	Other Comprehensive Loss					(4.1)		(4.1)
TOTAL EQUITY – SEPTEMBER 30, 2023								
	526.8	\$3,424.3	\$8,996.4	\$12,929.5	\$	(40.5)	\$ 39.9	\$25,349.6
TOTAL EQUITY – MARCH 31, 2024								

- (a) Cash dividends declared per AEP common share were ~~\$0.78~~ **\$0.83**.
(b) Cash dividends declared per AEP common share were ~~\$0.83~~ **\$0.89**.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114 99.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023

(in millions)
(Unaudited)

CURRENT ASSETS	CURRENT ASSETS	September 30, 2023	December 31, 2022			March 31, 2024	December 31, 2023
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 353.3	\$ 509.4				
Restricted Cash (September 30, 2023 and December 31, 2022 Amounts Include \$53.8 and \$47.1, Respectively, Related to Transition Funding, Restoration Funding and Appalachian Consumer Rate Relief Funding)		53.8	47.1				

Other Temporary Investments
(September 30, 2023 and
December 31, 2022 Amounts
Include \$202 and \$182.9,
Respectively, Related to EIS and
Transource Energy)

211.0 187.6

Restricted Cash
(March 31,
2024 and
December 31,
2023 Amounts
Include \$51.1
and \$48.9,
Respectively,
Related to
Transition
Funding,
Restoration
Funding and
Appalachian
Consumer
Rate Relief
Funding)

Other Temporary
Investments
(March 31,
2024 and
December 31,
2023 Amounts
Include \$206.1
and \$205,
Respectively,
Related to EIS
and
Transource
Energy)

Accounts	Accounts		
Receivable:	Receivable:		
Customers	Customers	976.8	1,145.1
Accrued	Accrued		
Unbilled	Unbilled		
Revenues	Revenues	270.2	322.9
Pledged	Pledged		
Accounts	Accounts		
Receivable –	Receivable –		
AEP Credit	AEP Credit	1,299.2	1,207.4
Miscellaneous	Miscellaneous	77.4	49.7
Allowance for	Allowance for		
Uncollectible	Uncollectible		
Accounts	Accounts	(58.6)	(57.1)
Total	Total		
Accounts	Accounts		
Receivable	Receivable	2,565.0	2,668.0
Fuel	Fuel	726.8	435.1
Materials and	Materials and		
Supplies	Supplies	993.2	915.1
Risk	Risk		
Management	Management		
Assets	Assets	262.7	348.8
Accrued Tax	Accrued Tax		
Benefits	Benefits	160.3	99.4
Regulatory Asset	Regulatory Asset		
for Under-	for Under-		
Recovered Fuel	Recovered Fuel		
Costs	Costs	1,087.6	1,310.0
Prepayments and	Prepayments and		
Other Current	Other Current		
Assets	Assets	322.9	255.0

Accounts Receivable:

Prepayments and Other Current Assets			
Prepayments and Other Current Assets			
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	6,736.6	6,775.5
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT		
Electric:	Electric:	Electric:	
Generation	Generation	24,178.0	25,834.2
Transmission	Transmission	34,731.0	33,266.9
Distribution	Distribution	28,444.0	27,138.8
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	6,251.1	5,971.8
Construction	Construction		
Work in Progress	Work in Progress	6,394.4	4,809.7
Total Property, Plant and Equipment	Total Property, Plant and Equipment	99,998.5	97,021.4
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	24,177.4	23,682.3
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	75,821.1	73,339.1
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS			
Regulatory Assets	Regulatory Assets	4,607.3	4,762.0
Securitized Assets	Securitized Assets	365.4	446.0
Spent Nuclear Fuel and Decommissioning Trusts	Spent Nuclear Fuel and Decommissioning Trusts	3,539.7	3,341.2
Goodwill	Goodwill	52.5	52.5
Long-term Risk Management Assets	Long-term Risk Management Assets	290.2	284.1
Operating Lease Assets	Operating Lease Assets	619.1	645.5

Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	3,093.7	3,757.4
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	12,567.9	13,288.7
TOTAL ASSETS	TOTAL ASSETS	\$ 95,125.6	\$ 93,403.3
TOTAL ASSETS			
TOTAL ASSETS			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions, except per-share and share amounts)

(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
CURRENT LIABILITIES	CURRENT LIABILITIES			CURRENT LIABILITIES		
Accounts Payable	Accounts Payable	\$ 2,258.6	\$ 2,670.8			
Short-term Debt:	Short-term Debt:			Short-term Debt:		
Securitized Debt for Receivables – AEP Credit	Securitized Debt for Receivables – AEP Credit	900.0	750.0			
Other Short-term Debt	Other Short-term Debt	1,830.4	3,362.2			
Total Short-term Debt	Total Short-term Debt	2,730.4	4,112.2			
Long-term Debt Due Within One Year (September 30, 2023 and December 31, 2022 Amounts Include \$184.4 and \$218.2, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)		2,773.6	2,486.4			

Long-term Debt Due Within One Year (March 31, 2024 and December 31, 2023 Amounts Include \$201.5 and \$207.2, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)			
Risk Management Liabilities	Risk Management Liabilities	151.5	145.2
Customer Deposits	Customer Deposits	379.6	408.8
Accrued Taxes	Accrued Taxes	1,201.0	1,714.6
Accrued Interest	Accrued Interest	485.9	336.5
Obligations Under Operating Leases	Obligations Under Operating Leases	117.7	113.6
Other Current Liabilities	Other Current Liabilities	1,179.8	1,278.2
Other Current Liabilities			
Other Current Liabilities			
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	11,278.1	13,266.3
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES		
Long-term Debt (September 30, 2023 and December 31, 2022 Amounts Include \$553.5 and \$755.3, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)			
		36,715.5	34,314.6
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			

Long-term Debt (March 31, 2024 and December 31, 2023 Amounts Include \$528.9 and \$556.3, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)			
Long-term Risk Management Liabilities	Long-term Risk Management Liabilities	278.4	345.2
Deferred Income Taxes	Deferred Income Taxes	9,267.2	8,896.9
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	7,916.3	8,115.6
Asset Retirement Obligations	Asset Retirement Obligations	2,895.2	2,879.3
Employee Benefits and Pension Obligations	Employee Benefits and Pension Obligations	238.3	257.3
Obligations Under Operating Leases	Obligations Under Operating Leases	514.6	552.5
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	597.3	607.3
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	58,422.8	55,968.7
TOTAL LIABILITIES	TOTAL LIABILITIES	69,700.9	69,235.0
TOTAL LIABILITIES			
TOTAL LIABILITIES			
Rate Matters (Note 4)			
Rate Matters (Note 4)			
Rate Matters (Note 4)	Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)		
MEZZANINE EQUITY	MEZZANINE EQUITY		
MEZZANINE EQUITY			
MEZZANINE EQUITY			

Contingently Redeemable									
Performance Share Awards									
Contingently Redeemable									
Performance Share Awards									
Contingently Redeemable	Contingently Redeemable								
Performance Share Awards	Performance Share Awards			75.1	45.9				
TOTAL MEZZANINE EQUITY	TOTAL MEZZANINE EQUITY			75.1	45.9				
EQUITY	EQUITY								
EQUITY									
EQUITY									
Common Stock – Par Value – \$6.50 Per Share:	Common Stock – Par Value – \$6.50 Per Share:					Common Stock – Par Value – \$6.50 Per Share:			
		2023	2022						
		2024				2024	2023		
Shares Authorized	Shares Authorized	600,000,000	600,000,000			600,000,000			
Shares Issued	Shares Issued	526,819,992	525,099,321						
(1,184,572 and 11,233,240 Shares were Held in Treasury as of September 30, 2023 and December 31, 2022, Respectively)				3,424.3	3,413.1				
(1,184,572 Shares were Held in Treasury as of March 31, 2024 and December 31, 2023, Respectively)									
Paid-in Capital	Paid-in Capital			8,996.4	8,051.0				
Retained Earnings	Retained Earnings			12,929.5	12,345.6				
Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)			(40.5)	83.7				
TOTAL AEP COMMON SHAREHOLDERS' EQUITY	TOTAL AEP COMMON SHAREHOLDERS' EQUITY			25,309.7	23,893.4				
Noncontrolling Interests	Noncontrolling Interests			39.9	229.0				
Noncontrolling Interests									
Noncontrolling Interests									
TOTAL EQUITY									
TOTAL EQUITY									
TOTAL EQUITY	TOTAL EQUITY			25,349.6	24,122.4				
TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY	TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY			\$ 95,125.6	\$93,403.3				
TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY									

TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

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AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
OPERATING ACTIVITIES	OPERATING ACTIVITIES	OPERATING ACTIVITIES			
Net Income	Net Income	\$1,874.8	\$1,922.2		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:				
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	Depreciation and Amortization	2,309.4	2,416.8		
Deferred Income Taxes	Deferred Income Taxes	171.5	16.6		
Loss on the Expected Sale of the Kentucky Operations	Loss on the Expected Sale of the Kentucky Operations	—	263.3		
Deferred Income Taxes	Deferred Income Taxes				
Loss on the Sale of the Competitive Contracted Renewables Portfolio	Loss on the Sale of the Competitive Contracted Renewables Portfolio	112.0	—		
Asset Impairments and Other Related Charges	Asset Impairments and Other Related Charges	—	24.9		
Impairment of Equity Method Investment	Impairment of Equity Method Investment	—	188.0		
Loss on the Sale of the Competitive Contracted Renewables Portfolio	Loss on the Sale of the Competitive Contracted Renewables Portfolio				

Loss on the Sale of the Competitive Contracted Renewables Portfolio			
Allowance for Equity Funds Used During Construction			
Allowance for Equity Funds Used During Construction			
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(123.4)	(95.2)
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	(82.8)	162.3
Property Taxes	Property Taxes	486.1	459.9
Property Taxes			
Property Taxes			
Deferred Fuel Over/Under-Recovery, Net	Deferred Fuel Over/Under-Recovery, Net	542.8	(148.7)
Gain on Sale of Mineral Rights		—	(116.3)
Establishment of 2017-2019 Virginia Triennial Review			
Regulatory Asset		—	(37.0)
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(396.8)	(6.0)
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	(21.5)	324.0
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net		
		114.0	(495.7)
Fuel, Materials and Supplies	Fuel, Materials and Supplies	(344.4)	(134.6)
Accounts Payable	Accounts Payable	(163.0)	369.4
Accrued Taxes, Net	Accrued Taxes, Net	(566.7)	(512.8)

Other	Other		
Current	Current		
Assets	Assets	(91.5)	41.2
Other	Other		
Current	Current		
Liabilities	Liabilities	(144.8)	90.9

Net Cash Flows	Net Cash Flows		
from Operating	from Operating		
Activities	Activities	3,675.7	4,733.2
INVESTING	INVESTING		
ACTIVITIES	ACTIVITIES		

INVESTING ACTIVITIES

INVESTING ACTIVITIES

Construction	Construction		
Expenditures	Expenditures	(5,767.1)	(4,748.5)

Purchases of Investment Securities

Purchases of Investment Securities

Purchases of Investment Securities	Purchases of Investment Securities	(2,199.7)	(1,868.2)

Sales of Investment Securities	Sales of Investment Securities	2,140.1	1,833.4

Acquisitions of Nuclear Fuel	Acquisitions of Nuclear Fuel	(60.9)	(91.9)

Acquisitions of Renewable Energy Facilities	Acquisitions of Renewable Energy Facilities	(154.0)	(1,207.3)

Proceeds from Sales of Assets		1,335.6	215.7

Acquisitions of Renewable Energy Facilities

Acquisitions of Renewable Energy Facilities

Proceeds from Sale of Equity Method Investment

Proceeds from Sale of Equity Method Investment

Proceeds from Sale of Equity Method Investment

Other Investing Activities	Other Investing Activities	62.5	44.3

Net Cash Flows	Net Cash Flows		
Used for Investing	Used for Investing		
Activities	Activities	(4,643.5)	(5,822.5)

FINANCING ACTIVITIES

FINANCING ACTIVITIES

FINANCING	FINANCING		
ACTIVITIES	ACTIVITIES		
Issuance of Common Stock	Issuance of Common Stock	959.3	827.2
Issuance of Long-term Debt	Issuance of Long-term Debt	4,017.8	3,428.4

Issuance of Short-term Debt with Original Maturities greater than 90 Days	Issuance of Short-term Debt with Original Maturities greater than 90 Days	791.7	271.0
Change in Short-term Debt with Original Maturities less than 90 Days, Net	Change in Short-term Debt with Original Maturities less than 90 Days, Net	(1,044.7)	803.4
Retirement of Long-term Debt	Retirement of Long-term Debt	(1,353.3)	(1,679.1)
Redemption of Short-term Debt with Original Maturities Greater than 90 Days	Redemption of Short-term Debt with Original Maturities Greater than 90 Days	(1,128.8)	(986.1)
Redemption of Short-term Debt with Original Maturities Greater than 90 Days			
Redemption of Short-term Debt with Original Maturities Greater than 90 Days			
Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(53.9)	(120.3)
Dividends Paid on Common Stock	Dividends Paid on Common Stock	(1,293.8)	(1,212.5)
Other Financing Activities			
Other Financing Activities			
Other Financing Activities	Other Financing Activities	(75.9)	(116.8)
Net Cash Flows from Financing Activities	Net Cash Flows from Financing Activities	818.4	1,215.2
Net Increase (Decrease) in Cash and Cash Equivalents		(149.4)	125.9
Cash, Cash Equivalents and Restricted Cash at Beginning of Period		556.5	451.4
Cash, Cash Equivalents and Restricted Cash at End of Period		\$ 407.1	\$ 577.3
Net Decrease in Cash and Cash Equivalents			
Net Decrease in Cash and Cash Equivalents			
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.			
Net Decrease in Cash and Cash Equivalents			

Cash, Cash
Equivalents
and Restricted
Cash at
Beginning of
Period

Cash, Cash
Equivalents
and Restricted
Cash at End of
Period

SUPPLEMENTARY
INFORMATION

SUPPLEMENTARY
INFORMATION

SUPPLEMENTARY
INFORMATION

Cash Paid for Interest, Net of
Capitalized Amounts

Cash Paid for Interest, Net of
Capitalized Amounts

Cash Paid for Interest, Net of
Capitalized Amounts

Net Cash Paid
for Income
Taxes

Cash Received
from Sale of
Transferable Tax
Credits

Noncash
Acquisitions
Under Finance
Leases

Construction
Expenditures
Included in
Current
Liabilities as of
March 31,

See Condensed Notes to Condensed Financial
Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial
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AEP TEXAS INC. AND SUBSIDIARIES

MANAGEMENT’S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

Three Months
Ended March 31,

Three Months Ended March 31,					
Three Months Ended March 31,					
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in millions of KWhs)		(in millions of KWhs)	
Retail:	Retail:				
Residential	Residential	4,681	4,079	10,295	10,453
Residential					
Residential					
Commercial					
Commercial					
Commercial	Commercial	4,021	3,243	10,208	8,482
Industrial	Industrial	3,065	2,993	9,344	8,443
Industrial					
Industrial					
Miscellaneous					
Miscellaneous					
Miscellaneous	Miscellaneous	196	185	487	499
Total Retail	Total Retail	11,963	10,500	30,334	27,877
Total Retail					
Total Retail					

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in degree days)		(in degree days)	
Actual	Actual				
—	—				
Heating	Heating				
(a)	(a)	—	—	143	278
Normal	Normal				
—	—				
Heating	Heating				
(b)	(b)	—	—	197	193

Normal – Heating					
(b)					
Normal – Heating					
(b)					
Actual – Cooling					
(c)					
Actual – Cooling					
(c)					
Actual	Actual				
–	–				
Cooling	Cooling				
(c)	(c)	1,719	1,478	2,945	2,701
Normal	Normal				
–	–				
Cooling	Cooling				
(b)	(b)	1,387	1,382	2,454	2,433
Normal – Cooling					
(b)					
Normal – Cooling					
(b)					

- (a) Heating degree days are calculated on a 55 degree temperature base.
(b) Normal Heating/Cooling represents the thirty-year average of degree days.
(c) Cooling degree days are calculated on a 70 degree temperature base.

AEP Texas Inc. and Subsidiaries			
Reconciliation of 2022 to 2023 Net Income			
(in millions)			
	Three Months Ended September 30,	Nine Months Ended September 30,	
2022 Net Income	\$	93.6	\$ 253.2
Changes in Revenues:			
Retail Revenues		32.7	(2.9)
Transmission Revenues		13.7	46.3
Other Revenues		(0.7)	(2.5)
Total Change in Revenues		45.7	40.9
Changes in Expenses and Other:			
Other Operation and Maintenance		7.1	30.8
Depreciation and Amortization		(7.9)	(8.8)
Taxes Other Than Income Taxes		(3.1)	(11.1)
Interest Income		(0.8)	(1.2)
Allowance for Equity Funds Used During Construction		2.6	6.2
Non-Service Cost Components of Net Periodic Benefit Cost		0.6	1.9
Interest Expense		(4.5)	(19.9)
Total Change in Expenses and Other		(6.0)	(2.1)
Income Tax Expense		(7.8)	(9.8)
2023 Net Income	\$	125.5	\$ 282.2

Third Quarter of 2023 Compared to Third Quarter of 2022

AEP Texas Inc. and Subsidiaries

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Net Income

(in millions)

First Quarter of 2023	\$	47.6
Changes in Revenues:		
Retail Revenues		28.8
Transmission Revenues		9.6
Other Revenues		(1.5)
Total Change in Revenues		36.9
Changes in Expenses and Other:		
Other Operation and Maintenance		8.4
Depreciation and Amortization		(5.7)
Taxes Other Than Income Taxes		3.5
Interest Income		0.1
Allowance for Equity Funds Used During Construction		2.3
Non-Service Cost Components of Net Periodic Benefit Cost		(1.1)
Interest Expense		(4.6)
Total Change in Expenses and Other		2.9
Income Tax Expense		(7.7)
First Quarter of 2024	\$	79.7

The major components of the increase in revenues were as follows:

- **Retail Revenues** increased \$33 million \$29 million primarily due to the following:
 - A \$15 million \$20 million increase in weather-normalized revenues primarily in the residential and commercial classes.
 - A \$10 million \$16 million increase in revenue from rate riders.
 These increases were partially offset by:
 - An \$8 million decrease in weather-related usage primarily due to a 16% increase 46% decrease in cooling degree days.
- **A \$7 million increase in revenue from rate riders. This increase was partially offset in other expense items below.**
- **Transmission Revenues** increased \$14 million \$10 million due to the following:
 - An \$8 million increase due to increased load.
 - A \$6 million increase in interim rates rate increases driven by increased transmission investments.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$7 million \$8 million primarily due to employee-related the following:
 - A \$5 million decrease in distribution-related expenses.
 - A \$3 million decrease in recoverable transmission expenses.
- **Depreciation and Amortization** expenses increased \$8 million \$6 million primarily due to a higher depreciable base.
- **Interest Expense** increased \$5 million due to higher long term debt balances and interest rates.
- **Income Tax Expense** increased \$8 million primarily due to an increase in pretax book income.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in revenues were as follows:

- **Retail Revenues** decreased \$3 million primarily due to the following:
 - A \$9 million decrease in weather-normalized revenues due to an unfavorable sales mix.
 This decrease was partially offset by:
 - A \$4 million increase in revenue from rate riders. This increase was partially offset in other expense items below.
- **Transmission Revenues** increased \$46 million due to the following:
 - A \$24 million increase in interim rates driven by increased transmission investment.

- A \$22 million increase due to increased load.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$31 million primarily due to the following:
 - A \$30 million decrease due to legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
 - A \$12 million decrease in employee-related expenses.
 - A \$5 million decrease in transmission expenses. This decrease was offset in Retail Revenues above.

These decreases were partially offset by:

- A \$14 million increase in distribution-related expenses.
- **Depreciation and Amortization** expenses increased \$9 million due to the following:
 - A \$20 million increase due to a higher depreciable base.

This increase was partially offset by:

- An \$11 million decrease in recoverable advanced metering system depreciable expenses.
- **Taxes Other Than Income Taxes** increased \$11 million primarily due to higher property taxes driven by increased investment.
- **Allowance for Equity Funds Used During Construction** increased \$6 million due to a higher AFUDC base.
- **Interest Expense** increased \$20 million primarily due to the following:
 - A \$32 million increase due to higher debt balances and interest rates.

This increase was partially offset by:

- A \$10 million decrease due to an increase in AFUDC base.
- **Income Tax Expense** increased \$10 million primarily due to an increase in pretax book income.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2023	2022	2023	2022
REVENUES	REVENUES				
REVENUES	REVENUES				
Electric Transmission and Distribution					
Electric Transmission and Distribution					
Electric Transmission and Distribution	Electric Transmission and Distribution	\$551.6	\$507.7	\$1,438.7	\$1,399.3
Sales to AEP Affiliates	Sales to AEP Affiliates	1.2	0.9	3.7	2.6
Sales to AEP Affiliates					
Sales to AEP Affiliates					
Other Revenues					
Other Revenues					

Other Revenues	Other Revenues	1.8	0.3	2.9	2.5
TOTAL REVENUES	TOTAL REVENUES	554.6	508.9	1,445.3	1,404.4
TOTAL REVENUES					
TOTAL REVENUES					
EXPENSES					
EXPENSES					
EXPENSES	EXPENSES				
Other Operation	Other Operation	154.4	163.8	395.2	431.6
Other Operation					
Other Operation					
Maintenance					
Maintenance					
Maintenance	Maintenance	25.0	22.7	75.7	70.1
Depreciation and Amortization	Depreciation and Amortization	125.6	117.7	351.5	342.7
Depreciation and Amortization					
Depreciation and Amortization					
Taxes Other Than Income Taxes					
Taxes Other Than Income Taxes					
Taxes Other Than Income Taxes	Taxes Other Than Income Taxes	48.6	45.5	136.9	125.8
TOTAL EXPENSES	TOTAL EXPENSES	353.6	349.7	959.3	970.2
TOTAL EXPENSES					
TOTAL EXPENSES					
OPERATING INCOME	OPERATING INCOME	201.0	159.2	486.0	434.2
OPERATING INCOME					
OPERATING INCOME					
Other Income (Expense):	Other Income (Expense):				
Other Income (Expense):					
Other Income (Expense):					
Interest Income					
Interest Income					
Interest Income	Interest Income	0.5	1.3	1.5	2.7

Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	7.8	5.2	19.4	13.2
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost	4.8	4.2	14.4	12.5
Interest Expense	Interest Expense	(59.9)	(55.4)	(173.1)	(153.2)
Interest Expense					
Interest Expense					
INCOME BEFORE INCOME TAX EXPENSE	INCOME BEFORE INCOME TAX EXPENSE	154.2	114.5	348.2	309.4
INCOME BEFORE INCOME TAX EXPENSE					
INCOME BEFORE INCOME TAX EXPENSE					
Income Tax Expense	Income Tax Expense	28.7	20.9	66.0	56.2
Income Tax Expense					
Income Tax Expense					
NET INCOME					
NET INCOME					
NET INCOME	NET INCOME	\$125.5	\$ 93.6	\$ 282.2	\$ 253.2

The common stock of AEP Texas is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

The common stock of AEP Texas is wholly-owned by Parent.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

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Financial Statements of Registrants beginning
on page 99.

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on page 99.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended **September 30, 2023** March 31, 2024 and **2022** 2023
(in millions)
(Unaudited)

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
			2024	
			2024	
			2024	
Net Income				
Net Income				
Net Income				
	Three Months Ended September 30,	Nine Months Ended September 30,		
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Cash Flow Hedges, Net of Tax of \$1.0 and \$0 in 2024 and 2023, Respectively				
Cash Flow Hedges, Net of Tax of \$1.0 and \$0 in 2024 and 2023, Respectively				
Cash Flow Hedges, Net of Tax of \$1.0 and \$0 in 2024 and 2023, Respectively				
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.1) in 2024 and 2023, Respectively				
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.1) in 2024 and 2023, Respectively				
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.1) in 2024 and 2023, Respectively				
	2023	2022	2023	2022
Net Income	\$125.5	\$93.6	\$282.2	\$253.2

**TOTAL OTHER COMPREHENSIVE
INCOME (LOSS)**

**OTHER COMPREHENSIVE INCOME
(LOSS), NET OF TAXES**

Cash Flow Hedges, Net of Tax of \$0 and \$0.1 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$0.8 and \$0.2 for the Nine Months Ended September 30, 2023 and 2022, Respectively	(0.1)	0.3	3.1	0.8
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.1) and \$0 for the Nine Months Ended September 30, 2023 and 2022, Respectively	—	—	(0.6)	—

**TOTAL OTHER COMPREHENSIVE
INCOME (LOSS)**

TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(0.1)	0.3	2.5	0.8
TOTAL COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	\$125.4	\$93.9	\$284.7	\$254.0

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

TOTAL COMPREHENSIVE INCOME

TOTAL COMPREHENSIVE INCOME

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

**AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY**

For the ~~Nine~~ ~~Three~~ Months Ended **September 30, 2023** **March 31, 2024** and ~~2022~~ **2023**
(in millions)
(Unaudited)

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021	\$1,553.9	\$2,046.8	\$ (6.5)	\$3,594.2
Net Income		69.6		69.6
Other Comprehensive Income			0.3	0.3
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2022	1,553.9	2,116.4	(6.2)	3,664.1
Capital Contribution from Parent	1.3			1.3
Net Income		90.0		90.0
Other Comprehensive Income			0.2	0.2
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2022	1,555.2	2,206.4	(6.0)	3,755.6
Capital Contribution from Parent	0.5			0.5
Net Income		93.6		93.6

Other Comprehensive Income				0.3	0.3
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2022	\$1,555.7	\$2,300.0	\$	(5.7)	\$3,850.0
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022	\$1,558.2	\$2,354.7	\$	(8.6)	\$3,904.3
Capital Contribution from Parent	100.0				100.0
Capital Contribution from Parent					
Capital Contribution from Parent					
Net Income					
Net Income					
Net Income		47.6			47.6
Other Comprehensive Loss				(0.6)	(0.6)
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023	1,658.2	2,402.3		(9.2)	4,051.3
Capital Contribution from Parent	175.3				175.3
Return of Capital to Parent	(4.3)				(4.3)
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023					
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023					
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023					
Net Income					
Net Income					
Net Income		109.1			109.1
Other Comprehensive Income				3.2	3.2
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023	1,829.2	2,511.4		(6.0)	4,334.6
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024					
Capital Contribution from Parent	250.5				250.5
Net Income		125.5			125.5
Other Comprehensive Loss				(0.1)	(0.1)
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023	\$2,079.7	\$2,636.9	\$	(6.1)	\$4,710.5

Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2023**
(in millions)
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS			CURRENT ASSETS		
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 0.1	\$ 0.1			
Restricted Cash	Restricted Cash					
(September 30, 2023 and December 31, 2022 Amounts Include \$46.9 and \$32.7, Respectively, Related to Transition Funding and Restoration Funding)		46.9	32.7			
Restricted Cash	Restricted Cash					
(March 31, 2024 and December 31, 2023 Amounts Include \$42.7 and \$34, Respectively, Related to Transition Funding and Restoration Funding)						
Advances to Affiliates	Advances to Affiliates	49.0	6.9			
Accounts Receivable:	Accounts Receivable:			Accounts Receivable:		
Customers	Customers	209.6	150.9			
Affiliated Companies	Affiliated Companies	20.1	11.9			
Accrued Unbilled Revenues	Accrued Unbilled Revenues	106.6	91.4			
Miscellaneous	Miscellaneous	0.7	0.2			
Allowance for Uncollectible Accounts	Allowance for Uncollectible Accounts	(5.0)	(4.2)			
Total Accounts Receivable	Total Accounts Receivable	332.0	250.2			
Materials and Supplies	Materials and Supplies	170.9	138.8			
Materials and Supplies						
Prepayments and Other Current Assets						

Prepayments and Other Current Assets			
Prepayments and Other Current Assets	Prepayments and Other Current Assets	25.9	18.2
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	624.8	446.9
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			
Electric:	Electric:	Electric:	
Transmission			
Transmission	Transmission	6,579.9	6,301.5
Distribution	Distribution	5,694.5	5,312.8
Other Property, Plant and Equipment	Other Property, Plant and Equipment	1,119.6	1,022.8
Construction Work in Progress	Construction Work in Progress	1,053.9	805.2
Total Property, Plant and Equipment	Total Property, Plant and Equipment	14,447.9	13,442.3
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	1,857.1	1,760.7
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	12,590.8	11,681.6
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS			
Regulatory Assets	Regulatory Assets	307.7	298.3
Securitized Assets (September 30, 2023 and December 31, 2022 Amounts Include \$225.5 and \$286.4, Respectively, Related to Transition Funding and Restoration Funding)			
		225.5	286.4

Securitized Assets			
(March 31, 2024 and December 31, 2023 Amounts Include \$183.1 and \$202.9, Respectively, Related to Transition Funding and Restoration Funding)			
Deferred Charges and Other Noncurrent Assets			
Deferred Charges and Other Noncurrent Assets			
Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	208.9	179.0
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	742.1	763.7
TOTAL ASSETS	TOTAL ASSETS	\$ 13,957.7	\$12,892.2
TOTAL ASSETS			
TOTAL ASSETS			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TEXAS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023

(in millions)

(Unaudited)

CURRENT LIABILITIES	CURRENT LIABILITIES	September 30, 2023	December 31, 2022	March 31, 2024		December 31, 2023
				2024	2023	
Advances from Affiliates	Advances from Affiliates	\$ —	\$ 96.5			
Advances from Affiliates						
Advances from Affiliates						
Accounts Payable:	Accounts Payable:					
General						
General						

General	General	249.3	331.0
Affiliated Companies	Affiliated Companies	31.5	34.7
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2023 and December 31, 2022 Amounts Include \$94.9 and \$93.5, Respectively, Related to Transition Funding and Restoration Funding)			
		94.9	278.5
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2024 and December 31, 2023 Amounts Include \$96.2 and \$95.9, Respectively, Related to Transition Funding and Restoration Funding)			
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2024 and December 31, 2023 Amounts Include \$96.2 and \$95.9, Respectively, Related to Transition Funding and Restoration Funding)			
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2024 and December 31, 2023 Amounts Include \$96.2 and \$95.9, Respectively, Related to Transition Funding and Restoration Funding)			
Accrued Taxes	Accrued Taxes	139.6	95.5
Accrued Interest (September 30, 2023 and December 31, 2022 Amounts Include \$2 and \$2.2, Respectively, Related to Transition Funding and Restoration Funding)			
		81.4	48.3
Accrued Taxes			
Accrued Taxes			
Accrued Interest (March 31, 2024 and December 31, 2023 Amounts Include \$1.7 and \$2, Respectively, Related to Transition Funding and Restoration Funding)			
Obligations Under Operating Leases	Obligations Under Operating Leases	30.2	28.6
Obligations Under Operating Leases			
Obligations Under Operating Leases			
Other Current Liabilities			
Other Current Liabilities			
Other Current Liabilities	Other Current Liabilities	153.9	130.7
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	780.8	1,043.8

NONCURRENT LIABILITIES	NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated (September 30, 2023 and December 31, 2022 Amounts Include \$165.1 and \$221, Respectively, Related to Transition Funding and Restoration Funding)			
		5,831.8	5,379.3
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
Long-term Debt – Nonaffiliated (March 31, 2024 and December 31, 2023 Amounts Include \$114 and \$125.9, Respectively, Related to Transition Funding and Restoration Funding)			
Deferred Income Taxes			
Deferred Income Taxes			
Deferred Income Taxes	Deferred Income Taxes	1,220.8	1,144.2
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	1,256.7	1,259.6
Obligations Under Operating Leases			
Obligations Under Operating Leases			
Obligations Under Operating Leases	Obligations Under Operating Leases	54.6	67.8
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	102.5	93.2
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	8,466.4	7,944.1
TOTAL LIABILITIES	TOTAL LIABILITIES	9,247.2	8,987.9
TOTAL LIABILITIES			
TOTAL LIABILITIES			
Rate Matters (Note 4)			
Rate Matters (Note 4)			
Rate Matters (Note 4)	Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)	

COMMON SHAREHOLDER'S EQUITY			
COMMON SHAREHOLDER'S EQUITY			
COMMON SHAREHOLDER'S EQUITY	COMMON SHAREHOLDER'S EQUITY		
Paid-in Capital	Paid-in Capital	2,079.7	1,558.2
Retained Earnings	Retained Earnings	2,636.9	2,354.7
Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	(6.1)	(8.6)
TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	4,710.5	3,904.3
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 13,957.7	\$12,892.2
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY			
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TEXAS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

(in millions)

(Unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
OPERATING ACTIVITIES	OPERATING ACTIVITIES			OPERATING ACTIVITIES	
Net Income	Net Income	\$ 282.2	\$ 253.2		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:			Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	
Depreciation and Amortization	Depreciation and Amortization	351.5	342.7		
Deferred Income Taxes	Deferred Income Taxes	64.2	35.1		
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(19.4)	(13.2)		

Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	—	(0.2)
Property Taxes			
Property Taxes			
Property Taxes			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(118.0)	(48.4)
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	26.7	49.2
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:		
Accounts Receivable, Net			
Accounts Receivable, Net			
Accounts Receivable, Net	Accounts Receivable, Net	(81.8)	(57.5)
Materials and Supplies	Materials and Supplies	(32.1)	(39.9)
Accounts Payable	Accounts Payable	0.7	16.0
Accrued Taxes, Net	Accrued Taxes, Net	39.7	39.4
Accrued Taxes, Net			
Accrued Taxes, Net			
Accrued Interest			
Other Current Assets	Other Current Assets	(0.7)	1.0
Other Current Liabilities	Other Current Liabilities	(9.9)	12.2
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	<u>503.1</u>	<u>589.6</u>
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
INVESTING ACTIVITIES			
INVESTING ACTIVITIES			
Construction Expenditures	Construction Expenditures	(1,175.1)	(949.8)
Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net	(42.1)	(129.4)
Other Investing Activities	Other Investing Activities	42.2	26.7
Other Investing Activities			

Other Investing Activities			
Net Cash Flows	Net Cash Flows		
Used for Investing	Used for Investing		
Activities	Activities	(1,175.0)	(1,052.5)
FINANCING	FINANCING		
ACTIVITIES	ACTIVITIES		
FINANCING ACTIVITIES			
FINANCING ACTIVITIES			
Capital Contribution	Capital Contribution		
from Parent	from Parent	525.8	1.8
Return of Capital to Parent		(4.3)	—
Issuance of Long-term Debt –			
Nonaffiliated		505.4	1,188.7
Change in Advances from Affiliates, Net			
Change in Advances from Affiliates, Net			
Change in	Change in		
Advances from	Advances from		
Affiliates, Net	Affiliates, Net	(96.5)	(26.9)
Retirement of Long-	Retirement of Long-		
term Debt –	term Debt –		
Nonaffiliated	Nonaffiliated	(240.0)	(678.6)
Principal Payments	Principal Payments		
for Finance Lease	for Finance Lease		
Obligations	Obligations	(5.5)	(5.1)
Other Financing	Other Financing		
Activities	Activities	1.2	0.3
Other Financing Activities			
Other Financing Activities			
Net Cash Flows	Net Cash Flows		
from Financing	from Financing		
Activities	Activities	686.1	480.2
Net Increase in Cash, Cash			
Equivalents and Restricted Cash			
Net Increase in Cash, Cash			
Equivalents and Restricted Cash			
Net Increase in	Net Increase in		
Cash, Cash	Cash, Cash		
Equivalents and	Equivalents and	14.2	17.3
Restricted Cash	Restricted Cash		
Cash, Cash	Cash, Cash		
Equivalents and	Equivalents and		
Restricted Cash at	Restricted Cash at		
Beginning of	Beginning of	32.8	30.5
Period	Period		
Cash, Cash	Cash, Cash		
Equivalents and	Equivalents and		
Restricted Cash at	Restricted Cash at		
End of Period	End of Period	\$ 47.0	\$ 47.8
SUPPLEMENTARY	SUPPLEMENTARY		
INFORMATION	INFORMATION		
SUPPLEMENTARY INFORMATION			
SUPPLEMENTARY INFORMATION			

Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 135.9	\$ 121.1
Net Cash Paid for Income Taxes		4.3	10.0
Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	3.7	4.1
Construction Expenditures Included in Current Liabilities as of September 30,		153.6	156.0
Noncash Acquisitions Under Finance Leases			
Noncash Acquisitions Under Finance Leases			
Construction Expenditures Included in Current Liabilities as of March 31,			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES

MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Summary of Investment in Transmission Assets for AEPTCo

		As of September 30,	
		2023	2022
		(in millions)	
		As of March 31,	As of March 31,
		2024	2023
		(in millions)	
Plant In Service	Plant In Service	\$ 13,638.0	\$12,223.9
Construction Work in Progress	Construction Work in Progress	1,902.1	1,652.2
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	1,221.2	966.5
Total Transmission Property, Net	Total Transmission Property, Net	\$ 14,318.9	\$12,909.6

AEP Transmission Company, LLC and Subsidiaries Reconciliation of 2022 to 2023 Net Income

(in millions)		
	Three Months Ended September 30,	Nine Months Ended September 30,
2022 Net Income	\$ 152.7	\$ 426.6
Changes in Transmission Revenues:		
Transmission Revenues	44.2	165.9
Total Change in Transmission Revenues	44.2	165.9
Changes in Expenses and Other:		
Other Operation and Maintenance	7.0	4.6
Depreciation and Amortization	(12.2)	(35.0)
Taxes Other Than Income Taxes	(5.1)	(13.6)
Interest Income	0.9	4.7
Allowance for Equity Funds Used During Construction	2.4	11.0
Interest Expense	(8.9)	(27.8)
Total Change in Expenses and Other	(15.9)	(56.1)
Income Tax Expense	(1.8)	(18.8)
2023 Net Income	\$ 179.2	\$ 517.6

Third Quarter of 2023 Compared to Third Quarter of 2022

AEP Transmission Company, LLC and Subsidiaries

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Net Income

(in millions)

First Quarter of 2023	\$ 162.7
Changes in Transmission Revenues:	
Transmission Revenues	41.2
Total Change in Transmission Revenues	41.2
Changes in Expenses and Other:	
Other Operation and Maintenance	(1.3)
Depreciation and Amortization	(10.7)
Taxes Other Than Income Taxes	1.4
Interest Income	0.4
Allowance for Equity Funds Used During Construction	1.5
Interest Expense	(9.6)
Total Change in Expenses and Other	(18.3)
Income Tax Expense	(4.4)
First Quarter of 2024	\$ 181.2

The major component components of the increase in transmission revenues, Transmission Revenues, which consists of wholesale sales to affiliates and nonaffiliates, was were as follows:

- **Transmission Revenues** increased \$44 million \$41 million primarily due to continued investment in transmission assets.

Expenses and Other changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$7 million primarily due to the following:
 - A \$5 million decrease due to cancelled capital projects in 2022.

- A \$3 million decrease in employee-related expenses.
- **Depreciation and Amortization** expenses increased \$12 million \$11 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$5 million primarily due to higher property taxes driven by increased transmission investment.
- **Interest Expense** increased \$9 million \$10 million due to higher long-term debt balances and interest rates.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in transmission revenues, which consists of wholesale sales to affiliates and nonaffiliates, were as follows:

- **Transmission Revenues** increased \$166 million primarily due to the following:
 - A \$127 million increase due to continued investment in transmission assets.
 - A \$33 million increase due to affiliated transmission formula rate true-up activity. This increase was offset in Other Operation and Maintenance expenses across the other Registrant Subsidiaries.
 - A \$6 million increase due to nonaffiliated transmission formula rate true-up activity.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Depreciation and Amortization** expenses increased \$35 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$14 million primarily due to higher property taxes driven by increased transmission investment.
- **Allowance for Equity Funds Used During Construction** increased \$11 million primarily due to higher CWIP and AFUDC equity rates.
- **Interest Expense** increased \$28 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Expense** increased \$19 million primarily due to an increase in pretax book income.

AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions)
(Unaudited)

		Three Months Ended	Nine Months Ended		
	Three Months Ended March 31,				
	September 30,	September 30,			
	Three Months Ended March 31,				
	2023	2022	2023	2022	
	Three Months Ended March 31,				
	2024				
	2024				
	2024				
REVENUES					
REVENUES					
REVENUES	REVENUES				
Transmission Revenues	Transmission Revenues	\$ 93.8	\$ 89.1	\$ 274.0	\$ 261.7
Transmission Revenues					
Transmission Revenues					
Sales to AEP Affiliates					
Sales to AEP Affiliates					
Sales to AEP Affiliates	Sales to AEP Affiliates	374.7	340.6	1,097.9	999.5

Provision for Refund – Affiliated	Provision for Refund – Affiliated	(4.8)	(9.3)	(17.9)	(65.7)
Provision for Refund – Affiliated					
Provision for Refund – Affiliated					
Provision for Refund – Nonaffiliated	Provision for Refund – Nonaffiliated	(1.0)	(1.9)	(4.8)	(12.2)
Provision for Refund – Nonaffiliated					
Provision for Refund – Nonaffiliated					
Other Revenues					
Other Revenues					
Other Revenues					
TOTAL REVENUES					
TOTAL REVENUES					
TOTAL REVENUES	TOTAL REVENUES	462.7	418.5	1,349.2	1,183.3
EXPENSES	EXPENSES				
EXPENSES					
EXPENSES					
Other Operation					
Other Operation					
Other Operation	Other Operation	31.6	39.6	87.0	94.7
Maintenance	Maintenance	5.1	4.1	14.3	11.2
Maintenance					
Maintenance					
Depreciation and Amortization					
Depreciation and Amortization					
Depreciation and Amortization	Depreciation and Amortization	99.6	87.4	291.2	256.2
Taxes Other Than Income	Taxes Other Than Income				
Taxes	Taxes	73.8	68.7	216.6	203.0
Taxes Other Than Income					
Taxes					
Taxes Other Than Income					
Taxes					
TOTAL EXPENSES					
TOTAL EXPENSES					
TOTAL EXPENSES	TOTAL EXPENSES	210.1	199.8	609.1	565.1
OPERATING INCOME	OPERATING INCOME	252.6	218.7	740.1	618.2
OPERATING INCOME					
OPERATING INCOME					
Other Income (Expense):					

Other Income (Expense):					
Other Income (Expense):	Other Income (Expense):				
Interest Income - Affiliated	Interest Income - Affiliated	1.6	0.7	5.7	1.0
Interest Income - Affiliated					
Interest Income - Affiliated					
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	22.7	20.3	62.2	51.2
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Interest Expense					
Interest Expense					
Interest Expense	Interest Expense	(51.6)	(42.7)	(147.5)	(119.7)
INCOME BEFORE INCOME TAX EXPENSE					
INCOME BEFORE INCOME TAX EXPENSE					
INCOME BEFORE INCOME TAX EXPENSE					
INCOME BEFORE INCOME TAX EXPENSE					
Income Tax Expense	Income Tax Expense	46.1	44.3	142.9	124.1
Income Tax Expense					
Income Tax Expense					
NET INCOME					
NET INCOME					
NET INCOME	NET INCOME	\$179.2	\$152.7	\$517.6	\$426.6

AEPTCo is wholly-owned by AEP
Transmission Holdco.

See Condensed Notes to Condensed Financial Statements of
Registrants beginning on page 114.

AEPTCo is wholly-owned by AEP
Transmission Holdco.

AEPTCo is wholly-owned by AEP
Transmission Holdco.

See Condensed Notes to Condensed
Financial Statements of Registrants
beginning on page 99.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY
For the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions)
(Unaudited)

		Paid-in Capital	Retained Earnings	Total			
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2021							
		\$2,949.6	\$2,426.5	\$5,376.1			
Dividends Paid to Member							
			(40.0)	(40.0)			
Net Income							
			155.4	155.4			
TOTAL MEMBER'S EQUITY – MARCH 31, 2022							
		2,949.6	2,541.9	5,491.5			
Capital Contribution from Member							
		2.8		2.8			
Dividends Paid to Member							
			(50.0)	(50.0)			
Net Income							
			118.5	118.5			
TOTAL MEMBER'S EQUITY – JUNE 30, 2022							
		2,952.4	2,610.4	5,562.8			
Capital Contribution from Member							
		61.4		61.4			
Dividends Paid to Member							
			(40.0)	(40.0)			
Net Income							
			152.7	152.7			
TOTAL MEMBER'S EQUITY – SEPTEMBER 30, 2022							
		\$3,013.8	\$2,723.1	\$5,736.9			
					Paid-in Capital	Retained Earnings	Total
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2022							
		\$3,022.3	\$2,850.7	\$5,873.0			
Capital Contribution from Member							
Capital Contribution from Member							
		25.0		25.0			
Dividends Paid to Member							
			(55.0)	(55.0)			
Net Income							
			162.7	162.7			

TOTAL MEMBER'S EQUITY – MARCH 31, 2023	TOTAL MEMBER'S EQUITY – MARCH 31, 2023	3,047.3	2,958.4	6,005.7
Return of Capital to Member		(8.6)		(8.6)
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2023				
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2023				
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2023				
Capital Contribution from Member				
Capital Contribution from Member				
Capital Contribution from Member				
Dividends Paid to Member	Dividends Paid to Member		(30.0)	(30.0)
Net Income	Net Income		175.7	175.7
TOTAL MEMBER'S EQUITY – JUNE 30, 2023		3,038.7	3,104.1	6,142.8
TOTAL MEMBER'S EQUITY – MARCH 31, 2024				
Capital Contribution from Member		2.9		2.9
Dividends Paid to Member			(30.0)	(30.0)
Net Income			179.2	179.2
TOTAL MEMBER'S EQUITY – SEPTEMBER 30, 2023		\$3,041.6	\$3,253.3	\$6,294.9

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions)

(Unaudited)

		September 30, 2023	December 31, 2022			March 31, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS			CURRENT ASSETS			
Advances to Affiliates	Advances to Affiliates	\$ 90.6	\$ 4.4				
Accounts Receivable:	Accounts Receivable:						
Customers	Customers	80.4	46.9				
Customers							
Customers							
Affiliated Companies	Affiliated Companies	123.1	119.5				
Total Accounts Receivable	Total Accounts Receivable	203.5	166.4				
Materials and Supplies		0.3	10.7				
Total Accounts Receivable							
Total Accounts Receivable							
Prepayments and Other Current Assets							
Prepayments and Other Current Assets							
Prepayments and Other Current Assets	Prepayments and Other Current Assets	4.1	7.2				
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	298.5	188.7				
TRANSMISSION PROPERTY							
TRANSMISSION PROPERTY							
TRANSMISSION PROPERTY	TRANSMISSION PROPERTY						
Transmission Property	Transmission Property	13,140.5	12,335.4				
Other Property, Plant and Equipment	Other Property, Plant and Equipment	497.5	476.8				
Construction Work in Progress	Construction Work in Progress	1,902.1	1,554.7				
Total Transmission Property	Total Transmission Property	15,540.1	14,366.9				
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	1,221.2	1,027.0				
TOTAL TRANSMISSION PROPERTY – NET	TOTAL TRANSMISSION PROPERTY – NET	14,318.9	13,339.9				

OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS			
Regulatory Assets			
Regulatory Assets			
Regulatory Assets	Regulatory Assets	4.4	7.2
Deferred Property Taxes	Deferred Property Taxes	82.2	266.6
Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	8.0	11.8
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	94.6	285.6
TOTAL ASSETS			
TOTAL ASSETS	TOTAL ASSETS	\$ 14,712.0	\$13,814.2
TOTAL ASSETS			
TOTAL ASSETS			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND MEMBER'S EQUITY

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023

(Unaudited)

		(Unaudited)				
		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
		(in millions)				
		(in millions)				(in millions)
CURRENT LIABILITIES	CURRENT LIABILITIES	CURRENT LIABILITIES				
Advances from Affiliates	Advances from Affiliates	\$ 116.8	\$ 229.3			
Accounts Payable:	Accounts Payable:	Accounts Payable:				
General	General	336.1	427.8			
Affiliated Companies	Affiliated Companies	96.1	82.7			
Long-term Debt Due Within One Year – Nonaffiliated	Long-term Debt Due Within One Year – Nonaffiliated	60.0	60.0			
Long-term Debt Due Within One Year – Nonaffiliated						

Long-term Debt Due Within One Year – Nonaffiliated			
Accrued Taxes	Accrued Taxes	323.5	529.8
Accrued Interest	Accrued Interest	56.6	28.8
Obligations Under Operating Leases	Obligations Under Operating Leases	1.3	1.3
Other Current Liabilities	Other Current Liabilities	12.8	8.3
Other Current Liabilities			
Other Current Liabilities			
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	1,003.2	1,368.0
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated	5,413.7	4,722.8
Deferred Income Taxes	Deferred Income Taxes	1,139.1	1,056.5
Regulatory Liabilities	Regulatory Liabilities	784.5	723.3
Obligations Under Operating Leases	Obligations Under Operating Leases	1.6	1.5
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	75.0	69.1
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	7,413.9	6,573.2
TOTAL LIABILITIES	TOTAL LIABILITIES	8,417.1	7,941.2
TOTAL LIABILITIES			
TOTAL LIABILITIES			
Rate Matters (Note 4)			
Rate Matters (Note 4)			
Rate Matters (Note 4)	Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)		Commitments and Contingencies (Note 5)
MEMBER'S EQUITY			

MEMBER'S EQUITY			
MEMBER'S EQUITY	MEMBER'S EQUITY		
Paid-in Capital	Paid-in Capital	3,041.6	3,022.3
Retained Earnings	Retained Earnings	3,253.3	2,850.7
TOTAL MEMBER'S EQUITY	TOTAL MEMBER'S EQUITY	6,294.9	5,873.0
TOTAL LIABILITIES AND MEMBER'S EQUITY	TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 14,712.0	\$13,814.2
TOTAL LIABILITIES AND MEMBER'S EQUITY			
TOTAL LIABILITIES AND MEMBER'S EQUITY			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
 (in millions)
 (Unaudited)

OPERATING ACTIVITIES	OPERATING ACTIVITIES	Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
Net Income	Net Income	\$ 517.6	\$ 426.6		
Net Income					
Net Income					
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	Depreciation and Amortization				
Depreciation and Amortization	Depreciation and Amortization	291.2	256.2		
Deferred Income Taxes	Deferred Income Taxes	64.2	60.6		

Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(62.2)	(51.2)
Property Taxes	Property Taxes	184.4	170.0
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	5.8	4.0
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	7.7	55.0
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net	(37.1)	(66.4)
Materials and Supplies	Materials and Supplies	10.4	(2.4)
Accounts Payable	Accounts Payable	25.0	53.1
Accrued Taxes, Net	Accrued Taxes, Net	(202.2)	(194.0)
Other Current Assets	Other Current Assets	(1.0)	(1.2)
Other Current Assets			
Other Current Assets			
Other Current Liabilities	Other Current Liabilities	21.7	27.2
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	825.5	737.5
INVESTING ACTIVITIES			
INVESTING ACTIVITIES			
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
Construction Expenditures	Construction Expenditures	(1,224.9)	(1,059.3)
Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net	(86.2)	(84.1)
Other Investing Activities	Other Investing Activities	4.8	(5.3)
Other Investing Activities			
Other Investing Activities			

Net Cash Flows	Net Cash Flows		
Used for Investing	Used for Investing		
Activities	Activities	(1,306.3)	(1,148.7)
FINANCING	FINANCING		
ACTIVITIES	ACTIVITIES		

FINANCING ACTIVITIES

FINANCING ACTIVITIES

Capital Contribution	Capital Contribution		
from Member	from Member	27.9	64.2
Return of Capital to Member		(8.6)	—

Issuance of Long-term Debt –
Nonaffiliated

Issuance of Long-term Debt –
Nonaffiliated

Issuance of Long-	Issuance of Long-		
term Debt –	term Debt –		
Nonaffiliated	Nonaffiliated	689.0	540.9

Change in	Change in		
Advances from	Advances from		
Affiliates, Net	Affiliates, Net	(112.5)	(63.9)

Dividends Paid to	Dividends Paid to		
Member	Member	(115.0)	(130.0)

Net Cash Flows	Net Cash Flows		
from Financing	from Financing		
Activities	Activities	480.8	411.2

Net Cash Flows from Financing
Activities

Net Cash Flows from Financing
Activities

Net Change in Cash and Cash
Equivalents

Net Change in Cash and Cash
Equivalents

Net Change in	Net Change in		
Cash and Cash	Cash and Cash		
Equivalents	Equivalents	—	—

Cash and Cash	Cash and Cash		
Equivalents at	Equivalents at		
Beginning of	Beginning of		
Period	Period	—	—

Cash and Cash	Cash and Cash		
Equivalents at	Equivalents at		
End of Period	End of Period	\$ —	\$ —

SUPPLEMENTARY
INFORMATION

SUPPLEMENTARY
INFORMATION

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for	Cash Paid for		
Interest, Net of	Interest, Net of		
Capitalized	Capitalized		
Amounts	Amounts	\$ 116.9	\$ 88.6
Net Cash Paid for Income Taxes		55.0	53.2

Construction Expenditures Included in Current Liabilities as of September 30,	219.2	240.5

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

Construction Expenditures Included in Current Liabilities as of March 31,	
Construction Expenditures Included in Current Liabilities as of March 31,	
Construction Expenditures Included in Current Liabilities as of March 31,	

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APPALACHIAN POWER COMPANY AND SUBSIDIARIES

MANAGEMENT’S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2022	2023	2022	2023
		(in millions of KWhs)			
2024					
2024					
2024					
		(in millions of KWhs)			
Retail:	Retail:				
Residential	Residential	2,481	2,553	7,527	8,308
Residential					
Residential					
Commercial					
Commercial					
Commercial	Commercial	1,537	1,566	4,286	4,545
Industrial	Industrial	2,229	2,211	6,473	6,655
Industrial					
Industrial					
Miscellaneous	Miscellaneous	205	206	595	624
Miscellaneous					
Miscellaneous					
Total Retail					
Total Retail					
Total Retail	Total Retail	6,452	6,536	18,881	20,132
Wholesale	Wholesale	691	644	1,694	1,269
Wholesale					

Wholesale					
Total KWhs	Total KWhs	7,143	7,180	20,575	21,401
Total KWhs					
Total KWhs					

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022		
		2023	2022	2023	2022	
		(in degree days)				
	2024					
	2024					
	2024					
		(in degree days)				
Actual	Actual					
—	—					
Heating	Heating					
(a)	(a)	—	4	928	1,372	
Normal – Heating						
(b)						
Normal – Heating						
(b)						
Normal	Normal					
—	—					
Heating	Heating					
(b)	(b)	2	2	1,410	1,410	
Actual	Actual					
—	—					
Cooling	Cooling					
(c)	(c)	873	876	1,106	1,299	
Actual – Cooling						
(c)						
Actual – Cooling						
(c)						
Normal	Normal					
—	—					
Cooling	Cooling					
(b)	(b)	837	832	1,222	1,210	
Normal – Cooling						
(b)						
Normal – Cooling						
(b)						

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

(in millions)				
	Three Months Ended September 30,		Nine Months Ended September 30,	
2022 Net Income	\$	92.7	\$	303.1
Changes in Gross Margin:				
Retail Margins		46.5		79.7
Margins from Off-system Sales		(4.2)		(1.5)
Transmission Revenues		3.9		6.5
Other Revenues		1.5		(5.1)
Total Change in Gross Margin		47.7		79.6
Changes in Expenses and Other:				
Other Operation and Maintenance		(10.9)		(63.5)
Asset Impairments and Other Related Charges - Coal Fired Generation		24.9		24.9
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset		(37.0)		(37.0)
Depreciation and Amortization		(0.8)		6.2
Taxes Other Than Income Taxes		(2.0)		(5.5)
Interest Income		(1.8)		(0.8)
Allowance for Equity Funds Used During Construction		1.4		1.9
Non-Service Cost Components of Net Periodic Benefit Cost		0.8		2.6
Interest Expense		(6.8)		(29.6)
Total Change in Expenses and Other		(32.2)		(100.8)
Income Tax Expense		(16.3)		(34.6)
2023 Net Income	\$	91.9	\$	247.3

Third Quarter of 2023 Compared to Third Quarter of 2022

Appalachian Power Company and Subsidiaries

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Net Income

(in millions)

First Quarter of 2023	\$	112.5
Changes in Revenues:		
Retail Revenues		90.4
Off-system Sales		(0.6)
Transmission Revenues		6.4
Other Revenues		9.1
Total Change in Revenues		105.3
Changes in Expenses and Other:		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation		(57.1)
Other Operation and Maintenance		(27.7)
Depreciation and Amortization		(6.8)
Taxes Other Than Income Taxes		(4.2)
Interest Income		0.2
Allowance for Equity Funds Used During Construction		0.5
Non-Service Cost Components of Net Periodic Benefit Cost		(1.0)
Interest Expense		(2.8)
Total Change in Expenses and Other		(98.9)
Income Tax Expense		17.6
First Quarter of 2024	\$	136.5

The major components of the increase in **Gross Margin**, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and **purchased electricity Revenues** were as follows:

- **Retail Margins Revenues** increased \$47 million \$90 million primarily due to the following:
 - A \$19 million \$46 million increase due to in rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below. revenues.
 - A \$12 million \$28 million increase in deferred fuel revenue primarily related to the timing of recoverable PJM expenses. This increase was offset in Other Operation and Maintenance expenses below.
 - An \$8 million increase due to lower customer refunds related to Tax Reform. This increase was offset authorized fuel rate increases in Income Tax Expense below. West Virginia.
 - A \$7 million increase due to a base rate \$17 million increase in Virginia implemented weather-related usage driven by a 14% increase in October 2022 following the Virginia Supreme Court remand. This increase was partially offset in Other Operations and Maintenance expenses below. heating degree days.
- **A \$4 million increase Transmission Revenues** increased \$6 million primarily due to the prior year amortization of costs recovered through Virginia's environmental rate adjustment clause. This increase was offset lower PJM rates in other expense items below. 2023 for certain point-to-point transmission services resulting from a December 2022 FERC approved settlement agreement.
- **Other Revenues** increased \$9 million primarily due to pole attachment revenue.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased \$57 million primarily due to a \$37 million increase in West Virginia fuel over-recovery and a \$21 million increase in load.
- **Other Operation and Maintenance** expenses increased \$11 million \$28 million primarily due to the following:
 - A \$7 million increase due to the amortization of the regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to under-earnings during the 2017-2019 Triennial Review. This increase was offset in Retail Margins above.
 - A \$7 million \$23 million increase in transmission expenses primarily due to an increase in recoverable PJM expenses. This increase was partially offset in Retail Margins above.
 - A \$2 million \$10 million increase in distribution expenses primarily due to storm restoration costs.
 - A \$2 million increase in renewable energy credits and compliance expenses associated with the Virginia Clean Economy Act. This increase was offset in Retail Margins above. vegetation management expenses.

These increases were partially offset by:

- A \$9 million decrease due to an increase in proceeds received for insurance policy settlements.
- **Asset Impairments and Other Related Charges - Coal Fired Generation** decreased \$25 million due to the prior year write-off January 2024 completion of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion amortization related to the 2017-2019 Triennial Review.
- **Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset** decreased \$37 million due to the prior year establishment of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion and resulting under-earning during the 2017-2019 Triennial Review.
- **Interest Expense** increased \$7 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Expense** increased \$16 million primarily due to the following:
 - A \$9 million increase in state taxes.
 - A \$3 million increase due to an increase in pretax book income.
 - A \$2 million increase due to a decrease in amortization of Excess ADIT.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$80 million primarily due to the following:
 - A \$44 million increase due to rider revenues in Virginia and West Virginia. This increase was partially offset in other expense items below.
 - A \$25 million increase due to lower customer refunds related to Tax Reform. This increase was offset in Income Tax Expense below.
 - A \$24 million increase in deferred fuel primarily related to the timing of recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below.
 - A \$19 million increase due to a base rate increase in Virginia implemented in October 2022 following the Virginia Supreme Court remand. This increase was partially offset in Other Operation and Maintenance expenses below.
 - A \$13 million increase due to the prior year amortization of costs recovered through Virginia's environmental rate adjustment clause. This increase was offset in other expense items below.
 - An \$8 million increase in weather-normalized margins primarily driven by increases in the residential class.

These increases were partially offset by:

- A \$63 million decrease in weather-related usage primarily driven by a 32% decrease in heating degree days and a 15% decrease in cooling degree days.
- **Transmission Revenues** increased \$7 million primarily due to increased transmission investment.
- **Other Revenues** decreased \$5 million primarily due to pole attachment revenue.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$64 million primarily due to the following:
 - A \$21 million increase due to the amortization of the regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to under-earnings during the 2017-2019 Triennial Review. This increase was offset in Retail Margins above.
 - A \$17 million increase in distribution expenses primarily due to storm restoration costs.
 - A \$14 million increase due to gains from the sale of land in 2022.
 - A \$9 million increase in transmission expenses primarily due to the following:
 - A \$5 million increase in transmission formula rate true-up activity. This increase was partially offset in Retail Margins above.
 - A \$4 million increase in vegetation management expenses.
 - An \$8 million increase in accounts receivable factoring expenses as a result of increased interest rates.
 - A \$6 million increase in renewable energy credits and compliance expenses associated with the Virginia Clean Economy Act. This increase was offset in Retail Margins above.

These increases were partially offset by:

- An \$11 million decrease in employee-related expenses.
- A \$3 million decrease due to an increase in proceeds received for insurance policy settlements.
- **Asset Impairments and Other Related Charges - Coal Fired Generation** decreased \$25 million due to a prior year write-off of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion related to the 2017-2019 Triennial Review.
- **Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset** decreased \$37 million due to a prior year establishment of a regulatory asset in accordance with the August 2022 Virginia Supreme Court opinion and resulting under-earning during the 2017-2019 Triennial Review.
- **Depreciation and Amortization** expenses decreased \$6 million increased \$7 million primarily due to the following:
 - A \$21 million decrease due to the implementation of updated Virginia depreciation rates in 2023.
 This decrease was partially offset by:
 - A \$16 million increase due to a higher depreciable base.
- **Taxes Other Than Income Taxes** expenses increased \$6 million due to an increase in Virginia state minimum taxes primarily due to an increased projected minimum tax liability.
- **Interest Expense** increased \$30 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Expense** increased \$35 million decreased \$18 million primarily due to the following:

- A \$19 million decrease a \$14 million increase in amortization of Excess ADIT. This decrease was partially offset in Retail Margins above.
- An \$11 million increase due to unfavorable discrete adjustments in 2023.
- A \$10 million increase in state taxes.

These increases were partially offset by:

- A \$7 million decrease due to an increase in flow through depreciation expense.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

Three Months Ended March 31,

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022				2024		2023	
REVENUES	REVENUES					REVENUES					
Electric Generation, Transmission and Distribution	Electric Generation, Transmission and Distribution	\$896.0	\$818.4	\$2,573.0	\$2,370.4						
Sales to AEP Affiliates	Sales to AEP Affiliates	62.5	67.6	193.2	187.6						
Other Revenues	Other Revenues	3.3	2.9	9.8	11.8						
TOTAL REVENUES	TOTAL REVENUES	961.8	888.9	2,776.0	2,569.8						
EXPENSES	EXPENSES										
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	343.2	318.0	960.8	834.2						
Other Operation	Other Operation	187.9	182.0	569.6	514.0						
Other Operation											
Other Operation											
Maintenance	Maintenance	74.3	69.3	222.5	214.6						
Asset Impairments and Other Related Charges - Coal Fired Generation	Asset Impairments and Other Related Charges - Coal Fired Generation	—	24.9	—	24.9						
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset	—	(37.0)	—	(37.0)						
Depreciation and Amortization											
Depreciation and Amortization											
Depreciation and Amortization	Depreciation and Amortization	143.7	142.9	424.8	431.0						

Taxes Other Than Income Taxes	Taxes Other Than Income Taxes	43.5	41.5	126.5	121.0
TOTAL EXPENSES	TOTAL EXPENSES	792.6	741.6	2,304.2	2,102.7
OPERATING INCOME	OPERATING INCOME	169.2	147.3	471.8	467.1

OPERATING INCOME

OPERATING INCOME

Other Income (Expense):

Other Income (Expense):

Other Income (Expense):	Other Income (Expense):				
Interest Income	Interest Income	0.8	2.6	2.2	3.0

Allowance for Equity Funds

Used During Construction

Allowance for Equity Funds

Used During Construction

Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	3.6	2.2	8.7	6.8

Non-Service Cost Components of Net Periodic Benefit Cost

Interest Expense	Interest Expense	(68.5)	(61.7)	(200.7)	(171.1)

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

Income Tax Expense

Income Tax Expense

Income Tax Expense	Income Tax Expense	21.3	5.0	59.1	24.5
NET INCOME	NET INCOME	\$ 91.9	\$ 92.7	\$ 247.3	\$ 303.1

NET INCOME

NET INCOME

The common stock of APCo is wholly-owned by Parent.

The common stock of APCo is wholly-owned by Parent.

The common stock of APCo is wholly-owned by Parent.

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APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		2024	2024	2024	2024	2024	2024	2023	2023
Net Income	Net Income	\$91.9	\$92.7	\$247.3	\$303.1				
OTHER COMPREHENSIVE LOSS, NET OF TAXES	OTHER COMPREHENSIVE LOSS, NET OF TAXES								
Cash Flow Hedges, Net of Tax of \$(0.1) and \$(0.1) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.2) and \$(0.2) for the Nine Months Ended September 30, 2023 and 2022, Respectively									
		(0.2)	(0.2)	(0.6)	(0.6)				
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.2) and \$(0.3) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.6) and \$(0.9) for the Nine Months Ended September 30, 2023 and 2022, Respectively									
		(0.7)	(1.1)	(2.3)	(3.2)				
OTHER COMPREHENSIVE LOSS, NET OF TAXES									
OTHER COMPREHENSIVE LOSS, NET OF TAXES									
Cash Flow Hedges, Net of Tax of \$(0.1) and \$(0.1) in 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.1) and \$(0.2) in 2024 and 2023, Respectively									
TOTAL OTHER COMPREHENSIVE LOSS									
TOTAL OTHER COMPREHENSIVE LOSS									
TOTAL OTHER COMPREHENSIVE LOSS	TOTAL OTHER COMPREHENSIVE LOSS	(0.9)	(1.3)	(2.9)	(3.8)				
TOTAL	TOTAL	\$91.0	\$91.4	\$244.4	\$299.3				

COMPREHENSIVE INCOME	COMPREHENSIVE INCOME
TOTAL COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

	Common Stock	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022						
		Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2021	\$	260.4	\$1,828.7	\$2,534.4	\$ 24.4	\$4,647.9
Common Stock Dividends				(18.8)		(18.8)
Net Income	Net Income			120.2		120.2
Other Comprehensive Loss					(1.3)	(1.3)
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2022		260.4	1,828.7	2,635.8	23.1	4,748.0
Capital Contribution from Parent			2.8			2.8
Common Stock Dividends				(18.7)		(18.7)
Net Income				90.2		90.2
Other Comprehensive Loss					(1.2)	(1.2)
TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2022		260.4	1,831.5	2,707.3	21.9	4,821.1
Capital Contribution from Parent			1.5			1.5
Net Income	Net Income			92.7		92.7
Other Comprehensive Loss					(1.3)	(1.3)
TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 2022	\$	260.4	\$1,833.0	\$2,800.0	\$ 20.6	\$4,914.0
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022	\$	260.4	\$1,828.7	\$2,891.1	\$ (4.8)	\$4,975.4
Net Income	Net Income			112.5		112.5
Other Comprehensive Loss	Other Comprehensive Loss				(1.0)	(1.0)

TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2023	TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2023	260.4	1,828.7	3,003.6	(5.8)	5,086.9
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2023						
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2023						
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2023						
Capital Contribution from Parent	Capital Contribution from Parent		4.3			4.3
Net Income				42.9		42.9
Other Comprehensive Loss					(1.0)	(1.0)
TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2023		260.4	1,833.0	3,046.5	(6.8)	5,133.1
Capital Contribution from Parent						
Capital Contribution from Parent	Capital Contribution from Parent		2.2			2.2
Net Income	Net Income			91.9		91.9
Other Comprehensive Loss	Other Comprehensive Loss				(0.9)	(0.9)
TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 2023		\$ 260.4	\$1,835.2	\$3,138.4	\$ (7.7)	\$5,226.3
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2024						

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**APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions)

(Unaudited)

		September 30, 2023		December 31, 2022		March 31, 2024		March 31, 2024		December 31, 2023	
CURRENT ASSETS	CURRENT ASSETS										
Cash and Cash Equivalents	Cash and Cash Equivalents	\$	4.5	\$	7.5						
Restricted Cash for Securitized Funding	Restricted Cash for Securitized Funding		6.9		14.4						

Advances to Affiliates	Advances to Affiliates	19.3	19.8	
Accounts Receivable:	Accounts Receivable:			Accounts Receivable:
Customers	Customers	142.9	168.9	
Affiliated Companies	Affiliated Companies	91.7	94.0	
Accrued Unbilled Revenues	Accrued Unbilled Revenues	41.9	91.3	
Miscellaneous	Miscellaneous	0.2	0.3	
Allowance for Uncollectible Accounts	Allowance for Uncollectible Accounts	(1.7)	(1.7)	
Total Accounts Receivable	Total Accounts Receivable	275.0	352.8	
Fuel	Fuel	266.5	158.9	
Materials and Supplies	Materials and Supplies	137.5	130.6	
Risk Management Assets	Risk Management Assets	46.4	69.1	
Regulatory Asset for Under-Recovered Fuel Costs	Regulatory Asset for Under-Recovered Fuel Costs	442.0	473.1	
Regulatory Asset for Under-Recovered Fuel Costs				
Regulatory Asset for Under-Recovered Fuel Costs				
Prepayments and Other Current Assets				
Prepayments and Other Current Assets				
Prepayments and Other Current Assets	Prepayments and Other Current Assets	33.7	33.4	
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	1,231.8	1,259.6	
PROPERTY, PLANT AND EQUIPMENT				
PROPERTY, PLANT AND EQUIPMENT				
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT			
Electric:	Electric:			Electric:
Generation	Generation	6,919.7	6,776.8	
Transmission	Transmission	4,588.4	4,482.8	
Distribution	Distribution	5,126.8	4,933.0	
Other Property, Plant and Equipment	Other Property, Plant and Equipment	933.7	883.3	

Construction Work in Progress	Construction Work in Progress	877.9	705.3
Total Property, Plant and Equipment	Total Property, Plant and Equipment	18,446.5	17,781.2
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	5,621.4	5,402.0
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	12,825.1	12,379.2
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS			
Regulatory Assets	Regulatory Assets	978.8	1,058.6
Securitized Assets	Securitized Assets	140.0	159.6
Employee Benefits and Pension Assets	Employee Benefits and Pension Assets	166.5	152.9
Operating Lease Assets	Operating Lease Assets	64.9	73.6
Operating Lease Assets			
Operating Lease Assets			
Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	102.6	138.7
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	1,452.8	1,583.4
TOTAL ASSETS	TOTAL ASSETS	\$ 15,509.7	\$15,222.2
TOTAL ASSETS			
TOTAL ASSETS			

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**APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
		(in millions)			(in millions)	
CURRENT LIABILITIES	CURRENT LIABILITIES			CURRENT LIABILITIES		
Advances from Affiliates	Advances from Affiliates	\$ 202.5	\$ 182.2			
Accounts Payable:	Accounts Payable:			Accounts Payable:		
General	General	321.8	451.2			
Affiliated Companies	Affiliated Companies	116.6	142.7			
Long-term Debt Due Within One Year – Nonaffiliated	Long-term Debt Due Within One Year – Nonaffiliated	538.8	251.8			
Risk Management Liabilities	Risk Management Liabilities	1.8	3.6			
Risk Management Liabilities						
Risk Management Liabilities						
Customer Deposits	Customer Deposits	77.6	75.1			
Accrued Taxes						
Accrued Taxes						
Accrued Taxes	Accrued Taxes	82.4	101.0			
Accrued Interest	Accrued Interest	85.5	57.9			
Obligations Under Operating Leases	Obligations Under Operating Leases	14.0	15.0			
Other Current Liabilities	Other Current Liabilities	103.3	109.7			
Other Current Liabilities						
Other Current Liabilities						
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	1,544.3	1,390.2			
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES					
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated	5,048.5	5,158.7			
Deferred Income Taxes						
Deferred Income Taxes						
Deferred Income Taxes	Deferred Income Taxes	2,029.6	1,992.2			
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	1,100.5	1,143.6			
Asset Retirement Obligations	Asset Retirement Obligations	423.3	419.2			
Employee Benefits and Pension Obligations	Employee Benefits and Pension Obligations	34.1	34.2			

Obligations Under Operating Leases	Obligations Under Operating Leases	51.4	59.1
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	51.7	49.6
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	8,739.1	8,856.6
TOTAL LIABILITIES	TOTAL LIABILITIES	10,283.4	10,246.8

TOTAL LIABILITIES

TOTAL LIABILITIES

Rate Matters (Note 4)

Rate Matters (Note 4)

Rate Matters (Note 4)

Commitments and Contingencies (Note 5)

Commitments and Contingencies (Note 5)

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY	COMMON SHAREHOLDER'S EQUITY		
Common Stock – No Par Value:	Common Stock – No Par Value:		
Authorized – 30,000,000 Shares	Authorized – 30,000,000 Shares		
Outstanding – 13,499,500 Shares	Outstanding – 13,499,500 Shares	260.4	260.4
Paid-in Capital	Paid-in Capital	1,835.2	1,828.7
Retained Earnings	Retained Earnings	3,138.4	2,891.1
Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	(7.7)	(4.8)
TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	5,226.3	4,975.4
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 15,509.7	\$15,222.2

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

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APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
OPERATING ACTIVITIES	OPERATING ACTIVITIES	OPERATING ACTIVITIES			
Net Income	Net Income	\$ 247.3	\$ 303.1		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	Depreciation and Amortization	424.8	431.0		
Deferred Income Taxes	Deferred Income Taxes	5.2	70.7		
Asset Impairments and Other Related Charges - Coal Fired Generation		—	24.9		
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(8.7)	(6.8)		
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	21.7	(65.6)		
Deferred Fuel Over/Under-Recovery, Net	Deferred Fuel Over/Under-Recovery, Net	108.2	(400.2)		
Establishment of 2017-2019 Virginia Triennial Review Regulatory Asset		—	(37.0)		
Deferred Fuel Over/Under-Recovery, Net					
Deferred Fuel Over/Under-Recovery, Net					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	24.4	(15.2)		
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	(29.9)	39.7		

Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net	80.2	68.7
Fuel, Materials and Supplies	Fuel, Materials and Supplies	(114.0)	(61.7)
Margin Deposits	Margin Deposits	(3.0)	65.8
Accounts Payable	Accounts Payable	(129.5)	141.4
Accrued Taxes, Net	Accrued Taxes, Net	(12.4)	(98.9)
Other Current Assets	Other Current Assets	(3.5)	(4.2)
Other Current Liabilities	Other Current Liabilities	(0.6)	42.2
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	610.2	497.9
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
Construction Expenditures	Construction Expenditures	(813.4)	(707.4)
Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net	0.5	(161.3)
Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net		
Other Investing Activities	Other Investing Activities		
Other Investing Activities	Other Investing Activities		
Other Investing Activities	Other Investing Activities	(2.9)	34.9
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(815.8)	(833.8)
FINANCING ACTIVITIES	FINANCING ACTIVITIES		
FINANCING ACTIVITIES	FINANCING ACTIVITIES		
Capital Contribution from Parent	Capital Contribution from Parent	6.5	4.3
Issuance of Long-term Debt – Nonaffiliated	Issuance of Long-term Debt – Nonaffiliated	200.0	698.2
Change in Advances from Affiliates, Net	Change in Advances from Affiliates, Net	20.3	(199.3)
Retirement of Long-term Debt – Nonaffiliated	Retirement of Long-term Debt – Nonaffiliated	(26.5)	(130.4)

Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(6.2)	(5.9)
Dividends Paid on Common Stock		—	(37.5)

Principal Payments for Finance Lease Obligations

Principal Payments for Finance Lease Obligations

Other Financing Activities	Other Financing Activities	1.0	0.5

Net Cash Flows from Financing Activities		195.1	329.9

Other Financing Activities

Other Financing Activities

Net Cash Flows from (Used for) Financing Activities

Net Decrease in Cash, Cash Equivalents and Restricted Cash for Securitized Funding

Net Decrease in Cash, Cash Equivalents and Restricted Cash for Securitized Funding

Net Decrease in Cash, Cash Equivalents and Restricted Cash for Securitized Funding	Net Decrease in Cash, Cash Equivalents and Restricted Cash for Securitized Funding	(10.5)	(6.0)
Cash, Cash Equivalents and Restricted Cash for Securitized Funding at Beginning of Period	Cash, Cash Equivalents and Restricted Cash for Securitized Funding at Beginning of Period	21.9	20.1

Cash, Cash Equivalents and Restricted Cash for Securitized Funding at End of Period	Cash, Cash Equivalents and Restricted Cash for Securitized Funding at End of Period	\$ 11.4	\$ 14.1

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 166.6	\$ 128.3
Net Cash Paid for Income Taxes		40.3	14.2

Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	4.1	1.0

Construction Expenditures Included in Current Liabilities as of September 30,		138.7	160.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

Noncash Acquisitions Under Finance
Leases

Noncash Acquisitions Under Finance
Leases

Construction
Expenditures
Included in Current
Liabilities as of
March 31,

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Statements of Registrants beginning on page 99.

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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES

MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023			
		2023	2022	2023	2022		
		(in millions of KWhs)				(in millions of KWhs)	
Retail:	Retail:						
Residential	Residential	1,421	1,532	3,998	4,320		
Residential							
Residential							
Commercial							
Commercial							
Commercial	Commercial	1,360	1,326	3,756	3,610		
Industrial	Industrial	1,876	1,926	5,501	5,638		
Industrial							
Industrial							
Miscellaneous	Miscellaneous	12	12	39	39		
Miscellaneous							
Miscellaneous							
Total Retail							
Total Retail							
Total Retail	Total Retail	4,669	4,796	13,294	13,607		
Wholesale	Wholesale	1,246	1,707	4,210	4,892		
Wholesale							
Wholesale							
Total KWhs	Total KWhs	5,915	6,503	17,504	18,499		

Total KWhs
Total KWhs

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2022	2023	2022	2023
		(in degree days)		(in degree days)	
Actual	Actual				
—	—				
Heating	Heating				
(a)	(a)	—	17	1,914	2,525
Normal	Normal				
—	—				
Heating	Heating				
(b)	(b)	7	8	2,430	2,421
Normal – Heating					
(b)					
Normal – Heating					
(b)					
Actual – Cooling					
(c)					
Actual – Cooling					
(c)					
Actual	Actual				
—	—				
Cooling	Cooling				
(c)	(c)	516	590	722	934
Normal	Normal				
—	—				
Cooling	Cooling				
(b)	(b)	588	580	857	842
Normal – Cooling					
(b)					
Normal – Cooling					
(b)					

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Indiana Michigan Power Company and Subsidiaries			
Reconciliation of 2022 to 2023 Net Income			
(in millions)			
		Three Months Ended September 30,	Nine Months Ended September 30,
2022 Net Income	\$	94.1	\$ 250.8

Changes in Gross Margin:		
Retail Margins	5.4	55.6
Margins from Off-system Sales	(14.7)	8.9
Transmission Revenues	(1.3)	(13.9)
Other Revenues	3.7	6.5
Total Change in Gross Margin	(6.9)	57.1
Changes in Expenses and Other:		
Other Operation and Maintenance	(7.9)	(63.1)
Depreciation and Amortization	14.9	47.3
Taxes Other Than Income Taxes	0.1	13.8
Other Income	2.1	0.7
Non-Service Cost Components of Net Periodic Benefit Cost	1.4	4.6
Interest Expense	(1.8)	(9.5)
Total Change in Expenses and Other	8.8	(6.2)
Income Tax Expense	(3.0)	(31.1)
2023 Net Income	\$ 93.0	\$ 270.6

Third Quarter of 2023 Compared to Third Quarter of 2022

Indiana Michigan Power Company and Subsidiaries
Reconciliation of First Quarter of 2023 to First Quarter of 2024
Net Income
(in millions)

First Quarter of 2023	\$ 102.8
Changes in Revenues:	
Retail Revenues	(1.9)
Off-system Sales	1.2
Transmission Revenues	4.5
Other Revenues	0.6
Total Change in Revenues	4.4
Changes in Expenses and Other:	
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	(23.4)
Purchased Electricity from AEP Affiliates	(16.4)
Other Operation and Maintenance	(2.3)
Depreciation and Amortization	16.9
Taxes Other Than Income Taxes	(3.8)
Other Income	2.6
Non-Service Cost Components of Net Periodic Benefit Cost	(1.3)
Interest Expense	7.0
Total Change in Expenses and Other	(20.7)
Income Tax Expense	58.5
First Quarter of 2024	\$ 145.0

The major components of the decrease/increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity Revenues were as follows:

- **Retail Margins Revenues** increased \$5 million/decreased \$2 million primarily due to the following:
 - A \$14 million increase/\$13 million decrease due to a regulatory provision for refund.

- An \$11 million decrease in weather-normalized retail margins primarily in the commercial residential and industrial classes.
- An \$8 million increase due to rider revenues. This increase was partially offset in other expense items below.

These increases/decreases were partially offset by:

- A \$10 million decrease in deferred fuel primarily due to the timing of recoverable PJM expenses. This decrease was offset in other expense items below.
- A \$7 million decrease in weather-related usage primarily due to a 13% decrease in cooling degree days.
- **Margins from Off-system Sales** decreased \$15 million primarily due to Rockport Plant, Unit 2 merchant operations activity.

Expenses and Other changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$8 million primarily due to the following:
 - A \$12 million increase in Demand Side Management expenses. This increase was offset in Retail Margins above.

This increase was partially offset by:

- A \$4 million decrease in employee-related expenses.
- **Depreciation and Amortization** expenses decreased \$15 million primarily due to the expiration of the Rockport Plant, Unit 2 lease in December 2022, partially offset by an increase in depreciation expense due to the acquisition of Rockport Plant, Unit 2 at the end of the lease.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as fuel revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$56 million primarily due to the following:
 - A \$39 million increase in weather-normalized margins in all retail classes, partially offset by a decrease in the wholesale class.
 - A \$25 million increase due to a base rate revenue increase in Indiana and rider increases. This increase was partially offset in other expense items below.
 - A \$21 million increase due to a reduction in provision for refund, partially offset by lower wholesale true-ups.

These increases were partially offset by:

- A \$39 million decrease in weather-related usage primarily due to a 23% decrease in cooling degree days and a 24% decrease in heating degree days.
- **Margins from Off-system Sales** increased \$9 million primarily due to Rockport Plant, Unit 2 merchant operations activity and estimated PJM performance incentives for Rockport Plant, Unit 2 merchant operations related to winter storm Elliott in December 2022.
- **Transmission Revenues** decreased \$14 million primarily due to transmission formula rate true-up activity.
- **Other Revenues** increased \$7 million primarily due to an increase in barging revenues by River Transportation Division (RTD). This generation at Rockport Plant.
 - A \$5 million increase in barging revenues was partially offset in Other Operation and Maintenance expenses below. rider revenues.

Expenses and Other and Income Tax Expense changed between years as follows:

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased \$23 million primarily due to an increase in generation at Rockport Plant and a purchased power disallowance in the April 2024 MPSC order on I&M's 2021 PSCR reconciliation.
- **Purchased Electricity from AEP Affiliates** increased \$16 million primarily due to an increase in purchased electricity from Rockport Plant.
- **Other Operation and Maintenance** expenses increased \$63 million \$2 million primarily due to the following:
 - A \$29 million An \$11 million increase in Demand Side Management expenses. This increase was offset in Retail Margins above.
 - A \$10 million increase in Non-Utility operation transmission expenses primarily due to an increase in RTD expenses and merchant operation recoverable PJM expenses. The RTD expenses are

This increase was partially offset in Other Revenues above, by:

- A \$10 million increase \$4 million decrease in nuclear expenses at Cook Plant primarily due to lower refueling outage expenses.
- A \$10 million increase in transmission expenses primarily \$3 million decrease due to a \$7 million increase in transmission formula rate true-up activity and a \$3 million increase in recoverable PJM expenses. The recoverable PJM expenses were offset in Gross Margin above.
- A \$9 million increase due to a decreased an increased Nuclear Electric Insurance Limited distribution in 2023, 2024.

These increases were partially offset by:

- An \$11 million A \$3 million decrease in employee-related vegetation management expenses.
- **Depreciation and Amortization** expenses decreased \$47 million \$17 million primarily due to the expiration deferral of Excess ADIT as a result of the Rockport Plant, Unit 2 lease in December 2022, partially offset by an increase in depreciation expense due PLR received regarding the treatment of stand alone NOLCs and the timing of refunds to the acquisition of Rockport Plant, Unit 2 at the end of the lease and an increase in depreciable base.
- **Taxes Other Than Income Taxes** decreased \$14 million primarily due to the repeal of the Indiana Utility Receipts Tax in July 2022. This decrease was partially offset in Retail Margins above. customers under rate rider mechanisms.
- **Interest Expense** increased \$10 million decreased \$7 million primarily due to higher long-term the recognition of debt balances and interest rates. carrying charges as a result of the IRS PLR received regarding the treatment of stand alone NOLCs in retail rate making.
- **Income Tax Expense** decreased \$59 million increased \$31 million primarily due to the following:

- A \$17 million increase due to a decrease reduction in amortization Excess ADIT regulatory liabilities as a result of Excess ADIT.
- An \$11 million increase due to an increase the IRS PLR received regarding the treatment of stand alone NOLCS in pretax book income.
- A \$4 million increase due to an increase in state taxes. retail rate making.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022	
REVENUES	REVENUES	2023	2022	2023	2022
REVENUES	REVENUES				
Electric Generation, Transmission and Distribution	Electric Generation, Transmission and Distribution	\$656.1	\$695.7	\$1,879.3	\$1,912.1
Electric Generation, Transmission and Distribution	Electric Generation, Transmission and Distribution				
Sales to AEP Affiliates	Sales to AEP Affiliates	0.6	2.0	3.7	11.1
Sales to AEP Affiliates	Sales to AEP Affiliates				
Other Revenues – Affiliated	Other Revenues – Affiliated	15.4	13.3	45.8	38.4
Other Revenues – Affiliated	Other Revenues – Affiliated				
Other Revenues – Nonaffiliated	Other Revenues – Nonaffiliated	4.2	4.4	9.7	10.0
Other Revenues – Nonaffiliated	Other Revenues – Nonaffiliated				
TOTAL REVENUES	TOTAL REVENUES	676.3	715.4	1,938.5	1,971.6
TOTAL REVENUES	TOTAL REVENUES				
EXPENSES	EXPENSES				
EXPENSES	EXPENSES				
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	129.3	150.6	322.4	367.2
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation				
Purchased Electricity from AEP Affiliates	Purchased Electricity from AEP Affiliates	57.0	67.9	139.2	184.6
Purchased Electricity from AEP Affiliates	Purchased Electricity from AEP Affiliates				
Purchased Electricity from AEP Affiliates	Purchased Electricity from AEP Affiliates				
Other Operation	Other Operation	168.9	162.4	508.7	450.9
Other Operation	Other Operation				
Other Operation	Other Operation				
Maintenance	Maintenance	57.3	55.9	173.0	167.7
Maintenance	Maintenance				
Depreciation and Amortization	Depreciation and Amortization	116.7	131.6	352.9	400.2
Depreciation and Amortization	Depreciation and Amortization				
Depreciation and Amortization	Depreciation and Amortization				

Taxes Other Than Income Taxes	Taxes Other Than Income Taxes	22.3	22.4	62.4	76.2
Taxes Other Than Income Taxes					
Taxes Other Than Income Taxes					
TOTAL EXPENSES					
TOTAL EXPENSES					
TOTAL EXPENSES	TOTAL EXPENSES	551.5	590.8	1,558.6	1,646.8
OPERATING INCOME	OPERATING INCOME	124.8	124.6	379.9	324.8
OPERATING INCOME					
OPERATING INCOME					
Other Income (Expense):	Other Income (Expense):				
Other Income (Expense):					
Other Income (Expense):					
Other Income					
Other Income					
Other Income	Other Income	4.5	2.4	8.1	7.4
Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost	7.7	6.3	23.4	18.8
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost					
Interest Expense					
Interest Expense					
Interest Expense	Interest Expense	(33.0)	(31.2)	(102.0)	(92.5)
INCOME BEFORE INCOME TAX EXPENSE		104.0	102.1	309.4	258.5
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)					
Income Tax Expense		11.0	8.0	38.8	7.7
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)					
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)					
Income Tax Expense (Benefit)					
Income Tax Expense (Benefit)					
Income Tax Expense (Benefit)					
NET INCOME					
NET INCOME					
NET INCOME	NET INCOME	\$ 93.0	\$ 94.1	\$ 270.6	\$ 250.8

The common stock of I&M is wholly-owned by Parent. See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

The common stock of I&M is wholly-owned by Parent.

The common stock of I&M is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended **September 30, 2023** March 31, 2024 and **2022** 2023
(in millions)
(Unaudited)

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022	
2024					
2024					
2024					
Net Income					
Net Income					
Net Income	Net Income	\$93.0	\$94.1	\$270.6	\$250.8
OTHER	OTHER				
COMPREHENSIVE	COMPREHENSIVE				
INCOME (LOSS),	INCOME (LOSS),				
NET OF TAXES	NET OF TAXES				
Cash Flow Hedges, Net of Tax of \$0.1 and \$0.1 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.1) and \$0.3 for the Nine Months Ended September 30, 2023 and 2022, Respectively					
		0.1	0.4	(0.5)	1.2
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.1) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.6) and \$(0.1) for the Nine Months Ended September 30, 2023 and 2022, Respectively					
		(0.2)	(0.1)	(2.4)	(0.3)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES					
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES					
Cash Flow Hedges, Net of Tax of \$0 and \$(0.2) for 2024 and 2023, Respectively					
Cash Flow Hedges, Net of Tax of \$0 and \$(0.2) for 2024 and 2023, Respectively					
Cash Flow Hedges, Net of Tax of \$0 and \$(0.2) for 2024 and 2023, Respectively					
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.5) for 2024 and 2023, Respectively					
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.5) for 2024 and 2023, Respectively					
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.5) for 2024 and 2023, Respectively					
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)					
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)					
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(0.1)	0.3	(2.9)	0.9
TOTAL COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	\$92.9	\$94.4	\$267.7	\$251.7

TOTAL COMPREHENSIVE INCOME
TOTAL COMPREHENSIVE INCOME
<i>See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.</i>
<i>See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.</i>
<i>See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.</i>

		Accumulated Other Comprehensive Income					
	Common Stock	Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Total	
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022							
		Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Other Income (Loss)	Total	
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2021	\$	56.6	\$980.9	\$1,748.5	\$ (1.3)	\$2,784.7	
Common Stock Dividends							
Common Stock Dividends							
Common Stock Dividends							
Net Income							
Other							
Comprehensive Loss							
TOTAL COMMON SHAREHOLDER'S EQUITY -MARCH 31, 2023							
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2023							
Common Stock Dividends							
Common Stock Dividends							
Common Stock Dividends							
Net Income							
Other							
Comprehensive Income							

TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
MARCH 31, 2022	56.6	980.9	1,813.0	(1.0)	2,849.5
Capital Contribution from Parent		1.3			1.3
Common Stock Dividends			(25.0)		(25.0)
Net Income			67.2		67.2
Other Comprehensive Income				0.3	0.3
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
JUNE 30, 2022	56.6	982.2	1,855.2	(0.7)	2,893.3
Capital Contribution from Parent		0.6			0.6
Common Stock Dividends			(20.0)		(20.0)
Net Income			94.1		94.1
Other Comprehensive Income				0.3	0.3
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
SEPTEMBER 30, 2022	\$ 56.6	\$982.8	\$1,929.3	\$ (0.4)	\$2,968.3
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
DECEMBER 31, 2022	\$ 56.6	\$988.8	\$1,963.2	\$ (0.3)	\$3,008.3
TOTAL COMMON					
SHAREHOLDER'S					
EQUITY - MARCH					
31, 2024					
Common Stock Dividends			(31.2)		(31.2)
Net Income			102.8		102.8
Other Comprehensive Loss				(2.6)	(2.6)
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
MARCH 31, 2023	56.6	988.8	2,034.8	(2.9)	3,077.3
Capital Contribution from Parent		0.1			0.1
Common Stock Dividends			(31.3)		(31.3)
Net Income			74.8		74.8
Other Comprehensive Loss				(0.2)	(0.2)
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
JUNE 30, 2023	56.6	988.9	2,078.3	(3.1)	3,120.7
Capital Contribution from Parent		1.6			1.6
Common Stock Dividends			(75.0)		(75.0)
Net Income			93.0		93.0
Other Comprehensive Loss				(0.1)	(0.1)
TOTAL COMMON					
SHAREHOLDER'S EQUITY -					
SEPTEMBER 30, 2023	\$ 56.6	\$990.5	\$2,096.3	\$ (3.2)	\$3,140.2

See Condensed Notes to Condensed
Financial Statements of Registrants
beginning on page 114.

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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023
(in millions)
(Unaudited)

		September 30, 2023		December 31, 2023		
		March 31, 2024			March 31, 2023	December 31, 2022
		2023	2022	2024	2023	
CURRENT ASSETS	CURRENT ASSETS	CURRENT ASSETS				
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 2.7	\$ 4.2			
Advances to Affiliates		21.2	23.0			
Accounts Receivable:						
Accounts Receivable:						
Accounts Receivable:	Accounts Receivable:					
Customers	Customers	46.2	96.6			
Affiliated Companies	Affiliated Companies	69.4	104.0			
Accrued Unbilled Revenues	Accrued Unbilled Revenues	3.9	0.6			
Miscellaneous	Miscellaneous	5.3	4.7			
Allowance for Uncollectible Accounts		—	(0.1)			
Total Accounts Receivable						
Total Accounts Receivable						
Total Accounts Receivable	Total Accounts Receivable	124.8	205.8			
Fuel	Fuel	78.6	46.5			
Materials and Supplies	Materials and Supplies	198.7	188.1			
Risk Management Assets	Risk Management Assets	15.8	15.2			
Regulatory Asset for Under-Recovered Fuel Costs	Regulatory Asset for Under-Recovered Fuel Costs	13.3	47.1			
Regulatory Asset for Under-Recovered Fuel Costs						
Regulatory Asset for Under-Recovered Fuel Costs						
Prepayments and Other Current Assets						
Prepayments and Other Current Assets						
Prepayments and Other Current Assets	Prepayments and Other Current Assets	43.9	41.9			
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	499.0	571.8			

PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT		
Electric:	Electric:		Electric:
Generation	Generation	5,608.1	5,585.1
Transmission	Transmission	1,881.2	1,842.2
Distribution	Distribution	3,171.8	3,024.7
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)	834.3	839.3
Construction Work in Progress	Construction Work in Progress	353.2	253.0
Total Property, Plant and Equipment	Total Property, Plant and Equipment	11,848.6	11,544.3
Accumulated Depreciation, Depletion and Amortization	Accumulated Depreciation, Depletion and Amortization	4,312.9	4,132.8
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	7,535.7	7,411.5
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS			
Regulatory Assets	Regulatory Assets	377.7	459.6
Spent Nuclear Fuel and Decommissioning Trusts	Spent Nuclear Fuel and Decommissioning Trusts	3,539.7	3,341.2
Operating Lease Assets			
Operating Lease Assets			
Operating Lease Assets	Operating Lease Assets	56.7	64.3
Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	257.7	270.5
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	4,231.8	4,135.6
TOTAL ASSETS	TOTAL ASSETS	\$ 12,266.5	\$12,118.9
TOTAL ASSETS			
TOTAL ASSETS			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
September 30, 2023 **March 31, 2024** and **December 31, 2023**
(dollars in millions)
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
CURRENT LIABILITIES	CURRENT LIABILITIES			CURRENT LIABILITIES		
Advances from Affiliates	Advances from Affiliates	\$ —	\$ 249.9			
Accounts Payable:	Accounts Payable:			Accounts Payable:		
General	General	177.6	173.4			
Affiliated Companies	Affiliated Companies	89.0	121.5			
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2023 and December 31, 2022 Amounts Include \$59.5 and \$89.6, Respectively, Related to DCC Fuel)		61.8	341.8			
Long-term Debt Due Within One Year – Nonaffiliated (March 31, 2024 and December 31, 2023 Amounts Include \$74.8 and \$81.4, Respectively, Related to DCC Fuel)						
Customer Deposits	Customer Deposits					
Customer Deposits	Customer Deposits	54.6	48.6			
Accrued Taxes	Accrued Taxes	77.9	103.2			
Accrued Interest	Accrued Interest	38.7	36.9			
Obligations Under Operating Leases	Obligations Under Operating Leases	16.8	16.0			
Regulatory Liability for Over-Recovered Fuel Costs	Regulatory Liability for Over-Recovered Fuel Costs	19.1	—			
Other Current Liabilities	Other Current Liabilities	88.5	105.8			

TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES		
		624.0	1,197.1
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES		

NONCURRENT LIABILITIES

NONCURRENT LIABILITIES

Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated	3,381.8	2,919.0

Deferred Income Taxes

Deferred Income Taxes

Deferred Income Taxes	Deferred Income Taxes	1,192.7	1,157.0

Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	1,758.1	1,702.2

Asset Retirement Obligations	Asset Retirement Obligations	2,083.6	2,027.6

Obligations Under Operating Leases	Obligations Under Operating Leases	40.5	48.9

Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	45.6	58.8

TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	8,502.3	7,913.5

TOTAL LIABILITIES	TOTAL LIABILITIES	9,126.3	9,110.6

TOTAL LIABILITIES

TOTAL LIABILITIES

Rate Matters (Note 4)

Rate Matters (Note 4)

Rate Matters (Note 4)	Rate Matters (Note 4)		

Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)		

Commitments and Contingencies (Note 5)

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY	COMMON SHAREHOLDER'S EQUITY		

Common Stock – No Par Value:	Common Stock – No Par Value:		

Common Stock – No Par Value:

Authorized – 2,500,000 Shares	Authorized – 2,500,000 Shares		

Authorized – 2,500,000 Shares

Outstanding – 1,400,000 Shares	Outstanding – 1,400,000 Shares	56.6	56.6

Paid-in Capital	Paid-in Capital	990.5	988.8

Retained Earnings	Retained Earnings	2,096.3	1,963.2

Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	(3.2)	(0.3)

TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	3,140.2	3,008.3
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 12,266.5	\$12,118.9

TOTAL LIABILITIES AND COMMON
SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON
SHAREHOLDER'S EQUITY

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
OPERATING ACTIVITIES	OPERATING ACTIVITIES	OPERATING ACTIVITIES			
Net Income	Net Income	\$ 270.6	\$ 250.8		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	Depreciation and Amortization	352.9	400.2		
Depreciation and Amortization	Depreciation and Amortization				
Deferred Income Taxes	Deferred Income Taxes				
Deferred Income Taxes	Deferred Income Taxes	(16.4)	(15.8)		
Amortization (Deferral) of Incremental Nuclear Refueling Outage Expenses, Net	Amortization (Deferral) of Incremental Nuclear Refueling Outage Expenses, Net	44.3	(35.2)		
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(6.6)	(7.9)		

Allowance for Equity Funds Used			
During Construction			
Allowance for Equity Funds Used			
During Construction			
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	(4.7)	(13.2)
Amortization of Nuclear Fuel	Amortization of Nuclear Fuel	75.7	63.1
Deferred Fuel Over/Under-Recovery, Net			
Deferred Fuel Over/Under-Recovery, Net			
Deferred Fuel Over/Under-Recovery, Net	Deferred Fuel Over/Under-Recovery, Net	52.9	(20.5)
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	3.1	12.5
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	9.0	42.1
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net	82.5	5.3
Fuel, Materials and Supplies	Fuel, Materials and Supplies	(42.7)	3.1
Accounts Payable	Accounts Payable	(34.8)	19.6
Accounts Payable			
Accounts Payable			
Accrued Taxes, Net	Accrued Taxes, Net	(25.3)	(17.0)
Accrued Taxes, Net			
Accrued Taxes, Net			
Other Current Assets			
Other Current Assets			
Other Current Assets	Other Current Assets	(3.4)	19.3
Other Current Liabilities	Other Current Liabilities	(22.7)	(63.6)
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	734.4	642.8
INVESTING ACTIVITIES			
INVESTING ACTIVITIES			
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
Construction Expenditures	Construction Expenditures	(418.4)	(407.4)

Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net	1.8	(1.1)
Purchases of Investment Securities	Purchases of Investment Securities	(2,182.8)	(1,854.8)
Sales of Investment Securities	Sales of Investment Securities	2,139.3	1,818.4
Acquisitions of Nuclear Fuel	Acquisitions of Nuclear Fuel	(60.9)	(91.9)
Other Investing Activities	Other Investing Activities	4.9	8.0

Other Investing Activities

Other Investing Activities

Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(516.1)	(528.8)
FINANCING ACTIVITIES	FINANCING ACTIVITIES		

FINANCING ACTIVITIES

FINANCING ACTIVITIES

Capital Contribution from Parent	1.7	1.9

Issuance of Long-term Debt – Nonaffiliated

Issuance of Long-term Debt – Nonaffiliated

Issuance of Long-term Debt – Nonaffiliated	Issuance of Long-term Debt – Nonaffiliated	494.8	72.8

Change in Advances from Affiliates, Net	Change in Advances from Affiliates, Net	(249.9)	11.6

Retirement of Long-term Debt – Nonaffiliated	Retirement of Long-term Debt – Nonaffiliated	(324.1)	(64.5)

Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(5.4)	(41.6)

Dividends Paid on Common Stock	Dividends Paid on Common Stock	(137.5)	(70.0)

Other Financing Activities	Other Financing Activities	0.6	0.3

Net Cash Flows Used for Financing Activities	Net Cash Flows Used for Financing Activities	(219.8)	(89.5)

Net Increase (Decrease) in Cash and Cash Equivalents		(1.5)	24.5

Net Increase in Cash and Cash Equivalents

Net Increase in Cash and Cash Equivalents

Net Increase in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Period	Cash and Cash Equivalents at Beginning of Period	4.2	1.3
Cash and Cash Equivalents at End of Period	Cash and Cash Equivalents at End of Period	\$ 2.7	\$ 25.8
SUPPLEMENTARY INFORMATION	SUPPLEMENTARY INFORMATION		

SUPPLEMENTARY INFORMATION			
SUPPLEMENTARY INFORMATION			
Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 100.1	\$ 101.6
Net Cash Paid (Received) for Income Taxes		36.2	(4.1)
Net Cash Paid for Income Taxes			
Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	3.6	0.8
Construction Expenditures Included in Current Liabilities as of September 30,		70.6	68.1
Acquisition of Nuclear Fuel Included in Current Liabilities as of September 30,		9.5	8.5
Construction Expenditures Included in Current Liabilities as of March 31,			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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OHIO POWER COMPANY AND SUBSIDIARIES

MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(in millions of KWhs)			
2024				
2024				
2024				

Normal	Normal				
—	—				
Heating	Heating				
(b)	(b)	4	5	2,080	2,077
Actual	Actual				
—	—				
Cooling	Cooling				
(c)	(c)	625	755	809	1,115
Actual – Cooling					
(c)					
Actual – Cooling					
(c)					
Normal	Normal				
—	—				
Cooling	Cooling				
(b)	(b)	697	688	1,005	989
Normal – Cooling					
(b)					
Normal – Cooling					
(b)					

- (a) Heating degree days are calculated on a 55 degree temperature base.
(b) Normal Heating/Cooling represents the thirty-year average of degree days.
(c) Cooling degree days are calculated on a 65 degree temperature base.

Ohio Power Company and Subsidiaries		
Reconciliation of 2022 to 2023 Net Income		
(in millions)		
	Three Months Ended September 30,	Nine Months Ended September 30,
2022 Net Income	\$ 71.9	\$ 229.9
Changes in Gross Margin:		
Retail Margins	66.8	101.0
Margins from Off-system Sales	(5.5)	35.9
Transmission Revenues	2.9	4.0
Other Revenues	4.8	2.4
Total Change in Gross Margin	69.0	143.3
Changes in Expenses and Other:		
Other Operation and Maintenance	(44.0)	(128.9)
Depreciation and Amortization	(10.6)	(7.8)
Taxes Other Than Income Taxes	(1.5)	(3.0)
Other Income	(0.1)	(0.6)
Allowance for Equity Funds Used During Construction	1.7	1.0
Non-Service Cost Components of Net Periodic Benefit Cost	0.9	2.9
Interest Expense	(4.1)	(8.1)
Total Change in Expenses and Other	(57.7)	(144.5)
Income Tax Expense	(2.7)	(1.7)
Equity Earnings of Unconsolidated Subsidiaries	—	(0.8)

2023 Net Income	\$	80.5	\$	226.2

Third Quarter of 2023 Compared to Third Quarter of 2022

Ohio Power Company and Subsidiaries

Reconciliation of First Quarter of 2023 to First Quarter of 2024

Net Income

(in millions)

First Quarter of 2023	\$	78.0
Changes in Revenues:		
Retail Revenues		(25.5)
Off-system Sales		(3.6)
Transmission Revenues		3.3
Other Revenues		15.0
Total Change in Revenues		(10.8)
Changes in Expenses and Other:		
Purchased Electricity for Resale		133.9
Purchased Electricity from AEP Affiliates		(46.6)
Other Operation and Maintenance		(36.4)
Depreciation and Amortization		(30.6)
Taxes Other Than Income Taxes		(15.5)
Other Income		(0.1)
Allowance for Equity Funds Used During Construction		2.7
Non-Service Cost Components of Net Periodic Benefit Cost		(1.0)
Interest Expense		(3.5)
Total Change in Expenses and Other		2.9
Income Tax Expense		0.5
First Quarter of 2024	\$	70.6

The major components of the increase decrease in Gross Margin, defined as revenues less the related direct cost of purchased electricity Revenues were as follows:

- Retail Margins Revenues** increased \$67 million decreased \$26 million primarily due to the following:
 - A \$43 million increase \$122 million decrease due to lower customer participation in revenue from rate riders. This increase was OPCo's SSO, partially offset in Margins from Off-system Sales and other expense items below.
 - A \$23 million net increase in Basic Transmission Cost Rider revenues and recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below. by higher prices.
 - A \$9 million increase decrease in weather-normalized margins primarily revenues in the residential and industrial and classes, partially offset by the commercial classes, class.
 - These increases decreases were partially offset by:
 - An \$89 million increase in rider revenues.
 - A \$9 million decrease \$16 million increase in weather-related usage due to driven by a 17% decrease 9% increase in cooling heating degree days.
 - Margins from Off-system Sales Other Revenues** decreased \$6 million increased \$15 million due to the following:
 - A \$32 million decrease in Off-system sales at OVEC \$10 million increase due to lower market prices and volume. This decrease was offset in Retail Margins above. third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.
- This decrease was partially offset by:
- A \$26 million \$6 million increase in deferrals refundable sales of OVEC costs. This increase was offset in Retail Margins above. renewable energy credits.

Expenses and Other changed between years as follows:

- Other Operation and Maintenance Purchased Electricity for Resale** expenses increased \$44 million decreased \$134 million primarily due to the following:
 - A \$20 million increase related \$177 million decrease due to an energy assistance program for qualified Ohio customers. lower auction volumes driven by lower customer participation in OPCo's SSO, partially offset by higher prices.
- This increase decrease was partially offset by:
 - A \$30 million decrease in Retail Margins above. deferrals of recoverable OVEC costs.

- **Purchased Electricity from AEP Affiliates** expenses increased \$47 million primarily due to increased purchases in OPCo's SSO auction.
- **Other Operation and Maintenance** expenses increased \$36 million primarily due to the following:
 - A \$19 million \$27 million increase in transmission expenses primarily due to an increase in recoverable PJM expense. This increase was offset in Retail Margins above.
 - A \$7 million \$16 million increase in distribution expenses primarily related to vegetation management. This increase was offset in Retail Margins above.
- **Depreciation and Amortization** expenses increased \$11 million primarily due to the following:
 - A \$17 million increase in depreciation expense primarily due to an increase in depreciable base. This increase was partially offset by:
 - A \$9 million decrease in recoverable DIR expense. This decrease was offset in Retail Margins above.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of purchased electricity were as follows:

- **Retail Margins** increased \$101 million primarily due to the following:
 - An \$86 million increase in revenue from rate riders. This increase was partially offset in Margins from Off-system Sales and other expense items below.
 - A \$57 million net increase in Basic Transmission Cost Rider revenues storm restoration costs and recoverable PJM expenses. This increase was partially offset in Other Operation and Maintenance expenses below.
 These increases were partially offset by:
 - A \$47 million decrease in weather-related usage due to a 27% decrease in heating degree days and a 28% decrease in cooling degree days.
- **Margins from Off-system Sales** increased \$36 million due to the following:
 - A \$111 million increase in deferrals of OVEC costs. This increase was offset in Retail Margins above.
 This increase was partially offset by:
 - A \$75 million decrease in Off-system sales at OVEC due to lower market prices and volume. This decrease was offset in Retail Margins above.

Expenses and Other changed between years as follows:

- **Other Operation and Maintenance** expenses increased \$129 million primarily due to the following:
 - A \$68 million increase related to an energy assistance program for qualified Ohio customers. This increase was offset in Retail Margins above.
 - A \$41 million increase in transmission expenses primarily due to:
 - A \$33 million increase in recoverable PJM expenses. This increase was offset in Retail Margins above.
 - An \$11 million increase in transmission formula rate true-up activity.
 - A \$15 million increase in distribution expenses related to vegetation management. This increase was offset in Retail Margins above.
 These increases were partially offset by:
 - A \$12 million decrease in employee-related management expenses.
- **Depreciation and Amortization** expenses increased \$8 million \$31 million primarily due to the following: a higher depreciable base and an increase in recoverable rider depreciable expenses.
- **A \$30 million increase in depreciation expense primarily due to an increase in depreciable base.**
 - Taxes Other Than Income Taxes A \$5 million increase in smart grid depreciable expenses. This increase was offset in Retail Margins above.
 These increases were partially offset by:
 - A \$30 million decrease in recoverable DIR expense. This decrease was offset in Retail Margins above.
- **Interest Expense** increased \$8 million primarily due to the following:
 - A \$16 million increase primarily due to higher debt balances property taxes driven by additional investments in transmission and interest distribution assets and higher tax rates.
 This increase was partially offset by:
 - A \$6 million decrease due to an increase in AFUDC base.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions)
(Unaudited)

Three Months Ended March 31,
Three Months Ended March 31,
Three Months Ended March 31,

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
REVENUES		2023	2022	2023	2022
REVENUES					
REVENUES					
Electricity, Transmission and Distribution					
Electricity, Transmission and Distribution					
Electricity, Transmission and Distribution	Electricity, Transmission and Distribution	\$978.7	\$1,015.2	\$2,869.3	\$2,656.6
Sales to AEP Affiliates	Sales to AEP Affiliates	7.8	4.0	23.6	11.6
Sales to AEP Affiliates					
Sales to AEP Affiliates					
Other Revenues	Other Revenues	3.0	2.1	10.3	6.0
Other Revenues					
Other Revenues					
TOTAL REVENUES					
TOTAL REVENUES					
TOTAL REVENUES	TOTAL REVENUES	989.5	1,021.3	2,903.2	2,674.2
EXPENSES					
EXPENSES					
EXPENSES					
Purchased Electricity for Resale	Purchased Electricity for Resale	260.7	399.5	920.9	875.0
Purchased Electricity for Resale					
Purchased Electricity for Resale					
Purchased Electricity from AEP Affiliates					
Purchased Electricity from AEP Affiliates					
Purchased Electricity from AEP Affiliates	Purchased Electricity from AEP Affiliates	38.0	—	49.6	9.8
Other Operation	Other Operation	296.9	267.3	836.1	728.2
Other Operation					
Other Operation					
Maintenance					
Maintenance					
Maintenance	Maintenance	62.2	47.8	157.7	136.7

Depreciation and Amortization	Depreciation and Amortization	81.3	70.7	224.7	216.9
Depreciation and Amortization					
Depreciation and Amortization					
Taxes Other Than Income Taxes					
Taxes Other Than Income Taxes					
Taxes Other Than Income Taxes	Taxes Other Than Income Taxes	132.5	131.0	382.0	379.0
TOTAL EXPENSES	TOTAL EXPENSES	871.6	916.3	2,571.0	2,345.6
TOTAL EXPENSES					
TOTAL EXPENSES					
OPERATING INCOME					
OPERATING INCOME					
OPERATING INCOME	OPERATING INCOME	117.9	105.0	332.2	328.6
Other Income (Expense):	Other Income (Expense):				
Other Income (Expense):					
Other Income (Expense):					
Other Income					
Other Income					
Other Income	Other Income	0.1	0.2	0.4	1.0
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	5.6	3.9	11.3	10.3
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost	6.5	5.6	19.5	16.6
Interest Expense	Interest Expense	(33.9)	(29.8)	(96.9)	(88.8)

	The common stock of OPCo is wholly-owned by Parent.
The common stock of OPCo is wholly-owned by Parent.	
The common stock of OPCo is wholly-owned by Parent.	
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.	
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.	
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.	

The common stock of OPCo is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

	Common Stock	Paid-in Capital	Retained Earnings	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2021	\$ 321.2	\$ 838.8	\$1,686.3	\$2,846.3
Common Stock Dividends			(15.0)	(15.0)
Net Income			83.2	83.2
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2022	321.2	838.8	1,754.5	2,914.5
Capital Contribution from Parent		0.7		0.7
Common Stock Dividends			(15.0)	(15.0)
Net Income			74.8	74.8

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2022		321.2	839.5	1,814.3	2,975.0
Capital Contribution from Parent			0.3		0.3
Common Stock Dividends				(15.0)	(15.0)
Net Income				71.9	71.9
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2022		\$ 321.2	\$ 839.8	\$1,871.2	\$3,032.2
		Common Stock			
		Common Stock			
		Common Stock			
				Paid-in Capital	Retained Earnings
					Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022	TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022	\$ 321.2	\$ 837.8	\$1,929.1	\$3,088.1
Capital Contribution from Parent	Capital Contribution from Parent		50.0		50.0
Capital Contribution from Parent					
Capital Contribution from Parent					
Net Income	Net Income			78.0	78.0
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023	TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023	321.2	887.8	2,007.1	3,216.1
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023					
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023					
Capital Contribution from Parent			125.0		125.0
Net Income				67.7	67.7
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023		321.2	1,012.8	2,074.8	3,408.8
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023					
Net Income	Net Income			80.5	80.5
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023		\$ 321.2	\$1,012.8	\$2,155.3	\$3,489.3

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

Net Income	
Net Income	
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024	
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024	
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024	

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OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions)
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS			CURRENT ASSETS		
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 6.8	\$ 9.6			
Accounts Receivable:	Accounts Receivable:					
Accounts Receivable:	Accounts Receivable:					
Customers	Customers	104.1	119.9			
Affiliated Companies	Affiliated Companies	129.3	100.9			
Accrued Unbilled Revenues		2.9	17.8			
Miscellaneous	Miscellaneous	1.6	0.1			
Allowance for Uncollectible Accounts		0.1	(0.1)			
Miscellaneous	Miscellaneous					
Total Accounts Receivable	Total Accounts Receivable					
Total Accounts Receivable	Total Accounts Receivable	238.0	238.6			
Materials and Supplies	Materials and Supplies	151.8	109.5			
Renewable Energy Credits	Renewable Energy Credits	19.9	35.0			
Prepayments and Other	Prepayments and Other	27.2	21.7			
Current Assets	Current Assets					
Prepayments and Other Current Assets	Prepayments and Other Current Assets					
Prepayments and Other Current Assets	Prepayments and Other Current Assets					
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	443.7	414.4			
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT					
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT					

PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT			
Electric:	Electric:			Electric:
Transmission	Transmission	3,320.1	3,198.6	
Distribution	Distribution	6,718.3	6,450.3	
Other Property, Plant and Equipment	Other Property, Plant and Equipment	1,071.5	1,051.4	
Construction Work in Progress	Construction Work in Progress	720.6	474.3	
Total Property, Plant and Equipment	Total Property, Plant and Equipment	11,830.5	11,174.6	
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	2,670.5	2,565.3	
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	9,160.0	8,609.3	
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS				
OTHER NONCURRENT ASSETS				
Regulatory Assets	Regulatory Assets	413.2	327.3	
Operating Lease Assets	Operating Lease Assets			
Operating Lease Assets	Operating Lease Assets	68.9	73.8	
Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	262.7	578.3	
TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	744.8	979.4	
TOTAL ASSETS	TOTAL ASSETS	\$ 10,348.5	\$10,003.1	
TOTAL ASSETS				
TOTAL ASSETS				

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023
(Unaudited)

		September 30, 2023		December 31, 2022		March 31, 2024	December 31, 2023
		(in millions)					
(in millions)							(in millions)
CURRENT LIABILITIES	CURRENT LIABILITIES				CURRENT LIABILITIES		
Advances from Affiliates	Advances from Affiliates	\$	113.3	\$	172.9		
Accounts Payable:	Accounts Payable:					Accounts Payable:	
General	General		308.5		337.3		
Affiliated Companies	Affiliated Companies		151.0		126.1		
Long-term Debt Due Within One Year – Nonaffiliated			—		0.1		
Risk Management Liabilities							
Risk Management Liabilities							
Risk Management Liabilities	Risk Management Liabilities		5.7		1.8		
Customer Deposits	Customer Deposits		59.2		96.5		
Accrued Taxes	Accrued Taxes		370.9		733.1		
Obligations Under Operating Leases	Obligations Under Operating Leases		13.5		13.5		
Obligations Under Operating Leases							
Obligations Under Operating Leases							
Other Current Liabilities	Other Current Liabilities		204.7		154.2		
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES		1,226.8		1,635.5		
NONCURRENT LIABILITIES							
NONCURRENT LIABILITIES							
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES						
Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated		3,366.2		2,970.2		
Long-term Risk Management Liabilities	Long-term Risk Management Liabilities		45.9		37.9		
Deferred Income Taxes	Deferred Income Taxes		1,155.5		1,101.1		
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits		976.8		1,044.0		
Obligations Under Operating Leases	Obligations Under Operating Leases		55.6		60.3		
Obligations Under Operating Leases							
Obligations Under Operating Leases							

Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	32.4	66.0
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	5,632.4	5,279.5
TOTAL LIABILITIES	TOTAL LIABILITIES	6,859.2	6,915.0

TOTAL LIABILITIES

TOTAL LIABILITIES

Rate Matters (Note 4)

Rate Matters (Note 4)

Rate Matters (Note 4)

Commitments and Contingencies (Note 5)

Commitments and Contingencies (Note 5)

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY

COMMON SHAREHOLDER'S EQUITY	COMMON SHAREHOLDER'S EQUITY		
Common Stock – No Par Value:	Common Stock – No Par Value:		
Authorized – 40,000,000 Shares	Authorized – 40,000,000 Shares		
Outstanding – 27,952,473 Shares	Outstanding – 27,952,473 Shares	321.2	321.2
Paid-in Capital	Paid-in Capital	1,012.8	837.8
Retained Earnings	Retained Earnings	2,155.3	1,929.1
TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	3,489.3	3,088.1

TOTAL COMMON SHAREHOLDER'S EQUITY

TOTAL COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 10,348.5	\$10,003.1

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the ~~Nine~~ ~~Three~~ Months Ended ~~September 30, 2023~~ ~~March 31, 2024~~ and ~~2022~~ 2023
(in millions)
(Unaudited)

OPERATING ACTIVITIES	OPERATING ACTIVITIES	Nine Months Ended September 30, 2023 2022		Three Months Ended March 31, 2024 2023	
Net Income	Net Income	\$226.2	\$229.9		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:					
Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:					
Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:					
Depreciation and Amortization	Depreciation and Amortization	224.7	216.9		
Deferred Income Taxes	Deferred Income Taxes	29.4	29.3		
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(11.3)	(10.3)		
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	11.6	(49.6)		
Property Taxes	Property Taxes	282.4	264.7		
Property Taxes					
Property Taxes					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(95.5)	(19.7)		
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	(47.7)	82.5		
Changes in Certain Components of Working Capital:					
Changes in Certain Components of Working Capital:					
Accounts Receivable, Net	Accounts Receivable, Net	4.3	(27.0)		

Materials and Supplies	Materials and Supplies	5.3	(11.6)
Accounts Payable	Accounts Payable	1.8	87.6
Customer Deposits	Customer Deposits	(37.3)	37.4
Accrued Taxes, Net	Accrued Taxes, Net	(367.3)	(344.5)
Other Current Assets	Other Current Assets	(2.3)	11.3
Other Current Liabilities	Other Current Liabilities	0.4	25.7
Net Cash Flows from Operating Activities		224.7	522.6
Net Cash Flows from (Used for) Operating Activities			
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
INVESTING ACTIVITIES			
Construction Expenditures	Construction Expenditures	(769.0)	(600.6)
Change in Advances to Affiliates, Net		—	42.0
Other Investing Activities			
Other Investing Activities			
Other Investing Activities	Other Investing Activities	33.9	21.3
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(735.1)	(537.3)
FINANCING ACTIVITIES	FINANCING ACTIVITIES		
FINANCING ACTIVITIES			
Capital Contribution from Parent	Capital Contribution from Parent	175.0	1.0
Issuance of Long-term Debt – Nonaffiliated		395.0	—
Change in Advances from Affiliates, Net	Change in Advances from Affiliates, Net	(59.6)	68.8
Retirement of Long-term Debt – Nonaffiliated		(0.6)	(0.1)
Change in Advances from Affiliates, Net			
Change in Advances from Affiliates, Net			
Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(3.7)	(3.6)
Dividends Paid on Common Stock		—	(45.0)
Principal Payments for Finance Lease Obligations			
Principal Payments for Finance Lease Obligations			

Other Financing Activities			
Other Financing Activities			
Other Financing Activities	Other Financing Activities	1.5	0.8
Net Cash Flows from Financing Activities	Net Cash Flows from Financing Activities		
Activities	Activities	507.6	21.9
Net Increase (Decrease) in Cash and Cash Equivalents			
Net Increase (Decrease) in Cash and Cash Equivalents			
Net Increase (Decrease) in Cash and Cash Equivalents	Net Increase (Decrease) in Cash and Cash Equivalents	(2.8)	7.2
Cash and Cash Equivalents at Beginning of Period	Cash and Cash Equivalents at Beginning of Period	9.6	3.0
Cash and Cash Equivalents at End of Period	Cash and Cash Equivalents at End of Period	\$ 6.8	\$ 10.2
SUPPLEMENTARY INFORMATION	SUPPLEMENTARY INFORMATION		
SUPPLEMENTARY INFORMATION			
Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 76.5	\$ 75.8
Net Cash Paid for Income Taxes		16.0	24.2
Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	3.3	2.1
Construction Expenditures Included in Current Liabilities as of September 30,		99.6	108.3
Noncash Acquisitions Under Finance Leases			
Noncash Acquisitions Under Finance Leases			
Construction Expenditures Included in Current Liabilities as of March 31,			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

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PUBLIC SERVICE COMPANY OF OKLAHOMA

MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

		Summary of KWh Energy Sales			
		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2023	2022	2023	2022
		(in millions of KWhs)			
2024					
2024					
2024					
		(in millions of KWhs)			
Retail:	Retail:				
Residential	Residential	2,197	2,293	4,943	5,320
Residential					
Residential					
Commercial					
Commercial					
Commercial	Commercial	1,539	1,547	3,934	3,976
Industrial	Industrial	1,557	1,616	4,503	4,567
Industrial					
Industrial					
Miscellaneous	Miscellaneous	373	377	965	993
Miscellaneous					
Miscellaneous					
Total Retail					
Total Retail					
Total Retail	Total Retail	5,666	5,833	14,345	14,856
Wholesale	Wholesale	59	55	132	660
Wholesale					
Wholesale					
Total KWhs	Total KWhs	5,725	5,888	14,477	15,516
Total KWhs					
Total KWhs					

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

		Summary of Heating and Cooling Degree Days			
		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2023	2022	2023	2022
		(in degree days)			
2024					
2024					
2024					

(in degree days)					
Actual	Actual				
—	—				
Heating	Heating				
(a)	(a)	—	—	899	1,153
Normal – Heating					
(b)					
Normal – Heating					
(b)					
Normal	Normal				
—	—				
Heating	Heating				
(b)	(b)	—	—	1,100	1,085
Actual	Actual				
—	—				
Cooling	Cooling				
(c)	(c)	1,554	1,678	2,202	2,475
Actual – Cooling					
(c)					
Actual – Cooling					
(c)					
Normal	Normal				
—	—				
Cooling	Cooling				
(b)	(b)	1,425	1,407	2,102	2,074
Normal – Cooling					
(b)					
Normal – Cooling					
(b)					

- (a) Heating degree days are calculated on a 55 degree temperature base.
(b) Normal Heating/Cooling represents the thirty-year average of degree days.
(c) Cooling degree days are calculated on a 65 degree temperature base.

Public Service Company of Oklahoma		
Reconciliation of 2022 to 2023 Net Income		
(in millions)		
	Three Months Ended September 30,	Nine Months Ended September 30,
2022 Net Income	\$ 106.9	\$ 155.7
Changes in Gross Margin:		
Retail Margins (a)	10.4	26.5
Transmission Revenues	1.1	3.0
Other Revenues	—	0.6
Total Change in Gross Margin	11.5	30.1
Changes in Expenses and Other:		
Other Operation and Maintenance	18.3	22.8
Depreciation and Amortization	(2.3)	(15.1)
Taxes Other Than Income Taxes	(1.6)	(5.9)
Other Income	(0.3)	(1.8)
Non-Service Cost Components of Net Periodic Benefit Cost	0.5	1.3
Interest Expense	(3.1)	(14.9)

Total Change in Expenses and Other	11.5	(13.6)
Income Tax Benefit	9.5	15.9
2023 Net Income	\$ 139.4	\$ 188.1

Public Service Company of Oklahoma
Reconciliation of First Quarter of 2023 to First Quarter of 2024

Net Income
(in millions)

First Quarter of 2023	\$	(2.3)
Changes in Revenues:		
Retail Revenues (a)		(35.5)
Transmission Revenues		(0.3)
Other Revenues		6.6
Total Change in Revenues		(29.2)
Changes in Expenses and Other:		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation		51.2
Other Operation and Maintenance		(3.8)
Depreciation and Amortization		(6.3)
Taxes Other Than Income Taxes		0.3
Interest Income		(0.8)
Allowance for Equity Funds Used During Construction		0.9
Non-Service Cost Components of Net Periodic Benefit Cost		(0.7)
Interest Expense		8.4
Total Change in Expenses and Other		49.2
Income Tax Benefit		54.3
First Quarter of 2024	\$	72.0

(a) Includes firm wholesale sales to municipals and cooperatives.

Third Quarter of 2023 Compared to Third Quarter of 2022

The major components of the increase/decrease in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity Revenues were as follows:

- **Retail Margins Revenues** increased \$10 million decreased \$36 million primarily due to the following:
 - A \$28 million increase \$57 million decrease in base rate and rider revenues. This increase was partially offset in other expense items below. fuel revenue primarily due to lower authorized fuel rates.
- This increase/decrease was partially offset by:
 - A \$10 million decrease due to an \$19 million increase in PTC benefits provided to customers. This decrease was offset in Income Tax Benefit below. base rate and rider revenues.
- **An \$8 million decrease in weather-related usage primarily Other Revenues** increased \$7 million due to a 7% decrease the following:
 - A \$4 million increase in cooling degree days. associated business development revenues.
 - A \$3 million increase in affiliated rent revenues.

Expenses and Other and Income Tax Benefit changed between years as follows:

- **Purchased Electricity, Fuel and Other Operation and Maintenance Consumables Used for Electric Generation** expenses decreased \$18 million \$51 million primarily due to the lower current year amortization of under-recovered fuel regulatory assets driven by lower authorized fuel rates.
- **Depreciation and Amortization** expenses increased \$6 million primarily due to an increase in the amortization of regulatory assets related to NCWF.
- **Interest Expense** decreased \$8 million primarily due to the recognition of debt carrying charges as a result of the IRS PLR received regarding the treatment of stand alone NOLCs in retail rate making.

- **Income Tax Benefit** increased \$54 million primarily due to the following:
 - A \$9 million decrease in transmission expenses primarily \$49 million increase due to a \$5 million decrease reduction in recoverable SPP transmission expense and \$4 million decrease Excess ADIT regulatory liabilities as a result of the IRS PLR received regarding the treatment of stand alone NOLCs in transmission formula retail rate true-up activity. The decrease in recoverable SPP transmission expense was offset in Retail Margins above, making.
 - A \$5 million decrease in distribution expenses primarily related to vegetation management.
 - A \$5 million decrease in employee-related expenses.
- **Income Tax Benefit** increased \$10 million primarily due to a \$13 million increase in PTCs, partially offset by a \$5 million decrease due to an increase in pretax book income. The increase in PTCs was partially offset in Retail Margins above.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$27 million primarily due to the following:
 - A \$47 million increase in base rate and rider revenues. This increase was partially offset in other expense items below.
 - An \$11 million increase in fuel revenue due to increased carrying charges on fuel under-recovered balances.
 These increases were partially offset by:
 - A \$19 million decrease in weather-related usage primarily due to an 11% decrease in cooling degree days and a 22% decrease in heating degree days.
 - A \$14 million decrease due to an increase in PTC benefits provided to customers. This decrease was offset in Income Tax Benefit below.

Expenses and Other and Income Tax Benefit changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$23 million primarily due to the following:
 - A \$14 million decrease in transmission expenses due to a \$21 million decrease in recoverable SPP transmission expense and \$4 million decrease in transmission formula rate true-up activity, offset by an \$11 million increase due to a change in rider recovery. The decrease in recoverable SPP transmission expense was offset in Retail Margins above.
 - An \$8 million decrease in employee-related expenses.
 - A \$6 million decrease due to the capitalization of previously expensed renewable generation pre-construction charges.
- **Depreciation and Amortization** expenses increased \$15 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased \$6 million primarily due to increased property taxes driven by the investment in the NCWF and a new infrastructure fee implemented by the City of Tulsa in March 2022. This increase was partially offset in Retail Margins above.
- **Interest Expense** increased \$15 million primarily due to higher long-term debt balances and higher interest rates.
- **Income Tax Benefit** increased \$16 million primarily due to a \$19 million increase in PTCs, partially offset by a \$3 million decrease due to an increase in pretax book income. The increase in PTCs was partially offset in Retail Margins above, PTCs.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF INCOME OPERATIONS
For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(in millions)
(Unaudited)

		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended March 31,				
		Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	
REVENUES	REVENUES					
REVENUES						
REVENUES						

Electric Generation, Transmission and Distribution						
Electric Generation, Transmission and Distribution						
Electric Generation, Transmission and Distribution	Electric Generation, Transmission and Distribution	\$642.6	\$606.5	\$1,529.8	\$1,432.9	
Sales to AEP Affiliates	Sales to AEP Affiliates	0.2	0.7	1.0	2.1	
Sales to AEP Affiliates						
Sales to AEP Affiliates						
Other Revenues	Other Revenues	1.4	1.0	5.1	3.7	
Other Revenues						
Other Revenues						
TOTAL REVENUES						
TOTAL REVENUES						
TOTAL REVENUES	TOTAL REVENUES	644.2	608.2	1,535.9	1,438.7	
EXPENSES						
EXPENSES						
EXPENSES						
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation						
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation						
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	318.1	293.6	741.3	674.2	
Other Operation	Other Operation	103.9	116.3	283.5	301.0	
Other Operation						
Other Operation						
Maintenance						
Maintenance						
Maintenance	Maintenance	25.4	31.3	82.7	88.0	
Depreciation and Amortization	Depreciation and Amortization	61.8	59.5	187.8	172.7	
Depreciation and Amortization						
Depreciation and Amortization						
Taxes Other Than Income Taxes						
Taxes Other Than Income Taxes						

Taxes Other Than Income Taxes	Taxes Other Than Income Taxes	17.2	15.6	49.5	43.6
TOTAL EXPENSES	TOTAL EXPENSES	526.4	516.3	1,344.8	1,279.5
TOTAL EXPENSES					
TOTAL EXPENSES					
OPERATING INCOME					
OPERATING INCOME					
OPERATING INCOME	OPERATING INCOME	117.8	91.9	191.1	159.2
Other Income (Expense):	Other Income (Expense):				
Other Income (Expense):					
Other Income (Expense):					
Interest Income					
Interest Income					
Interest Income					
Other Income		2.7	3.0	6.7	8.5
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost					
Non-Service Cost Components of Net Periodic Benefit Cost	Non-Service Cost Components of Net Periodic Benefit Cost	3.6	3.1	10.7	9.4
Interest Expense	Interest Expense	(25.5)	(22.4)	(77.5)	(62.6)
Interest Expense					
Interest Expense					
INCOME BEFORE INCOME TAX BENEFIT					
TAX BENEFIT		98.6	75.6	131.0	114.5
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)					
Income Tax Benefit		(40.8)	(31.3)	(57.1)	(41.2)
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)					
NET INCOME		\$139.4	\$106.9	\$ 188.1	\$ 155.7
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)					
Income Tax Expense (Benefit)					
Income Tax Expense (Benefit)					
Income Tax Expense (Benefit)					

NET INCOME (LOSS)
NET INCOME (LOSS)
NET INCOME (LOSS)

The common stock of PSO is wholly-owned by Parent.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

The common stock of PSO is wholly-owned by Parent.
The common stock of PSO is wholly-owned by Parent.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.
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PUBLIC SERVICE COMPANY OF OKLAHOMA

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

(in millions)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net Income	\$ 139.4	\$ 106.9	\$ 188.1	\$ 155.7
OTHER COMPREHENSIVE LOSS, NET OF TAXES				
Cash Flow Hedges, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.4) and \$0 for the Nine Months Ended September 30, 2023 and 2022, Respectively	—	—	(1.5)	—
TOTAL COMPREHENSIVE INCOME	\$ 139.4	\$ 106.9	\$ 186.6	\$ 155.7

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

	Three Months Ended March 31,	
	2024	2023
Net Income (Loss)	\$ 72.0	\$ (2.3)
OTHER COMPREHENSIVE LOSS, NET OF TAXES		
Cash Flow Hedges, Net of Tax of \$0 and \$(0.4) in 2024 and 2023, Respectively	—	(1.5)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 72.0	\$ (3.8)

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

PUBLIC SERVICE COMPANY OF OKLAHOMA

CONDENSED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER’S EQUITY

For the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

(in millions)

(Unaudited)



	Common Stock	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022						

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total

TOTAL COMMON						
SHAREHOLDER'S						
EQUITY – DECEMBER						
31, 2021	\$	157.2	\$1,039.0	\$1,095.4	\$	— \$2,291.6

Common Stock Dividends

Common Stock Dividends

Common Stock Dividends

Net Loss	

Net Loss	

Net Loss

Other	

Comprehensive Loss

Category	Count
ONLY IN A	1
ONLY IN B	1
TOTAL COMMON	1

SHAREHOLDER'S

EQUITY – MARCH 31, 2023

Net Income	5.8	5.8

	COMMON	UNIQUE TO A	UNIQUE TO B	TOTAL COMMON	TOTAL UNIQUE	TOTAL DIFFERENT
A	10	10	0	10	10	20
B	10	0	10	10	10	20
TOTAL COMMON	20	10	10	40	20	60

SHAREHOLDER'S

EQUITY – MARCH 31,					
2022	157.2	1,039.0	1,101.2	—	2,297.4

Capital Contribution from

Parent	2.2	2.2

Category	Count
ONLY IN A	1
ONLY IN B	1
TOTAL COMMON	1

SHAREHOLDER'S

**EQUITY – DECEMBER
31, 2023**

Category	Count	Percentage
ONLY IN A	1	1.0%
ONLY IN B	1	1.0%
TOTAL COMMON	18	18.0%
TOTAL	20	20.0%

SHAREHOLDER'S

EQUITY – DECEMBER
31. 2023

TOTAL COMMON

SHAREHOLDER'S

EQUITY – DECEMBER 31, 2022

31, 2023

Common Stock DividendsCommon Stock Dividends

Common Stock Dividends	
Net	

Net Income	Income	43.0	43.0

TOTAL COMMON SHAREHOLDER'S					

EQUITY – JUNE 30, 2022	157.2	1,041.2	1,144.2	—	2,342.6

Capital Contribution from Parent			1.1			1.1
Common Stock Dividends			(20.0)			(20.0)
Net Income	Net Income		106.9			106.9
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2022						
	\$	157.2	\$1,042.3	\$1,231.1	\$ —	\$2,430.6
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022						
	\$	157.2	\$1,042.6	\$1,218.0	\$ 1.3	\$2,419.1
Common Stock Dividends				(17.5)		(17.5)
Net Loss				(2.3)		(2.3)
Other Comprehensive Loss					(1.5)	(1.5)
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023						
		157.2	1,042.6	1,198.2	(0.2)	2,397.8
Return of Capital to Parent			(2.5)			(2.5)
Net Income	Net Income			51.0		51.0
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023						
		157.2	1,040.1	1,249.2	(0.2)	2,446.3
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024						
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024						
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024						
Capital Contribution from Parent			0.6			0.6
Common Stock Dividends				(17.5)		(17.5)
Net Income				139.4		139.4
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023						
	\$	157.2	\$1,040.7	\$1,371.1	\$ (0.2)	\$2,568.8

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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PUBLIC SERVICE COMPANY OF OKLAHOMA

CONDENSED BALANCE SHEETS
ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions)
(Unaudited)

		September 30, 2023	December 31, 2022			March 31, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS			CURRENT ASSETS			
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 3.7	\$ 4.0				
Advances to Affiliates		9.2	—				
Accounts Receivable:							
Accounts Receivable:							
Accounts Receivable:	Accounts Receivable:						
Customers	Customers	78.8	70.1				
Affiliated Companies	Affiliated Companies	31.9	52.2				
Miscellaneous	Miscellaneous	0.5	0.8				
Total Accounts Receivable	Total Accounts Receivable	111.2	123.1				
Total Accounts Receivable							
Fuel	Fuel	20.5	11.6				
Materials and Supplies	Materials and Supplies	114.9	111.1				
Risk Management Assets	Risk Management Assets	28.2	25.3				
Accrued Tax Benefits	Accrued Tax Benefits	61.3	16.1				
Accrued Tax Benefits							
Accrued Tax Benefits							
Regulatory Asset for Under-Recovered Fuel Costs	Regulatory Asset for Under-Recovered Fuel Costs	168.2	178.7				
Prepayments and Other Current Assets	Prepayments and Other Current Assets	35.2	21.6				
TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	552.4	491.5				
PROPERTY, PLANT AND EQUIPMENT							
PROPERTY, PLANT AND EQUIPMENT							
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT						
Electric:	Electric:			Electric:			
Generation	Generation	2,683.7	2,394.8				
Transmission	Transmission	1,197.1	1,164.4				

Distribution	Distribution	3,357.9	3,216.4
Other Property, Plant and Equipment	Other Property, Plant and Equipment	498.8	469.3
Construction Work in Progress	Construction Work in Progress	337.9	219.3
Total Property, Plant and Equipment	Total Property, Plant and Equipment	8,075.4	7,464.2
Accumulated Depreciation and Amortization	Accumulated Depreciation and Amortization	2,050.3	1,837.7
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	6,025.1	5,626.5
OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		

OTHER NONCURRENT ASSETS

OTHER NONCURRENT ASSETS

Regulatory Assets	Regulatory Assets	477.2	653.7

Employee Benefits and Pension Assets

Employee Benefits and Pension Assets

Employee Benefits and Pension Assets	Employee Benefits and Pension Assets	71.4	67.3

Operating Lease Assets	Operating Lease Assets	114.0	106.1

Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	32.1	20.8

TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	694.7	847.9

TOTAL ASSETS	TOTAL ASSETS	\$ 7,272.2	\$ 6,965.9

TOTAL ASSETS

TOTAL ASSETS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page [114](#).

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Statements of Registrants beginning on page 99.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
		(in millions)			(in millions)	
CURRENT LIABILITIES	CURRENT LIABILITIES			CURRENT LIABILITIES		
Advances from Affiliates	Advances from Affiliates	\$ —	\$ 364.2			
Accounts Payable:	Accounts Payable:			Accounts Payable:		
General	General	233.3	202.9			
Affiliated Companies	Affiliated Companies	46.1	76.7			
Long-term Debt Due Within One Year – Nonaffiliated	Long-term Debt Due Within One Year – Nonaffiliated	0.6	0.5			
Risk Management Liabilities						
Customer Deposits	Customer Deposits	61.0	59.0			
Accrued Taxes	Accrued Taxes	64.4	28.7			
Accrued Interest	Accrued Interest	25.9	18.2			
Obligations Under Operating Leases	Obligations Under Operating Leases	10.7	8.9			
Other Current Liabilities	Other Current Liabilities	75.4	83.6			
Other Current Liabilities						
Other Current Liabilities						
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	517.4	842.7			
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES					
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated	2,383.6	1,912.3			
Deferred Income Taxes						
Deferred Income Taxes						
Deferred Income Taxes	Deferred Income Taxes	797.5	788.6			
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	787.0	809.1			
Asset Retirement Obligations	Asset Retirement Obligations	82.3	73.5			
Obligations Under Operating Leases	Obligations Under Operating Leases	106.6	99.3			

Obligations Under Operating Leases			
Obligations Under Operating Leases			
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	29.0	21.3
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	4,186.0	3,704.1
TOTAL LIABILITIES	TOTAL LIABILITIES	4,703.4	4,546.8
TOTAL LIABILITIES			
TOTAL LIABILITIES			
Rate Matters (Note 4)			
Rate Matters (Note 4)			
Rate Matters (Note 4)	Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)		Commitments and Contingencies (Note 5)
COMMON SHAREHOLDER'S EQUITY			
COMMON SHAREHOLDER'S EQUITY			
COMMON SHAREHOLDER'S EQUITY	COMMON SHAREHOLDER'S EQUITY		
Common Stock – Par Value – \$15 Per Share:	Common Stock – Par Value – \$15 Per Share:		Common Stock – Par Value – \$15 Per Share:
Authorized – 11,000,000 Shares	Authorized – 11,000,000 Shares		Authorized – 11,000,000 Shares
Issued – 10,482,000 Shares	Issued – 10,482,000 Shares		Issued – 10,482,000 Shares
Outstanding – 9,013,000 Shares	Outstanding – 9,013,000 Shares	157.2	157.2
Paid-in Capital	Paid-in Capital	1,040.7	1,042.6
Retained Earnings	Retained Earnings	1,371.1	1,218.0
Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	(0.2)	1.3
TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	2,568.8	2,419.1
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	\$ 7,272.2	\$ 6,965.9
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY			
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF CASH FLOWS
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
OPERATING ACTIVITIES	OPERATING ACTIVITIES	OPERATING ACTIVITIES			
Net Income		\$188.1	\$155.7		
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:					
Net Income (Loss)					
Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from (Used for) Operating Activities:	Adjustments to Reconcile Net Income (Loss) to Net Cash Flows from (Used for) Operating Activities:				
Depreciation and Amortization	Depreciation and Amortization	187.8	172.7		
Deferred Income Taxes	Deferred Income Taxes	(13.6)	(20.0)		
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Allowance for Equity Funds Used During Construction					
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	(0.2)	(36.1)		
Property Taxes	Property Taxes	(14.0)	(12.2)		
Property Taxes					
Property Taxes					
Deferred Fuel Over/Under-Recovery, Net	Deferred Fuel Over/Under-Recovery, Net	263.3	454.0		
Change in Other Regulatory Assets		(66.1)	3.7		
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(33.1)	(21.8)		

Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	11.0	15.8
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net	11.9	(66.3)
Fuel, Materials and Supplies	Fuel, Materials and Supplies	(11.6)	(25.8)
Accounts Payable	Accounts Payable	(19.5)	150.8
Accrued Taxes, Net	Accrued Taxes, Net	(9.5)	(20.9)
Other Current Assets	Other Current Assets	(3.0)	(19.2)
Other Current Liabilities	Other Current Liabilities	(10.8)	11.0
Net Cash Flows from Operating Activities		480.7	741.4
Net Cash Flows from (Used for) Operating Activities			
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
INVESTING ACTIVITIES			
Construction Expenditures	Construction Expenditures	(401.1)	(322.6)
Change in Advances to Affiliates, Net		(9.2)	—
Acquisitions of Renewable Energy Facilities			
Acquisitions of Renewable Energy Facilities			
Acquisitions of Renewable Energy Facilities	Acquisitions of Renewable Energy Facilities	(145.7)	(549.3)
Other Investing Activities	Other Investing Activities	8.8	2.9
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(547.2)	(869.0)
FINANCING ACTIVITIES	FINANCING ACTIVITIES		
Capital Contribution from Parent		0.6	3.3
Return of Capital to Parent		(2.5)	—
FINANCING ACTIVITIES			
FINANCING ACTIVITIES			
Issuance of Long-term Debt – Nonaffiliated			
Issuance of Long-term Debt – Nonaffiliated			

Issuance of Long-term Debt – Nonaffiliated	Issuance of Long-term Debt – Nonaffiliated	469.8	499.7
Change in Advances from Affiliates, Net	Change in Advances from Affiliates, Net	(364.2)	151.2
Retirement of Long-term Debt – Nonaffiliated	Retirement of Long-term Debt – Nonaffiliated	(0.4)	(500.4)

Principal Payments for Finance Lease Obligations

Principal Payments for Finance Lease Obligations

Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(2.5)	(2.4)
Dividends Paid on Common Stock	Dividends Paid on Common Stock	(35.0)	(20.0)
Other Financing Activities	Other Financing Activities	0.4	0.4
Net Cash Flows from Financing Activities	Net Cash Flows from Financing Activities	66.2	131.8
Net Increase (Decrease) in Cash and Cash Equivalents	Net Increase (Decrease) in Cash and Cash Equivalents	(0.3)	4.2

Net Increase (Decrease) in Cash and Cash Equivalents

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Period	Cash and Cash Equivalents at Beginning of Period	4.0	1.3
Cash and Cash Equivalents at End of Period	Cash and Cash Equivalents at End of Period	\$ 3.7	\$ 5.5

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 67.4	\$ 63.1
Net Cash Paid (Received) for Income Taxes		(1.6)	21.9

Cash Received from Sale of Transferable Tax Credits

Cash Received from Sale of Transferable Tax Credits

Cash Received from Sale of Transferable Tax Credits

Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	1.9	1.7

Construction Expenditures Included in Current Liabilities as of September 30,	91.0	50.1
Construction Expenditures Included in Current Liabilities as of March 31,		

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED

MANAGEMENT'S NARRATIVE DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2023	2022	2023	2022
		(in millions of KWhs)		(in millions of KWhs)	
Retail:	Retail:				
Residential	Residential	2,180	2,019	4,902	5,157
Residential					
Residential					
Commercial					
Commercial					
Commercial	Commercial	1,689	1,631	4,269	4,385
Industrial	Industrial	1,313	1,367	3,876	3,876
Industrial					
Industrial					
Miscellaneous	Miscellaneous	17	17	53	55
Miscellaneous					
Miscellaneous					
Total Retail					
Total Retail					
Total Retail	Total Retail	5,199	5,034	13,100	13,473
Wholesale	Wholesale	1,668	1,744	4,226	5,312
Wholesale					
Wholesale					
Total KWhs	Total KWhs	6,867	6,778	17,326	18,785

Total KWhs
Total KWhs

Heating degree days and cooling degree days are metrics commonly used in the utility industry as a measure of the impact of weather on revenues.

Summary of Heating and Cooling Degree Days

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		(in degree days)		(in degree days)	
Actual	Actual				
—	—				
Heating (a)	Heating (a)	—	—	413	704
Normal	Normal				
—	—				
Heating (b)	Heating (b)	—	—	730	726
Normal – Heating (b)					
Normal – Heating (b)					
Actual – Cooling (c)					
Actual – Cooling (c)					
Actual	Actual				
—	—				
Cooling (c)	Cooling (c)	1,715	1,627	2,673	2,642
Normal	Normal				
—	—				
Cooling (b)	Cooling (b)	1,435	1,420	2,223	2,195
Normal – Cooling (b)					
Normal – Cooling (b)					

- (a) Heating degree days are calculated on a 55 degree temperature base.
- (b) Normal Heating/Cooling represents the thirty-year average of degree days.
- (c) Cooling degree days are calculated on a 65 degree temperature base.

Reconciliation of 2022 to 2023				
Earnings Attributable to SWEPCo Common Shareholder				
(in millions)				
	Three Months Ended September 30,		Nine Months Ended September 30,	
2022 Earnings Attributable to Common Shareholder	\$	139.4	\$	260.2

Changes in Gross Margin:		
Retail Margins (a)	24.2	23.0
Margins from Off-system Sales	(8.2)	(10.5)
Transmission Revenues	(1.9)	3.1
Other Revenues	(1.3)	(1.5)
Total Change in Gross Margin	12.8	14.1
Changes in Expenses and Other:		
Other Operation and Maintenance	11.7	14.1
Depreciation and Amortization	(4.8)	(15.0)
Taxes Other Than Income Taxes	(2.0)	(9.5)
Interest Income	1.4	0.9
Allowance for Equity Funds Used During Construction	3.3	3.9
Non-Service Cost Components of Net Periodic Benefit Cost	0.2	0.8
Interest Expense	(6.9)	(5.2)
Total Change in Expenses and Other	2.9	(10.0)
Income Tax Benefit	3.9	14.7
Net Income Attributable to Noncontrolling Interest	(1.5)	0.1
2023 Earnings Attributable to Common Shareholder	\$ 157.5	\$ 279.1

Southwestern Electric Power Company
Reconciliation of First Quarter of 2023 to First Quarter of 2024
Earnings Attributable to SWEPCo Common Shareholder
(in millions)

First Quarter of 2023	\$	40.6
Changes in Revenues:		
Retail Revenues (a)		(0.6)
Off-system Sales		2.5
Transmission Revenues		(2.9)
Other Revenues		1.3
Total Change in Revenues		0.3
Changes in Expenses and Other:		
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation		24.7
Other Operation and Maintenance		(13.2)
Depreciation and Amortization		1.7
Taxes Other Than Income Taxes		1.9
Interest Income		(1.4)
Allowance for Equity Funds Used During Construction		2.9
Non-Service Cost Components of Net Periodic Benefit Cost		(0.8)
Interest Expense		11.5
Total Change in Expenses and Other		27.3
Income Tax Benefit		140.1
Equity Earnings of Unconsolidated Subsidiary		0.1
Net Income Attributable to Noncontrolling Interest		(0.3)
First Quarter of 2024	\$	208.1

(a) Includes firm wholesale sales to municipals and cooperatives.

Third Quarter of 2023 Compared to Third Quarter of 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity Revenues were as follows:

- **Retail Margins Revenues** increased \$24 million decreased \$1 million primarily due to the following:
 - A \$23 million increase \$39 million decrease in fuel revenue primarily due to a base authorized fuel rate revenue decreases in Arkansas and Louisiana, which were primarily driven by lower natural gas and spot market energy prices.
 - This decrease was partially offset by:
 - A \$32 million increase in Louisiana weather-normalized margins primarily in the residential and rider increases in Texas and Louisiana retail jurisdictions. These increases were partially offset in other expense items below, commercial classes.
 - A \$5 million increase in weather-related usage primarily due to a 5% 38% increase in cooling degree days.
 - These increases were partially offset by:
 - An \$8 million decrease due to an increase in PTC benefits provided to customers. This decrease was offset in Income Tax Benefit.
 - **Margins from Off-System Sales** decreased \$8 million primarily due to reduced Turk Plant merchant sales.

Expenses and Other changed between years as follows:

- **Other Operation and Maintenance** expenses decreased \$12 million primarily due to the following:
 - A \$9 million decrease in transmission expenses primarily due to a \$4 million decrease in recoverable SPP transmission expenses and a \$4 million decrease in transmission formula rate true-up activity. The decrease in SPP transmission expenses was offset in Retail Margins above.
- **Depreciation and Amortization** increased \$5 million primarily due to an increase in amortization of regulatory assets. This increase was offset in Retail Margins above.
- **Interest Expense** increased \$7 million primarily due to the amortization of carrying charges on storm-related regulatory assets. This increase was offset in Retail Margins above.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The major components of the increase in Gross Margin, defined as revenues less the related direct cost of fuel, including consumption of chemicals and emissions allowances, and purchased electricity were as follows:

- **Retail Margins** increased \$23 million primarily due to the following:
 - A \$58 million increase primarily due to base rate revenue increases in Arkansas and Louisiana and rider increases in all retail jurisdictions. These increases were partially offset in other expense items below.
 - This increase was partially offset by:
 - A \$14 million decrease in weather-related usage primarily due to a 41% decrease in heating degree days.
 - A \$12 million decrease due to an increase in PTC benefits provided to customers. This decrease was offset in Income Tax Benefit below.
 - A \$11 million decrease in weather-normalized margins primarily in the residential and wholesale classes, partially offset by an increase in the industrial class.
 - **Margins from Off-system Sales** decreased \$11 million primarily due to reduced Turk Plant merchant sales.

Expenses and Other and Income Tax Benefit changed between years as follows:

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased \$25 million primarily due to a current year decrease in amortization of under-recovered fuel regulatory assets.
- **Other Operation and Maintenance** expenses increased \$13 million primarily due to a disallowance recorded on the remaining net book value of the Dolet Hills Power Station as a result of an LPSC approved settlement agreement in April 2024.
- **Interest Expense** decreased \$14 million \$12 million primarily due to the following:
 - A \$10 million \$28 million decrease due to the capitalization recognition of previously expensed renewable generation pre-construction charges, debt carrying charges as a result of the IRS PLR received regarding the treatment of stand alone NOLCs in retail rate making.
 - A \$7 million
- This decrease due to legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
- A \$7 million decrease in transmission expenses primarily due to a change in rider recovery.
- These decreases were was partially offset by:
 - An \$8 million A \$12 million increase in accounts receivable factoring expenses primarily due to increased interest rates.
- **Depreciation and Amortization** expenses increased \$15 million primarily a decrease in carrying charges on storm-related regulatory assets due to an increase a prior year settlement agreement in amortization of regulatory assets. This increase was offset in Retail Margins above.
- **Taxes Other Than Income Taxes** increased \$10 million primarily due to increased property taxes driven by the investment in the NCWF.
- **Interest Expense** increased \$5 million primarily due to higher long-term debt balances and interest rates. Louisiana.

- SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

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Interest Expense					
Interest Expense					
INCOME BEFORE INCOME TAX BENEFIT AND EQUITY EARNINGS	INCOME BEFORE INCOME TAX BENEFIT AND EQUITY EARNINGS	137.0	121.3	245.4	241.3
INCOME BEFORE INCOME TAX BENEFIT AND EQUITY EARNINGS					
INCOME BEFORE INCOME TAX BENEFIT AND EQUITY EARNINGS					
Income Tax Benefit					
Income Tax Benefit					
Income Tax Benefit	Income Tax Benefit	(21.7)	(17.8)	(35.7)	(21.0)
Equity Earnings of Unconsolidated Subsidiary	Equity Earnings of Unconsolidated Subsidiary	0.3	0.3	1.0	1.0
NET INCOME	NET INCOME	159.0	139.4	282.1	263.3
NET INCOME					
NET INCOME					
Net Income Attributable to Noncontrolling Interest					
Net Income Attributable to Noncontrolling Interest					
Net Income Attributable to Noncontrolling Interest	Net Income Attributable to Noncontrolling Interest	1.5	—	3.0	3.1
EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	\$ 157.5	\$ 139.4	\$ 279.1	\$ 260.2
EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER					
EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER					

The common stock of SWEPCo is wholly-owned by Parent.

The common stock of SWEPCo is wholly-owned by Parent.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

		2023	2022	2023	2022	2024	2023
Net Income	Net Income	\$ 159.0	\$ 139.4	\$ 282.1	\$ 263.3		
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES						
Cash Flow Hedges, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$0.1 and \$0 for the Nine Months Ended September 30, 2023 and 2022, Respectively		—	—	0.3	—		
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$(0.1) and \$(0.1) for the Three Months Ended September 30, 2023 and 2022, Respectively, and \$(0.3) and \$(0.3) for the Nine Months Ended September 30, 2023 and 2022, Respectively		(0.4)	(0.4)	(1.0)	(1.2)		
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES						
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES						
Cash Flow Hedges, Net of Tax of \$0 and \$0.1 in 2024 and 2023, Respectively							
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$(0.1) in 2024 and 2023, Respectively							
TOTAL OTHER COMPREHENSIVE LOSS		(0.4)	(0.4)	(0.7)	(1.2)		
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)							
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)							
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)							
TOTAL COMPREHENSIVE INCOME							
TOTAL COMPREHENSIVE INCOME							
TOTAL COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	158.6	139.0	281.4	262.1		
Total Comprehensive Income Attributable to Noncontrolling Interest	Total Comprehensive Income Attributable to Noncontrolling Interest	1.5	—	3.0	3.1		
Total Comprehensive Income Attributable to Noncontrolling Interest							
Total Comprehensive Income Attributable to Noncontrolling Interest							
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	\$ 157.1	\$ 139.0	\$ 278.4	\$ 259.0		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER							
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER							

See
Condensed
Notes to
Condensed
Financial
Statements
of
Registrants
beginning
on page
114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

SWEPCo Common Shareholder		SWEPCo Common Shareholder				
Common Stock		Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest Total

TOTAL EQUITY – DECEMBER 31, 2022							
	SWEPCo Common Shareholder						
		Accumulated Other					
		Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Noncontrolling Interest	Total
TOTAL EQUITY – DECEMBER 31, 2021							
	\$	0.1	\$1,092.2	\$2,050.9	\$ 6.7	\$ (0.1)	\$3,149.8
Capital Contribution from Parent							
Capital Contribution from Parent							
Capital Contribution from Parent	Capital Contribution from Parent		350.0				350.0
Common Stock Dividends – Nonaffiliated	Common Stock Dividends – Nonaffiliated					(0.8)	(0.8)
Common Stock Dividends – Nonaffiliated							
Common Stock Dividends – Nonaffiliated							
Net Income	Net Income			44.1		1.0	45.1
Other Comprehensive Loss					(0.3)		(0.3)
TOTAL EQUITY – MARCH 31, 2022							
		0.1	1,442.2	2,095.0	6.4	0.1	3,543.8
Capital Contribution from Parent							
			2.2				2.2
Common Stock Dividends							
				(12.5)			(12.5)
Common Stock Dividends – Nonaffiliated							
						(0.7)	(0.7)
Net Income	Net Income			76.7		2.1	78.8
Other Comprehensive Loss					(0.5)		(0.5)
TOTAL EQUITY – JUNE 30, 2022							
		0.1	1,444.4	2,159.2	5.9	1.5	3,611.1
Capital Contribution from Parent							
			1.1				1.1
Common Stock Dividends							
				(45.0)			(45.0)
Common Stock Dividends – Nonaffiliated							
						(1.1)	(1.1)
Net Income				139.4		—	139.4
Other Comprehensive Loss					(0.4)		(0.4)
TOTAL EQUITY – SEPTEMBER 30, 2022							
	\$	0.1	\$1,445.5	\$2,253.6	\$ 5.5	\$ 0.4	\$3,705.1
TOTAL EQUITY – DECEMBER 31, 2022							
	\$	0.1	\$1,442.2	\$2,236.0	\$ (4.2)	\$ 0.7	\$3,674.8
Capital Contribution from Parent							
			50.0				50.0
Common Stock Dividends – Nonaffiliated							
						(1.5)	(1.5)
Net Income	Net Income			40.6		1.2	41.8

Other Comprehensive Income	Other Comprehensive Income				0.1		0.1
TOTAL EQUITY – MARCH 31, 2023	TOTAL EQUITY – MARCH 31, 2023	0.1	1,492.2	2,276.6	(4.1)	0.4	3,765.2
Common Stock Dividends				(50.0)			(50.0)
Common Stock Dividends – Nonaffiliated						(0.6)	(0.6)
Net Income				81.0		0.3	81.3
Other Comprehensive Loss					(0.4)		(0.4)
TOTAL EQUITY – JUNE 30, 2023		0.1	1,492.2	2,307.6	(4.5)	0.1	3,795.5
TOTAL EQUITY – DECEMBER 31, 2023							
TOTAL EQUITY – DECEMBER 31, 2023							
TOTAL EQUITY – DECEMBER 31, 2023							
Common Stock Dividends	Common Stock Dividends			(75.0)			(75.0)
Common Stock Dividends							
Common Stock Dividends							
Common Stock Dividends – Nonaffiliated	Common Stock Dividends – Nonaffiliated					(0.3)	(0.3)
Net Income							
Net Income							
Net Income	Net Income			157.5		1.5	159.0
Other Comprehensive Loss	Other Comprehensive Loss				(0.4)		(0.4)
TOTAL EQUITY – SEPTEMBER 30, 2023		\$ 0.1	\$ 1,492.2	\$ 2,390.1	\$ (4.9)	\$ 1.3	\$ 3,878.8
TOTAL EQUITY – MARCH 31, 2024							

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page [114](#) 99.

**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS**

ASSETS

September 30, 2023 **March 31, 2024** and **December 31, 2022** **December 31, 2023**

(in millions)

(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS			CURRENT ASSETS		

Cash and Cash Equivalents (September 30, 2023 and December 31, 2022 Amounts Include \$0 and \$84.2, Respectively, Related to Sabine)				\$	3.6	\$	88.4
Cash and Cash Equivalents							
Advances to Affiliates	Advances to Affiliates		2.7		2.1		
Accounts Receivable:	Accounts Receivable:					Accounts Receivable:	
Customers	Customers		32.9		38.8		
Affiliated Companies	Affiliated Companies		43.8		65.4		
Miscellaneous	Miscellaneous		8.3		10.4		
Allowance for Uncollectible Accounts			(0.1)		—		
Total Accounts Receivable	Total Accounts Receivable		84.9		114.6		
Fuel (September 30, 2023 and December 31, 2022 Amounts Include \$0 and \$14.2, Respectively, Related to Sabine)					94.2		81.3
Materials and Supplies (September 30, 2023 and December 31, 2022 Amounts Include \$3.9 and \$4.2, Respectively, Related to Sabine)					88.6		92.1
Risk Management Assets					17.1		16.4
Total Accounts Receivable							
Total Accounts Receivable							
Fuel							
Materials and Supplies (March 31, 2024 and December 31, 2023 Amounts Include \$3.2 and \$3.9, Respectively, Related to Sabine)							
Accrued Tax Benefits							
Accrued Tax Benefits							
Accrued Tax Benefits	Accrued Tax Benefits		78.1		16.5		
Regulatory Asset for Under- Recovered Fuel Costs	Regulatory Asset for Under- Recovered Fuel Costs		184.4		353.0		
Prepayments and Other Current Assets	Prepayments and Other Current Assets		38.9		47.8		

TOTAL CURRENT ASSETS	TOTAL CURRENT ASSETS	592.5	812.2
PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT		

PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			

Electric:	Electric:		
Generation	Generation	4,892.8	5,476.2
Transmission	Transmission	2,557.0	2,479.8
Distribution	Distribution	2,769.9	2,659.6

Other Property, Plant and Equipment (September 30, 2023 and December 31, 2022 Amounts Include \$185 and \$219.8, Respectively, Related to Sabine)		801.7	804.4

Other Property, Plant and Equipment (March 31, 2024 and December 31, 2023 Amounts Include \$179.9 and \$182.7, Respectively, Related to Sabine)			

Construction Work in Progress	Construction Work in Progress	598.2	369.5

Total Property, Plant and Equipment	Total Property, Plant and Equipment	11,619.6	11,789.5

Accumulated Depreciation and Amortization (September 30, 2023 and December 31, 2022 Amounts Include \$185 and \$212.5, Respectively, Related to Sabine)		3,057.1	3,527.3

Accumulated Depreciation and Amortization (March 31, 2024 and December 31, 2023 Amounts Include \$179.9 and \$182.7, Respectively, Related to Sabine)			

TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	TOTAL PROPERTY, PLANT AND EQUIPMENT – NET	8,562.5	8,262.2

**OTHER NONCURRENT
ASSETS**

**OTHER NONCURRENT
ASSETS**

OTHER NONCURRENT ASSETS	OTHER NONCURRENT ASSETS		

Regulatory Assets	Regulatory Assets	1,116.9	1,042.4

Deferred Charges and Other Noncurrent Assets	Deferred Charges and Other Noncurrent Assets	289.2	262.0

Deferred Charges and Other
Noncurrent Assets

Deferred Charges and Other
Noncurrent Assets

TOTAL OTHER NONCURRENT ASSETS	TOTAL OTHER NONCURRENT ASSETS	1,406.1	1,304.4

TOTAL ASSETS	TOTAL ASSETS	\$ 10,561.1	\$10,378.8

TOTAL ASSETS

TOTAL ASSETS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial
Statements of Registrants beginning on page 99.

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**SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY**

September 30, 2023 March 31, 2024 and **December 31, 2022** December 31, 2023
(Unaudited)

		September 30, 2023	December 31, 2022		March 31, 2024	December 31, 2023
		(in millions)			(in millions)	
CURRENT LIABILITIES	CURRENT LIABILITIES			CURRENT LIABILITIES		
Advances from Affiliates	Advances from Affiliates	\$ 48.9	\$ 310.7			
Accounts Payable:	Accounts Payable:			Accounts Payable:		
General	General	232.1	213.1			
Affiliated Companies	Affiliated Companies	31.3	81.7			

Short-term Debt – Nonaffiliated	Short-term Debt – Nonaffiliated	3.9	—
Long-term Debt Due Within One Year – Nonaffiliated		—	6.2
Customer Deposits			
Customer Deposits			
Customer Deposits	Customer Deposits	71.5	65.4
Accrued Taxes	Accrued Taxes	123.8	52.8
Accrued Interest	Accrued Interest	38.3	36.0
Obligations Under Operating Leases	Obligations Under Operating Leases	9.4	8.4
Obligations Under Operating Leases			
Obligations Under Operating Leases			
Asset Retirement Obligations		43.7	43.7
Other Current Liabilities			
Other Current Liabilities			
Other Current Liabilities	Other Current Liabilities	97.0	129.7
TOTAL CURRENT LIABILITIES	TOTAL CURRENT LIABILITIES	699.9	947.7
NONCURRENT LIABILITIES	NONCURRENT LIABILITIES		
NONCURRENT LIABILITIES			
NONCURRENT LIABILITIES			
Long-term Debt – Nonaffiliated	Long-term Debt – Nonaffiliated	3,646.2	3,385.4
Deferred Income Taxes			
Deferred Income Taxes			
Deferred Income Taxes	Deferred Income Taxes	1,162.5	1,089.7
Regulatory Liabilities and Deferred Investment Tax Credits	Regulatory Liabilities and Deferred Investment Tax Credits	760.3	825.7
Asset Retirement Obligations	Asset Retirement Obligations	218.1	237.2
Employee Benefits and Pension Obligations	Employee Benefits and Pension Obligations	30.5	29.7
Obligations Under Operating Leases	Obligations Under Operating Leases	123.8	120.2
Obligations Under Operating Leases			
Obligations Under Operating Leases			
Deferred Credits and Other Noncurrent Liabilities	Deferred Credits and Other Noncurrent Liabilities	41.0	68.4
TOTAL NONCURRENT LIABILITIES	TOTAL NONCURRENT LIABILITIES	5,982.4	5,756.3
TOTAL LIABILITIES	TOTAL LIABILITIES	6,682.3	6,704.0
TOTAL LIABILITIES			

TOTAL LIABILITIES			
Rate Matters (Note 4)			
Rate Matters (Note 4)			
Rate Matters (Note 4)	Rate Matters (Note 4)		
Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)	Commitments and Contingencies (Note 5)	
EQUITY			
EQUITY			
EQUITY	EQUITY		
Common Stock – Par Value – \$18 Per Share:	Common Stock – Par Value – \$18 Per Share:	Common Stock – Par Value – \$18 Per Share:	
Authorized – 3,680 Shares	Authorized – 3,680 Shares	Authorized – 3,680 Shares	
Outstanding – 3,680 Shares	Outstanding – 3,680 Shares	0.1	0.1
Paid-in Capital	Paid-in Capital	1,492.2	1,442.2
Retained Earnings	Retained Earnings	2,390.1	2,236.0
Accumulated Other Comprehensive Income (Loss)	Accumulated Other Comprehensive Income (Loss)	(4.9)	(4.2)
TOTAL COMMON SHAREHOLDER'S EQUITY	TOTAL COMMON SHAREHOLDER'S EQUITY	3,877.5	3,674.1
Noncontrolling Interest	Noncontrolling Interest	1.3	0.7
Noncontrolling Interest			
Noncontrolling Interest			
TOTAL EQUITY			
TOTAL EQUITY			
TOTAL EQUITY	TOTAL EQUITY	3,878.8	3,674.8
TOTAL LIABILITIES AND EQUITY	TOTAL LIABILITIES AND EQUITY	\$ 10,561.1	\$10,378.8
TOTAL LIABILITIES AND EQUITY			
TOTAL LIABILITIES AND EQUITY			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 114.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 99.

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SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the **Nine** **Three** Months Ended **September 30, 2023** **March 31, 2024** and **2022** **2023**
(in millions)
(Unaudited)

Nine Months Ended				Three Months Ended March 31,	
September 30,				2024	
2023	2022				2023

OPERATING ACTIVITIES	OPERATING ACTIVITIES	OPERATING ACTIVITIES	
Net Income	Net Income	\$ 282.1	\$ 263.3
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:	
Depreciation and Amortization	Depreciation and Amortization	266.8	251.8
Deferred Income Taxes	Deferred Income Taxes	44.9	7.5
Allowance for Equity Funds Used During Construction	Allowance for Equity Funds Used During Construction	(7.3)	(3.4)
Allowance for Equity Funds Used During Construction			
Allowance for Equity Funds Used During Construction			
Mark-to-Market of Risk Management Contracts	Mark-to-Market of Risk Management Contracts	1.4	(27.6)
Property Taxes	Property Taxes	(24.6)	(22.0)
Property Taxes			
Property Taxes			
Deferred Fuel Over/Under- Recovery, Net	Deferred Fuel Over/Under- Recovery, Net	134.4	(82.0)
Change in Regulatory Assets		(36.7)	3.1
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets			
Change in Other Noncurrent Assets	Change in Other Noncurrent Assets	(10.2)	52.0
Change in Other Noncurrent Liabilities	Change in Other Noncurrent Liabilities	(26.7)	17.3
Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	Changes in Certain Components of Working Capital:	
Accounts Receivable, Net	Accounts Receivable, Net	29.7	(17.9)
Fuel, Materials and Supplies	Fuel, Materials and Supplies	(12.0)	23.5
Accounts Payable	Accounts Payable	5.3	78.9
Accrued Taxes, Net	Accrued Taxes, Net	10.8	(1.1)
Other Current Assets	Other Current Assets	10.4	(12.0)

Other Current Assets			
Other Current Assets			
Other Current Liabilities	Other Current Liabilities	(40.6)	(38.1)
Net Cash Flows from Operating Activities	Net Cash Flows from Operating Activities	627.7	493.3
INVESTING ACTIVITIES	INVESTING ACTIVITIES		
INVESTING ACTIVITIES			
Construction Expenditures	Construction Expenditures	(614.1)	(397.0)
Change in Advances to Affiliates, Net	Change in Advances to Affiliates, Net	(0.6)	153.8
Acquisition of the North Central Wind Energy Facilities		—	(658.0)
Other Investing Activities			
Other Investing Activities			
Other Investing Activities	Other Investing Activities	1.8	3.9
Net Cash Flows Used for Investing Activities	Net Cash Flows Used for Investing Activities	(612.9)	(897.3)
FINANCING ACTIVITIES	FINANCING ACTIVITIES		
FINANCING ACTIVITIES			
Capital Contribution from Parent	Capital Contribution from Parent	50.0	353.3
Issuance of Long-term Debt – Nonaffiliated	Issuance of Long-term Debt – Nonaffiliated	346.8	—
Change in Short-term Debt – Nonaffiliated			
Change in Short-term Debt – Nonaffiliated			
Change in Short-term Debt – Nonaffiliated	Change in Short-term Debt – Nonaffiliated	3.9	—
Change in Advances from Affiliates, Net	Change in Advances from Affiliates, Net	(261.8)	156.3
Retirement of Long-term Debt – Nonaffiliated	Retirement of Long-term Debt – Nonaffiliated	(94.1)	(4.7)
Principal Payments for Finance Lease Obligations	Principal Payments for Finance Lease Obligations	(17.6)	(8.0)
Dividends Paid on Common Stock	Dividends Paid on Common Stock	(125.0)	(57.5)
Dividends Paid on Common Stock – Nonaffiliated	Dividends Paid on Common Stock – Nonaffiliated	(2.4)	(2.6)

Other Financing Activities	Other Financing Activities	0.6	0.4
Net Cash Flows from (Used for) Financing Activities			
		(99.6)	437.2
Net Cash Flows from Financing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents			
Net Increase (Decrease) in Cash and Cash Equivalents			
Net Increase (Decrease) in Cash and Cash Equivalents	Net Increase (Decrease) in Cash and Cash Equivalents	(84.8)	33.2
Cash and Cash Equivalents at Beginning of Period	Cash and Cash Equivalents at Beginning of Period	88.4	51.2
Cash and Cash Equivalents at End of Period	Cash and Cash Equivalents at End of Period	\$ 3.6	\$ 84.4

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts	Cash Paid for Interest, Net of Capitalized Amounts	\$ 89.8	\$102.1
Net Cash Paid (Received) for Income Taxes		(23.3)	34.7

Cash Received from the Sale of Transferable Tax Credits

Cash Received from the Sale of Transferable Tax Credits

Cash Received from the Sale of Transferable Tax Credits

Noncash Acquisitions Under Finance Leases	Noncash Acquisitions Under Finance Leases	4.6	3.2

Construction Expenditures Included in Current Liabilities as of September 30,		69.0	71.8

Construction Expenditures Included in Current Liabilities as of March 31,

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page [114](#).

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INDEX OF CONDENSED NOTES TO CONDENSED FINANCIAL STATEMENTS OF REGISTRANTS

The condensed notes to condensed financial statements are a combined presentation for the Registrants. The following list indicates Registrants to which the notes apply. Specific disclosures within each note apply to all Registrants unless indicated otherwise:

Note	Registrant	Page Number
Significant Accounting Matters	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	115 100
New Accounting Standards	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	117 101
Comprehensive Income	AEP	118 103
Rate Matters	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	120 104
Commitments, Guarantees and Contingencies	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	137 117
Acquisitions Dispositions and Impairments Dispositions	AEP, AEPTCo, PSO SWEPCo	142 121
Benefit Plans	AEP, AEP Texas, APCo, I&M, OPCo, PSO, SWEPCo	144 122
Business Segments	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	146 123
Derivatives and Hedging	AEP, AEP Texas, APCo, I&M, OPCo, PSO, SWEPCo	150 126
Fair Value Measurements	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	165 135
Income Taxes	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	179 148
Financing Activities	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	182 150
Variable Interest Entities	AEP	190 156
Revenue from Contracts with Customers	AEP, AEP Texas, AEPTCo, APCo, I&M, OPCo, PSO, SWEPCo	194 158

1. SIGNIFICANT ACCOUNTING MATTERS

The disclosures in this note apply to all Registrants unless indicated otherwise.

General

The unaudited condensed financial statements and footnotes were prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP for complete annual financial statements.

In the opinion of management, the unaudited condensed interim financial statements reflect all normal and recurring accruals and adjustments necessary for a fair statement of the net income, financial position and cash flows for the interim periods for each Registrant. Net income for the three and nine months ended September 30, 2023 March 31, 2024 is not necessarily indicative of results that may be expected for the year ending December 31, 2023 December 31, 2024. The condensed financial statements are unaudited and should be read in conjunction with the audited 2022 2023 financial statements and notes thereto, which are included in the Registrants' Annual Reports on Form 10-K as filed with the SEC on February 23, 2023 February 26, 2024.

Earnings Per Share (EPS) (Applies to AEP)

Basic EPS is calculated by dividing net earnings available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted EPS is calculated by adjusting the weighted-average outstanding common shares, assuming conversion of all potentially dilutive stock awards.

The following table presents AEP's basic and diluted EPS calculations included on the statements of income:

	Three Months Ended September 30,			
	2023		2022	
	(in millions, except per share data)			
	\$ /share		\$ /share	
Earnings Attributable to AEP Common Shareholders	\$	953.7	\$	683.7
Weighted-Average Number of Basic AEP Common Shares Outstanding		520.5	\$	1.83
Weighted-Average Dilutive Effect of Stock-Based Awards		0.9		—
Weighted-Average Number of Diluted AEP Common Shares Outstanding		521.4	\$	1.83
	Nine Months Ended September 30,			
	2023		2022	
	(in millions, except per share data)			
	\$ /share		\$ /share	

	\$ /share		\$ /share	
Earnings Attributable to AEP Common Shareholders	<u>\$</u>	<u>1,871.9</u>	<u>\$</u>	<u>1,922.9</u>
Weighted-Average Number of Basic AEP Common Shares Outstanding		516.5	\$	3.62
Weighted-Average Dilutive Effect of Stock-Based Awards		1.3		—
Weighted-Average Number of Diluted AEP Common Shares Outstanding		<u>517.8</u>	<u>\$</u>	<u>3.62</u>

	Three Months Ended March 31,			
	2024		2023	
	(in millions, except per share data)			
	\$ /share		\$ /share	
Earnings Attributable to AEP Common Shareholders	\$	1,003.1	\$	397.0
Weighted-Average Number of Basic AEP Common Shares Outstanding		526.6	\$	1.91
Weighted-Average Dilutive Effect of Stock-Based Awards		1.0		(0.01)
Weighted-Average Number of Diluted AEP Common Shares Outstanding		527.6	\$	1.90

There were no antidilutive shares outstanding as of **September 30, 2023**, **March 31, 2024** and **2022**, respectively.

2023.

Restricted Cash (Applies to AEP, AEP Texas and APCo)

Restricted Cash primarily includes funds held by trustees for the payment of securitization bonds.

Reconciliation of Cash, Cash Equivalents and Restricted Cash

The following tables provide a reconciliation of Cash, Cash Equivalents and Restricted Cash reported within the balance sheets that sum to the total of the same amounts shown on the statements of cash flows:

		September 30, 2023		
		AEP		
		AEP	Texas	APCo
		(in millions)		
		March 31, 2024		
		AEP	AEP Texas	APCo
		(in millions)		
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 353.3	\$ 0.1	\$ 4.5
Restricted Cash	Restricted Cash	53.8	46.9	6.9
Total Cash, Cash Equivalents and Restricted Cash	Total Cash, Cash Equivalents and Restricted Cash	<u>\$ 407.1</u>	<u>\$47.0</u>	<u>\$11.4</u>

December 31, 2022				
AEP				
AEP Texas				
APCo				
(in millions)				
Cash and Cash Equivalents	\$	509.4	\$	0.1
Restricted Cash		47.1		32.7
Total Cash, Cash Equivalents and Restricted Cash	<u>\$</u>	<u>556.5</u>	<u>\$</u>	<u>32.8</u>

Supplementary Cash Flow Information (Applies to AEP)

Cash Flow Information	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Cash Paid for:		
Interest, Net of Capitalized Amounts	\$ 1,148.7	\$ 856.8
Income Taxes	26.7	104.1
Noncash Investing and Financing Activities:		
Acquisitions Under Finance Leases	38.5	22.3
Construction Expenditures Included in Current Liabilities as of September 30,	975.0	985.8
Acquisition of Nuclear Fuel Included in Current Liabilities as of September 30,	9.5	8.5
Noncash Increase in Noncurrent Assets from the Sale of the Competitive Contracted Renewables Portfolio	74.7	—

	December 31, 2023		
	AEP	AEP Texas	APCo
	(in millions)		
Cash and Cash Equivalents	\$ 330.1	\$ 0.1	\$ 5.0
Restricted Cash	48.9	34.0	14.9
Total Cash, Cash Equivalents and Restricted Cash	\$ 379.0	\$ 34.1	\$ 19.9

2. NEW ACCOUNTING STANDARDS

The disclosures in this note apply to all Registrants unless indicated otherwise.

During Management reviews the FASB's standard-setting process and upon issuance of final standards, management reviews the new accounting literature SEC's rulemaking activity to determine its relevance, if any, to the Registrants' business. There are no new standards expected to have a material impact on the Registrants' financial statements.

SEC Climate Disclosure Rule

On March 6, 2024, the SEC adopted final rules that require Registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require Registrants to disclose, among other things, material climate-related risks, activities to mitigate such risks and information about Registrant's board of directors oversight and management's role in managing material climate-related risks. The final rules also require the Registrants to provide information related to any climate-related targets or goals that are material to Registrant's business, results of operations, or financial condition. A majority of the reporting requirements are applicable to the fiscal year beginning in 2025, with the addition of assurance reporting for greenhouse gas emissions starting in 2029 for large accelerated filers. Litigation challenging the new rules was filed by multiple parties in multiple jurisdictions, which have been consolidated and assigned to the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC issued an order staying the final climate disclosure rules pending the completion of judicial review at the Court of Appeals. The Registrants are currently evaluating the impact of the final rules on their respective consolidated financial statements and related disclosures.

ASU 2023-09 "Improvements to Income Tax Disclosures" (ASU 2023-09)

In December 2023, the FASB issued ASU 2023-09, to address investors' suggested enhancements to (a) better understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, (b) assess income tax information that affects cash flow forecasts and capital allocation decisions and (c) identify potential opportunities to increase future cash flows.

The new standard requires an annual rate reconciliation disclosure of the following categories regardless of materiality: state and local income tax net of federal income tax effect, foreign tax effects, effect of changes in tax laws or rates enacted in the current period, effect of cross-border tax laws, tax credits, changes in valuation allowances, nontaxable or nondeductible items and changes in unrecognized tax benefits.

The new standard also requires an annual disclosure of the amount of income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes and by individual jurisdictions that are equal to or greater than 5 percent of total income taxes paid. Disclosure of income (loss) from continuing operations before income tax expense (benefit) disaggregated between domestic and foreign jurisdictions and income tax expense (benefit) from continuing operations disaggregated by federal, state and foreign jurisdictions is required.

The new standard removes the requirement to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures.

The amendments in the new standard may be applied on either a prospective or retrospective basis for public business entities for fiscal years beginning after December 15, 2024 with early adoption permitted. Management has not yet made a decision to early adopt the amendments to this standard or how to apply them.

ASU 2023-07 "Improvements to Reportable Segment Disclosures" (ASU 2023-07)

In November 2023, the FASB issued ASU 2023-07, to address investors' observations that there is limited information disclosed about segment expenses and to better understand expense categories and amounts included in segment profit or loss. The new standard requires annual and interim disclosure of (a) the categories and amounts of significant segment expenses (determined by management using both qualitative and quantitative factors) that are regularly provided to the CODM and included within each reported measure of segment profit or loss, (b) the amounts and a qualitative description of "other segment items", defined as the difference between reported segment revenues less the significant segment expenses and each reported measure of segment profit or loss disclosed, (c) reportable segment profit or loss and assets that are currently only required annually, (d) the CODM's title and position, and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources and (e) a requirement that entities with a single reportable segment provide all disclosures required by ASU 2023-07 and all existing segment disclosures in Topic 280. Additionally, this new standard allows disclosure of one or more of additional profit or loss measures if the CODM uses more than one measure provided that at least one of the disclosed measures is determined in a manner "most consistent with the measurement principles under GAAP". If multiple measures are presented, additional disclosure is required about how the CODM uses each measure to assess performance and decide how to allocate resources.

The amendments in the new standard are effective on a retrospective basis for all entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal periods beginning after December 15, 2024 with early adoption permitted. Management plans to adopt ASU 2023-07 effective for the 2024 10-K.

3. COMPREHENSIVE INCOME

The disclosures in this note apply to AEP only. The impact of AOCI is not material to the financial statements of the Registrant Subsidiaries.

Presentation of Comprehensive Income

The following tables provide AEP's components of changes in AOCI and details of reclassifications from AOCI. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 - Benefit Plans for additional information.

		Cash Flow Hedges		Pension		
Three Months Ended March 31, 2024		Three Months Ended March 31, 2024		Commodity Interest Rate and OPEB		Total
		Cash Flow Hedges		Pension		
Three Months Ended September 30, 2023		Commodity	Interest Rate	and OPEB	Total	
		(in millions)				
Balance in AOCI as of June 30, 2023		\$ 93.5	\$ 12.7	\$ (142.6)	\$ (36.4)	
Balance in AOCI as of December 31, 2023						
Change in Fair Value Recognized in AOCI, Net of Tax	Change in Fair Value Recognized in AOCI, Net of Tax	19.3	(6.9)	—	12.4	
Amount of (Gain) Loss Reclassified from AOCI	Amount of (Gain) Loss Reclassified from AOCI					
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)						
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)						

Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	(15.6)	—	—	(15.6)
Interest Expense (a)	Interest Expense (a)	—	(1.3)	—	(1.3)
Amortization of Prior Service Cost (Credit)	Amortization of Prior Service Cost (Credit)	—	—	(5.3)	(5.3)
Amortization of Actuarial (Gains) Losses	Amortization of Actuarial (Gains) Losses	—	—	1.3	1.3
Reclassifications from AOCI, before Income Tax Benefit	Reclassifications from AOCI, before Income Tax Benefit	(15.6)	(1.3)	(4.0)	(20.9)
Income Tax Benefit	Income Tax Benefit	(3.4)	(0.2)	(0.8)	(4.4)
Reclassifications from AOCI, Net of Income Tax Benefit	Reclassifications from AOCI, Net of Income Tax Benefit	(12.2)	(1.1)	(3.2)	(16.5)
Net Current Period Other Comprehensive Income (Loss)	Net Current Period Other Comprehensive Income (Loss)	7.1	(8.0)	(3.2)	(4.1)
Balance in AOCI as of September 30, 2023		\$ 100.6	\$ 4.7	\$ (145.8)	\$ (40.5)
Balance in AOCI as of March 31, 2024					

Three Months Ended September 30, 2022	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate			
	(in millions)				
Balance in AOCI as of June 30, 2022	\$ 533.6	\$ (10.8)	\$ 28.6	\$	551.4
Change in Fair Value Recognized in AOCI, Net of Tax	94.3	7.4	—		101.7
Amount of (Gain) Loss Reclassified from AOCI					
Generation & Marketing Revenues (a)	0.2	—	—		0.2
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	(222.6)	—	—		(222.6)
Interest Expense (a)	—	0.9	—		0.9
Amortization of Prior Service Cost (Credit)	—	—	(6.2)		(6.2)
Amortization of Actuarial (Gains) Losses	—	—	2.2		2.2
Reclassifications from AOCI, before Income Tax (Expense) Benefit	(222.4)	0.9	(4.0)		(225.5)
Income Tax (Expense) Benefit	(46.6)	0.1	(0.8)		(47.3)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(175.8)	0.8	(3.2)		(178.2)
Net Current Period Other Comprehensive Income (Loss)	(81.5)	8.2	(3.2)		(76.5)
Balance in AOCI as of September 30, 2022	\$ 452.1	\$ (2.6)	\$ 25.4	\$	474.9

Nine Months Ended September 30, 2023	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate			
	(in millions)				

Balance in AOCI as of December 31, 2022	\$ 223.5	\$ 0.3	\$ (140.1)	\$ 83.7
Change in Fair Value Recognized in AOCI, Net of Tax	(170.1)	5.3	(12.9)	(177.7)
Amount of (Gain) Loss Reclassified from AOCI				
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	59.7	—	—	59.7
Interest Expense (a)	—	(1.1)	—	(1.1)
Amortization of Prior Service Cost (Credit)	—	—	(15.9)	(15.9)
Amortization of Actuarial (Gains) Losses	—	—	3.9	3.9
Reclassifications from AOCI, before Income Tax (Expense) Benefit	59.7	(1.1)	(12.0)	46.6
Income Tax (Expense) Benefit	12.5	(0.2)	(2.5)	9.8
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	47.2	(0.9)	(9.5)	36.8
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI	—	—	21.1	21.1
Income Tax (Expense) Benefit	—	—	4.4	4.4
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, Net of Income Tax (Expense) Benefit	—	—	16.7	16.7
Net Current Period Other Comprehensive Income (Loss)	(122.9)	4.4	(5.7)	(124.2)
Balance in AOCI as of September 30, 2023	\$ 100.6	\$ 4.7	\$ (145.8)	\$ (40.5)

	Cash Flow Hedges	Pension		Cash Flow Hedges		Pension	
Nine Months Ended September 30, 2022	Commodity	Interest Rate	and OPEB	Total			
Three Months Ended March 31, 2023							
					Three Months Ended March 31, 2023	Commodity	Interest Rate and OPEB
							Total

		(in millions)					(in millions)			
Balance in AOCI as of December 31, 2021		\$ 163.7	\$ (21.3)	\$ 42.4	\$ 184.8					
Balance in AOCI as of December 31, 2022										
Change in Fair Value Recognized in AOCI, Net of Tax	Change in Fair Value Recognized in AOCI, Net of Tax	629.8	16.2	—	646.0					
Amount of (Gain) Loss Reclassified from AOCI	Amount of (Gain) Loss Reclassified from AOCI									
Generation & Marketing Revenues (a)		0.2	—	—	0.2					
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)										
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)										
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation (a)	(432.3)	—	—	(432.3)					
Interest Expense (a)	Interest Expense (a)	—	3.1	—	3.1					

Amortization of Prior Service Cost (Credit)	Amortization of Prior Service Cost (Credit)	—	—	(16.5)	(16.5)
Amortization of Actuarial (Gains) Losses	Amortization of Actuarial (Gains) Losses	—	—	6.4	6.4
Reclassifications from AOCI, before Income Tax (Expense) Benefit	Reclassifications from AOCI, before Income Tax (Expense) Benefit	(432.1)	3.1	(10.1)	(439.1)
Income Tax (Expense) Benefit	Income Tax (Expense) Benefit	(90.7)	0.6	(2.1)	(92.2)
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	Reclassifications from AOCI, Net of Income Tax (Expense) Benefit	(341.4)	2.5	(8.0)	(346.9)
Reclassifications of KPCo Pension and OPEB Regulatory Assets to AOCI	Reclassifications of KPCo Pension and OPEB Regulatory Assets to AOCI	—	—	(11.4)	(11.4)
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, Before Income Tax (Expense) Benefit					
Income Tax (Expense) Benefit	Income Tax (Expense) Benefit	—	—	(2.4)	(2.4)
Reclassifications of KPCo Pension and OPEB Regulatory Assets to AOCI, Net of Income Tax (Expense) Benefit	Reclassifications of KPCo Pension and OPEB Regulatory Assets to AOCI, Net of Income Tax (Expense) Benefit	—	—	(9.0)	(9.0)
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, Net of Income Tax (Expense) Benefit					
Net Current Period Other Comprehensive Income (Loss)	Net Current Period Other Comprehensive Income (Loss)	288.4	18.7	(17.0)	290.1
Balance in AOCI as of September 30, 2022		\$ 452.1	\$ (2.6)	\$ 25.4	\$ 474.9
Balance in AOCI as of March 31, 2023					

(a) Amounts reclassified to the referenced line item on the statements of income.

4. RATE MATTERS

The disclosures in this note apply to all Registrants unless indicated otherwise.

Coal-Fired Generation Plants Regulated Generating Units (Applies to AEP, PSO and SWEPCo)

Management is seeking or will seek regulatory recovery, as necessary, for any net book value remaining when the plants are retired. To the extent the net book value of these generation assets is not deemed recoverable, it could reduce future net income and cash flows and impact financial condition.

Regulated Generating Units that have been Retired

SWEPCo

In March 2023, the Pirkey Plant was retired. As part of the 2020 Louisiana Base Rate Case, the LPSC authorized the recovery of SWEPCo's Louisiana jurisdictional share of the Pirkey Plant, through a separate rider, through 2032. As part of the 2021 Arkansas Base Rate Case, the APSC granted SWEPCo regulatory asset treatment. SWEPCo will request recovery including a weighted average cost of capital carrying charge through a future proceeding. In July 2023, Texas ALJs issued a proposal for decision that concluded the decision to retire the Pirkey Plant was prudent. In September 2023, the PUCT rejected the ALJs proposal for decision concluding the retirement of the Pirkey Plant was prudent. In the open meeting, the commissioners expressed their concerns that the analysis in support of SWEPCo's decision to retire the Pirkey Plant was not robust enough and that SWEPCo should have re-evaluated the decision following Winter Storm Uri. The treatment of the cost of recovery of the Pirkey Plant is expected to be addressed in a future rate case. As of [September 30, 2023](#) [March 31, 2024](#), the Texas jurisdictional share of the net book value of the Pirkey Plant was \$66-\$68 million. To the extent any portion of the Texas jurisdictional share of the net book value of the Pirkey Plant is not recoverable, it could reduce future net income and cash flows and impact financial condition.

Regulated Generating Units to be Retired

PSO

SWEPCo

The table below summarizes the net book value including CWIP, before cost of removal and materials and supplies, as of **September 30, 2023** **March 31, 2024**, of generating facilities planned for early retirement:

[illegible]

Northeastern Plant, Unit 3	Northeastern Plant, Unit 3	\$112.5	\$	159.5	\$	20.4	(b)	2026	(c)	\$	15.0
Welsh Plant, Units 1 and 3	Welsh Plant, Units 1 and 3	368.8		115.5		58.0	(d)	2028	(e)	(f)	38.6
Welsh Plant, Units 1 and 3											
Welsh Plant, Units 1 and 3											

- (a) Represents the amount of annual depreciation that has been collected from customers over the prior 12-month period.
- (b) Includes Northeastern Plant, Unit 4, which was retired in 2016. Removal of Northeastern Plant, Unit 4, will be performed with the removal of Northeastern Plant, Unit 3, after retirement.
- (c) Northeastern Plant, Unit 3 is currently being recovered through 2040.
- (d) Includes Welsh Plant, Unit 2, which was retired in 2016. Removal of Welsh Plant, Unit 2, will be performed with the removal of Welsh Plant, Units 1 and 3, after retirement.
- (e) Represents projected retirement date of coal assets, units are being evaluated for conversion to natural gas after 2028.
- (f) Unit 1 is being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Unit 3 is being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

Dolet Hills Power Station and Related Fuel Operations (Applies to AEP and SWEPCo)

In December 2021, the Dolet Hills Power Station was retired. While in operation, DHLC provided 100% of the fuel supply to Dolet Hills Power Station.

The remaining book value of Dolet Hills Power Station non-fuel related assets are recoverable by SWEPCo through rate riders. As of **September 30, 2023** **March 31, 2024**, SWEPCo's share of the net investment in the Dolet Hills Power Station was **\$105** **\$86** million, including materials and supplies, net of cost of removal collected in rates.

Fuel costs incurred by the Dolet Hills Power Station are recoverable by SWEPCo through active fuel clauses and are subject to prudence determinations by the various commissions. After closure of the DHLC mining operations and the Dolet Hills Power Station, additional reclamation and other land-related costs incurred by DHLC and Oxbow will continue to be billed to SWEPCo and included in existing fuel clauses. As of **September 30, 2023** **March 31, 2024**, SWEPCo had a net under-recovered fuel balance of **\$91** **\$72** million, inclusive of costs related to the Dolet Hills Power Station billed by DHLC, but excluding impacts of the February 2021 severe winter weather event.

In March 2021, the LPSC issued an order allowing SWEPCo to recover up to \$20 million of fuel costs in 2021 and defer approximately \$35 million of additional costs with a recovery period to be determined at a later date. In August 2022, the LPSC staff filed testimony recommending fuel disallowances of **\$72 up to \$55** million, including denial of recovery of the \$35 million deferral, with refunds to customers over five years. In **September 2022**, **February 2024**, an ALJ issued a final recommendation which included a proposed \$55 million refund to customers and the denial of recovery of the \$35 million deferral. SWEPCo filed rebuttal testimony addressing a motion to present oral arguments with the LPSC to dispute the ALJ's recommendations. In April 2024, the LPSC approved a unanimous settlement agreement filed by SWEPCo, LPSC staff recommendations and certain intervenors that resolved the fuel recovery dispute and resulted in a **hearing was held in May 2023**.

fuel disallowance of \$11 million. The remaining \$24 million regulatory asset balance will be recovered over three years with interest.

In March 2021, the APSC approved fuel rates that provide recovery of \$20 million for the Arkansas share of the 2021 Dolet Hills Power Station fuel costs over five years through the existing fuel clause.

In **June** **September 2023**, the PUCT approved an unopposed settlement agreement **was filed with the PUCT** that **would provide** **provides** recovery of \$48 million of Oxbow mine related costs through 2035. **In September 2023, the PUCT approved the settlement agreement.**

If any of these costs are not recoverable **or customer refunds are required**, it could reduce future net income and cash flows and impact financial condition.

Pirkey Plant and Related Fuel Operations (Applies to AEP and SWEPCo)

In March 2023, the Pirkey Plant was retired. SWEPCo is recovering, or will seek recovery of, the remaining net book value of Pirkey Plant non-fuel costs. As of **September 30, 2023** **March 31, 2024**, SWEPCo's share of the net investment in the Pirkey Plant was **\$180** **\$185** million, including materials and supplies, net of cost of removal. See the "Regulated Generating Units that have been Retired" section above for additional information. Fuel costs are recovered through active fuel clauses and are subject to prudence determinations by the various commissions. As of March 31, 2023, SWEPCo fuel deliveries, including billings of all fixed costs, from Sabine ceased. Additionally, as of **September 30, 2023** **March 31, 2024**, SWEPCo had a net under-recovered fuel balance of **\$91** **\$72** million, inclusive of costs related to the Pirkey Plant billed by Sabine, but excluding impacts of the February 2021 severe winter weather event. Remaining operational, reclamation and other land-related costs incurred by Sabine will be billed to SWEPCo and included in existing fuel clauses.

In **June 2023**, an unopposed settlement agreement was filed with the PUCT that would provide recovery of \$33 million of Sabine related fuel costs through 2035. **In September 2023, the PUCT approved the settlement agreement.**

In July 2023, the LPSC ordered that a separate proceeding be established to review the prudence of the decision to retire the Pirkey Plant, including the costs included in fuel for years starting in 2019 and after. The LPSC established a procedural schedule stating staff and intervenor testimony is due in November 2024 and a hearing is scheduled for March 2025.

In September 2023, the PUCT approved an unopposed settlement agreement that provides recovery of \$33 million of Sabine related fuel costs through 2035.

If any of these costs are not recoverable or customer refunds are required, it could reduce future net income and cash flows and impact financial condition.

Regulatory Assets Pending Final Regulatory Approval (Applies to all Registrants except AEPTCo)

Noncurrent Regulatory Assets	AEP		AEP	
	March 31, 2024		March 31, 2024	December 31, 2023
			(in millions)	
<u>Regulatory Assets Currently Earning a Return</u>				
Welsh Plant, Units 1 and 3 Accelerated Depreciation				
Pirkey Plant Accelerated Depreciation				
Unrecovered Winter Storm Fuel Costs (a)				
		AEP		
		September 30, 2023	December 31, 2022	
Noncurrent Regulatory Assets		(in millions)		
<u>Regulatory Assets Currently Earning a Return</u>				
Welsh Plant, Units 1 and 3 Accelerated Depreciation	\$	115.5	\$	85.6
Pirkey Plant		113.0		116.5
Unrecovered Winter Storm Fuel Costs (a)		101.4		121.7
Dolet Hills Power Station Fuel Costs - Louisiana		34.7		32.0
Texas Mobile Generation Costs (b)		—		17.6
Other Regulatory Assets Pending Final Regulatory Approval				

Other Regulatory Assets			
Pending Final Regulatory			
Approval			
Other	Other		
Regulatory	Regulatory		
Assets	Assets		
Pending	Pending		
Final	Final		
Regulatory	Regulatory		
Approval	Approval	21.0	19.3
<u>Regulatory</u>	<u>Regulatory</u>		
<u>Assets</u>	<u>Assets</u>		
<u>Currently Not</u>	<u>Currently Not</u>		
<u>Earning a</u>	<u>Earning a</u>		
<u>Return</u>	<u>Return</u>		
Regulatory Assets Currently Not Earning a Return			
Storm-Related Costs (c)(d)			
(e)		385.8	407.2
2020-2022 Virginia			
Triennial Under-Earnings		37.4	37.9
Plant Retirement Costs –			
Asset Retirement			
Obligation Costs		25.9	25.9
Storm-			
Related			
Costs			
NOLC Costs			
NOLC Costs			
NOLC Costs			
Other	Other		
Regulatory	Regulatory		
Assets	Assets		
Pending	Pending		
Final	Final		
Regulatory	Regulatory		
Approval	Approval	51.6	55.6
Total			
Total	Regulatory		
Regulatory	Assets		
Assets	Pending		
Pending Final	Final		
Regulatory	Regulatory		
Approval	Approval	\$ 886.3	\$ 919.3
(a) Includes \$37 million and \$37 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of September 30, 2023, March 31, 2024 and December 31, 2022, respectively. See the “February 2021 Severe Winter Weather Impacts in SPP” section below for additional information.			
(b) In October 2023, the PUCT issued an order approving a rider to recover deferred Texas Mobile Generation Costs. Recovery of deferred costs through the new rider is updated annually, subject to Commission review.			
(c) In October 2023, the PUCO issued an order approving recovery of \$34 million in Ohio storm-related costs.			
(d) In April 2023, the LPSC issued an order approving the prudence and future recovery of the Louisiana storm-related regulatory assets. See “2021 Louisiana Storm Cost Filing” section below for additional information.			
(e) In June 2023, storms in the Oklahoma, Louisiana and Texas service territories caused power outages and extensive damage resulting in the deferral of \$58 million, \$29 million and \$24 million, respectively. Recovery of these storm costs will be addressed in a future request.			
AEP Texas			
September 30, December 31,			
2023 2022			
(in millions)			
Noncurrent Regulatory Assets			

<u>Regulatory Assets Currently Earning a Return</u>			
Texas Mobile Generation Costs (a)	\$	—	\$ 17.6
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm-Related Costs		35.9	26.7
Vegetation Management Program		5.2	5.2
Texas Retail Electric Provider Bad Debt Expense		4.1	4.1
Other Regulatory Assets Pending Final Regulatory Approval		16.3	13.4
Total Regulatory Assets Pending Final Regulatory Approval	\$	61.5	\$ 67.0

(a) In October 2023, the PUCT issued an order approving a rider to recover deferred Texas Mobile Generation Costs. Recovery of deferred costs through the new rider is updated annually, subject to Commission review.

Updated annually, subject to Commission review.

	AEP Texas	
	March 31,	December 31,
	2024	2023
Noncurrent Regulatory Assets	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	\$ 38.4	\$ 37.7
Line Inspection Costs	7.4	5.7
Vegetation Management Program	5.2	5.2
Texas Retail Electric Provider Bad Debt Expense	4.1	4.0
Other Regulatory Assets Pending Final Regulatory Approval	12.1	11.7
Total Regulatory Assets Pending Final Regulatory Approval	\$ 67.2	\$ 64.3

		APCo	
		September 30,	December 31,
		2023	2022
		APCo	
		March 31,	December 31,
		2024	2023
Noncurrent Regulatory Assets	Noncurrent Regulatory Assets	Noncurrent Regulatory Assets	
		(in millions)	
<u>Regulatory Assets Currently Earning a Return</u>	<u>Regulatory Assets Currently Earning a Return</u>		
COVID-19 – Virginia	\$ 7.0	\$ 7.0	
<u>Regulatory Assets Currently Earning a Return</u>			
<u>Regulatory Assets Currently Earning a Return</u>			
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			

Other Regulatory Assets			
Pending Final			
Regulatory Approval			
<u>Regulatory Assets</u>	<u>Regulatory Assets</u>		
<u>Currently Not Earning a Return</u>	<u>Currently Not Earning a Return</u>		
		<u>Regulatory Assets Currently Not Earning a Return</u>	
Storm-Related Costs - West Virginia	Storm-Related Costs - West Virginia	72.2	72.6
2020-2022 Virginia Triennial Under-Earnings			
		37.4	37.9
Plant Retirement Costs – Asset Retirement Obligation Costs			
Plant Retirement Costs – Asset Retirement Obligation Costs			
Plant Retirement Costs – Asset Retirement Obligation Costs	Plant Retirement Costs – Asset Retirement Obligation Costs	25.9	25.9
Other Regulatory Assets Pending Final Regulatory Approval	Other Regulatory Assets Pending Final Regulatory Approval	5.9	1.1
Total Regulatory Assets Pending Final Regulatory Approval	Total Regulatory Assets Pending Final Regulatory Approval	\$ 148.4	\$ 144.5

		I&M			I&M
		December 31, 2023	December 31, 2022		
		March 31, 2024		March 31, 2024	December 31, 2023
Noncurrent Regulatory Assets	Noncurrent Regulatory Assets	(in millions)		Noncurrent Regulatory Assets	
				(in millions)	

<u>Regulatory Assets</u>	<u>Regulatory Assets</u>		
<u>Currently Earning a Return</u>	<u>Currently Earning a Return</u>		
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval	Other Regulatory Assets Pending Final Regulatory Approval	\$ 0.2	\$ 0.1
<u>Regulatory Assets</u>	<u>Regulatory Assets</u>		
<u>Currently Not Earning a Return</u>	<u>Currently Not Earning a Return</u>		
<u>Storm-Related Costs - Indiana</u>	<u>Storm-Related Costs - Indiana</u>	29.4	21.6
NOLC Costs - Indiana			
Other Regulatory Assets Pending Final Regulatory Approval	Other Regulatory Assets Pending Final Regulatory Approval	2.7	2.0
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			
Total Regulatory Assets Pending Final Regulatory Approval	Total Regulatory Assets Pending Final Regulatory Approval	\$ 32.3	\$ 23.7

	OPCo	
	September 30, 2023	December 31, 2022
	(in millions)	
Noncurrent Regulatory Assets		
Regulatory Assets Currently Not Earning a Return		

Storm-Related Costs (a)	\$	21.2	\$	33.8
Total Regulatory Assets Pending Final Regulatory Approval	\$	21.2	\$	33.8

(a) In October 2023, the PUCO issued an order approving recovery of \$34 million in storm-related costs.

Noncurrent Regulatory Assets	OPCo	
	March 31, 2024	December 31, 2023
	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	\$ 23.6	\$ 23.6
Total Regulatory Assets Pending Final Regulatory Approval	\$ 23.6	\$ 23.6

Noncurrent Regulatory Assets	PSO	
	September 30, 2023	December 31, 2022
	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs (a)	\$ 92.8	\$ 25.5
Other Regulatory Assets Pending Final Regulatory Approval	0.2	0.1
Total Regulatory Assets Pending Final Regulatory Approval	\$ 93.0	\$ 25.6

(a) In June 2023, storms caused power outages and extensive damage to the Oklahoma service territory, resulting in the deferral of \$58 million. Recovery for these storm costs will be addressed in a future request.

Noncurrent Regulatory Assets	PSO	
	March 31, 2024	December 31, 2023
	(in millions)	
<u>Regulatory Assets Currently Not Earning a Return</u>		
Storm-Related Costs	\$ 88.8	\$ 88.5
NOLC Costs	12.1	—
Other Regulatory Assets Pending Final Regulatory Approval	2.9	0.2
Total Regulatory Assets Pending Final Regulatory Approval	\$ 103.8	\$ 88.7

		SWEPCo			
		September 30, 2023	December 31, 2022		
		SWEPCo		SWEPCo	
		March 31, 2024		March 31, 2024	December 31, 2023
Noncurrent Regulatory Assets	Noncurrent Regulatory Assets	(in millions)		Noncurrent Regulatory Assets	
				(in millions)	
<u>Regulatory Assets Currently Earning a Return</u>	<u>Regulatory Assets Currently Earning a Return</u>	<u>Regulatory Assets Currently Earning a Return</u>			

Welsh Plant, Units 1 and 3 Accelerated Depreciation	Welsh Plant, Units 1 and 3 Accelerated Depreciation \$	115.5	\$ 85.6
Pirkey Plant		113.0	116.5
Pirkey Plant Accelerated Depreciation			
Unrecovered Winter Storm Fuel Costs (a)	Unrecovered Winter Storm Fuel Costs (a)	101.4	121.7
Dolet Hills Power Station Fuel Costs - Louisiana		34.7	32.0
Dolet Hills Power Station		12.0	9.7
Dolet Hills Power Station Accelerated Depreciation (b)			
Dolet Hills Power Station Accelerated Depreciation (b)			
Dolet Hills Power Station Accelerated Depreciation (b)			
Other Regulatory Assets Pending Final Regulatory Approval	Other Regulatory Assets Pending Final Regulatory Approval	1.7	2.5
<u>Regulatory Assets Currently Not Earning a Return</u>	<u>Regulatory Assets</u>		<u>Regulatory Assets Currently Not Earning a Return</u>
Storm-Related Costs (b)(c)		53.4	151.5
Asset Retirement Obligation - Louisiana		—	11.8
Storm-Related Costs - Louisiana, Texas			
NOLC Costs			
NOLC Costs			
NOLC Costs			
Other Regulatory Assets Pending Final Regulatory Approval	Other Regulatory Assets Pending Final Regulatory Approval	14.8	16.0

Total Regulatory Assets Pending Final Regulatory Approval	Total Regulatory Assets Pending Final Regulatory Approval	\$	446.5	\$	547.3

- (a) Includes \$37 million and \$37 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of September 30, 2023, March 31, 2024 and December 31, 2022, respectively. See the "February 2021 Severe Winter Weather Impacts in SPP" section below for additional information.
- (b) In April 2023, the LPSC issued an order approving the prudence and future recovery of the Louisiana storm-related regulatory assets. See "2021 Louisiana Storm Cost Filing" section below for additional information.
- (c) In June 2023, additional storms in the Louisiana and Texas service territories caused power outages and extensive damage resulting in the deferral of \$29 million and \$24 million, respectively. Recovery of these storm costs will be addressed in a future request. FERC jurisdiction.

If these costs are ultimately determined not to be recoverable, it could reduce future net income and cash flows and impact financial condition.

AEP Texas Rate Matters (Applies to AEP and AEP Texas)

AEP Texas Interim Transmission and Distribution Rates

Through September 30, 2023, AEP Texas' cumulative revenues from interim base rate increases that are subject to a prudence review is approximately \$884 million. A \$1.1 billion. The 2024 AEP Texas base rate review case described below could result in a refund to customers if AEP Texas incurs a disallowance of the transmission or distribution investment on which an interim increase was based. Management is unable to determine a range of potential losses, if any, that are reasonably possible of occurring. A revenue decrease, including a refund of interim transmission and distribution rates, could reduce future net income and cash flows and impact financial condition.

2024 AEP Texas is required to file Base Rate Case

In February 2024, AEP Texas filed a request with the PUCT for a comprehensive \$164 million annual base rate review no later than April 5, 2024, increase over its adjusted test year revenues which include interim transmission and distribution rate updates. AEP Texas's request is based upon a proposed 10.6% ROE with a capital structure of 55% debt and 45% common equity. The rate case seeks a prudence determination on all capital additions included in interim rates since 2018. The procedural schedule for this case states intervenor testimony is due May 2024 and a hearing is scheduled for June 2024. If any of these costs are not recoverable or refunds of revenues collected under interim transmission and distribution rates are ordered to be returned, it could reduce future net income and cash flows and impact financial condition.

APCo and WPCo Rate Matters (Applies to AEP and APCo)

2020-2022 Virginia Triennial Review ENEC (Expanded Net Energy Cost) Filings

In January 2024, the WVPSC issued an order resolving the Companies' 2021-2023 ENEC cases. In the order, the WVPSC: (a) disallowed \$232 million in ENEC under-recovered costs as of February 28, 2023 (\$136 million related to APCo) and (b) approved the recovery of \$321 million of ENEC under-recovered costs as of February 28, 2023 (\$174 million related to APCo) plus a 4% carrying charge rate over a ten-year recovery period starting September 1, 2024. In February 2024, the Companies filed briefs with the West Virginia Supreme Court to initiate an appeal of this order. The West Virginia Supreme Court will hear oral arguments in September 2024, after which it will issue a decision on the appeal. The Companies will submit their annual ENEC update filing with the WVPSC in the second quarter of 2024 proposing that updated ENEC rates become effective September 1, 2024.

2023 Virginia Base Rate Case

In March 2023, APCo submitted its 2020-2022 Virginia triennial review filing and base rate case filed a request with the Virginia SCC as required by state law. APCo requested for a \$213 \$95 million annual increase in Virginia base rates based upon a proposed 10.6% return on 10.8% ROE and a proposed capital structure of 51% debt and 49% common equity. The requested annual increase includes \$47 million related to vegetation management and a \$35 million increase in depreciation expense. The requested increase in depreciation expense reflects, among other things, the impacts of incremental investments made since APCo's last depreciation study using property balances as of December 31, 2022. Effective January 1, 2023 and in accordance with past Virginia SCC directives, APCo implemented updated Virginia depreciation rates. APCo's proposed revenue requirement also includes the recovery of certain costs incurred that partially contributed to APCo's calculated earnings shortfall for the 2020-2022 triennial period. For triennial review periods in which a Virginia utility earns below its authorized ROE band, the utility may file to recover expenses incurred, up to the bottom of the authorized ROE band, related to certain categories of costs, including system restoration costs for severe weather events.

In August 2023, APCo, Virginia Staff and intervening parties reached a settlement agreement that included the following: (a) a \$127 million annual increase in Virginia base rates (b) a 9.5% ROE, (c) updated depreciation rates that reflect a 2040 Amos Plant retirement date, (d) approval of a \$50 million regulatory asset, is primarily due to incremental rate base, proposed capital structure changes including tax gross-up, to be recovered over three years starting in 2024 related to major storm expenses incurred during the 2020-2022 triennial period when APCo under-earned in Virginia, (e) approval of the revenue requirement impact of net operating loss carryforward related to income taxes and approval of deferral authority for corporate alternative minimum taxes incurred and (f) approval of the revenue requirement impact of an increase in vegetation management costs with certain costs subject to over-/under-recovery accounting.

In ROE and proposed increases in distribution and generation operation and maintenance expenses. Staff testimony is due in August 2024 and a hearing is scheduled for September 2023, the hearing examiner issued a report recommending approval of the settlement agreement described above, as filed. The Virginia SCC 2024. An order is expected to issue an order in the fourth quarter second half of 2023, 2024. If any costs included in APCo's 2020-2022 Virginia triennial review this filing are not approved for recovery, it could reduce future net income and cash flows and impact financial condition.

ENEC (Expanded Net Energy Cost) Filings

In April 2021, APCo and WPCo (the Companies) requested a combined \$73 million annual increase in ENEC rates based on a cumulative \$55 million ENEC under-recovery as of February 28, 2021 and an \$18 million increase in projected ENEC costs for the period September 2021 through August 2022. In September 2021, the WVPSC issued an order approving a \$7 million overall increase in ENEC rates, including an approval for recovery of the Companies' cumulative \$55 million ENEC under-recovery balance and a \$48 million reduction in projected costs for the period September 2021 through August 2022. Subsequently, the Companies submitted a request for reconsideration of this order, identifying flaws in the WVPSC's calculation of forecasted future year fuel expense and purchased power costs.

In March 2022, the WVPSC issued an order granting the Companies' request for reconsideration, in part, and approving \$31 million in projected costs for the period September 2021 through August 2022. The order also reopened the 2021 ENEC case to require the Companies to explain the significant growth in the reported under-recovery of ENEC costs and to provide various other information including revised projected costs for the period March 2022 through August 2022. Also, in March 2022, the Companies filed testimony providing the information requested in the WVPSC's order and requested a \$155 million annual increase in ENEC rates effective May 1, 2022. In May 2022, the WVPSC issued an order approving a \$93 million overall increase to ENEC rates to recover projected annual ENEC costs. However, the WVPSC stated that actual and projected ENEC costs are still subject to a prudence review.

In April 2022, the Companies submitted their 2022 annual ENEC filing with the WVPSC requesting a \$297 million annual increase in ENEC revenues, inclusive of the previously requested \$155 million increase, effective September 1, 2022.

In September 2022, following an agreed upon delay in the proceedings of the Companies' 2022 ENEC case, certain intervenors submitted testimony recommending disallowances of at least \$83 million to the Companies' historical period ENEC under-recovery balance along with proposals to either securitize the Companies' remaining ENEC balance or defer recovery of this balance beyond the traditional one-year period. West Virginia staff recommended a \$13 million increase in ENEC rates pending the outcome of the ENEC prudence review. In February 2023, the WVPSC issued an order stating that the commission will not grant additional rate increases for fuel costs until the WVPSC staff completes its prudence review.

In April 2023, the Companies submitted their 2023 annual ENEC filing with the WVPSC, proposing two alternatives to increase ENEC rates effective September 1, 2023. The first alternative is a \$293 million annual increase in ENEC rates comprised of an \$89 million increase for current year ENEC expense and a \$200 million annual increase for the recovery of the Companies' February 28, 2023 ENEC under-recovery balances over three years, including debt and equity carrying costs. The second alternative is an \$89 million annual increase in ENEC rates with the Companies securitizing approximately \$1.9 billion of assets, including: (a) \$553 million relating to ENEC under-recoveries as of February 28, 2023, (b) \$88 million relating to major storm expense deferrals and (c) \$1.2 billion relating to APCo's West Virginia jurisdictional book values of the Amos and Mountaineer Plants and forecasted CCR and ELG investments at these generating facilities. The Companies continue to reflect ENEC under-recovery balances as current on their balance sheets since management cannot assert whether the WVPSC will approve recovery of ENEC under-recovery balances over a time frame different from the traditional one-year period.

Additionally, in April 2023, the Staff submitted the prudence review prepared by an independent consultant retained by the WVPSC staff of the Companies' operation of the Amos, Mountaineer and Mitchell coal plants that Staff was directed to conduct by the WVPSC in May 2022 (Consultant's Report). The Consultant's Report states the opinion of the consultant that the Companies acted imprudently by not taking steps to achieve a 69% capacity factor at their coal-fired plants and recommends applying a disallowance factor of 52.9% to the Companies' cumulative, September 30, 2022 ENEC under-recovery balance of approximately \$430 million. The Consultant's Report further states the consultant's opinion that this disallowance factor could also be utilized in future ENEC filings. Adoption of the Consultant's Report's findings by the WVPSC could result in a disallowance of up to \$285 million. The Companies disagree with the conclusions and recommendations contained in the Consultant's Report and a hearing was held with the WVPSC in September 2023.

In August 2023, the Staff and intervenors submitted testimony recommending, among other items: (a) disallowances of up to \$262 million of historical ENEC under-recovery balances based on alleged lack of prudence, (b) carrying charges on under-recovered balances ranging from 2% to 4% and (c) the recovery of February 28, 2023 ENEC under-recoveries over a period of time ranging from three to five years. In addition, certain intervenors recommended the rejection of the Companies' proposed securitization and one intervenor recommended that, no later than January 1, 2024, the Companies dispatch their coal fleet at the lower of actual purchase costs or replacement pricing through at least 2026 and that the Companies share 75% of any off-system sales revenues with customers.

In September 2023, the WVPSC issued an order on the 2023 ENEC filing approving an \$89 million annual increase in ENEC surcharge rates for the Companies' forecasted costs for the period September 2023 through August 2024. An order from the WVPSC on the 2021 and 2022 ENEC cases is expected in the fourth quarter of 2023.

In October 2023, intervening parties submitted reply briefs. One intervening party amended their recommended disallowance to include the Companies' full \$553 million ENEC under-recovery as of February 28, 2023. The other intervening parties' recommended disallowances remained consistent with testimony submitted in August 2023.

If any deferred ENEC costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

ETT Rate Matters (Applies to AEP)

ETT Interim Transmission Rates

AEP has a 50% equity ownership interest in ETT. Predominantly all of ETT's revenues are based on interim rate changes that can be filed twice annually and are subject to review and possible true-up in the next base rate proceeding. Through September 30, 2023 March 31, 2024, AEP's share of ETT's cumulative revenues that are subject to a prudency review is approximately \$1.6 \$1.7 billion. A base rate review could produce a refund to customers if ETT incurs a disallowance of the transmission investment on which an interim increase was based. A revenue decrease, including a refund of interim transmission rates, could reduce future net income and cash flows and impact financial condition. Management is unable to determine a range of potential losses, if any, that are reasonably possible of occurring. ETT is required to file for a comprehensive rate review no later than February 1, 2025, during which the \$1.6 \$1.7 billion of cumulative revenues above will be subject to review.

I&M Rate Matters (Applies to AEP and I&M)

Michigan Power Supply Cost Recovery (PSCR)

In April 2023, I&M received intervenor testimony in I&M's 2021 PSCR Reconciliation for the 12-month period ending December 31, 2021 recommending disallowances of purchased power costs of \$18 million associated with the OVEC Inter-Company Power Agreement (ICPA) and the Rockport Plant UPA with AEGCo that were alleged to be above market in applying the MPSC's Code of Conduct rules. Michigan staff submitted testimony in I&M's 2021 PSCR Reconciliation with no recommended disallowances for PSCR costs incurred, including those associated with the OVEC ICPA and the AEGCo UPA, Rockport Plant UPA with AEGCo. Michigan staff also recommended several options to address I&M's shortfall in achieving Michigan's annual one percent energy waste reduction savings level, resulting in potential future disallowed costs of up to approximately \$14 million. In June 2023, Michigan staff submitted rebuttal testimony to update their calculation of the 2021 market proxy price resulting in a recommended disallowance of approximately \$1 million related to the OVEC ICPA. An

In January 2024, I&M received staff testimony in I&M's 2022 PSCR Reconciliation for the 12-month period ending December 31, 2022 recommending disallowances of purchased power costs of \$2 million associated with the OVEC ICPA that were alleged to be above market in applying the MPSC's Code of Conduct rules. Similar to the 2021 PSCR Reconciliation, Michigan staff also recommended several options to address I&M's shortfall in achieving Michigan's annual one percent energy waste reduction savings level, resulting in potential future disallowed costs of up to approximately \$6 million. In April 2024, the MPSC issued an order on I&M's 2021 PSCR Reconciliation that: (a) disallowed \$1 million of purchased power costs associated with the OVEC ICPA that the MPSC concluded were above market, (b) disallowed \$10 million of purchased power costs under the Rockport Plant UPA with AEGCo that the MPSC concluded were "energy only" and above market and (c) disallowed \$497 thousand of PSCR costs due to I&M's shortfall in achieving Michigan's one percent energy waste reduction savings level in 2020. As of March 31, 2024, I&M's financial statements reflect the impacts of this disallowance. I&M expects to appeal the MPSC's order.

In March 2024, I&M submitted its 2023 PSCR Reconciliation to the MPSC. An MPSC order on I&M's 2022 PSCR Reconciliation is expected in the fourth quarter second half of 2023, 2024. The MPSC has yet to issue a procedural schedule for I&M's 2023 PSCR Reconciliation. If any PSCR costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

2023 Indiana Base Rate Case

In August 2023, I&M filed a request with the IURC for a \$116 million annual increase in Indiana base rates based upon a 2024 forecasted test year, a proposed 10.5% ROE and a proposed capital structure of 48.8% debt and 51.2% common equity. I&M proposed that the annual increase in base rates be implemented in two steps, with the first increase effective in mid-2024, following an IURC order, and the second increase effective in January 2025. The proposed annual increase includes a \$41 million increase related to depreciation expense, driven by increased depreciation rates and increased capital investments, and a \$15 million increase related to storm expenses. I&M's Indiana base case filing requests recovery of certain historical period regulatory asset balances and proposes deferral accounting for certain future investments and tax related issues, including corporate alternative minimum tax expense and PTCs related to the Cook Plant. Intervenor testimony

In December 2023, I&M and intervenors reached a settlement agreement that was submitted to the IURC recommending a two-step increase in Indiana rates with a \$28 million annual increase effective upon an IURC order and the remaining \$34 million annual increase effective in January 2025. The recommended revenue increase includes: (a) a 9.85% ROE, (b) a two-step update of I&M's capital structure with a capital structure of 50% for both debt and common equity effective upon an IURC order and I&M will submit an updated capital structure in January 2025 with the common equity component adjusted to no more than 51.2%, (c) a \$25 million increase related to depreciation expense and (d) an \$11 million increase related to storm expenses.

A hearing was held in January 2024 and an order is due November 2023 and a hearing is scheduled for January expected in the second quarter of 2024. If any costs included in this filing are not approved for recovery, it could reduce future net income and cash flows and impact financial condition.

2023 Michigan Base Rate Case

In September 2023, I&M filed a request with the MPSC for a \$34 million annual increase in Michigan base rates based upon a 2024 forecasted test year, a proposed 10.5% ROE and a capital structure of 49.4% debt and 50.6% common equity. The proposed annual increase includes an \$11 million annual increase in depreciation expense driven by increased capital investment. I&M's Michigan base case filing requests recovery of certain historical period regulatory asset balances and proposes deferral accounting for certain future investments and tax related issues, including corporate alternative minimum tax (CAMT) expense and PTCs related to the Cook Plant. Intervenor testimony is due

In January 2024, Michigan staff and various intervenors submitted testimony recommending changes in base rates ranging from a \$6 million annual decrease to a \$19 million annual increase. These changes are based on ROEs ranging from 9.7% to 9.9% and capital structures ranging from 49.4% debt and 50.6% equity to 52% debt and 48% equity.

Staff and intervenors also proposed in testimony certain disallowances related to regulatory assets and capital investments, the exclusion of CAMT from any future deferrals and the prospective inclusion of PTCs related to the Cook Plant in I&M's PSCR.

A hearing is scheduled for February 2024. If any costs included in this filing are not approved for recovery, it could reduce future net income and cash flows and impact financial condition.

KPCo Rate Matters (Applies to AEP)

Fuel Adjustment Clause (FAC) Purchased Power Limitation Investigation of the Service, Rates and Facilities of KPCo

In May 2023, KPCo filed an application seeking authority to defer, for future recovery, approximately \$12 million of December 2022 purchased power costs not recoverable through its FAC. This requested deferral accounting authority would have enabled KPCo to pursue securitization of these costs. In June 2023, the KPSC denied KPCo's request for deferral accounting authority. In July 2023, KPCo appealed this decision to the Kentucky state appellate court.

Also in June 2023, following its order denying KPCo's request for deferral accounting authority, the KPSC issued an order directing KPCo to show cause why it should not be subject to Kentucky statutory remedies, including fines and penalties, for failure to provide adequate service in its service territory. The KPSC's show cause order did not make any determination regarding the adequacy of KPCo's service. In July 2023, KPCo filed a response to the show cause order demonstrating that it has provided adequate service. In December 2023 and February 2024, KPCo and certain intervenors filed testimony with the KPSC. In February 2024, KPCo filed a motion to strike and exclude intervenor testimony. In March 2024, the KPSC denied KPCo's February 2024 motion. A hearing is scheduled for the first quarter of expected in 2024.

KPCo is requesting a prudence determination and recovery mechanism for these costs in its 2023 base rate. Unless and until KPCo is granted a recovery mechanism for these purchased power costs from the KPSC it will impact cash flows and financial condition. Additionally, if any fines or penalties are levied against KPCo relating to the show cause order, it could reduce net income and cash flows and impact financial condition.

2023 Kentucky Base Rate and Securitization Case

In June 2023, KPCo filed a request with the KPSC for a \$94 million net annual increase in base rates based upon a proposed 9.9% ROE with the increase to be implemented no earlier than January 2024. The filing proposes no changes in depreciation rates and an annual level of storm restoration expense in base rates of approximately \$1 million. KPCo also proposed to discontinue tracking of PJM transmission costs through a rider, and to instead collect an annual level of costs through base rates. In addition, KPCo has proposed a rider to recover certain distribution reliability investments and related incremental operation and maintenance expenses. KPCo also requested a prudence determination and recovery mechanism for approximately \$16 million of purchased power costs not recoverable through its FAC since its last base case.

In conjunction with its June 2023 filing, KPCo further requested to finance through the issuance of securitization bonds, approximately \$471 million of regulatory assets. KPCo's proposal did not address the disposition of its 50% interest in Mitchell Plant, which will be addressed in the future. As of March 31, 2024, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was \$543 million. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

In November 2023, KPCo filed an uncontested settlement agreement with the KPSC, that included an annual base rate increase of \$75 million, based upon a 9.75% ROE. Settlement parties agreed that the KPSC should approve KPCo's securitization request, and that the approximately \$471 million regulatory assets recorded requested for securitization are comprised of prudently incurred costs.

In January 2024, the KPSC issued an order modifying the November 2023 uncontested settlement agreement and approving an annual base rate increase of \$60 million based upon a 9.75% ROE effective with billing cycles mid-January 2024. The order reduced KPCo's base rate revenue requirement by \$14 million to allow recovery of actual test year PJM transmission costs instead of KPCo's requested annual level of costs based on PJM 2023 projected transmission revenue requirements. In February 2024, KPCo filed an appeal with the Commonwealth of Kentucky Franklin Circuit Court, challenging among other aspects of the order the \$14 million base rate revenue requirement reduction.

In January 2024, consistent with the November 2023 uncontested settlement agreement, the KPSC issued a financing order approving KPCo's request to securitize certain regulatory assets balances as of June 2023 including: the time securitization bonds are issued and concluding that costs requested for recovery through securitization were prudently incurred. The KPSC's financing order includes certain additional requirements related to securitization bond structuring, marketing, placement and issuance that were not reflected in KPCo's proposal. As a result, in January 2024, KPCo filed a request for rehearing with the KPSC to clarify

certain aspects of these additional requirements. In February 2024, the KPSC denied KPCo's rehearing requests. In accordance with Kentucky statutory requirements and the financing order, the issuance of the securitized bonds is subject to final review by the KPSC after bond pricing. KPCo expects to proceed with the securitized bond issuance process and to complete the securitization process in the second half of 2024, subject to market conditions. As of March 31, 2024, regulatory asset balances expected to be recovered through securitization total \$476 million and include: (a) \$289 \$288 million of plant retirement costs, (b) \$79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) \$52 \$46 million of deferred purchased power expenses, and (d) \$51 \$62 million of under-recovered purchased power rider costs. Plant retirement costs and deferred purchased power expenses have been deemed prudent in prior KPSC decisions. KPCo has requested a prudence determination in this proceeding for the deferred storm costs and under-recovered purchase power rider costs since the last base case. Consistent with Kentucky statutory requirements, the present value of the return on accumulated deferred income tax benefits related to plant retirement costs and deferred purchase power expenses were proposed to reduce the amount authorized to be financed through securitization.

In October 2023, various intervenors filed testimony recommending an annual base rate increase of \$63 million based on ROEs ranging from 9.3% to 9.7%. Intervenors supported KPCo's securitization request, but proposed to include certain tax benefits as a reduction to the base rate revenue requirement. Intervenors

also supported KPCo's proposal to discontinue tracking of PJM transmission costs through a rider, and to instead collect an annual level of costs through base rates. Other differences between KPCo's requested annual base rate increase and the intervenors' recommendations are primarily due to: (a) proposals to remove certain employee-related expenses from the revenue requirement, (b) opposition to various matters related to accumulated deferred income taxes, including opposition to KPCo's inclusion of its deferred tax asset associated with net operating loss on a stand-alone tax basis in rate base and a recommendation that KPCo not be permitted to recover a tax-related regulatory asset of approximately \$33 million, (c) opposition to recovery of approximately \$16(e) \$1 million of purchased power costs not recoverable through its FAC since its last base case and (d) a recommendation that KPCo not earn a return on \$42 million of prepaid pension and OPEB assets. In addition, intervenors expressed opposition to KPCo's proposed rider to recover certain distribution reliability investments and related incremental operation and maintenance deferred issuance-related expenses including KPSC advisor expenses. KPCo is scheduled to file rebuttal testimony in November 2023. If any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Fuel Adjustment Clause (FAC) Review

In December 2023, KPCo received intervenor testimony in its FAC review for the two-year period ending October 31, 2022, recommending a disallowance ranging from \$44 million to \$60 million of its total \$432 million purchased power cost recoveries as a result of proposed modifications to the ratemaking methodology that limits purchased power costs recoverable through the FAC. A hearing was held in February 2024 and an order is expected in the second quarter of 2024. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Rockport Offset Recovery

In January 2024, KPCo filed an application with the KPSC seeking to recover an allowed cost (Rockport Offset) of \$41 million in accordance with the terms of the settlement agreement in the 2017 Kentucky Base Rate Case permitting KPCo to use the level of non-fuel, non-environmental Rockport Plant UPA expense included in base rates to earn its authorized ROE in 2023 since the Rockport UPA ended in December 2022. An estimated Rockport Offset of \$23 million was recovered through a rider, subject to true-up, during the 12-months ended December 2023. In February 2024, the KPSC issued an order allowing KPCo to collect the remaining \$18 million through interim rates, subject to refund, over twelve months starting in March 2024. In April 2024, KPCo submitted to the KPSC a request for decision on the record. An order is expected in 2024. Through the first quarter of 2024, the Rockport Offset true-up is reflected in revenues to the extent amounts have been billed to customers, as KPCo has not met the requirements of alternative revenue recognition in accordance with the accounting guidance for "Regulated Operations". If the Rockport Offset is not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

OPCo Rate Matters (Applies to AEP and OPCo)

OVEC Cost Recovery Audits

In December 2021, as part of OVEC cost recovery audits pending before the PUCO, intervenors filed positions claiming that costs incurred by OPCo during the 2018-2019 audit period were imprudent and should be disallowed. In May 2022, intervenors filed for rehearing on the 2016-2017 OVEC cost recovery audit period claiming the PUCO's April 2022 order to adopt the findings of the audit report were unjust, unlawful and unreasonable for multiple reasons, including the position that OPCo recovered imprudently incurred costs. In June 2022, the PUCO granted rehearing on the 2016-2017 audit period for purposes of further consideration.

In May 2023, as part of the OVEC cost recovery audits pending before the PUCO, intervenors filed positions claiming that costs incurred by OPCo during the 2020 audit period were imprudent and should be disallowed. A hearing is scheduled for was held in November 2023. In the fourth first quarter of 2023, 2024, post-hearing briefs were filed by the parties and the case currently awaits a decision on the merits.

Management disagrees with these claims and is unable to predict the impact of these disputes. If any costs are disallowed or refunds are ordered, it could reduce future net income and cash flows and impact financial condition. See "OVEC" section of Note 17 in the 2022 Annual Report for additional information on AEP and OPCo's investment in OVEC.

Ohio ESP Filings

In January 2023, OPCo filed an application with the PUCO to approve an ESP that included proposed rate adjustments, proposed new riders and the continuation and modification of certain existing riders, including the DIR, effective June 2024 through May 2030. The proposal includes a return on common equity of 10.65% on capital costs for certain riders. In June 2023, intervenors filed testimony opposing OPCo's plan for various new riders and modifications to existing riders, including the DIR. In September 2023, OPCo and certain intervenors filed a settlement agreement with the PUCO addressing the ESP application. The settlement included a four year term from June 2024 through May 2028, an ROE of 9.7% and continuation of a number of riders including the DIR subject to revenue caps. An order from In April 2024, the PUCO is expected in issued an order approving the first quarter of 2024. If OPCo is ultimately not permitted to fully collect its ESP rates, it could reduce future net income and cash flows and impact financial condition.

settlement agreement.

PSO Rate Matters (Applies to AEP and PSO)

2022 2024 Oklahoma Base Rate Case

In November 2022, January 2024, PSO filed a request with the OCC for a \$173 \$218 million annual base rate increase in rates based upon a 10.4% 10.8% ROE with a capital structure of 45.4% 48.9% debt and 54.6% 51.1% common equity, net of existing equity. PSO requested an expanded transmission cost recovery rider revenues and certain incremental renewable facility benefits expected to be provided to customers through riders. The requested annual revenue increase included a \$47 million annual depreciation expense increase related to the accelerated depreciation recovery of the Northeastern Plant, Unit 3 through 2026, and a \$16 million annual amortization expense increase mechanism to recover intangible plant over a 5-year useful life instead of a 10-year useful life. PSO's request also included recovery of the 154 MW Rock Falls Wind Facility through base rates generation costs necessary to aid PSO's near-term capacity needs and support compliance comply with SPP's 2023 increased capacity planning reserve

margin requirements. In November 2022, PSO entered into an agreement to acquire PSO's request includes the Rock Falls Wind Facility. In February 2023, the FERC approved PSO's acquisition of the 155 MW Rock Falls Wind Facility under Section 203 of the Federal Power Act. PSO closed on the acquisition and placed the Rock Falls Wind Facility in-service on March 31, 2023. In addition, PSO requested an annual formula based rate tariff, with an initial one-year pilot term. In the event the requested formula based rate tariff was denied, PSO requested an expanded rider to recover certain distribution investments and related expenses as well as an expanded transmission cost recovery rider.

In March 2023, OCC staff and various intervenors filed testimony supporting net annual revenue changes ranging from a \$42 million net decrease to a \$49 million net increase based upon ROEs ranging from 8.6% to 9.5%. The difference between PSO's request and OCC staff and intervenor testimony is primarily due to: (a) rejection of PSO's request to accelerate the reflects recovery of Northeastern Plant, Unit 3 from its original retirement date of 2040 to its projected retirement date of 2026, (b) rejection of PSO's request to recover intangible plant over a 5-year useful life instead of a 10-year useful life, (c) recommended disallowance of approximately \$9 million through 2040. The procedural schedule for this case states intervenor testimony is due in certain distribution plant investments, (d) opposition to inclusion of the Rock Falls Wind Facility revenue requirement in customer rates before PSO's next base rate case, (e) opposition to PSO's inclusion of its deferred tax asset associated with net operating loss on a stand-alone tax basis in rate base May 2024 and (f) lower recommended ROEs and recommendations to use certain hypothetical capital structures. Parties also recommended that the OCC reject PSO's requested formula based rate, and alternate requests for expanded distribution investment and transmission cost recovery riders.

In May 2023, PSO, OCC staff and certain intervenors filed a contested joint stipulation and settlement agreement with the OCC that includes an annual revenue increase of \$50 million, based upon a 9.5% ROE with a capital structure of 45.4% debt and 54.6% common equity, net of existing rider revenues and certain incremental renewable facility benefits expected to be provided to customers through riders. The net annual increase includes recovery of the 154 MW Rock Falls Wind Facility through base rates. Northeastern Plant, Unit 3 will continue to be recovered through 2040 and intangible plant will continue to be recovered over a 10-year useful life. The agreement also provides for certain rider-related items, including: (a) revision to PSO's Fuel Clause Adjustment Rider to reflect factor updates to occur on a semi-annual basis, (b) approval to defer a weighted average cost of capital carrying charge on PSO's deferred tax asset associated with net operating loss on a stand-alone tax basis to a regulatory asset and, contingent upon receipt of a supportive private letter ruling from the IRS, approval to collect the deferral through a rider over a 20-month period and (c) approval to implement an expanded rider to recover certain distribution investments for a three-year term, up to a \$6 million annual revenue requirement.

In May 2023, a hearing on the merits of the contested joint stipulation and settlement agreement was held at the OCC and PSO implemented an interim annual base rate increase, subject to refund, based upon the contested joint stipulation and settlement agreement. In is scheduled for July 2023, an ALJ report was filed and included recommendations generally consistent with the intervenor testimony. The ALJ report is not binding on the OCC. Through September 30, 2023, PSO's cumulative revenue from the interim annual base rate increase, subject to refund, is approximately \$80 million. A final order is expected in the fourth quarter of 2023. 2024. If the OCC modifies the contested joint stipulation and settlement agreement and PSO is required to refund any of the \$80 million of revenue recorded subject to refund or any costs included in this filing are not recoverable, approved for recovery, it could reduce future net income and cash flows and impact financial condition.

SWEPCo Rate Matters (Applies to AEP and SWEPCo)

2012 Texas Base Rate Case

In 2012, SWEPCo filed a request with the PUCT to increase annual base rates primarily due to the completion of the Turk Plant. In 2013, the PUCT issued an order affirming the prudence of the Turk Plant but determined that the Turk Plant's Texas jurisdictional capital cost cap established in a previous Certificate of Convenience and Necessity case also limited SWEPCo's recovery of AFUDC in addition to limits on its recovery of cash construction costs.

Upon rehearing in 2014, the PUCT reversed its initial ruling and determined that AFUDC was excluded from the Turk Plant's Texas jurisdictional capital cost cap. As a result, SWEPCo reversed \$114 million of a previously recorded regulatory disallowance in 2013. In 2017, the Texas District Court upheld the PUCT's 2014 order and intervenors filed appeals with the Texas Third Court of Appeals.

In August 2021, the Texas Third Court of Appeals reversed the Texas District Court judgment affirming the PUCT's order on AFUDC, concluding that the language of the PUCT's original 2008 order intended to include AFUDC in the Texas jurisdictional capital cost cap and remanded the case to the PUCT for future proceedings. In November 2021, SWEPCo and the PUCT submitted Petitions for Review with the Texas Supreme Court. In October 2022, the Texas Supreme Court denied the Petitions for Review submitted by SWEPCo and the PUCT. In December 2022, SWEPCo and the PUCT filed requests for rehearing with the Texas Supreme Court. In June 2023, the Texas Supreme Court denied SWEPCo's request for rehearing and the case was remanded to the PUCT for future proceedings. In October 2023, SWEPCo filed testimony with the PUCT in the remanded proceeding recommending no refund or disallowance.

Management does On December 14, 2023, the PUCT approved a preliminary order stating the PUCT will not believe address SWEPCo's request that would allow the PUCT to find cause to allow SWEPCo to exceed the Texas jurisdictional capital cost cap in the current remand proceeding. As a disallowance result of capitalized Turk Plant costs or a revenue refund the PUCT's approval of the preliminary order, SWEPCo believes it is probable as of September 30, 2023. However, if SWEPCo is ultimately unable to recover the PUCT will disallow capitalized AFUDC in excess of the Texas jurisdictional capital cost cap it would be expected to result in and recorded a pretax, net non-cash disallowance of \$86 million. Such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis. On December 21, 2023, SWEPCo filed a motion with the PUCT for reconsideration of the preliminary order. In January 2024, the PUCT denied the motion for reconsideration of the preliminary order.

The PUCT's December 2023 approval of the preliminary order determined that it will address, in the ongoing PUCT remand proceeding, any potential revenue refunds to customers that may be required by future PUCT orders. In January 2024, the PUCT established a procedural schedule for the remand proceeding. On March 1, 2024, SWEPCo filed supplemental direct testimony with the PUCT in response to the December 2023 preliminary order. On March 8, 2024, intervenors and the PUCT staff filed a motion with the PUCT to strike portions of SWEPCo's October 2023 direct testimony and March 2024 supplemental direct testimony. On March 19, 2024, The ALJ granted portions of the motion which included removal of testimony supporting SWEPCo's position that refunds are not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. A

decision by the PUCT on the appeal is expected in the second quarter of 2024. In April 2024, intervenors and PUCT staff submitted testimony recommending customer refunds through December 2023 ranging from \$80 \$149 million to \$90 million. In addition, if \$197 million, including carrying charges, with refund periods ranging from 18 months to 48 months. A hearing is scheduled for May 2024. Although SWEPCo is ultimately unable to recover AFUDC in excess does not currently believe any refunds are probable of the Texas jurisdictional cost cap, occurring, SWEPCo estimates it may could be required to make customer refunds, including interest, ranging from \$0 to \$200 million related to revenues collected from February 2013 through September 2023 and such determination may reduce SWEPCo's future revenues by approximately \$15 million on an annual basis. March 2024.

2016 Texas Base Rate Case

In 2016, SWEPCo filed a request with the PUCT for a net increase in Texas annual revenues of \$69 million based upon a 10% ROE. In January 2018, the PUCT issued a final order approving a net increase in Texas annual revenues of \$50 million based upon a ROE of 9.6%, effective May 2017. The final order also included: (a) approval to recover the Texas jurisdictional share of environmental investments placed in-service, as of June 30, 2016, at various plants, including Welsh Plant, Units 1 and 3, (b)

approval of recovery of, but no return on, the Texas jurisdictional share of the net book value of Welsh Plant, Unit 2, (c) approval of \$2 million in additional vegetation management expenses and (d) the rejection of SWEPCo's proposed transmission cost recovery mechanism.

As a result of the final order, in 2017 SWEPCo: (a) recorded an impairment charge of \$19 million, which included \$7 million associated with the lack of return on Welsh Plant, Unit 2 and \$12 million related to other disallowed plant investments, (b) recognized \$32 million of additional revenues, for the period of May 2017 through December 2017, that was surcharged to customers in 2018 and (c) recognized an additional \$7 million of expenses consisting primarily of depreciation expense and vegetation management expense, offset by the deferral of rate case expense. SWEPCo implemented new rates in February 2018 billings. The \$32 million of additional 2017 revenues was collected during 2018. In March 2018, the PUCT clarified and corrected portions of the final order, without changing the overall decision or amounts of the rate change. The order has been appealed by various intervenors related to limiting SWEPCo's recovery of AFUDC on Turk Plant and recovery of Welsh Plant, Unit 2. If certain parts of the PUCT order are overturned, it could reduce future net income and cash flows and impact financial condition.

2020 Texas Base Rate Case

In October 2020, SWEPCo filed a request with the PUCT for a \$105 million annual increase in Texas base rates based upon a proposed 10.35% ROE. The request would move transmission and distribution interim revenues recovered through riders into base rates. Eliminating these riders would result in a net annual requested base rate increase of \$90 million primarily due to increased investments. SWEPCo subsequently filed a request with the PUCT lowering the requested annual increase in Texas base rates to \$100 million, which would result in an \$85 million net annual base rate increase after moving the proposed riders to rate base.

In January 2022, the PUCT issued a final order approving an annual revenue increase of \$39 million based upon a 9.25% ROE. The order also includes: (a) rates implemented retroactively back to March 18, 2021, (b) \$5 million of the proposed increase related to vegetation management, (c) \$2 million annually to establish a storm catastrophe reserve and (d) the creation of a rider to recover the Dolet Hills Power Station as if it were in rate base until its retirement at the end of 2021 and starting in 2022 the remaining net book value to be recovered as a regulatory asset through 2046. As a result of the final order, SWEPCo recorded a disallowance of \$12 million in 2021 associated with the lack of return on the Dolet Hills Power Station. In February 2022, SWEPCo filed a motion for rehearing with the PUCT challenging several errors in the order, which include challenges of the approved ROE, the denial of a reasonable return or carrying costs on the Dolet Hills Power Station and the calculation of the Texas jurisdictional share of the storm catastrophe reserve. In April 2022, the PUCT denied the motion for rehearing. In May 2022, SWEPCo filed a petition for review with the Texas District Court seeking a judicial review of the several errors challenged in the PUCT's final order.

2020 Louisiana Base Rate Case

In December 2020, SWEPCo filed a request with the LPSC for a \$134 million annual increase in Louisiana base rates based upon a proposed 10.35% ROE. SWEPCo's requested annual increase includes accelerated depreciation related to the Dolet Hills Power Station, Pirkey Power Plant and Welsh Plant, all of which were or are expected to be retired early. SWEPCo also included recovery of Welsh Plant, Unit 2 over the blended useful life of Welsh Plant, Units 1 and 3. SWEPCo subsequently revised the requested annual increase to \$95 million to reflect removing hurricane storm restoration costs from the base case filing, to modify the proposed recovery of the Dolet Hills Power Station and revisions to various proposed amortizations. The hurricane costs have been requested in a separate storm filing. See "2021 Louisiana Storm Cost Filing" below for more information.

In January 2023, the LPSC approved a settlement which provides for an annual revenue increase of \$27 million based upon a 9.5% ROE and includes: (a) a \$21 million increase in base rates effective February 2023, (b) a \$14 million rider to recover costs of the Dolet Hills Power Station and Pirkey Plant including a return, (c) an \$8 million reduction in fuel rates, (d) adoption of a 3-year formula rate term subject to an earnings band and (e) the recovery of certain incremental SPP charges net of associated revenue and the Louisiana jurisdictional share of the return on and of projected transmission capital investment outside of the earnings band. The settlement agreement did not rule on the prudence of the early retirement of the Dolet Hills Power Station, which is being addressed in a separate proceeding.

The primary differences between SWEPCo's requested annual rate increase and the agreed upon settlement increase are primarily due to: (a) a reduction in the requested ROE, (b) recovery of the Dolet Hills Power Station and Pirkey Plant over ten years in a separate rider mechanism as opposed to base rates with accelerated depreciation rates, (c) maintaining existing depreciation rates for Welsh Plant, Units 1 and 3 and (d) the severing of SWEPCo's proposed adjustment to include a stand-alone NOLC deferred tax asset in rate base.

In January 2023, a hearing was held related to the inclusion of a stand-alone NOLC deferred tax asset in rate base. In September 2023, an order was received from the LPSC directing SWEPCo to seek a private letter ruling from the IRS to address the matter.

2021 Louisiana Storm Cost Filing

In 2020, Hurricanes Laura and Delta caused power outages and extensive damage to the SWEPCo service territories, primarily impacting the Louisiana jurisdiction. Following both hurricanes, the LPSC issued orders allowing Louisiana utilities, including SWEPCo, to establish regulatory assets to track and defer expenses associated with these storms. In February 2021, severe winter weather impacted the Louisiana jurisdiction and in March 2021, the LPSC approved the deferral of incremental storm restoration expenses related to the winter storm. In March 2023, SWEPCo and the LPSC staff filed a joint stipulation and settlement agreement with the LPSC which confirmed the prudence of \$150 million of deferred incremental storm restoration expenses. The agreement also authorized an interim carrying charge at a rate of 3.125% until the recovery mechanism is determined in phase two of this proceeding, through March 2024. In April 2023, the LPSC issued an order approving the stipulation and settlement agreement. In July 2023, SWEPCo submitted additional information in phase two of this proceeding to obtain a financing order and prudence review of capital investment. In April 2024, SWEPCo and the LPSC staff filed a joint uncontested stipulation and settlement agreement with the LPSC requesting securitization of storm costs, including a storm reserve. A hearing is scheduled for May 2024. If SWEPCo is unable to recover the regulatory assets associated with these storms, it could reduce future net income and cash flows and impact financial condition.

February 2021 Severe Winter Weather Impacts in SPP

In February 2021, severe winter weather had a significant impact in SPP, resulting in significantly increased market prices for natural gas power plants to meet reliability needs for the SPP electric system. For the time period of February 9, 2021, to February 20, 2021, SWEPCo's natural gas expenses and purchases of electricity still to be recovered from customers are shown in the table below:

	September 30, 2023		December 31, 2022	Approved Recovery Period	Approved Carrying Charge										
Jurisdiction	Jurisdiction	30, 2023	31, 2022												
(in millions)															
Jurisdiction						March 31, 2024									
Jurisdiction							December 31, 2023		Approved Recovery Period		Approved Carrying Charge				
(in millions)															
Arkansas															
Arkansas															
Arkansas	Arkansas	\$ 59.4	\$ 74.9	6 years	(a)	\$48.6	\$	\$54.2	6 years		6 years		(a)		
Louisiana	Louisiana	101.4	121.7	(b)	(b)	Louisiana	90.8	97.2	97.2	(b)			(b)		
Texas	Texas	108.6	132.4	5 years	1.65%	Texas	94.5	101.9	101.9	5 years		5 years		1.65%	
Total	Total	\$ 269.4	\$ 329.0												

- (a) SWEPCo is permitted to record carrying costs on the unrecovered balance of fuel costs at a weighted-cost of capital approved by the APSC. The APSC will conduct conclude an audit of these costs in 2024. SWEPCo's direct testimony in support of the costs A hearing is due in December 2023, scheduled for June 2024.
- (b) In March 2021, the LPSC approved a special order granting a temporary modification to the FAC and shortly after SWEPCo began recovery of its Louisiana jurisdictional share of these fuel costs based on a five-year recovery period inclusive of an interim carrying charge equal to the prime rate. The special order states the fuel and purchased power costs incurred will be subject to a future LPSC audit.

If SWEPCo is unable to recover any of the costs relating to the extraordinary fuel and purchases of electricity, or obtain authorization of a reasonable carrying charge on these costs, it could reduce future net income and cash flows and impact financial condition.

PSO and SWEPCo Rate Matters (Applies to AEP, PSO and SWEPCo)

North Central Wind Energy Facilities

The NCWF are subject to various regulatory performance requirements, including a Net Capacity Factor (NCF) guarantee. The NCF guarantee will be measured in MWhs across all facilities on a combined basis for each five year period for the first thirty full years of operation. The first NCF guarantee five year period began in April 2022. Certain wind turbines have experienced performance issues that have prompted PSO and SWEPCo to work with a manufacturer to find a resolution. If regulatory performance requirements, such as the NCF guarantee, are not met, PSO and SWEPCo may recognize a regulatory liability to refund retail customers. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

FERC Rate Matters

FERC 2019 SPP Transmission Formula Rate Challenge (Applies to AEP, AEPTCo, PSO and SWEPCo)

In May 2021, certain joint customers submitted a formal challenge at the FERC related to the 2020 Annual Update of the 2019 SPP Transmission Formula Rates of the AEP transmission owning subsidiaries within SPP. In March 2022, the FERC issued an order on the formal challenge which ruled in favor of the joint customers

on several issues. Management has determined that the result of the order had an immaterial impact to the financial statements of AEP, AEPTCo, PSO and SWEPCo. In November 2022, certain joint customers appealed the FERC decision to the U.S. Court of Appeals for the District of Columbia Circuit.

Independence Energy Connection Project (Applies to AEP)

In 2016, PJM approved the Independence Energy Connection Project (IEC) and included it in its Regional Transmission Expansion Plan to alleviate congestion. Transource Energy has an ownership interest in the IEC, which is located in Maryland and Pennsylvania. In June 2020, the Maryland Public Service Commission approved a Certificate of Public Convenience and Necessity to construct the portion of the IEC in Maryland. In May 2021, the Pennsylvania Public Utility Commission (PAPUC) denied the IEC certificate for siting and construction of the portion in Pennsylvania. Transource Energy appealed the PAPUC ruling in Pennsylvania state court and challenged the ruling before the United States District Court for the Middle District of Pennsylvania. In May 2022, the Pennsylvania state court issued an order affirming the PAPUC decision. The PAPUC decision remains subject as to the jurisdiction and review of state law claims. In December 2023, the United States District Court for the Middle District of Pennsylvania which had stayed review granted summary judgment in favor of Transource Energy, finding that the PAPUC decision until the Pennsylvania state court had ordered. The procedural schedule for this case states that a decision by violated federal law and the United States District Constitution. In January 2024, the PAPUC filed an appeal with the United States Court of Appeals for the Middle of Pennsylvania will not be reached until Third Circuit. Additional regulatory proceedings before the second half of 2023. PAPUC are expected to resume in 2024.

In September 2021, PJM notified Transource Energy that the IEC was suspended to allow for the regulatory and related appeals process to proceed in an orderly manner without breaching milestone dates in the project agreement. At that time, PJM stated that the IEC has not been cancelled and remains necessary to alleviate congestion. PJM continues to evaluate reliability and market efficiency in the area. As of September 30, 2023 March 31, 2024, AEP's share of IEC capital expenditures was approximately \$92 \$94 million, located in Total Property, Plant and Equipment - Net on AEP's balance sheets. The FERC has previously granted abandonment benefits for this project, allowing the full recovery of prudently incurred costs if the project is cancelled for reasons outside the control of Transource Energy. If any of the IEC costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

FERC RTO Incentive Complaint (Applies to AEP, AEPTCo and OPCo)

In February 2022, the OCC filed a complaint against AEPSC, American Transmission Systems, Inc. and Duke Energy Ohio, alleging the 50 basis point RTO incentive included in Ohio Transmission Owners' respective transmission formula rates is not just and reasonable and therefore should be eliminated on the basis that RTO participation is not voluntary, but rather is required by Ohio law. In March 2022, AEPSC filed a motion to dismiss the OCC's February 2022 complaint with the FERC on the basis of certain deficiencies, including that the complaint fails to request relief that can be granted under FERC regulations because AEPSC is not a public utility nor does it have a transmission rate on file with the FERC. In December 2022, the FERC issued an order removing the 50 basis point RTO incentive from OPCo and OHTCo transmission formula rates effective the date of the February 2022 complaint filing and directed OPCo and OHTCo to provide refunds, with interest, within sixty days of the date of its order. In January 2023, both AEPSC and the OCC filed requests for rehearing with the FERC. In February 2023, in compliance with the FERC's December 2022 order, AEPSC submitted a filing to the FERC to update OPCo and OHTCo 2023 transmission formula rates to exclude the 50 basis point RTO incentive and provide refunds with interest. In April 2023, the FERC approved the updated transmission formula rates for OPCo and OHTCo and issued an Order on Rehearing affirming its December 2022 decision. Management expects the December 2022 FERC order to reduce AEP's pretax income by approximately \$20 million on an annual basis. This decision has been appealed to the U.S. Court of Appeals for the Sixth Circuit.

Request to Update AEGCo Depreciation Rates (Applies to AEP and I&M)

In October 2022, AEP, on behalf of AEGCo, submitted proposed revisions to AEGCo's depreciation rates for its 50% ownership interest in Rockport Plant, Unit 1 and Unit 2, reflected in the UPA between AEGCo and I&M. The proposed depreciation rates for these assets reflect an estimated 2028 retirement date for the Rockport Plant. AEGCo's previous FERC-approved depreciation rates for Rockport Plant, Unit 1 were based upon a December 31, 2028 estimated retirement date while AEGCo's previous FERC-approved depreciation rates for Rockport Plant, Unit 2 leasehold improvements were based upon a December 31, 2022 estimated retirement date in conjunction with the termination of the Rockport Plant, Unit 2 lease.

In December 2022, the FERC issued an order approving the proposed AEGCo Rockport depreciation rates effective January 1, 2023, subject to further review and a potential refund. The FERC established a separate proceeding to review: (a) AEGCo's acquisition value for the Rockport Plant, Unit 2 base generating asset (original cost and accumulated depreciation), (b) the appropriateness of including future capital additions as stated components in proposed depreciation rates, in light of the UPA's formula rate mechanism, (c) the appropriateness of applying two different depreciation rates to a single asset common to both units and (d) the accounting and regulatory treatment of Rockport Plant, Unit 2 costs of removal and related AROs. In August 2023, AEGCo reached a settlement agreement with the FERC Trial Staff trial staff that resolves resolved all issues set for hearing. In September 2023, the settlement agreement was certified to the FERC. An order from FERC as uncontested. In March 2024, the FERC on this issued an order approving the uncontested settlement agreement is expected in the fourth quarter of 2023. If the FERC finalizes the settlement agreement as proposed, management anticipates the agreement. The results of the order will did not have a material impact on financial condition, results of operations or cash flows.

FERC 2021 PJM and SPP Transmission Formula Rate Challenge (Applies to AEP, AEPTCo, APCo, I&M, PSO and SWEPCo)

In March 2023 and May 2023, certain joint customers submitted a complaint and a formal challenge at the FERC related to the 2022 Annual Update of the 2021 Transmission Formula Rates of the AEP transmission owning subsidiaries within PJM and SPP, respectively. These challenges primarily relate to stand-alone treatment of NOLCs in the transmission formula rates of the AEP transmission owning subsidiaries. AEPSC, on behalf of the AEP transmission owning subsidiaries within PJM and SPP, filed answers to the joint formal challenge and complaint with the FERC in the second quarter of 2023.

The Registrants transitioned to stand-alone treatment of NOLCs in its PJM and SPP transmission formula rates beginning with the 2022 projected transmission revenue requirements and 2021 true-up to actual transmission revenue requirements, and provided notice of this change in informational filings made with the FERC. Stand-alone treatment

of the NOLCs for transmission formula rates increased the annual revenue requirements for years 2024, 2023, 2022 and 2021 by \$52 million, \$60 million, \$69 million and \$78 million, respectively. Through

In January 2024, the third quarter FERC issued two orders granting formal challenges by certain unaffiliated customers related to stand-alone treatment of 2023 NOLCs in the Registrants' financial statements reflect a provision for refund for certain NOLC revenues billed by 2021 Transmission Formula Rates of the AEP transmission owning subsidiaries within PJM and SPP. If The FERC directed the AEP transmission owning subsidiaries within PJM and SPP to provide refunds with interest on all amounts collected for the 2021 rate year, and for such refunds to be reflected in the annual update for the next rate year. In February 2024, AEPSC on behalf of the AEP transmission owning subsidiaries within PJM and SPP filed requests for rehearing. In March 2024, the FERC denied AEPSC's requests for rehearing of the January 2024 orders by operation of law and stated it may address the requests for rehearing in future orders. In March 2024, AEPSC submitted refund compliance reports to the FERC, which preserve the non-finality of the FERC's January 2024 orders pending further proceedings on rehearing and appeal. In April 2024, AEP made filings with the FERC which request that the FERC: (a) reopen the record so that the FERC may take the IRS PLRs received in April 2024 regarding the treatment of stand-alone NOLCs in ratemaking into evidence and consider them in substantive orders on rehearing and (b) stay its January 2024 orders and related compliance filings and refunds to provide time for consideration of the April 2024 IRS PLRs. The Registrants are required have not yet been directed to make cash refunds as related to the 2024, 2023 or 2022 rate years.

As a result of these challenges, the January 2024 FERC orders, the Registrants' balance sheets reflect a liability for the probable refund of all NOLC revenues included in transmission formula rates for years 2024, 2023, 2022 and 2021, with interest. The probable refunds to affiliated and nonaffiliated customers are reflected as Deferred Credits and Other Noncurrent Liabilities on the balance sheets, with the exception of amounts expected to be refunded within one year which are reflected in Other Current Liabilities. Refunds probable to be received by affiliated companies, resulting in a reduction to affiliated transmission expense, were deferred as an increase to Regulatory Liabilities or a reduction to Regulatory Assets on the balance sheets where management expects that refunds would be returned to retail customers through authorized retail jurisdiction rider mechanisms.

Request to Update SWEPCo Generation Depreciation Rates (Applies to AEP and SWEPCo)

In October 2023, SWEPCo filed an application to revise its generation wholesale customer's contracts to reflect an increase in the annual revenue requirement of approximately \$5 million for updated depreciation rates and allow for the return on and of FERC customers jurisdictional share of regulatory assets associated with retired plants. In November 2023, certain intervenors filed a motion with the FERC protesting and recommending the rejection of SWEPCo's filings. In December 2023, the FERC issued an order approving the proposed rates effective January 1, 2024, subject to further review and refund and established hearing and settlement proceedings. If SWEPCo is unable to recover the remaining regulatory assets associated with retired plants, it could reduce future net income and cash flows and impact financial condition.

5. COMMITMENTS, GUARANTEES AND CONTINGENCIES

The disclosures in this note apply to all Registrants unless indicated otherwise.

The Registrants are subject to certain claims and legal actions arising in the ordinary course of business. In addition, the Registrants' business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against the Registrants cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements. The Commitments, Guarantees and Contingencies note within the 2022 2023 Annual Report should be read in conjunction with this report.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third-parties unless specified below.

Letters of Credit (Applies to AEP, AEP Texas, APCo and I&M)

Standby letters of credit are entered into with third-parties. These letters of credit are issued in the ordinary course of business and cover items such as natural gas and electricity risk management contracts, construction contracts, insurance programs, security deposits and debt service reserves.

In March 2024, AEP has \$4 billion increased its \$4 billion revolving credit facility to \$5 billion and extended the due date from March 2027 to March 2029. Also, in March 2024, AEP extended the due date of its \$1 billion revolving credit facilities due in facility from March 2027 and 2025 respectively, under which to March 2027. AEP may issue up to \$1.2 billion may be issued \$1.2 billion as letters of credit, under these revolving credit facilities, on behalf of subsidiaries. As of September 30, 2023 March 31, 2024, no letters of credit were issued under the either revolving credit facility.

An uncommitted facility gives the issuer of the facility the right to accept or decline each request made under the facility. AEP issues letters of credit on behalf of subsidiaries under six uncommitted facilities totaling \$450 million. The Registrants' maximum future payments for letters of credit issued under the uncommitted facilities as of September 30, 2023 March 31, 2024 were as follows:

Company	Amount	Maturity
	(in millions)	
		October 2023 April 2024 to September 2024 March
AEP	\$ 249.1 247.4	2025
AEP Texas	1.8	July 2024
APCo	6.3	September 2024
I&M	2.9	September 2024

Indemnifications and Other Guarantees

Contracts

The Registrants enter into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of September 30, 2023 March 31, 2024, there were no material liabilities recorded for any indemnifications.

AEPSC conducts power purchase-and-sale activity on behalf of APCo, I&M, KPCo and WPCo, who are jointly and severally liable for activity conducted on their behalf. AEPSC also conducts power purchase-and-sale activity on behalf of PSO and SWEPCo, who are jointly and severally liable for activity conducted on their behalf.

Master Lease Agreements (Applies to all Registrants except AEPTCo)

The Registrants lease certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, the Registrants are committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of September 30, 2023 March 31, 2024, the maximum potential loss by the Registrants for these lease agreements assuming the fair value of the equipment is zero at the end of the lease term was as follows:

Company	Maximum Potential Loss
	(in millions)
AEP	\$ 44.8 44.6
AEP Texas	10.9 10.7
APCo	5.6 5.8
I&M	4.2 4.1
OPCo	6.9 7.1
PSO	4.7 4.5
SWEPCo	5.3 5.1

ENVIRONMENTAL CONTINGENCIES (Applies to all Registrants except AEPTCo)

Proposed Revisions to CCR Rule

In April 2024, the Federal EPA finalized revisions to the CCR Rule to expand the scope of the rule to include inactive impoundments at inactive facilities ("legacy CCR surface impoundments") as well as to establish requirements for currently exempt solid waste management units that involve the direct placement of CCR on the land ("CCR management units"). The Federal EPA is requiring that owners and operators of legacy surface impoundments comply with all of the existing CCR Rule requirements applicable to inactive CCR surface impoundments at active facilities, except for the location restrictions and liner design criteria. The rule establishes compliance deadlines for legacy surface impoundments to meet regulatory requirements, including a requirement to initiate closure within five years after the effective date of the final rule. The rule requires evaluations to be completed at both active facilities and inactive facilities with one or more legacy surface impoundments. AEP is evaluating the applicability of the rule to current and former plant sites and is working to develop estimates of compliance costs, which are expected to be material, including costs to upgrade or close and replace legacy CCR surface impoundments and to conduct any required remedial actions including removal of coal ash.

Closure and post-closure estimated costs for facilities subject to the original CCR Rule have been included in ARO in accordance with the requirements in the Federal EPA's original CCR rule. Material ARO revisions will be necessary to address the expanded scope of facilities subject to the revised rule. Additional material ARO revisions may occur on a site-by-site basis if groundwater monitoring activities conclude that corrective actions are required to mitigate groundwater impacts. AEP may incur significant additional costs complying with the Federal EPA's CCR Rule, including costs to upgrade or close and replace surface impoundments and landfills used to manage CCR and to conduct any required remedial actions including removal of coal ash.

AEP would need to seek cost recovery through regulated rates, including proposing new regulatory mechanisms for cost recovery where existing mechanisms are not applicable, for which regulatory approval cannot be assured. The rule could have a material adverse impact on net income, cash flows and financial condition if AEP cannot ultimately recover any additional costs of compliance. Management is also evaluating potential legal challenges to the revised rule.

The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation

By-products from the generation of electricity include materials such as ash, slag, sludge, low-level radioactive waste and SNF. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and non-hazardous materials. The Registrants currently incur costs to dispose of these substances safely. For remediation processes not specifically discussed, management does not anticipate that the liabilities, if any, arising from such remediation processes would have a material effect on the financial statements.

NUCLEAR CONTINGENCIES (Applies to AEP and I&M)

I&M owns and operates the Cook Plant under licenses granted by the Nuclear Regulatory Commission. I&M has a significant future financial commitment to dispose of SNF and to safely decommission and decontaminate the plant. The licenses to operate the two nuclear units at the Cook Plant expire in 2034 and 2037. Management is currently evaluating applying for license extensions for both units. The operation of a nuclear facility also involves special risks, potential liabilities and specific regulatory and safety requirements. By agreement, I&M is partially liable, together with all other electric utility companies that own nuclear generation units, for a nuclear power plant incident at any nuclear plant in the U.S. Should a nuclear incident occur at any nuclear power plant in the U.S., the resultant liability could be substantial.

OPERATIONAL CONTINGENCIES

Litigation Related to Ohio House Bill 6 (HB 6)

In 2019, Ohio adopted and implemented HB 6 which benefits OPCo by authorizing rate recovery for certain costs including renewable energy contracts and OVEC's coal-fired generating units. OPCo engaged in lobbying efforts and provided testimony during the legislative process in connection with HB 6. In July 2020, an investigation led by the U.S. Attorney's Office resulted in a federal grand jury indictment of an Ohio legislator and associates in connection with an alleged racketeering conspiracy involving the adoption of HB 6. After AEP learned of the criminal allegations against the Ohio legislator and others relating to HB 6, AEP, with assistance from outside advisors, conducted a review of the circumstances surrounding the passage of the bill. Management does not believe that AEP was involved in any wrongful conduct in connection with the passage of HB 6.

In August 2020, an AEP shareholder filed a putative class action lawsuit in the U. S. District Court for the Southern District of Ohio against AEP and certain of its officers for alleged violations of securities laws. In December 2021, the district court issued an opinion and order dismissing the securities litigation complaint with prejudice, determining that the complaint failed to plead any actionable misrepresentations or omissions. The plaintiffs did not appeal the ruling.

In January 2021, an AEP shareholder filed a derivative action in the U.S. District Court for the Southern District of Ohio purporting to assert claims on behalf of AEP against certain AEP officers and directors. In February 2021, a second AEP shareholder filed a similar derivative action in the Court of Common Pleas of Franklin County, Ohio. In April 2021, a third AEP shareholder filed a similar derivative action in the U.S. District Court for the Southern District of Ohio and a fourth AEP shareholder filed a similar derivative action in the Supreme Court for the State of New York, Nassau County. These derivative complaints allege the officers and directors made misrepresentations and omissions similar to those alleged in the putative securities class action lawsuit filed against AEP. The derivative complaints together assert claims for: (a) breach of fiduciary duty, (b) waste of corporate assets, (c) unjust enrichment, (d) breach of duty for insider trading and (e) contribution for violations of sections 10(b) and 21D of the Securities Exchange Act of 1934; and seek monetary damages and changes to AEP's corporate governance and internal policies among other forms of relief. The court entered a scheduling order in the New York state court derivative action staying the case other than with respect to briefing the motion to dismiss. AEP filed substantive and forum-based motions to dismiss on April 29, 2022. On September 13, 2022, in April 2022. In June 2022, the Ohio state court entered an order continuing the stays of that case until the final resolution of the consolidated derivative actions pending in Ohio federal district court. In September 2022, the New York state court granted the forum-based motion to dismiss with prejudice and the plaintiff subsequently filed a notice of appeal with the New York appellate court. On January 20, 2023, in January 2023, the New York plaintiff filed a motion to intervene in the pending Ohio federal court action and withdrew his appeal in New York. The two derivative actions pending in federal district court in Ohio have been consolidated and the plaintiffs in the consolidated action filed an amended complaint. AEP filed a motion to dismiss the amended complaint and subsequently filed a brief in opposition to the New York plaintiffs' motion to intervene in the consolidated action in Ohio. On March 20, 2023, in March 2023, the federal district court issued an order granting the motion to dismiss with prejudice and denying the New York plaintiffs' motion to intervene. On April 20, 2023, in April 2023, one of the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Sixth Circuit of the Ohio federal district court order dismissing the consolidated action and denying the intervention. On June 15, 2022, the Ohio state court entered an order continuing the stays of that case until the final resolution of the consolidated derivative actions pending in Ohio federal district court. The defendants will continue to defend against the claims. Management is unable to determine a does not believe the range of potential losses that is reasonably possible of occurring. occurring will have a material impact on results of operations, cash flows or financial condition.

In March 2021, AEP received a litigation demand letter from counsel representing a purported AEP shareholder. The litigation demand letter was directed to the Board of Directors of AEP (AEP Board) and contained factual allegations involving HB 6 that were generally consistent with those in the derivative litigation filed in state and federal court. The shareholder that sent the letter has since withdrawn the litigation demand, which is now terminated and of no further effect. In April 2023, AEP received a litigation demand from counsel representing the purported AEP shareholder who filed the dismissed derivative action in New York state court and unsuccessfully tried to intervene in the consolidated derivative actions in Ohio federal court. The litigation demand letter is directed to the AEP Board and contains factual allegations involving HB 6 that are generally consistent with those in the derivative litigation filed in state and federal court. The letter demands, among other things, that the AEP Board undertake an independent investigation into alleged legal violations by certain current and former directors and officers, and that AEP commence a civil action for breaches of fiduciary duty and related claims against any individuals who allegedly harmed AEP. The AEP Board considered the 2023 litigation demand letter and formed a committee of the Board (the "Demand Review Committee") to investigate, review, monitor and analyze the allegations in the letter and make a recommendation to the AEP Board regarding a reasonable and appropriate response to the same. The AEP Board will act in response to the letter as appropriate. Management is unable to determine a does not believe the range of potential losses that is reasonably possible of occurring. occurring will have a material impact on results of operations, cash flows or financial condition.

In May 2021, AEP received a subpoena from the SEC's Division of Enforcement seeking various documents, including documents relating to the passage of HB 6 and documents relating to AEP's policies and financial processes and controls. In August 2022, AEP received a second subpoena from the SEC seeking various additional documents relating to its ongoing investigation. AEP is cooperating fully with the SEC's investigation, which has included taking testimony from certain individuals and inquiries regarding Empowering Ohio's Economy, Inc., which is a 501(c)(4) social welfare organization, and related disclosures. The SEC staff has defended its discussions with certain parties involved in the

investigation, including AEP, concerning the staff's intentions regarding potential claims under the securities laws. AEP and the SEC are engaged in discussions about a possible resolution of the SEC's investigation and potential claims under the securities laws. Any resolution or filed claims, the outcome of which cannot be predicted, and could may subject AEP to civil penalties and other remedial measures. Management is unable to determine a Discussions are continuing and management does not believe the range of potential losses that is reasonably possible of occurring but management does not believe the results as a result of this investigation, or a possible resolution thereof, will have a material impact on results of operations, cash flows or financial condition.

Claims for Indemnification Made by Owners of the Gavin Power Station

In November 2022, the Federal EPA issued a final decision denying Gavin Power LLC's requested extension to allow a CCR surface impoundment at the Gavin Power Station to continue to receive CCR and non-CCR waste streams after April 11, 2021 until May 4, 2023 (the Gavin Denial). As part of the Gavin Denial, the Federal EPA made several determinations assertions related to the CCR Rule (see "Environmental Issues - CCR Rule" section of Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information), including a determination an assertion that the closure of the 300 acre unlined fly ash reservoir (FAR) is noncompliant with the CCR Rule in multiple respects. The Gavin Power Station was formerly owned and operated by AEP and was sold to Gavin Power LLC and Lightstone Generation LLC in 2017. Pursuant to the PSA, AEP maintained responsibility to complete closure of the FAR in accordance with the closure plan approved by the Ohio EPA which was completed in July 2021. The PSA contains indemnification provisions, pursuant to which the owners of the Gavin Power Station have notified AEP they believe they are entitled to indemnification for any damages that may result from these claims, including any future enforcement or litigation resulting from the Federal EPA's any determinations of noncompliance by the Federal EPA with various aspects of the CCR Rule as part of consistent with the Gavin Denial. The owners of the Gavin Power Station have also sought indemnification for landowner claims for property damage allegedly caused by modifications to the FAR. Management does not believe that the owners of the Gavin Power Station have any valid claim for indemnity or otherwise against AEP under the PSA. In addition, Gavin Power LLC, several AEP subsidiaries, and other parties have filed Petitions for Review of the Gavin Denial with the U.S. Court of Appeals for the District of Columbia Circuit. Management is unable to determine a range of potential losses that is reasonably possible of occurring. In January 2024, Gavin Power LLC also filed a complaint with the United States District Court for the Southern District of Ohio, alleging various violations of the Administrative Procedure Act and asserting that the Federal EPA, through its prior inaction, has waived and is estopped from raising certain objections raised in the Gavin Denial. Management cannot predict the outcome of that litigation.

Claims for Damages Related to Sabine Lignite Mining Agreement Litigation Regarding Justice Thermal Coal Contract

In May December 2023, North American Coal Corporation (NACC) APCo filed a suit in the Franklin County Ohio Court of Common Pleas seeking a declaratory judgment confirming APCo's right to terminate a long-term coal contract with Justice Thermal LLC ("Justice Thermal") based on Justice Thermal's failure to perform under the contract. APCo terminated that contract in January 2024, and Sabine, in April 2024 APCo filed an amended complaint seeking a subsidiary of NACC, filed suit against SWEPCo in Texas state court declaration that the termination was proper and also seeking damages for Justice Thermal's breach of contract. Justice Thermal filed an answer and counterclaim in April 2024, contesting the Lignite Mining Agreement (LMA) between Sabine and SWEPCo. NACC and Sabine assert that the terms validity of the LMA require SWEPCo to continue operating the Pirkey Plant contract termination and obtaining coal from the Sabine mine through 2035 and asserting counterclaims. Justice Thermal's counterclaims allege that SWEPCo has APCo breached the agreement by closing contract, assert a claim for fraud relating to APCo's alleged fabrication of coal sample analyses, and seek damages. APCo will continue to pursue its claims and defend against the plant. In August 2023, counterclaims. Management is unable to determine a settlement agreement was reached and the suit was dismissed by the Texas state court. The settlement agreement did not have a material impact on SWEPCo's net income, cash flows or financial condition.

range of potential losses that is reasonably possible of occurring.

6. ACQUISITIONS DISPOSITIONS AND IMPAIRMENTS DISPOSITIONS

The disclosures in this note apply to AEP unless indicated otherwise.

ACQUISITIONS

North Central Wind Energy Facilities (Vertically Integrated Utilities Segment) (Applies to AEP, PSO and SWEPCo)

In 2020, PSO and SWEPCo received regulatory approvals to acquire the NCWF, comprised of three Oklahoma wind facilities totaling 1,484 MWs, on a fixed cost turn-key basis. PSO and SWEPCo own undivided interests of 45.5% and 54.5% of the NCWF, respectively. In total, the three wind facilities cost approximately \$2 billion and consist of Traverse (998 MW), Maverick (287 MW) and Sundance (199 MW). Output from the NCWF serves retail load in PSO's Oklahoma service territory and both retail and FERC wholesale load in SWEPCo's service territories in Arkansas and Louisiana. The Oklahoma and Louisiana portions of the NCWF revenue requirement, net of PTC benefit, are recoverable through authorized riders until the amounts are reflected in base rates. Recovery of the Arkansas portion of the NCWF revenue requirement through base rates was approved by the APSC in May 2022. The NCWF are subject to various regulatory performance requirements. If these performance requirements are not met, PSO and SWEPCo would recognize a regulatory liability to refund retail customers.

In March 2022, PSO and SWEPCo acquired respective undivided ownership interests in the entity that owned Traverse during its development and construction for \$1.2 billion, the third of the three NCWF acquisitions. Immediately following the acquisition, PSO and SWEPCo liquidated the entity and simultaneously distributed the Traverse assets in proportion to their undivided ownership interests. Traverse was placed in-service in March 2022. PSO and SWEPCo apply the joint plant accounting model to account for their respective undivided interests in the assets, liabilities, revenues and expenses of the NCWF projects.

Rock Falls Wind Facility (Vertically Integrated Utilities Segment) (Applies to AEP and PSO)

In November 2022, PSO entered into an agreement to acquire the Rock Falls Wind Facility. In February 2023, the FERC approved PSO's acquisition of the Rock Falls Wind Facility under Section 203 of the Federal Power Act. In March 2023, PSO acquired an ownership interest in the entity that owned Rock Falls during its development and construction for \$146 million. In accordance with the guidance for "Business Combinations," AEP management determined that the acquisition of the Rock Falls Wind Facility represents an asset

acquisition. The current and noncurrent Obligations Under Operating Leases lease obligations related to Rock Falls were not material as at the time of September 30, 2023. See the "2022 Oklahoma Base Rate Case" section of Note 4 for additional information. acquisition.

DISPOSITIONS

Termination of Planned Disposition of KPCo and KTCo (Vertically Integrated Utilities and AEP Transmission Holdco Segments) (Applies to AEP and AEPTCo)

In October 2021, AEP entered into a Stock Purchase Agreement (SPA) to sell KPCo and KTCo to Liberty Utilities Co., a subsidiary of Algonquin Power & Utilities Corp. (Liberty), for approximately a \$2.85 billion enterprise value. The SPA was subsequently amended in September 2022 to reduce the purchase price to approximately \$2.646 billion. The sale required approval from the KPSC and from the FERC under Section 203 of the Federal Power Act. The SPA contained certain termination rights if the closing of the sale did not occur by April 26, 2023.

In May 2022, the KPSC approved the sale of KPCo to Liberty subject to certain conditions contingent upon the closing of the sale. In December 2022, the FERC issued an order denying, without prejudice, authorization of the proposed sale stating the applicants failed to demonstrate the proposed transaction will not have an adverse effect on rates. In February 2023, a new filing for approval under Section 203 of the Federal Power Act was submitted. In March 2023, the KPSC and other intervenors made filings recommending the FERC reject AEP and Liberty's new Section 203 application seeking approval of the sale.

In April 2023, AEP, AEPTCo and Liberty entered into a Mutual Termination Agreement (Termination Agreement) terminating the SPA. The parties entered into the Termination Agreement as all of the conditions precedent to closing the sale could not be satisfied prior to April 26, 2023.

The impact of the Termination Agreement did not have a material impact on AEP's statements of income for the three and nine months ended September 30, 2023. Upon reverting to a held and used model in the first quarter of 2023, AEP was required to present its investment in the Kentucky Operations at the lower of fair value or historical carrying value which resulted in a \$335 million reduction recorded in Property, Plant and Equipment. The reduced investment in KPCo's assets is being amortized over the 30-year average useful life of the KPCo assets.

Disposition of the Competitive Contracted Renewables Portfolio (Generation & Marketing Segment) (Applies (Applies to AEP)

In February 2022, AEP management announced the initiation of a process to sell all or a portion of AEP Renewables' competitive contracted renewables portfolio (the portfolio) within the Generation & Marketing segment. In late January 2023, AEP received final bids from interested parties. In February 2023, AEP's Board of Directors approved management's plan to sell the portfolio and AEP signed an agreement with a nonaffiliated party. AEP recorded a pretax loss of \$112 million (\$88 million after-tax) in the first quarter of 2023 after as a result of reaching Held for Sale status and determining the carrying value of the portfolio exceeded the estimated fair value.

In August 2023, AEP completed the sale of the entire portfolio to the nonaffiliated party and received cash proceeds of approximately \$1.2 billion, net of taxes and transaction costs.

Disposition of Mineral Rights NMRD (Generation & Marketing Segment) (Applies to AEP)

In June 2022, December 2023, AEP closed on and the sale of certain mineral rights joint owner signed an agreement to sell NMRD to a nonaffiliated third-party third party and the sale was completed in February 2024. AEP received \$120 cash proceeds of approximately \$107 million, net of proceeds. The sale resulted in a pretax gain of \$116 million in the second quarter of 2022.

IMPAIRMENTS

Flat Ridge 2 Wind LLC (Generation & Marketing Segment) (Applies to AEP)

In 2019, AEP acquired a 50% ownership interest in five non-consolidated joint ventures, including Flat Ridge 2 Wind LLC (Flat Ridge 2), taxes and two tax equity partnerships. The five non-consolidated joint ventures are jointly owned and operated by BP Wind Energy. Flat Ridge 2 sells electricity to three counterparties through long-term PPAs.

Regarding AEP's investment in Flat Ridge 2, In June 2022, as a result of Flat Ridge 2's deteriorating financial performance, sale negotiations and AEP's ongoing evaluation and ultimate decision to exit the investment in the near term, AEP determined a decline in the fair value of AEP's investment in Flat Ridge 2 was other than temporary. In accordance with the accounting guidance for "Investments - Equity Method and Joint Ventures", in the second quarter of 2022 AEP recorded a pretax other than temporary impairment charge of \$186 million which is presented in Equity Earnings (Losses) of Unconsolidated Subsidiaries on AEP's Statement of Income. AEP's determination of fair value utilized the accounting guidance for Fair Value Measurement market approach to valuation and was based on negotiations to sell the investment to a non-affiliate. In the third quarter of 2022, AEP recorded an additional \$2 million pretax other than temporary impairment charge which is presented in Equity Earnings (Losses) of Unconsolidated Subsidiaries on AEP's Statement of Income. In September 2022, AEP signed a Purchase and Sale Agreement with a nonaffiliate for AEP's interest in Flat Ridge 2, transaction costs. The transaction closed in the fourth quarter of 2022 and had an immaterial did not have a material impact on the net income or financial statements at closing. condition.

7. BENEFIT PLANS

The disclosures in this note apply to all Registrants except AEPTCo.

AEPAEPSC sponsors a qualified pension plan and two unfunded nonqualified non-qualified pension plans. Substantially all AEP subsidiary employees are covered by the qualified plan or both the qualified and a nonqualified non-qualified pension plan. AEP AEPSC also sponsors OPEB plans to provide health and life insurance benefits for retired employees.

Components of Net Periodic Benefit Cost (Credit)

Pension Plans

Three Months Ended September 30, 2023		AEP						
		AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Three Months Ended March 31, 2024		Three Months Ended March 31, 2024						
		AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Service Cost	Service Cost	\$23.6	\$ 2.1	\$ 2.3	\$ 2.9	\$ 2.1	\$ 1.4	\$ 2.0
Interest Cost	Interest Cost	54.8	4.5	6.6	6.3	5.0	2.7	3.4
Expected Return on Plan Assets	Expected Return on Plan Assets	(84.8)	(7.0)	(11.2)	(11.0)	(8.6)	(4.6)	(4.8)
Amortization of Net Actuarial Loss	Amortization of Net Actuarial Loss	0.3	—	—	—	—	—	—
Amortization of Net Actuarial Loss								
Amortization of Net Actuarial Loss								
Net Periodic Benefit Cost (Credit)	Net Periodic Benefit Cost (Credit)	\$ (6.1)	\$ (0.4)	\$ (2.3)	\$ (1.8)	\$ (1.5)	\$ (0.5)	\$ 0.6

Three Months Ended September 30, 2022	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Service Cost	\$ 30.7	\$ 2.8	\$ 2.9	\$ 4.0	\$ 2.8	\$ 1.8	\$ 2.7
Interest Cost	37.1	3.1	4.3	4.3	3.4	1.8	2.2
Expected Return on Plan Assets	(63.4)	(5.3)	(8.1)	(8.1)	(6.2)	(3.3)	(3.6)
Amortization of Net Actuarial Loss	15.8	1.2	1.9	1.8	1.3	0.7	0.9
Net Periodic Benefit Cost	\$ 20.2	\$ 1.8	\$ 1.0	\$ 2.0	\$ 1.3	\$ 1.0	\$ 2.2

Nine Months Ended September 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Service Cost	\$ 70.8	\$ 6.2	\$ 6.8	\$ 8.9	\$ 6.3	\$ 4.2	\$ 5.8
Interest Cost	164.4	13.7	19.8	18.7	14.9	8.1	10.4
Expected Return on Plan Assets	(254.4)	(21.0)	(33.5)	(33.1)	(25.6)	(13.8)	(14.5)
Amortization of Net Actuarial Loss	1.0	—	—	—	—	—	—
Net Periodic Benefit Cost (Credit)	\$ (18.2)	\$ (1.1)	\$ (6.9)	\$ (5.5)	\$ (4.4)	\$ (1.5)	\$ 1.7

Nine Months Ended		AEP						
September 30, 2022		AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Three Months Ended March 31, 2023		Three Months Ended March 31, 2023						
		AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Service Cost	Service Cost	\$ 92.3	\$ 8.4	\$ 8.6	\$12.1	\$ 8.4	\$ 5.5	\$ 8.0
Interest Cost	Interest Cost	111.2	9.1	13.1	12.7	10.0	5.3	6.8
Expected Return on Plan Assets	Expected Return on Plan Assets	(190.1)	(15.8)	(24.3)	(24.2)	(18.6)	(10.1)	(10.9)
Amortization of Net Actuarial Loss	Amortization of Net Actuarial Loss	47.3	3.8	5.5	5.3	4.1	2.2	2.8
Net Periodic Benefit Cost		\$ 60.7	\$ 5.5	\$ 2.9	\$ 5.9	\$ 3.9	\$ 2.9	\$ 6.7
Amortization of Net Actuarial Loss								
Amortization of Net Actuarial Loss								
Net Periodic Benefit Cost (Credit)								

OPEB

Three Months Ended		AEP						
September 30, 2023		AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Three Months Ended March 31, 2024		Three Months Ended March 31, 2024						
		AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Service Cost	Service Cost	\$ 1.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ —
Interest Cost	Interest Cost	11.6	0.9	1.8	1.3	1.2	0.6	0.8
Expected Return on Plan Assets	Expected Return on Plan Assets	(27.4)	(2.2)	(4.0)	(3.3)	(2.9)	(1.5)	(1.8)
Amortization of Prior Service Credit	Amortization of Prior Service Credit	(15.8)	(1.3)	(2.3)	(2.2)	(1.6)	(1.0)	(1.3)
Amortization of Net Actuarial Loss	Amortization of Net Actuarial Loss	3.7	0.3	0.6	0.5	0.4	0.2	0.3

Net	Net							
Periodic	Periodic							
Benefit	Benefit							
Credit	Credit	\$(26.8)	\$(2.2)	\$(3.8)	\$(3.6)	\$(2.8)	\$(1.6)	\$ (2.0)

Three Months Ended September 30, 2022	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)							
Service Cost	\$ 1.8	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.1
Interest Cost	7.3	0.6	1.2	0.8	0.7	0.4	0.5
Expected Return on Plan Assets	(27.5)	(2.3)	(4.1)	(3.3)	(3.0)	(1.6)	(1.8)
Amortization of Prior Service Credit	(17.9)	(1.5)	(2.6)	(2.4)	(1.8)	(1.1)	(1.4)
Net Periodic Benefit Credit	\$ (36.3)	\$ (3.1)	\$ (5.3)	\$ (4.7)	\$ (3.9)	\$ (2.1)	\$ (2.6)

Nine Months Ended September 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)							
Service Cost	\$ 3.4	\$ 0.3	\$ 0.4	\$ 0.5	\$ 0.3	\$ 0.2	\$ 0.2
Interest Cost	34.7	2.7	5.5	4.0	3.5	1.8	2.2
Expected Return on Plan Assets	(82.2)	(6.7)	(12.0)	(10.1)	(8.8)	(4.4)	(5.4)
Amortization of Prior Service Credit	(47.3)	(4.0)	(6.9)	(6.5)	(4.7)	(3.0)	(3.7)
Amortization of Net Actuarial Loss	11.1	0.9	1.7	1.4	1.2	0.6	0.8
Net Periodic Benefit Credit	\$ (80.3)	\$ (6.8)	\$ (11.3)	\$ (10.7)	\$ (8.5)	\$ (4.8)	\$ (5.9)

Nine Months Ended September 30, 2022		AEP						
		AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)								
Three Months Ended March 31, 2023		Three Months Ended March 31, 2023						
		AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)						
Service Cost	Service Cost	\$ 5.5	\$ 0.3	\$ 0.6	\$ 0.7	\$ 0.5	\$ 0.4	\$ 0.4
Interest Cost	Interest Cost	21.9	1.7	3.5	2.5	2.2	1.1	1.4
Expected Return on Plan Assets	Expected Return on Plan Assets	(82.5)	(6.8)	(12.2)	(10.2)	(8.9)	(4.6)	(5.5)
Amortization of Prior Service Credit	Amortization of Prior Service Credit	(53.6)	(4.5)	(7.8)	(7.3)	(5.4)	(3.3)	(4.0)
Amortization of Net Actuarial Loss								
Net Periodic Benefit Credit	Net Periodic Benefit Credit	\$(108.7)	\$(9.3)	\$(15.9)	\$(14.3)	\$(11.6)	\$(6.4)	\$ (7.7)

8. BUSINESS SEGMENTS

The disclosures in this note apply to all Registrants unless indicated otherwise.

AEP's Reportable Segments

AEP's primary business is the generation, transmission and distribution of electricity. Within its Vertically Integrated Utilities segment, AEP centrally dispatches generation assets and manages its overall utility operations on an integrated basis because of the substantial impact of cost-based rates and regulatory oversight. Intersegment sales and transfers are generally based on underlying contractual arrangements and agreements.

AEP's reportable segments and their related business activities are outlined below:

Vertically Integrated Utilities

- Generation, transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEGCo, APCo, I&M, KGPCo, KPCo, PSO, SWEPCo and WPCo.

Transmission and Distribution Utilities

- Transmission and distribution of electricity for sale to retail and wholesale customers through assets owned and operated by AEP Texas and OPCo.
- OPCo purchases energy and capacity to serve standard service offer customers and provides transmission and distribution services for all connected load.

AEP Transmission Holdco

- Development, construction and operation of transmission facilities through investments in AEPTCo. These investments have FERC-approved ROEs.
- Development, construction and operation of transmission facilities through investments in AEP's transmission-only joint ventures. These investments have PUCT-approved or FERC-approved ROEs.

Generation & Marketing

- Contracted energy management services.
- Marketing, risk management and retail activities in ERCOT, MISO, PJM and SPP.
- Competitive generation in PJM.

The remainder of AEP's activities are presented as Corporate and Other. While not considered a reportable segment, Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries, Parent's guarantee revenue received from affiliates, investment income, interest income and interest expense, income tax expense and other nonallocated costs.

AEP's CODM makes operating decisions, allocates resources to and assesses performance based on these operating segments. AEP measures segment profit or loss based on net income (loss). Net income (loss) includes intercompany revenues and expenses that are eliminated on the Consolidated Financial Statements. In addition, direct interest expense and income taxes are included in net income (loss).

The tables below represent AEP's reportable segment income statement information for the three and nine months ended September 30, 2023, March 31, 2024 and 2022, 2023 and reportable segment balance sheet information as of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023.

	Three Months Ended September 30, 2023						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 3,158.1	\$ 1,535.2	\$ 94.0	\$ 527.5	\$ 26.9	\$ —	\$ 5,341.7
Other Operating Segments	47.3	8.9	382.7	39.2	30.3	(508.4)	—
Total Revenues	<u>\$ 3,205.4</u>	<u>\$ 1,544.1</u>	<u>\$ 476.7</u>	<u>\$ 566.7</u>	<u>\$ 57.2</u>	<u>\$ (508.4)</u>	<u>\$ 5,341.7</u>
Net Income (Loss)	\$ 514.0	\$ 206.0	\$ 203.9	\$ 132.8	\$ (98.4)	\$ —	\$ 958.3
	Three Months Ended September 30, 2022						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 3,174.6	\$ 1,525.5	\$ 81.9	\$ 733.1	\$ 11.0	\$ —	\$ 5,526.1
Other Operating Segments	51.7	4.7	349.0	2.3	17.3	(425.0)	—

Total Revenues	\$ 3,226.3	\$ 1,530.2	\$ 430.9	\$ 735.4	\$ 28.3	\$ (425.0)	\$ 5,526.1
Net Income (Loss)	\$ 476.9	\$ 165.5	\$ 171.4	\$ 96.2	\$ (226.7)	\$ —	\$ 683.3

Nine Months Ended September 30, 2023							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 8,603.4	\$ 4,321.3	\$ 272.4	\$ 1,172.6	\$ 35.4	\$ —	\$ 14,405.1
Other Operating Segments	134.3	27.2	1,118.4	52.5	83.9	(1,416.3)	—
Total Revenues	\$ 8,737.7	\$ 4,348.5	\$ 1,390.8	\$ 1,225.1	\$ 119.3	\$ (1,416.3)	\$ 14,405.1
Net Income (Loss)	\$ 1,054.6	\$ 508.4	\$ 583.6	\$ (62.2)	\$ (209.6)	\$ —	\$ 1,874.8
Nine Months Ended September 30, 2022							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 8,416.4	\$ 4,064.5	\$ 244.4	\$ 1,997.0	\$ 36.1	\$ —	\$ 14,758.4
Other Operating Segments	145.8	14.1	976.7	17.3	36.6	(1,190.5)	—
Total Revenues	\$ 8,562.2	\$ 4,078.6	\$ 1,221.1	\$ 2,014.3	\$ 72.7	\$ (1,190.5)	\$ 14,758.4
Net Income (Loss)	\$ 1,079.4	\$ 483.1	\$ 487.8	\$ 278.1	\$ (406.2)	\$ —	\$ 1,922.2

Three Months Ended March 31, 2024							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 2,901.2	\$ 1,483.2	\$ 110.5	\$ 515.9	\$ 14.9	\$ —	\$ 5,025.7
Other Operating Segments	46.7	7.0	386.8	47.6	37.9	(526.0)	(b) —
Total Revenues	\$ 2,947.9	\$ 1,490.2	\$ 497.3	\$ 563.5	\$ 52.8	\$ (526.0)	\$ 5,025.7
Net Income (Loss)	\$ 562.3	\$ 150.3	\$ 209.8	\$ 137.6	\$ (54.3)	\$ —	\$ 1,005.7
Three Months Ended March 31, 2023							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Revenues from:							
External Customers	\$ 2,816.3	\$ 1,455.3	\$ 90.1	\$ 326.9	\$ 2.3	\$ —	\$ 4,690.9
Other Operating Segments	41.5	8.9	365.4	0.1	27.8	(443.7)	(b) —
Total Revenues	\$ 2,857.8	\$ 1,464.2	\$ 455.5	\$ 327.0	\$ 30.1	\$ (443.7)	\$ 4,690.9
Net Income (Loss)	\$ 262.2	\$ 125.7	\$ 182.4	\$ (156.4)	\$ (13.5)	\$ —	\$ 400.4

March 31, 2024							

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Total Assets	\$ 52,379.2	\$ 25,283.4	\$ 17,067.4	\$ 2,257.5	\$ 5,164.3 (c)	\$ (4,407.2) (d)	\$ 97,744.6

	September 30, 2023						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Total Assets	\$ 50,940.3	\$ 24,327.9	\$ 16,155.0	\$ 2,517.0	\$ 4,567.2 (b)	\$ (3,381.8) (c)	\$ 95,125.6

	December 31, 2022						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Total Assets	\$ 49,761.8	\$ 22,920.2	\$ 15,215.8	\$ 4,520.1	\$ 6,768.4 (b)	\$ (5,783.0) (c)	\$ 93,403.3

	December 31, 2023						
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
	(in millions)						
Total Assets	\$ 51,802.1	\$ 24,838.4	\$ 16,575.6	\$ 2,598.5	\$ 5,194.0 (c)	\$ (4,324.6) (d)	\$ 96,684.0

(a) Corporate and Other primarily includes the purchasing of receivables from certain AEP utility subsidiaries. This segment also includes Parent's guarantee revenue received from affiliates, investment income, interest income, interest expense and other nonallocated costs.

(b) Represents inter-segment revenues.

(c) Includes elimination of AEP Parent's investments in wholly-owned subsidiary companies.

(c) (d) Reconciling Adjustments for Total Assets primarily include elimination of intercompany advances to affiliates and intercompany accounts receivable.

Registrant Subsidiaries' Reportable Segments (Applies to all Registrant Subsidiaries except AEPTCo)

The Registrant Subsidiaries each have one reportable segment, an integrated electricity generation, transmission and distribution business for APCo, I&M, PSO and SWEPCo, and an integrated electricity transmission and distribution business for AEP Texas and OPCo. Other activities are insignificant. The Registrant Subsidiaries' operations are managed on an integrated basis because of the substantial impact of cost-based rates and regulatory oversight on the business process, cost structures and operating results.

AEPTCo's Reportable Segments

AEPTCo Parent is the holding company of seven FERC-regulated transmission-only electric utilities. The seven State Transcos have been identified as operating segments of AEPTCo under the accounting guidance for "Segment Reporting." The State Transcos business consists of developing, constructing and operating transmission facilities at the request of the RTOs in which they operate and in replacing and upgrading facilities, assets and components of the existing AEP transmission system as needed to maintain reliability standards and provide service to AEP's wholesale and retail customers. The State Transcos are regulated for rate-making purposes exclusively by the FERC and earn revenues through tariff rates charged for the use of their electric transmission systems.

AEPTCo's Chief Operating Decision Maker CODM makes operating decisions, allocates resources to and assesses performance based on these operating segments. The State Transcos operating segments all have similar economic characteristics and meet all of the criteria under the accounting guidance for "Segment Reporting" to be aggregated into one operating segment. As a result, AEPTCo has one reportable segment. The remainder of AEPTCo's activity is presented in AEPTCo Parent. While not considered a reportable segment, AEPTCo Parent represents the activity of the holding company which primarily relates to debt financing activity and general corporate activities.

The tables below present AEPTCo's reportable segment income statement information for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 and reportable segment balance sheet information as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

		Three Months Ended September 30, 2023							
		State	AEPTCo	Reconciling		AEPTCo			
		Transcos	Parent	Adjustments	Consolidated				
		(in millions)							
Three Months Ended March 31, 2024		Three Months Ended March 31, 2024							
State Transcos		State Transcos		AEPTCo Parent		Reconciling Adjustments		AEPTCo Consolidated	
(in millions)		(in millions)		(in millions)		(in millions)		(in millions)	
Revenues from:	Revenues from:								
External Customers	External Customers	\$ 92.8	\$ —	\$ —	\$ 92.8				
External Customers									
External Customers									
Sales to AEP Affiliates	Sales to AEP Affiliates	369.9	—	—	369.9				
Other Revenues									
Total Revenues	Total Revenues	\$ 462.7	\$ —	\$ —	\$ 462.7				
Net Income (Loss)									
Net Income (Loss)									
Net Income (Loss)									
		Three Months Ended March 31, 2023							
		Three Months Ended March 31, 2023							
		Three Months Ended March 31, 2023							
State Transcos		State Transcos		AEPTCo Parent		Reconciling Adjustments		AEPTCo Consolidated	
(in millions)		(in millions)		(in millions)		(in millions)		(in millions)	
Revenues from:									
External Customers									
External Customers									
External Customers									
Sales to AEP Affiliates									
Total Revenues									
Net Income	Net Income	\$ 178.2	\$ 1.0 (a)	\$ —	\$ 179.2				
		Three Months Ended September 30, 2022							
		State	AEPTCo	Reconciling	AEPTCo				
		Transcos	Parent	Adjustments	Consolidated				
		(in millions)							
Revenues from:									
External Customers		\$ 87.2	\$ —	\$ —	\$ 87.2				
Sales to AEP Affiliates		331.3	—	—	331.3				
Total Revenues		\$ 418.5	\$ —	\$ —	\$ 418.5				
Net Income	Net Income	\$ 152.6	\$ 0.1 (a)	\$ —	\$ 152.7				
Net Income									
		Nine Months Ended September 30, 2023							
		State Transcos		AEPTCo Parent		Reconciling Adjustments		AEPTCo Consolidated	
		(in millions)		(in millions)		(in millions)		(in millions)	

Revenues from:					
External Customers	\$	269.2	\$	—	\$ — \$ 269.2
Sales to AEP Affiliates		1,080.0		—	1,080.0
Total Revenues	\$	1,349.2	\$	—	\$ 1,349.2
Net Income	\$	514.0	\$	3.6 (a)	\$ — \$ 517.6

Nine Months Ended September 30, 2022

	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
(in millions)				
Revenues from:				
External Customers	\$ 249.5	\$ —	\$ —	\$ 249.5
Sales to AEP Affiliates	933.8	—	—	933.8
Total Revenues	\$ 1,183.3	\$ —	\$ —	\$ 1,183.3
Net Income	\$ 426.4	\$ 0.2 (a)	\$ —	\$ 426.6

March 31, 2024

September 30, 2023

State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
(in millions)			

March 31, 2024

March 31, 2024

State Transcos	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
(in millions)		(in millions)		

Total Assets	Total Assets	\$ 14,760.8	\$ 5,561.2 (b)	\$ (5,610.0) (c)	\$ 14,712.0

December 31, 2022

State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated

Total Assets	
(in millions)	

Total Assets

December 31, 2023

December 31, 2023

December 31, 2023

State Transcos	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
(in millions)		(in millions)		

Total Assets	Total Assets	\$ 13,875.6	\$ 4,817.4 (b)	\$ (4,878.8) (c)	\$ 13,814.2

Total Assets

Total Assets

- (a) Includes the elimination of AEPTCo Parent's equity earnings in the State Transcos.
- (b) Primarily relates to Notes Receivable from the State Transcos.
- (c) Primarily relates to the elimination of Notes Receivable from the State Transcos.

9. DERIVATIVES AND HEDGING

The disclosures in this note apply to all Registrants unless indicated otherwise. For the periods presented, AEPTCo did not have any derivative and hedging activity.

OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of certain AEP subsidiaries, including the Registrant Subsidiaries. AEPEP is agent for and transacts on behalf of other AEP subsidiaries.

The Registrants are exposed to certain market risks as major power producers and participants in the electricity, capacity, natural gas, coal and emission allowance markets. These risks include commodity price risks which may be subject to capacity risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact the Registrants due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

Risk Management Strategies

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, the Registrants primarily employ risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for "Derivatives and Hedging." Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

The Registrants utilize power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. The Registrants utilize interest rate derivative contracts in order to manage the interest rate exposure associated with the commodity portfolio. For disclosure purposes, such risks are grouped as "Commodity," as these risks are related to energy risk management activities. The Registrants also utilize derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as "Interest Rate." The amount of risk taken is determined by the Commercial Operations, Energy Supply and Finance groups in accordance with established risk management policies as approved by the Finance Committee of the Board of Directors.

The following tables represent the gross notional volume of the Registrants' outstanding derivative contracts:

Notional Volume of Derivative Instruments September 30, 2023

Primary Risk Exposure	Unit of Measure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)								
Commodity:								
Power	MWhs	262.3	—	28.4	9.0	2.3	5.6	4.4
Natural Gas	MMBtus	149.8	—	27.3	—	—	25.3	13.1
Heating Oil and Gasoline	Gallons	8.3	2.2	1.3	0.8	1.7	1.1	1.2
Interest Rate	USD	\$ 80.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest Rate on Long-term Debt	USD	\$ 950.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

December 31, 2022

Primary Risk Exposure	Unit of Measure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)								
Commodity:								
Power	MWhs	226.8	—	17.9	4.2	2.5	2.9	2.2
Natural Gas	MMBtus	77.1	—	1.9	—	—	1.9	2.1
Heating Oil and Gasoline	Gallons	6.9	1.9	1.0	0.7	1.4	0.9	1.0
Interest Rate	USD	\$ 99.9	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest Rate on Long-term Debt	USD	\$ 1,650.0	\$ —	\$ —	\$ —	\$ —	200.0	\$ —

Notional Volume of Derivative Instruments

Primary Risk Exposure	March 31, 2024							December 31, 2023						
	AEP							AEP						
	AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo	AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)														
Commodity:														

Power (MWhs)	233.5	—	7.0	3.4	2.2	2.2	1.6	246.8	—	16.8	5.9	2.2	4.1	2.9
Natural Gas (MMBtus)	176.8	—	43.0	—	—	49.0	19.7	151.6	—	37.3	—	—	34.9	17.9
Heating Oil and Gasoline (Gallons)	7.7	2.0	1.1	1.2	1.3	0.8	1.0	6.5	1.8	1.0	0.6	1.2	0.7	0.9
Interest Rate (USD)	\$ 69.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 80.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest Rate on Long-term Debt (USD)	\$ 1,500.0	\$ 150.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,300.0	\$ 150.0	\$ —	\$ —	\$ —	\$ —	\$ —

Fair Value Hedging Strategies (Applies to AEP)

Parent enters into interest rate derivative transactions as part of an overall strategy to manage the mix of fixed-rate and floating-rate debt. Certain interest rate derivative transactions effectively modify exposure to interest rate risk by converting a portion of fixed-rate debt to a floating-rate. Provided specific criteria are met, these interest rate derivatives may be designated as fair value hedges.

Cash Flow Hedging Strategies

The Registrants utilize cash flow hedges on certain derivative transactions for the purchase and sale of power ("Commodity") in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. The Registrants do not hedge all commodity price risk.

The Registrants utilize a variety of interest rate derivative transactions in order to manage interest rate risk exposure. The Registrants also utilize interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. The Registrants do not hedge all interest rate exposure.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON THE FINANCIAL STATEMENTS

The accounting guidance for "Derivatives and Hedging" requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes and other assumptions. In order to determine the relevant fair values of the derivative instruments, the Registrants apply valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract's term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management's estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for "Derivatives and Hedging," the Registrants reflect the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, the Registrants are required to post or receive cash collateral based on third-party contractual agreements and risk profiles. AEP netted cash collateral received from third-parties against short-term and long-term risk management assets in the amounts of \$93 \$86 million and \$481 \$46 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. There was no cash collateral received from third-parties netted against short-term and long-term risk management assets for the Registrant Subsidiaries as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The amount of cash collateral paid to third-parties netted against short-term and long-term risk management liabilities was immaterial for the Registrants as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Location and Fair Value of Derivative Assets and Liabilities Recognized In the Balance Sheet

The following tables represent the gross fair value of the Registrants' derivative activity on the balance sheets. The derivative instruments are disclosed as gross. They are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging." Unless shown as a separate line on the balance sheets due to materiality, Current Risk Management Assets are included in Prepayments and Other Current Assets, Long-term Risk Management Assets are included in Deferred Charges and Other Noncurrent Assets, Current Risk Management Liabilities are included in Other Current Liabilities and Long-term Risk Management Liabilities are included in Deferred Credits and Other Noncurrent Liabilities on the balance sheets.

		AEP						
		March 31, 2024			March 31, 2024			
					AEP	AEP Texas	APCo	I&M
					OPCo	PSO	SWEPCo	
Assets:					(in millions)			
Current Risk Management Assets								

Risk Management									
Contracts - Commodity									
Risk Management									
Contracts - Commodity									
Risk Management									
Contracts - Commodity									
Hedging									
Contracts -									
Commodity									
Hedging									
Contracts -									
Interest Rate									
Total									
Current Risk									
Management									
Assets									
September 30, 2023									
Long-term Risk									
Management Assets									
Long-term Risk									
Management Assets									
Long-term Risk									
Management Assets									
Risk Management									
Contracts - Commodity									
Risk Management									
Contracts - Commodity									
Risk Management									
Contracts - Commodity									
Hedging									
Contracts -									
Commodity									
Hedging									
Contracts -									
Interest Rate									
Total Long-term Risk									
Management									
Assets									
Gross Amounts Offset in									
Net Amounts of									
Assets/Liabilities									
Presented in the									
Statement of									
Financial									
Position (c)									
(in millions)									
Current Risk Management									
Assets									
Long-term Risk									
Management Assets									
Total Assets									
Total Assets									

	Total						
Total Assets	Assets	1,061.0	138.9	—	1,199.9	(647.0)	552.9
Liabilities:							
Liabilities:							
Liabilities:							
Current Risk	Current Risk						
Management	Management						
Liabilities	Liabilities	460.3	9.9	43.2	513.4	(361.9)	151.5
Current Risk							
Management Liabilities							
Current Risk							
Management Liabilities							
Risk Management							
Contracts - Commodity							
Risk Management							
Contracts - Commodity							
Risk Management							
Contracts - Commodity							
Hedging							
Contracts -							
Commodity							
Hedging							
Contracts -							
Interest Rate							
Total							
Current Risk							
Management							
Liabilities							
Long-term	Long-term						
Risk	Risk						
Management	Management						
Liabilities	Liabilities	374.8	1.2	94.9	470.9	(192.5)	278.4
Long-term Risk							
Management Liabilities							
Long-term Risk							
Management Liabilities							
Risk Management							
Contracts - Commodity							
Risk Management							
Contracts - Commodity							
Risk Management							
Contracts - Commodity							
Hedging							
Contracts -							
Commodity							
Hedging							
Contracts -							
Interest Rate							
Total Long-term Risk							
Management							
Liabilities							
Total Liabilities							
Total Liabilities							
Total	Total						
Liabilities	Liabilities	835.1	11.1	138.1	984.3	(554.4)	429.9

Total MTM Derivative Contract Net Assets (Liabilities)	\$	225.9	\$	127.8	\$(138.1)	\$	215.6	\$	(92.6)	\$	123.0
Total MTM Derivative Contract Net Assets (Liabilities) Recognized											
Total MTM Derivative Contract Net Assets (Liabilities) Recognized											
Total MTM Derivative Contract Net Assets (Liabilities) Recognized											

Balance Sheet Location	December 31, 2022											
	Risk Management Contracts				Gross Amounts of Risk Management Assets/ Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)					
		Hedging Contracts										
		Commodity (a)	Commodity (a)	Interest Rate (a)								
		(in millions)										
Current Risk Management Assets	\$	965.4	\$	212.2	\$	1.8	\$	1,179.4	\$	(830.6)	\$	348.8
Long-term Risk Management Assets		565.6		148.9		14.3		728.8		(444.7)		284.1
Total Assets		1,531.0		361.1		16.1		1,908.2		(1,275.3)		632.9
Current Risk Management Liabilities		663.8		60.4		41.4		765.6		(620.4)		145.2
Long-term Risk Management Liabilities		412.0		17.4		91.1		520.5		(175.3)		345.2
Total Liabilities		1,075.8		77.8		132.5		1,286.1		(795.7)		490.4
Total MTM Derivative Contract Net Assets (Liabilities)	\$	455.2	\$	283.3	\$	(116.4)	\$	622.1	\$	(479.6)	\$	142.5

AEP Texas

Balance Sheet Location	September 30, 2023					
	Risk Management		Gross Amounts Offset		Net Amounts of Assets/Liabilities	
	Contracts –		in the Statement of		Presented in the Statement of	
	Commodity (a)		Financial Position (b)		Financial Position (c)	
	(in millions)					
Current Risk Management Assets	\$	0.4	\$	—	\$	0.4
Long-term Risk Management Assets		—		—		—
Total Assets		0.4		—		0.4
Current Risk Management Liabilities		—		—		—
Long-term Risk Management Liabilities		—		—		—
Total Liabilities		—		—		—
Total MTM Derivative Contract Net Assets	\$	0.4	\$	—	\$	0.4

Balance Sheet Location	December 31, 2022		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ —	\$ —	\$ —
Long-term Risk Management Assets	—	—	—
Total Assets	—	—	—
Current Risk Management Liabilities	—	—	—
Long-term Risk Management Liabilities	—	—	—
Total Liabilities	—	—	—
Total MTM Derivative Contract Net Assets	\$ —	\$ —	\$ —

Balance Sheet Location	September 30, 2023		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ 48.8	\$ (2.4)	\$ 46.4
Long-term Risk Management Assets	0.8	(0.6)	0.2
Total Assets	49.6	(3.0)	46.6
Current Risk Management Liabilities	4.2	(2.4)	1.8
Long-term Risk Management Liabilities	1.5	(0.6)	0.9
Total Liabilities	5.7	(3.0)	2.7
Total MTM Derivative Contract Net Assets	\$ 43.9	\$ —	\$ 43.9

Balance Sheet Location	December 31, 2022		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ 69.3	\$ (0.2)	\$ 69.1
Long-term Risk Management Assets	0.7	(0.7)	—
Total Assets	70.0	(0.9)	69.1
Current Risk Management Liabilities	4.1	(0.5)	3.6
Long-term Risk Management Liabilities	0.7	(0.6)	0.1
Total Liabilities	4.8	(1.1)	3.7
Total MTM Derivative Contract Net Assets	\$ 65.2	\$ 0.2	\$ 65.4

Balance Sheet Location	September 30, 2023		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ 20.2	\$ (4.4)	\$ 15.8
Long-term Risk Management Assets	6.6	(1.2)	5.4

Total Assets	26.8	(5.6)	21.2
Current Risk Management Liabilities	5.3	(4.2)	1.1
Long-term Risk Management Liabilities	1.0	(1.0)	—
Total Liabilities	6.3	(5.2)	1.1
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 20.5	\$ (0.4)	\$ 20.1

		December 31, 2022								
				December 31, 2023						
				December 31, 2023						
				December 31, 2023						
			AEP							
			AEP							
		AEP			AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Assets:										
Current Risk Management Assets										
Current Risk Management Assets										
Current Risk Management Assets										
Risk Management Contracts - Commodity										
Risk Management Contracts - Commodity										
Risk Management Contracts - Commodity										
Hedging Contracts - Commodity										
Hedging Contracts - Interest Rate										
Total Current Risk Management Assets										
				Gross						
		Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities						
Long-term Risk Management Assets										
Long-term Risk Management Assets										
Long-term Risk Management Assets										
Risk Management Contracts - Commodity										
Risk Management Contracts - Commodity										
Risk Management Contracts - Commodity										
Hedging Contracts - Commodity										

Hedging				
Contracts -				
Interest Rate				
Total Long-term				
Risk				
Management				
Assets				
Balance Sheet Location	in the			
	Statement		Presented in the	
	Contracts –	of	Statement of	
	Commodity	Position	Financial	
	(a)	(b)	Position (c)	
(in millions)				
Current Risk Management Assets	\$ 16.0	\$ (0.8)	\$ 15.2	
Long-term Risk Management Assets	0.5	(0.3)	0.2	
Total Assets				
Total Assets				
Total Assets	Total Assets	16.5	(1.1)	15.4
Liabilities:				
Liabilities:				
Liabilities:				
Current Risk	Current Risk			
Management	Management			
Liabilities	Liabilities	0.9	(0.9)	—
Current Risk Management				
Liabilities				
Current Risk Management				
Liabilities				
Risk Management Contracts -				
Commodity				
Risk Management Contracts -				
Commodity				
Risk Management Contracts -				
Commodity				
Hedging				
Contracts -				
Commodity				
Hedging				
Contracts -				
Interest Rate				
Total Current				
Risk				
Management				
Liabilities				
Long-term Risk	Long-term Risk			
Management	Management			
Liabilities	Liabilities	0.3	(0.3)	—
Long-term Risk Management				
Liabilities				
Long-term Risk Management				
Liabilities				
Risk Management Contracts -				
Commodity				
Risk Management Contracts -				
Commodity				

Risk Management Contracts -
Commodity
Hedging
Contracts -
Commodity
Hedging
Contracts -
Interest Rate
Total Long-term
Risk
Management
Liabilities

Total Liabilities						
Total Liabilities						
Total Liabilities	Total Liabilities	1.2	(1.2)	—		
Total MTM Derivative Contract Net						
Assets	\$	15.3	\$	0.1	\$	15.4
Total MTM Derivative Contract Net						
Assets (Liabilities) Recognized						
Total MTM Derivative Contract Net						
Assets (Liabilities) Recognized						
Total MTM Derivative Contract Net						
Assets (Liabilities) Recognized						

OPCo

Balance Sheet Location	September 30, 2023		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ 0.3	\$ —	\$ 0.3
Long-term Risk Management Assets	—	—	—
Total Assets	0.3	—	0.3
Current Risk Management Liabilities	5.7	—	5.7
Long-term Risk Management Liabilities	45.9	—	45.9
Total Liabilities	51.6	—	51.6
Total MTM Derivative Contract Net Liabilities	\$ (51.3)	\$ —	\$ (51.3)

Balance Sheet Location	December 31, 2022		
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of	Presented in the Statement of
	Commodity (a)	Financial Position (b)	Financial Position (c)
	(in millions)		
Current Risk Management Assets	\$ —	\$ —	\$ —
Long-term Risk Management Assets	—	—	—
Total Assets	—	—	—
Current Risk Management Liabilities	2.1	(0.3)	1.8
Long-term Risk Management Liabilities	37.9	—	37.9
Total Liabilities	40.0	(0.3)	39.7
Total MTM Derivative Contract Net Assets (Liabilities)	\$ (40.0)	\$ 0.3	\$ (39.7)

Offsetting Assets and Liabilities

PSO

Balance Sheet Location	September 30, 2023					
	Risk Management	Gross Amounts Offset		Net Amounts of Assets/Liabilities		
	Contracts –	in the Statement of		Presented in the Statement of		
	Commodity (a)	Financial Position (b)		Financial Position (c)		
	(in millions)					
Current Risk Management Assets	\$	28.3	\$	(0.1)	\$	28.2
Long-term Risk Management Assets		0.3		(0.3)		—
Total Assets		28.6		(0.4)		28.2
Current Risk Management Liabilities		7.2		(0.1)		7.1
Long-term Risk Management Liabilities		0.4		(0.3)		0.1
Total Liabilities		7.6		(0.4)		7.2
Total MTM Derivative Contract Net Assets	\$	21.0	\$	—	\$	21.0

Balance Sheet Location	December 31, 2022					
	Risk Management		Gross Amounts of Risk		Net Amounts of	
	Contracts –		Management		Assets/Liabilities Presented in	
	Commodity (a)	Hedging Contracts Interest Rate (a)	Assets/Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	the Statement of Financial Position (c)	
	(in millions)					
Current Risk Management Assets	\$	24.1	\$	1.6	\$	25.3
Long-term Risk Management Assets		—		—		—
Total Assets		24.1		1.6		25.3
Current Risk Management Liabilities		2.1		2.1		1.6
Long-term Risk Management Liabilities		—		—		—
Total Liabilities		2.1		2.1		1.6
Total MTM Derivative Contract Net Assets	\$	22.0	\$	1.6	\$	23.7

SWEPCo

SWPCU

Balance Sheet Location	September 30, 2023			
	Risk Management	Gross Amounts Offset	Net Amounts of Assets/Liabilities	
	Contracts –	in the Statement of	Presented in the Statement of	
	Commodity (a)	Financial Position (b)	Financial Position (c)	
	(in millions)			
Current Risk Management Assets	\$ 17.6	\$ (0.5)	\$	17.1
Long-term Risk Management Assets	—	—		—
Total Assets	17.6	(0.5)		17.1
Current Risk Management Liabilities	3.6	(0.5)		3.1
Long-term Risk Management Liabilities	0.4	—		0.4
Total Liabilities	4.0	(0.5)		3.5
Total MTM Derivative Contract Net Assets	\$ 13.6	\$ —	\$	13.6

Balance Sheet Location	December 31, 2022			
	Risk Management	Gross Amounts Offset		Net Amounts of Assets/Liabilities
	Contracts –	in the Statement of		Presented in the Statement of
	Commodity (a)	Financial Position (b)		Financial Position (c)
	(in millions)			
Current Risk Management Assets	\$	16.8	\$ (0.4)	\$ 16.4
Long-term Risk Management Assets		—		—
Total Assets		16.8	(0.4)	16.4

Current Risk Management Liabilities	2.0	(0.6)	1.4
Long-term Risk Management Liabilities	—	—	—
Total Liabilities	2.0	(0.6)	1.4
Total MTM Derivative Contract Net Assets	\$ 14.8	\$ 0.2	\$ 15.0

- (a) Derivative instruments within these categories are disclosed as gross. These instruments are subject to master netting agreements. The following tables show the net amounts of assets and liabilities presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts sheets. The gross amounts offset include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) All derivative contracts subject to a master netting arrangement or similar agreement are offset in on the statement of financial position. balance sheets.

March 31, 2024								
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	
Assets:	(in millions)							
Current Risk Management Assets								
Gross Amounts Recognized	\$ 479.9	\$ 2.5	\$ 9.9	\$ 15.5	\$ 0.1	\$ 8.5	\$ 5.5	
Gross Amounts Offset	(327.2)	—	(1.2)	(4.3)	—	(0.6)	(0.2)	
Net Amounts Presented	152.7	2.5	8.7	11.2	0.1	7.9	5.3	
Long-term Risk Management Assets								
Gross Amounts Recognized	606.0	—	1.2	—	—	—	—	
Gross Amounts Offset	(291.6)	—	(1.2)	—	—	—	—	
Net Amounts Presented	314.4	—	—	—	—	—	—	
Total Assets	\$ 467.1	\$ 2.5	\$ 8.7	\$ 11.2	\$ 0.1	\$ 7.9	\$ 5.3	
Liabilities:								
Current Risk Management Liabilities								
Gross Amounts Recognized	\$ 508.1	\$ 0.1	\$ 21.0	\$ 9.0	\$ 6.0	\$ 29.1	\$ 9.5	
Gross Amounts Offset	(323.7)	—	(2.6)	(8.3)	—	(0.6)	(0.2)	
Net Amounts Presented	184.4	0.1	18.4	0.7	6.0	28.5	9.3	
Long-term Risk Management Liabilities								
Gross Amounts Recognized	501.0	—	3.3	—	35.0	2.8	1.8	
Gross Amounts Offset	(221.5)	—	(1.2)	—	—	—	—	
Net Amounts Presented	279.5	—	2.1	—	35.0	2.8	1.8	
Total Liabilities	\$ 463.9	\$ 0.1	\$ 20.5	\$ 0.7	\$ 41.0	\$ 31.3	\$ 11.1	
Total MTM Derivative Contract Net Assets (Liabilities)	\$ 3.2	\$ 2.4	\$ (11.8)	\$ 10.5	\$ (40.9)	\$ (23.4)	\$ (5.8)	

December 31, 2023								
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	
Assets:	(in millions)							
Current Risk Management Assets								
Gross Amounts Recognized	\$ 611.8	\$ —	\$ 24.6	\$ 30.1	\$ —	\$ 19.7	\$ 12.0	
Gross Amounts Offset	(394.3)	—	(2.2)	(2.3)	—	(0.7)	(0.4)	
Net Amounts Presented	217.5	—	22.4	27.8	—	19.0	11.6	
Long-term Risk Management Assets								
Gross Amounts Recognized	555.6	—	0.3	12.0	—	—	0.5	
Gross Amounts Offset	(234.4)	—	(0.3)	(0.2)	—	—	(0.5)	
Net Amounts Presented	321.2	—	—	11.8	—	—	—	
Total Assets	\$ 538.7	\$ —	\$ 22.4	\$ 39.6	\$ —	\$ 19.0	\$ 11.6	

Liabilities:														
Current Risk Management Liabilities														
Gross Amounts Recognized	\$	646.7	\$	2.9	\$	18.5	\$	5.4	\$	6.9	\$	29.7	\$	14.9
Gross Amounts Offset		(417.1)		(0.2)		(2.6)		(3.4)		(0.1)		(0.8)		(0.5)
Net Amounts Presented		229.6		2.7		15.9		2.0		6.8		28.9		14.4
Long-term Risk Management Liabilities														
Gross Amounts Recognized		436.7		—		6.9		0.2		43.9		1.0		1.7
Gross Amounts Offset		(194.9)		—		(0.3)		(0.2)		—		—		(0.5)
Net Amounts Presented		241.8		—		6.6		—		43.9		1.0		1.2
Total Liabilities	\$	471.4	\$	2.7	\$	22.5	\$	2.0	\$	50.7	\$	29.9	\$	15.6
Total MTM Derivative Contract Net Assets (Liabilities)	\$	67.3	\$	(2.7)	\$	(0.1)	\$	37.6	\$	(50.7)	\$	(10.9)	\$	(4.0)

The tables below present the Registrants' amount of gain (loss) recognized on risk management contracts:

Amount of Gain (Loss) Recognized on Risk Management Contracts

Amount of Gain (Loss) Recognized on Risk Management Contracts									
Location of Gain (Loss)	Three Months Ended September 30, 2023								
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo		
	(in millions)								
Vertically Integrated Utilities Revenues	\$ (9.5)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Generation & Marketing Revenues	(1.4)	—	—	—	—	—	—	—	—
Electric Generation, Transmission and Distribution Revenues	—	—	0.1	(9.6)	—	—	—	—	—
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	0.2	—	0.2	—	—	—	—	—	—
Maintenance	(0.4)	(0.1)	(0.1)	—	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Regulatory Assets (a)	1.2	0.5	1.2	1.7	0.5	(3.5)	(1.1)	(1.1)	(1.1)
Regulatory Liabilities (a)	43.0	0.4	11.9	1.6	—	12.9	12.7	12.7	12.7
Total Gain (Loss) on Risk Management Contracts	\$ 33.1	\$ 0.8	\$ 13.3	\$ (6.3)	\$ 0.4	\$ 9.3	\$ 11.5	\$ 11.5	\$ 11.5

Three Months Ended September 30, 2022																
Three Months Ended March 31, 2024																
Three Months Ended March 31, 2024																
Three Months Ended March 31, 2024																
Location of Gain (Loss)	Location of Gain (Loss)	AEP							Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		AEP	Texas	APCo	I&M	OPCo	PSO	SWEPCo								
(in millions)																
(in millions)										(in millions)						
Vertically Integrated Utilities Revenues	Vertically Integrated Utilities Revenues	\$ 2.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —								
Generation & Marketing Revenues	Generation & Marketing Revenues	116.7	—	—	—	—	—	—								
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Electric Generation, Transmission and Distribution Revenues	Electric Generation, Transmission and Distribution Revenues	—	—	0.3	—	—	—	—								
Other Revenues - Nonaffiliated		—	—	—	1.9	—	—	—								

Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	0.9	—	0.9	0.1	—	—	—
Other Operation		1.4	0.4	0.1	0.1	0.2	0.2	0.2
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation								
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation								
Maintenance								
Maintenance	Maintenance	2.0	0.5	0.2	0.2	0.4	0.2	0.3
Regulatory Assets (a)	Regulatory Assets (a)	4.3	—	—	0.1	4.1	—	0.1
Regulatory Liabilities (a)	Regulatory Liabilities (a)	103.2	(1.5)	59.7	3.8	0.9	19.7	7.0
Total Gain (Loss) on Risk Management Contracts	Total Gain (Loss) on Risk Management Contracts	\$230.6	\$(0.6)	\$61.2	\$6.2	\$5.6	\$20.1	\$7.6

Location of Gain (Loss)	Three Months Ended March 31, 2023						
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)							
Vertically Integrated Utilities Revenues	\$ (5.3)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Generation & Marketing Revenues	(147.4)	—	—	—	—	—	—
Electric Generation, Transmission and Distribution Revenues	—	—	—	(5.3)	—	—	—
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	0.7	—	0.6	—	—	—	—
Maintenance	0.1	—	—	—	—	—	—
Regulatory Assets (a)	(24.8)	(0.4)	(7.1)	(0.5)	(12.3)	(1.2)	(1.5)
Regulatory Liabilities (a)	(1.5)	—	(26.2)	1.2	—	18.0	11.9
Total Gain (Loss) on Risk Management Contracts	\$ (178.2)	\$ (0.4)	\$ (32.7)	\$ (4.6)	\$ (12.3)	\$ 16.8	\$ 10.4

Location of Gain (Loss)	Nine Months Ended September 30, 2023						
	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)							
Vertically Integrated Utilities Revenues	\$ 2.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Generation & Marketing Revenues	(290.6)	—	—	—	—	—	—
Electric Generation, Transmission and Distribution Revenues	—	—	0.1	2.1	—	—	—
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	2.2	—	2.1	0.1	—	—	—
Other Operation	(0.1)	—	—	—	—	—	—
Maintenance	(0.6)	(0.2)	(0.1)	—	(0.1)	(0.1)	(0.1)
Regulatory Assets (a)	(36.0)	—	—	(0.4)	(24.6)	(7.0)	(3.5)
Regulatory Liabilities (a)	143.5	0.4	3.1	6.4	—	73.3	58.2
Total Gain (Loss) on Risk Management Contracts	\$ (179.4)	\$ 0.2	\$ 5.2	\$ 8.2	\$ (24.7)	\$ 66.2	\$ 54.6
Nine Months Ended September 30, 2022							

Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
(in millions)							
Vertically Integrated Utilities Revenues	\$ 2.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Generation & Marketing Revenues	390.0	—	—	—	—	—	—
Electric Generation, Transmission and Distribution Revenues	—	—	0.4	(0.1)	—	—	—
Other Revenues - Nonaffiliated	—	—	—	1.9	—	—	—
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation	3.3	—	3.0	0.1	—	0.1	—
Other Operation	3.7	1.1	0.3	0.4	0.6	0.5	0.6
Maintenance	5.2	1.4	0.7	0.5	0.9	0.6	0.8
Regulatory Assets (a)	49.3	0.1	—	(1.2)	49.0	3.6	(2.1)
Regulatory Liabilities (a)	250.1	(0.6)	79.9	7.0	2.5	71.4	64.8
Total Gain on Risk Management Contracts	\$ 703.8	\$ 2.0	\$ 84.3	\$ 8.6	\$ 53.0	\$ 76.2	\$ 64.1

(a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on the statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on the statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same line item on the statements of income as that of the associated risk being hedged. However, unrealized and some realized gains and losses in regulated jurisdictions for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

Accounting for Fair Value Hedging Strategies (Applies to AEP)

For fair value hedges (i.e. hedging the exposure to changes in the fair value of an asset, liability or an identified portion thereof attributable to a particular risk), the gain or loss on the derivative instrument as well as the offsetting gain or loss on the hedged item associated with the hedged risk impacts net income during the period of change.

AEP records realized and unrealized gains or losses on interest rate swaps that are designated and qualify for fair value hedge accounting treatment and any offsetting changes in the fair value of the debt being hedged in Interest Expense on the statements of income.

The following table shows the impacts recognized on the balance sheets related to the hedged items in fair value hedging relationships:

	Carrying Amount of the Hedged Liabilities		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liabilities	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(in millions)			
Long-term Debt (a) (b)	\$ (840.1)	\$ (855.5)	\$ 106.1	\$ 89.7

	Carrying Amount of the Hedged Liabilities		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liabilities	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	(in millions)			
Long-term Debt (a) (b)	\$ (860.2)	\$ (878.2)	\$ 86.7	\$ 68.4

(a) Amounts included on the Balance Sheet within Noncurrent Liabilities line item Long-term Debt, Debt on the Balance Sheet.

(b) Amounts include \$(32) \$(28) million and \$(38) \$(30) million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, for the fair value hedge adjustment of hedged debt obligations for which hedge accounting has been discontinued.

The pretax effects of fair value hedge accounting on income were as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in millions)			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
		(in millions)			
		(in millions)			
		(in millions)			
Gain (Loss) on Interest Rate Contracts:	Gain (Loss) on Interest Rate Contracts:				
Fair Value Hedging Instruments (a)	Fair Value Hedging Instruments (a)	\$ (13.4)	\$ (36.0)	\$ (10.7)	\$ (98.4)
Fair Value Hedging Instruments (a)	Fair Value Hedging Instruments (a)				
Fair Value Hedging Instruments (a)	Fair Value Hedging Instruments (a)				
Fair Value Portion of Long-term Debt (a)	Fair Value Portion of Long-term Debt (a)	13.4	36.0	10.7	98.4
Fair Value Portion of Long-term Debt (a)	Fair Value Portion of Long-term Debt (a)				
Fair Value Portion of Long-term Debt (a)	Fair Value Portion of Long-term Debt (a)				

(a) Gain (Loss) is included in Interest Expense on the statements of income.

Accounting for Cash Flow Hedging Strategies (Applies to AEP, AEP Texas, APCo, I&M, PSO and SWEPCo)

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the Registrants initially report the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects net income.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity, Fuel and Other Consumables Used for Electric Generation on the statements of income or in Regulatory Assets or Regulatory Liabilities on the balance sheets, depending on the specific nature of the risk being hedged. During the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, AEP applied cash flow hedging to outstanding power derivatives and the Registrant Subsidiaries did not.

The Registrants reclassify gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on the balance sheets into Interest Expense on the statements of income in those periods in which hedged interest payments occur. During the three months ended September 30, 2023 March 31, 2024, the Registrants did not apply AEP and AEP Texas applied cash flow hedging to outstanding interest rate derivatives. derivatives and the other Registrant Subsidiaries did not. During the nine three months ended September 30, 2023 March 31, 2023, AEP, AEP Texas, I&M, PSO and SWEPCo applied cash flow hedging to outstanding interest rate derivatives and the other Registrant Subsidiaries did not. During the three and nine months ended September 30, 2022, AEP applied cash flow hedging to outstanding interest rate derivatives and the Registrant Subsidiaries did not.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on the balance sheets and the reasons for changes in cash flow hedges, see Note 3 - Comprehensive Income.

Cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on the balance sheets were:

Impact of Cash Flow Hedges on AEP's Balance Sheets

	September 30, 2023		December 31, 2022	
	Commodity	Interest Rate	Commodity	Interest Rate
	(in millions)			
AOCI Gain Net of Tax	\$ 100.6	\$ 4.7	\$ 223.5	\$ 0.3
Portion Expected to be Reclassed to Net Income During the Next Twelve Months	36.1	4.3	119.9	0.3

Impact of Cash Flow Hedges on the Registrants' Balance Sheets

	March 31, 2024				December 31, 2023			
	AOCI		Portion Expected to		AOCI		Portion Expected to	
	Gain (Loss)		be Reclassified to		Gain (Loss)		be Reclassified to	
	Net of Tax		Net Income During		Net of Tax		Net Income During	
	Commodity	Interest Rate	Commodity	Interest Rate	Commodity	Interest Rate	Commodity	Interest Rate
	(in millions)							
AEP	\$	87.2	\$	3.4	\$	104.9	\$	(8.1)
AEP Texas	—	4.4	—	0.5	—	0.5	—	0.2
APCo	—	5.7	—	0.8	—	5.9	—	0.8
I&M	—	(5.4)	—	(0.4)	—	(5.5)	—	(0.4)
PSO	—	(0.2)	—	—	—	(0.2)	—	—
SWEPCo	—	1.2	—	0.3	—	1.3	—	0.3

As of **September 30, 2023** **March 31, 2024** the maximum length of time that AEP is hedging its exposure to variability in future cash flows related to forecasted transactions is **90** **84** months.

Impact of Cash Flow Hedges on the Registrant Subsidiaries' Balance Sheets

	September 30, 2023			December 31, 2022		
	Interest Rate			Interest Rate		
	Expected to be			Expected to be		
	Reclassified to			Reclassified to		
	Net Income During			Net Income During		
Company	AOCI Gain (Loss)	the Next	AOCI Gain (Loss)	AOCI Gain (Loss)	the Next	AOCI Gain (Loss)
	Net of Tax	Twelve Months	Net of Tax	Net of Tax	Twelve Months	Net of Tax
	(in millions)					
AEP Texas	\$	2.8	\$	(0.3)	\$	(0.2)
APCo		6.1		0.8		6.7
I&M		(5.6)		(0.4)		(5.1)
PSO		(0.2)		—		1.3
SWEPCo		1.4		0.3		1.1

The actual amounts reclassified from Accumulated Other Comprehensive Income (Loss) to Net Income can differ from the estimate above due to market price changes.

Credit Risk

Management mitigates credit risk in wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses credit agency ratings and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. Some master agreements include margining, which requires a counterparty to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a default including a failure or inability to post collateral when required.

Credit-Risk-Related Contingent Features

Credit Downgrade Triggers (Applies to AEP, APCo, I&M, PSO and SWEPCo)

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. The Registrants have not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. **AEP had derivative contracts with collateral triggering events in a net liability position with a total exposure of \$0 and \$2 million as of September 30, 2023 and December 31, 2022, respectively.** The Registrant Subsidiaries Registrants had no derivative contracts with collateral triggering events in a net liability position as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

Cross-Acceleration Triggers

Certain interest rate derivative contracts contain cross-acceleration provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-acceleration provisions could be triggered if there was a non-performance event by the Registrants under any of their outstanding debt of at least \$50 million and the lender on that debt has accelerated the entire repayment obligation. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-acceleration provisions in contracts. AEP had derivative contracts with cross-acceleration provisions in a net liability position of ~~\$138~~ \$116 million and ~~\$127~~ million as of September 30, 2023 \$107 million and December 31, 2022, respectively. There was no cash collateral posted as of September 30, 2023 March 31, 2024 and December 31, 2022. December 31, 2023, respectively. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. The Registrant ~~Subsidiaries~~ had no ~~Subsidiaries'~~ derivative contracts with cross-acceleration provisions outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022. December 31, 2023 were not material.

Cross-Default Triggers (Applies to AEP, APCo, I&M, PSO and SWEPCo)

In addition, a majority of non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third-party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. AEP had derivative contracts subject to with cross-default provisions in a net liability position of ~~\$165~~ \$235 million and ~~\$217~~ \$242 million and no cash collateral posted as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, after considering contractual netting arrangements. There was no cash collateral posted as of September 30, 2023 and December 31, 2022. If a cross-default provision would have been triggered, settlement at fair value would have been required. APCo, PSO and SWEPCo had derivative contracts with cross-default provisions in a net liability position of \$16 million, \$31 million and \$10 million, respectively, and no cash collateral posted as of March 31, 2024. APCo, PSO and SWEPCo had derivative contracts with cross-default provisions in a net liability position of \$22 million, \$29 million and \$15 million, respectively, and no cash collateral posted as of December 31, 2023. The other Registrant ~~Subsidiaries'~~ Subsidiaries had no derivative contracts with cross-default provisions outstanding as of September 30, 2023 March 31, 2024 and December 31, 2022 were not material. December 31, 2023.

10. FAIR VALUE MEASUREMENTS

The disclosures in this note apply to all Registrants except AEPTCo unless indicated otherwise.

Fair Value Hierarchy and Valuation Techniques

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange-traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange-traded derivatives where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket-based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the nuclear trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes.

Assets in the nuclear trusts, cash and cash equivalents, other temporary investments restricted cash for securitized funding are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and equity securities. They are valued based on observable inputs, primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments.

Fair Value Measurements of Long-term Debt (Applies to all Registrants)

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange. The fair value of AEP's Equity Units (Level 1) are valued based on publicly traded securities issued by AEP.

The book values and fair values of Long-term Debt are summarized in the following table:

		September 30, 2023		December 31, 2022					
		March 31, 2024				March 31, 2024		December 31, 2023	
Company	Company	Book Value	Fair Value	Book Value	Fair Value	Company	Book Value	Fair Value	Company
(in millions)									
AEP (a)		\$39,489.1	\$33,559.8	\$36,801.0	\$32,915.9				
(in millions)						(in millions)			
AEP	AEP								
Texas	Texas	5,926.7	4,963.8	5,657.8	5,045.8				
AEPTCo	AEPTCo	5,473.7	4,270.8	4,782.8	3,940.5				
APCo	APCo	5,587.3	4,901.4	5,410.5	5,079.2				
I&M	I&M	3,443.6	2,920.6	3,260.8	2,929.0				
OPCo	OPCo	3,366.2	2,645.2	2,970.3	2,516.6				
PSO	PSO	2,384.2	1,942.5	1,912.8	1,635.8				
SWEPCo	SWEPCo	3,646.2	2,944.8	3,391.6	2,870.9				

(a) The fair value amounts include debt related to AEP's Equity Units and had a fair value of \$0 and \$877 million as of September 30, 2023 and December 31, 2022, respectively. See "Equity Units" section of Note 12 for additional information.

Fair Value Measurements of Other Temporary Investments and Restricted Cash (Applies to AEP)

Other Temporary Investments include marketable securities that management intends to hold for less than one year and investments by AEP's protected cell of EIS.

The following is a summary of Other Temporary Investments and Restricted Cash:

		September 30, 2023								
		Gross		Gross						
		Unrealized		Unrealized		Fair				
		March 31, 2024				March 31, 2024				
		Gross								
		Unrealized		Unrealized						
		Unrealized								
		Unrealized						Unrealized		Fair
Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash	Cost	Gains	Losses	Value	Other Temporary Investments and Restricted Cash	Cost	Gains	Losses	Value
		(in millions)								
		(in millions)				(in millions)				
Restricted Cash (a)	Restricted Cash (a)	\$ 53.8	\$ —	\$ —	\$ 53.8					
Other Cash Deposits	Other Cash Deposits	13.4	—	—	13.4					

Fixed Income Securities – Mutual Funds (b)	Fixed Income Securities – Mutual Funds (b)	170.4	—	(10.4)	160.0
Equity Securities – Mutual Funds	Equity Securities – Mutual Funds	15.0	22.6	—	37.6
Total Other Temporary Investments and Restricted Cash	Total Other Temporary Investments and Restricted Cash	\$252.6	\$ 22.6	\$ (10.4)	\$264.8

		December 31, 2022									
		Gross Unrealized		Gross Unrealized		Fair					
		December 31, 2022					December 31, 2023				
		Gross Unrealized		Gross Unrealized		Fair					
		Unrealized		Unrealized		Fair					
		Unrealized		Unrealized		Fair					
		Unrealized		Unrealized		Fair					
Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash	Cost	Gains	Losses	Value	Other Temporary Investments and Restricted Cash	Cost	Gains	Unrealized	Losses	Fair
(in millions)						(in millions)					
Restricted Cash (a)	Restricted Cash (a)	\$ 47.1	\$ —	\$ —	\$ 47.1						
Other Cash Deposits	Other Cash Deposits	9.0	—	—	9.0						
Fixed Income Securities – Mutual Funds (b)	Fixed Income Securities – Mutual Funds (b)	152.4	—	(8.3)	144.1						
Equity Securities – Mutual Funds	Equity Securities – Mutual Funds	15.1	19.4	—	34.5						
Total Other Temporary Investments and Restricted Cash	Total Other Temporary Investments and Restricted Cash	\$223.6	\$ 19.4	\$ (8.3)	\$234.7						

(a) Primarily represents amounts held for the repayment of debt.

(b) Primarily short and intermediate maturities which may be sold and do not contain maturity dates.

The following table provides the activity for fixed income and equity securities within Other Temporary Investments:

Three Months Ended September 30,

Nine Months Ended September 30,

		2023	2022	2023	2022
		(in millions)			
		(in millions)			
		(in millions)			
		(in millions)			
Proceeds from Investment Sales	Proceeds from Investment Sales	\$ 0.8	\$ —	\$ 0.8	\$ 15.0
Purchases of Investments	Purchases of Investments	14.6	11.8	16.9	13.4
Purchases of Investments					
Purchases of Investments					
Gross Realized Gains on Investment Sales					
Gross Realized Gains on Investment Sales					
Gross Realized Gains on Investment Sales	Gross Realized Gains on Investment Sales	0.3	—	0.3	3.6
Gross Realized Losses on Investment Sales	Gross Realized Losses on Investment Sales	—	—	—	0.5
Gross Realized Losses on Investment Sales					
Gross Realized Losses on Investment Sales					

Fair Value Measurements of Trust Assets for Decommissioning and SNF Disposal (Applies to AEP and I&M)

Nuclear decommissioning and SNF trust funds represent funds that regulatory commissions allow I&M to collect through rates to fund future decommissioning and SNF disposal liabilities. By rules or orders, the IURC, the MPSC and the FERC established investment limitations and general risk management guidelines. In general, limitations include:

- Acceptable investments (rated investment grade or above when purchased).
- Maximum percentage invested in a specific type of investment.
- Prohibition of investment in obligations of AEP, I&M or their affiliates.
- Withdrawals permitted only for payment of decommissioning costs and trust expenses.

I&M maintains trust funds for each regulatory jurisdiction. Regulatory approval is required to withdraw decommissioning funds. These funds are managed by an external investment manager that must comply with the guidelines and rules of the applicable regulatory authorities. The trust assets are invested to optimize the net of tax earnings of the trust giving consideration to liquidity, risk, diversification and other prudent investment objectives.

I&M records securities held in these trust funds in Spent Nuclear Fuel and Decommissioning Trusts on its balance sheets. I&M records these securities at fair value. I&M classifies debt securities in the trust funds as available-for-sale due to their long-term purpose.

Other-than-temporary impairments for investments in debt securities are considered realized losses as a result of securities being managed by an external investment management firm. The external investment management firm makes specific investment decisions regarding the debt and equity investments held in these trusts and generally intends to sell debt securities in an unrealized loss position as part of a tax optimization strategy. Impairments

reduce the cost basis of the securities which will affect any future unrealized gain or realized gain or loss due to the adjusted cost of investment. I&M records unrealized gains, unrealized losses and other-than-temporary impairments from securities in these trust funds as adjustments to the regulatory liability account for the nuclear decommissioning trust funds and to regulatory assets or liabilities for the SNF disposal trust funds in accordance with their treatment in rates. Consequently, changes in fair value of trust assets do not affect earnings or AOCI.

The following is a summary of nuclear trust fund investments:

September 30, 2023				December 31, 2022				March 31, 2024	December 31, 2023
Fair Value	Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments	Fair Value	Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments		
(in millions)									

	Gross										Fair Value
	Fair Value	Unrealized Gains				Unrealized Losses				Temporary Impairments	
		(in millions)									
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 20.5	\$ —	\$ —	\$ —	\$ 21.2	\$ —	\$ —	\$ —		
Fixed Income Securities:	Fixed Income Securities:										
United States Government	United States Government										
United States Government	United States Government										
United States Government	United States Government	1,204.7	0.6	(30.8)	(38.5)	1,123.8	11.8	(14.9)	(18.8)		
Corporate Debt	Corporate Debt	136.8	0.4	(12.4)	(5.3)	61.6	0.7	(7.7)	(9.6)		
State and Local Government	State and Local Government	3.2	—	—	—	3.3	0.1	—	(0.1)		
Subtotal Fixed Income Securities	Subtotal Fixed Income Securities	1,344.7	1.0	(43.2)	(43.8)	1,188.7	12.6	(22.6)	(28.5)		
Equity Securities - Domestic	Equity Securities - Domestic	2,174.5	1,620.5	(1.9)	—	2,131.3	1,483.7	(6.4)	—		
Spent Nuclear Fuel and Decommissioning Trusts	Spent Nuclear Fuel and Decommissioning Trusts	\$3,539.7	\$ 1,621.5	\$ (45.1)	\$ (43.8)	\$3,341.2	\$ 1,496.3	\$ (29.0)	\$ (28.5)		

The following table provides the securities activity within the decommissioning and SNF trusts:

		Three Months Ended March 31, 2023				Three Months Ended March 31, 2022				Three Months Ended March 31, 2021			
		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023		Three Months Ended September 30, 2022		Nine Months Ended September 30, 2022		Three Months Ended September 30, 2021		Nine Months Ended September 30, 2021	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(in millions)				(in millions)				(in millions)			
Proceeds from Investment Sales	Proceeds from Investment Sales	\$933.0	\$588.5	\$2,139.3	\$1,818.4								
Purchases of Investments	Purchases of Investments	949.5	601.6	2,182.8	1,854.8								
Purchases of Investments	Purchases of Investments												
Gross Realized Gains on Investment Sales	Gross Realized Gains on Investment Sales												
Gross Realized Gains on Investment Sales	Gross Realized Gains on Investment Sales												

Gross Realized Gains on Investment Sales	Gross Realized Gains on Investment Sales	36.8	24.6	91.6	41.3
Gross Realized Losses on Investment Sales	Gross Realized Losses on Investment Sales	7.7	8.4	20.0	33.5
Gross Realized Losses on Investment Sales					
Gross Realized Losses on Investment Sales					

The base cost of fixed income securities was \$1.4 billion and \$1.2 billion \$1.4 billion as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The base cost of equity securities was \$556 million \$577 million and \$654 million \$568 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The fair value of fixed income securities held in the nuclear trust funds, summarized by contractual maturities, as of September 30, 2023 March 31, 2024 was as follows:

Fair Value of Fixed Income Securities	
(in millions)	
Within 1 year	\$ 393.6 338.8
After 1 year through 5 years	504.4 598.0
After 5 years through 10 years	188.6 186.6
After 10 years	258.1 268.6
Total	\$ 1,344.7 1,392.0

Fair Value Measurements of Financial Assets and Liabilities

The following tables set forth, by level within the fair value hierarchy, the Registrants' financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

AEP

Assets and Liabilities Measured at Fair Value on a Recurring Basis											
September 30, 2023						March 31, 2024					
		Level 1	Level 2	Level 3	Other	Total					
		Level 1					Level 1	Level 2	Level 3	Other	Total
Assets:	Assets:	(in millions)				Assets:	(in millions)				
Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash										
Other Temporary Investments and Restricted Cash											
Other Temporary Investments and Restricted Cash											
Restricted Cash											
Restricted Cash											
Restricted Cash	Restricted Cash	\$ 53.8	\$ —	\$ —	\$ —	\$ 53.8					

Other Cash	Other Cash					
Deposits (a)	Deposits (a)	—	—	—	13.4	13.4
Fixed Income	Fixed Income					
Securities – Mutual	Securities – Mutual					
Funds	Funds	160.0	—	—	—	160.0
Equity Securities –	Equity Securities –					
Mutual Funds (b)	Mutual Funds (b)	37.6	—	—	—	37.6
Total Other	Total Other					
Temporary	Temporary					
Investments and	Investments and					
Restricted Cash	Restricted Cash	251.4	—	—	13.4	264.8
Risk Management	Risk Management					
Assets	Assets					
Risk Management Assets						
Risk Management Assets						
Risk Management Commodity						
Contracts (c) (d)						
Risk Management Commodity						
Contracts (c) (d)						
Risk Management	Risk Management					
Commodity	Commodity					
Contracts (c) (d)	Contracts (c) (d)	11.4	721.3	319.2	(627.4)	424.5
Cash Flow	Cash Flow					
Hedges:	Hedges:					
Commodity	Commodity					
Hedges (c)	Hedges (c)	—	119.3	19.3	(10.2)	128.4
Commodity Hedges (c)						
Commodity Hedges (c)						
Interest Rate						
Hedges						
Total Risk Management Assets						
Total Risk Management Assets						
Total Risk	Total Risk					
Management	Management					
Assets	Assets	11.4	840.6	338.5	(637.6)	552.9
Spent Nuclear	Spent Nuclear					
Fuel and	Fuel and					
Decommissioning	Decommissioning					
Trusts	Trusts					
Spent Nuclear Fuel and						
Decommissioning Trusts						
Spent Nuclear Fuel and						
Decommissioning Trusts						
Cash and Cash Equivalents (e)						
Cash and Cash Equivalents (e)						
Cash and Cash	Cash and Cash					
Equivalents (e)	Equivalents (e)	10.0	—	—	10.5	20.5
Fixed Income	Fixed Income					
Securities:	Securities:					
United States Government						
United States Government						
United States	United States					
Government	Government	—	1,204.7	—	—	1,204.7
Corporate Debt	Corporate Debt	—	136.8	—	—	136.8

State and Local Government	State and Local Government	—	3.2	—	—	3.2
Subtotal Fixed Income Securities	Subtotal Fixed Income Securities	—	1,344.7	—	—	1,344.7
Equity Securities – Domestic (b)	Equity Securities – Domestic (b)	2,174.5	—	—	—	2,174.5
Total Spent Nuclear Fuel and Decommissioning Trusts	Total Spent Nuclear Fuel and Decommissioning Trusts	2,184.5	1,344.7	—	10.5	3,539.7
Total Assets	Total Assets	\$ 2,447.3	\$2,185.3	\$338.5	\$(613.7)	\$4,357.4

Total Assets

Total Assets

Liabilities:

Liabilities:

Liabilities:

Risk Management Liabilities

Risk Management Liabilities

Risk Management Liabilities

Risk Management Liabilities

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Risk Management Commodity Contracts (c) (d)

Cash Flow Hedges:

Cash Flow Hedges:

Commodity Hedges (c)

Commodity Hedges (c)

Commodity Hedges (c)

Interest Rate Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

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Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

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Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

Fair Value Hedges

AEP

Assets and Liabilities Measured at Fair Value on a Recurring Basis

December 31, 2022 2023

	Level 1	Level 2	Level 3	Other	Total		Level 1	Level 2	Level 3	Other	Total
	Level 1						Level 1	Level 2	Level 3	Other	Total
	1										
Assets:	Assets:	(in millions)				Assets:	(in millions)				
Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash										

Other Temporary Investments and Restricted Cash						
Other Temporary Investments and Restricted Cash						
Restricted Cash						
Restricted Cash						
Restricted Cash	Restricted Cash	\$ 47.1	\$ —	\$ —	\$ —	\$ 47.1
Other Cash	Other Cash					
Deposits (a)	Deposits (a)	—	—	—	9.0	9.0
Fixed Income	Fixed Income					
Securities – Mutual	Securities – Mutual					
Funds	Funds	144.1	—	—	—	144.1
Equity Securities –	Equity Securities –					
Mutual Funds (b)	Mutual Funds (b)	34.5	—	—	—	34.5
Total Other	Total Other					
Temporary	Temporary					
Investments and	Investments and					
Restricted Cash	Restricted Cash	225.7	—	—	9.0	234.7
Risk Management	Risk Management					
Assets	Assets					
Risk Management Assets						
Risk Management Assets						
Risk Management Commodity						
Contracts (c) (f)						
Risk Management Commodity						
Contracts (c) (f)						
Risk Management	Risk Management					
Commodity	Commodity					
Contracts (c) (f)	Contracts (c) (f)	15.0	1,197.5	314.4	(1,211.5)	315.4
Cash Flow	Cash Flow					
Hedges:	Hedges:					
Commodity	Commodity					
Hedges (c)	Hedges (c)	—	332.6	26.7	(52.8)	306.5
Interest Rate Hedges		—	11.0	—	—	11.0
Commodity Hedges (c)						
Commodity Hedges (c)						
Total Risk Management Assets						
Total Risk Management Assets						
Total Risk	Total Risk					
Management	Management					
Assets	Assets	15.0	1,541.1	341.1	(1,264.3)	632.9
Spent Nuclear	Spent Nuclear					
Fuel and	Fuel and					
Decommissioning	Decommissioning					
Trusts	Trusts					
Spent Nuclear Fuel and Decommissioning Trusts						
Spent Nuclear Fuel and Decommissioning Trusts						
Cash and Cash Equivalents (e)						
Cash and Cash Equivalents (e)						
Cash and Cash	Cash and Cash					
Equivalents (e)	Equivalents (e)	11.3	—	—	9.9	21.2
Fixed Income	Fixed Income					
Securities:	Securities:					

United States Government						
United States Government						
United States Government	United States Government	—	1,123.8	—	—	1,123.8
Corporate Debt	Corporate Debt	—	61.6	—	—	61.6
State and Local Government	State and Local Government	—	3.3	—	—	3.3
Subtotal Fixed Income Securities	Subtotal Fixed Income Securities	—	1,188.7	—	—	1,188.7
Equity Securities – Domestic (b)	Equity Securities – Domestic (b)	2,131.3	—	—	—	2,131.3
Total Spent Nuclear Fuel and Decommissioning Trusts	Total Spent Nuclear Fuel and Decommissioning Trusts	2,142.6	1,188.7	—	9.9	3,341.2
Total Assets	Total Assets	\$ 2,383.3	\$2,729.8	\$341.1	\$(1,245.4)	\$4,208.8
Total Assets						
Total Assets						
Liabilities:						
Liabilities:						
Liabilities:	Liabilities:					
Risk Management Liabilities	Risk Management Liabilities					
Risk Management Liabilities						
Risk Management Liabilities						
Risk Management Commodity Contracts (c) (f)						
Risk Management Commodity Contracts (c) (f)						
Risk Management Commodity Contracts (c) (f)	Risk Management Commodity Contracts (c) (f)	\$ 21.8	\$ 870.9	\$179.0	\$ (731.9)	\$ 339.8
Cash Flow Hedges:	Cash Flow Hedges:					
Commodity Hedges (c)	Commodity Hedges (c)	—	74.3	1.7	(52.8)	23.2
Commodity Hedges (c)						
Commodity Hedges (c)						
Interest Rate Hedges						
Fair Value Hedges	Fair Value Hedges	—	127.4	—	—	127.4
Total Risk Management Liabilities	Total Risk Management Liabilities	\$ 21.8	\$1,072.6	\$180.7	\$ (784.7)	\$ 490.4

AEP Texas

Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023 March 31, 2024

	Level					Level 1	Level 2	Level 3	Other	Total
	Level 1	2	3	Other	Total					
Level 1										

Assets:	Assets:	(in millions)						Assets:	(in millions)					
Restricted Cash for Securitized Funding	Restricted Cash for Securitized Funding	\$	46.9	\$	—	\$	—	\$	—	\$	—	\$	46.9	
Restricted Cash for Securitized Funding														
Restricted Cash for Securitized Funding														
Risk Management Assets	Risk Management Assets													
Risk Management														
Commodity Contracts (g)														
—0.4—0.4														
Risk Management Assets														
Risk Management Assets														
Risk Management														
Management														
Commodity														
Contracts (c)														
Cash Flow														
Hedges:														
Interest Rate Hedges														
Interest Rate Hedges														
Interest Rate Hedges														
Total Risk Management Assets														
Total Assets														
Total Assets														
Total Assets														
Liabilities:														
Liabilities:														
Liabilities:														
Risk Management Liabilities														
Risk Management Liabilities														
Risk Management Liabilities														
Risk Management														
Commodity Contracts (c)														
Risk Management														
Commodity Contracts (c)														
Risk Management														
Commodity Contracts (c)														
Cash Flow														
Hedges:														
Interest Rate Hedges														
Interest Rate Hedges														
Interest Rate Hedges														
Total Liabilities														
Total Liabilities														
Total Assets		\$	46.9	\$	0.4	\$	—	\$	—	\$	—	\$	47.3	

Total Liabilities

December 31, 2022 2023

		Level		Level																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															

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Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023 March 31, 2024

		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
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		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2					Level 3					Other		Total	
		Level 1					Level 2													

Restricted Cash for Securitized Funding						
Risk Management Assets	Risk Management Assets					
Risk Management						
Commodity Contracts (c)						
(g)		—	3.8	45.2	(2.4)	46.6
Risk Management Assets						
Risk Management Assets						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Total Assets	Total Assets	\$	6.9	\$ 3.8	\$45.2	\$(2.4) \$53.5
Total Assets						
Total Assets						
Liabilities:						
Liabilities:						
Risk Management Liabilities	Risk Management Liabilities					
Risk Management						
Commodity Contracts (c)						
(g)		\$	—	\$ 5.0	\$ 0.1	\$(2.4) \$ 2.7
Risk Management Liabilities						
Risk Management Liabilities						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						

December 31, 2022 2023

		Level 1	Level 2	Level 3	Other	Total
		Level 1	Level 2	Level 3	Other	Total
		Level 1	Level 2	Level 3	Other	Total
Assets:	Assets:	(in millions)				
Restricted Cash for Securitized Funding	Restricted Cash for Securitized Funding					
		\$	14.4	\$ —	\$ —	\$ — \$14.4
Restricted Cash for Securitized Funding						
Restricted Cash for Securitized Funding						

Risk Management Assets	Risk Management Assets					
Risk Management						
Commodity Contracts (c)						
(g)		—	0.7	69.4	(1.0)	69.1
Risk Management Assets						
Risk Management Assets						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Total Assets	Total Assets	\$	14.4	\$ 0.7	\$ 69.4	\$(1.0) \$83.5
Total Assets						
Total Assets						
Liabilities:						
Liabilities:						
Liabilities:	Liabilities:					
Risk Management Liabilities	Risk Management Liabilities					
Commodity Contracts (c)						
(g)		\$	—	\$ 4.6	\$ 0.3	\$(1.4) \$ 3.5
Risk Management Liabilities						
Risk Management Liabilities						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						
Risk Management						
Commodity Contracts (c)						

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Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023 March 31, 2024

		Level									
		Level 1	Level 2	3	Other	Total					
		Level 1					Level 1	Level 2	Level 3	Other	Total
Assets:	Assets:	(in millions)					Assets:	(in millions)			
Risk Management Assets	Risk Management Assets										
Risk Management Commodity											
Contracts (c) (g)		\$	—	\$	18.1	\$ 7.9	\$(4.8)	\$	21.2		
Risk Management Assets											
Risk Management Assets											
Risk Management Commodity											
Contracts (c)											
Risk Management Commodity											
Contracts (c)											

Risk Management Commodity							
Contracts (c)							
Spent Nuclear Fuel and Decommissioning Trusts	Spent Nuclear Fuel and Decommissioning Trusts						
Spent Nuclear Fuel and Decommissioning Trusts							
Spent Nuclear Fuel and Decommissioning Trusts							
Cash and Cash Equivalents (e)							
Cash and Cash Equivalents (e)							
Cash and Cash Equivalents (e)	Cash and Cash Equivalents (e)	10.0	—	—	10.5	20.5	
Fixed Income Securities:	Fixed Income Securities:						
United States Government							
United States Government							
United States Government	United States Government	—	1,204.7	—	—	1,204.7	
Corporate Debt	Corporate Debt	—	136.8	—	—	136.8	
State and Local Government	State and Local Government	—	3.2	—	—	3.2	
Subtotal Fixed Income Securities	Subtotal Fixed Income Securities	—	1,344.7	—	—	1,344.7	
Equity Securities - Domestic (b)	Equity Securities - Domestic (b)	2,174.5	—	—	—	2,174.5	
Total Spent Nuclear Fuel and Decommissioning Trusts	Total Spent Nuclear Fuel and Decommissioning Trusts	2,184.5	1,344.7	—	10.5	3,539.7	
Total Assets	Total Assets	\$ 2,184.5	\$1,362.8	\$ 7.9	\$ 5.7	\$3,560.9	
Total Assets							
Total Assets							
Liabilities:							
Liabilities:							
Liabilities:	Liabilities:						
Risk Management Liabilities	Risk Management Liabilities						
Risk Management Commodity Contracts (c) (g)		\$ —	\$ 4.2	\$ 1.3	\$(4.4)	\$ 1.1	
Risk Management Liabilities							
Risk Management Liabilities							
Risk Management Commodity							
Contracts (c)							
Risk Management Commodity							
Contracts (c)							
Risk Management Commodity							
Contracts (c)							

December 31, 2022 2023

		Level										
		Level 1	Level 2	3	Other	Total						
		Level 1										
		1										
Assets:	Assets:	(in millions)					Assets:	(in millions)				
Risk Management Assets	Risk Management Assets											
Risk Management Assets	Risk Management Assets											
Risk Management Commodity												
Contracts (c) (g)		\$	—	\$	11.3	\$ 5.3	\$(1.2)	\$	15.4			
Risk Management Assets												
Risk Management Assets												
Risk Management Commodity												
Contracts (c)												
Risk Management Commodity												
Contracts (c)												
Risk Management Commodity												
Contracts (c)												
Spent Nuclear Fuel and Decommissioning Trusts												
Spent Nuclear Fuel and Decommissioning Trusts												
Spent Nuclear Fuel and Decommissioning Trusts												
Spent Nuclear Fuel and Decommissioning Trusts												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)	Cash and Cash Equivalents (e)	11.3	—	—	9.9	21.2						
Fixed Income Securities:	Fixed Income Securities:											
United States Government												
United States Government												
United States Government	United States Government	—	1,123.8	—	—	1,123.8						
Corporate Debt	Corporate Debt	—	61.6	—	—	61.6						
State and Local Government	State and Local Government	—	3.3	—	—	3.3						
Subtotal Fixed Income Securities	Subtotal Fixed Income Securities	—	1,188.7	—	—	1,188.7						
Equity Securities - Domestic (b)	Equity Securities - Domestic (b)	2,131.3	—	—	—	2,131.3						
Total Spent Nuclear Fuel and Decommissioning Trusts	Total Spent Nuclear Fuel and Decommissioning Trusts	2,142.6	1,188.7	—	9.9	3,341.2						
Total Assets	Total Assets	\$	2,142.6	\$1,200.0	\$ 5.3	\$ 8.7	\$3,356.6					
Total Assets												
Total Assets												
Liabilities:												
Liabilities:												
Liabilities:												

Risk Management Liabilities	Risk Management Liabilities						
Risk Management Commodity Contracts (c) (g)		\$	—	\$	0.6	\$0.7	\$(1.3) \$ —
Risk Management Liabilities							
Risk Management Liabilities							
Risk Management Commodity Contracts (c)							
Risk Management Commodity Contracts (c)							
Risk Management Commodity Contracts (c)							

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Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023March 31, 2024

		Level 1	Level 2	Level 3	Other	Total						
		Level 1										
		1										
Assets:	Assets:						Assets:					
Risk Management Assets	Risk Management Assets						(in millions)					
Risk Management Commodity Contracts (g)		\$	—	\$0.3	\$ —	\$ —	\$ 0.3					
Risk Management Assets												
Risk Management Assets												
Risk Management Commodity Contracts (c)												
Liabilities:	Liabilities:											
Liabilities:												
Liabilities:												
Risk Management Liabilities	Risk Management Liabilities											
Risk Management Commodity Contracts (g)		\$	—	\$ —	\$51.6	\$ —	\$51.6					
Risk Management Liabilities												
Risk Management Liabilities												
Risk Management Commodity Contracts (c)												
Risk Management Commodity Contracts (c)												
Risk Management Commodity Contracts (c)												

December 31, 20222023

	Level 1	Level 2	Level 3	Other	Total

		Level 1					Level 1	Level 2	Level 3	Other	Total
Liabilities:	Liabilities:	(in millions)									
Liabilities:											
Liabilities:							(in millions)				
Risk Management Liabilities	Risk Management Liabilities										
Risk Management Liabilities											
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Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023 March 31, 2024

		Level									
		Level 1	2	3	Other	Total					
		Level 1									
		1				Level 1	Level 2	Level 3	Other	Total	
Assets:	Assets:	(in millions)				Assets:	(in millions)				
Risk Management Assets	Risk Management Assets										
Risk Management Assets	Risk Management Assets										
Risk Management Assets	Risk Management Assets										
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Risk Management Assets	Risk Management Assets										

Risk Management Liabilities
Risk Management
Commodity Contracts (c)
Risk Management
Commodity Contracts (c)
Risk Management
Commodity Contracts (c)

December 31, 2022 2023

	Level 1	Level 2	Level 3	Other	Total
Assets:	(in millions)				
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ —	\$ 24.0	\$ 1.3	\$ 25.3
Cash Flow Hedges:					
Interest Rate Hedges	—	1.6	—	(1.6)	—
Total Assets	\$ —	\$ 1.6	\$ 24.0	\$ (0.3)	\$ 25.3
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 1.7	\$ 0.3	\$ (0.4)	\$ 1.6

	Level 1	Level 2	Level 3	Other	Total
Assets:	(in millions)				
Risk Management Assets					
Risk Management Commodity Contracts (c)	\$ —	\$ —	\$ 19.7	\$ (0.7)	\$ 19.0
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	\$ —	\$ 29.6	\$ 1.1	\$ (0.8)	\$ 29.9

SWEPCo

Assets and Liabilities Measured at Fair Value on a Recurring Basis

September 30, 2023 March 31, 2024

	Level 1	Level 2	Level 3	Other	Total
Assets:	(in millions)				
Risk Management Assets					
Risk Management Commodity Contracts (c) (g)	\$ —	\$ 0.2	\$ 17.4	\$ (0.5)	\$ 17.1
Risk Management Assets					
Risk Management Assets					
Risk Management Commodity Contracts (c)					

Risk Management Liabilities
Risk Management Liabilities
Risk Management Commodity Contracts (c)
Risk Management Commodity Contracts (c)
Risk Management Commodity Contracts (c)

- (a) Amounts in "Other" column primarily represent cash deposits in bank accounts with financial institutions or third-parties. Level 1 and Level 2 amounts primarily represent investments in money market funds.
- (b) Amounts represent publicly traded equity securities and equity-based mutual funds.
- (c) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."
- (d) The **September 30, 2023** **March 31, 2024** maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures **\$(4)** **\$(14)** million in **2023** **2024** and **\$(9)** **\$(3)** million in periods **2024-2026**; **2025-2027**; Level 2 matures **\$64 million** **\$(65)** million in **2024**, **\$51 million** in periods **2024-2026**, **\$10 million** **2025-2027** and **\$5 million** in periods **2027-2028** **2028-2029**; Level 3 matures **\$34 million** in **2024**, **\$55 million** in periods **2025-2027**, **\$23 million** in periods **2028-2029** and **\$1** **\$(12)** million in periods **2029-2033**; Level 3 matures **\$37 million** in **2023**, **\$118 million** in periods **2024-2026**, **\$18 million** in periods **2027-2028** and **\$(9)** million in periods **2029-2033**, **2030-2032**. Risk management commodity contracts are substantially comprised of power contracts.
- (e) Amounts in "Other" column primarily represent accrued interest receivables from financial institutions. Level 1 amounts primarily represent investments in money market funds.
- (f) The **December 31, 2022** **December 31, 2023** maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures **\$(7)** **\$(11)** million in **2023**; **2024** and **\$(4)** million in **2025-2027**; Level 2 matures **\$182 million** **\$(99)** million in **2023**, **\$134** **2024**, **\$(44)** million in periods **2024-2026**, **\$10** **2025-2027**, **\$7 million** in periods **2027-2028** **2028-2029** and **\$1** **\$2** million in periods **2029-2033**; **2030-2033**; Level 3 matures **\$128 million** **\$74 million** in **2023**, **\$6** **2024**, **\$43** million in periods **2024-2026**, **\$6 million** **2025-2027**, **\$18 million** in periods **2027-2028** **2028-2029** and **\$(5)** **\$(16)** million in periods **2029-2033**, **2030-2033**. Risk management commodity contracts are substantially comprised of power contracts.
- (g) **Substantially comprised of power contracts for the Registrant Subsidiaries.**

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

Three Months Ended September 30, 2023				AEP	APCo	I&M	OPCo	PSO	SWEPCo									
Three Months Ended March 31, 2024										Three Months Ended March 31, 2024			AEP	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)									(in millions)					
Balance as of June 30, 2023				\$126.1	\$39.4	\$6.8	\$(54.0)	\$43.1	\$	26.0								
Balance as of December 31, 2023																		
Realized (Loss) Included in Net Income (or Changes in Net Assets) (a)	Gain (b)	Realized (Loss) Included in Net Income (or Changes in Net Assets) (a)	Gain (b)															
				39.7	10.0	2.3	—	14.2		14.0								
Unrealized (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	Gain (b)	Unrealized (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	Gain (b)															
				72.7	—	—	—	—		—								

Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	4.9	—	—	—	—	—
Settlements	Settlements	(87.1)	(16.5)	(3.7)	1.1	(30.5)	(24.8)
Transfers into Level 3 (d) (e)							
Transfers out of Level 3 (e)	Transfers out of Level 3 (e)	6.6	0.1	(0.1)	—	—	—
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	Changes in Fair Value Allocated to Regulated Jurisdictions (f)	19.9	12.1	1.3	1.3	0.4	1.3
Balance as of September 30, 2023		\$182.8	\$45.1	\$6.6	\$(51.6)	\$27.2	\$ 16.5
Balance as of March 31, 2024							
Balance as of March 31, 2024							
Balance as of March 31, 2024							

Three Months Ended September 30, 2022		AEP	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended March 31, 2023		Three Months Ended March 31, 2023					
		(in millions)					
Balance as of June 30, 2022		\$283.9	\$ 79.6	\$9.8	\$(48.4)	\$64.5	\$ 45.4
Balance as of December 31, 2022							
Realized (Loss) Included in Net Income (or Changes in Net Assets) (a)	Realized (Loss) Included in Net Income (or Changes in Net Assets) (a)	64.3	20.1	2.1	0.3	23.8	15.4
Unrealized (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	Unrealized (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	(12.6)	—	—	—	—	—
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	13.1	—	—	—	—	—
Settlements	Settlements	(138.3)	(34.6)	(4.8)	(1.1)	(49.1)	(31.6)
Transfers into Level 3 (d) (e)	Transfers into Level 3 (d) (e)	(0.5)	—	—	—	—	—
Transfers out of Level 3 (e)	Transfers out of Level 3 (e)	3.5	—	—	—	—	—

Changes in Fair Value Allocated to Regulated Jurisdictions (f)	Changes in Fair Value Allocated to Regulated Jurisdictions (f)	72.5	41.5	2.5	6.0	5.2	7.0
Balance as of September 30, 2022		\$285.9	\$106.6	\$9.6	\$(43.2)	\$44.4	\$ 36.2
Balance as of March 31, 2023							
Balance as of March 31, 2023							
Balance as of March 31, 2023							

Nine Months Ended September 30, 2023	AEP	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)					
Balance as of December 31, 2022	\$ 160.4	\$ 69.1	\$ 4.6	\$ (40.0)	\$ 23.7	\$ 14.2
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	(41.3)	(47.0)	(1.7)	(2.4)	3.5	5.9
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	67.7	—	—	—	—	—
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	(10.5)	—	—	—	—	—
Settlements	(85.9)	(22.1)	(2.9)	3.5	(27.2)	(20.0)
Transfers into Level 3 (d) (e)	(6.1)	—	—	—	—	—
Transfers out of Level 3 (e)	3.8	—	—	—	—	—
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	94.7	45.1	6.6	(12.7)	27.2	16.4
Balance as of September 30, 2023	\$ 182.8	\$ 45.1	\$ 6.6	\$ (51.6)	\$ 27.2	\$ 16.5

Nine Months Ended September 30, 2022	AEP	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)					
Balance as of December 31, 2021	\$ 103.1	\$ 41.7	\$ (0.7)	\$ (92.5)	\$ 12.1	\$ 10.9
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	69.3	3.0	3.7	4.6	24.2	35.8
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)	(44.6)	—	—	—	—	—
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)	29.4	—	—	—	—	—
Settlements	(153.8)	(44.7)	(3.0)	0.2	(36.3)	(45.0)
Transfers into Level 3 (d) (e)	1.7	—	—	—	—	—
Transfers out of Level 3 (e)	13.2	—	—	—	—	—
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	267.6	106.6	9.6	44.5	44.4	34.5
Balance as of September 30, 2022	\$ 285.9	\$ 106.6	\$ 9.6	\$ (43.2)	\$ 44.4	\$ 36.2

- (a) Included in revenues on the statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Included in cash flow hedges on the statements of comprehensive income.
- (d) Represents existing assets or liabilities that were previously categorized as Level 2.
- (e) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (f) Relates to the net gains (losses) of those contracts that are not reflected on the statements of income. These changes in fair value are recorded as regulatory liabilities for net gains and as regulatory assets for net losses or accounts payable.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions:

Significant Unobservable Inputs
September 30, 2023 March 31, 2024

	Type of		Fair Value		Valuation	Unobservable	Weighted		
Company	Input	Assets	Liabilities	Technique	Input (a)	Low	High	Average (c)	
APCo									
	(in millions)								
AEP	Energy Contracts	\$204.0	\$ 167.4	Discounted Cash Flow	Forward Market Price	\$ 2.91	\$187.34	\$ 49.14	
AEP	FTRs	137.1	13.3	Discounted Cash Flow	Forward Market Price	(36.45)	20.72	1.18	
APCo									
APCo	APCo FTRs	69.4	0.3	Discounted Cash Flow	Forward Market Price	(2.82)	18.88	3.89	
I&M	I&M FTRs	5.3	0.7	Discounted Cash Flow	Forward Market Price	0.16	18.79	1.23	
OPCo	OPCo Energy Contracts	—	40.0	Discounted Cash Flow	Forward Market Price	2.91	187.34	48.76	
PSO	PSO FTRs	24.0	0.3	Discounted Cash Flow	Forward Market Price	(36.45)	3.40	(7.55)	
SWEPCo	SWEPCo FTRs	14.6	0.4	Discounted Cash Flow	Forward Market Price	(36.45)	3.40	(7.55)	
SWEPCo									

(a) Represents market prices in dollars per MWh.

(b) Represents market prices in dollars per MMBtu.

(c) The weighted average is the product of the forward market price of the underlying commodity and volume weighted by term.

(b) Represents market prices in dollars per MWh.

(c) Represents market prices in dollars per MMBtu.

The following table provides the measurement uncertainty of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs for the Registrants as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

11. INCOME TAXES

The disclosures in this note apply to all Registrants unless indicated otherwise.

Effective Tax Rates (ETR)

The Registrants' interim ETR reflect the estimated annual ETR for 2023 2024 and 2022, 2023, adjusted for tax expense associated with certain discrete items.

The Registrants include In the amortization first quarter of Excess ADIT not subject to normalization requirements in the annual estimated ETR when regulatory proceedings instruct the Registrants to provide the 2024, I&M, PSO, and SWEPCo recorded tax benefits of Tax Reform to customers over multiple interim periods. Certain regulatory proceedings instruct the Registrants to provide the benefits of Tax Reform to customers in a single period (e.g. by applying the Excess ADIT not subject to normalization requirements against an existing regulatory asset balance) \$61 million, \$49 million, and in these circumstances, the Registrants recognize the tax benefit discretely in the period recorded. The annual amount of Excess ADIT approved by the Registrant's regulatory commissions may not impact the ETR ratably during each interim period due \$114 million, respectively, related to the variability reduction of pretax book income between a regulatory liability associated with the IRS PLRs received, driving a reduction to the interim periods and the application ETR resulting in AEP's tax rate of an annual estimated ETR. (16.5)% as shown below.

The ETR for each of the Registrants are included in the following tables:

Three Months Ended September 30, 2023

		AEP														
		AEP	Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo							
		Three Months Ended March 31, 2024														
		AEP								AEP						
										AEP	Texas	AEPTCo	APCo	I&M		
U.S. Federal Statutory Rate	U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:	Increase (decrease) due to:															
State Income Tax, net of Federal Benefit	State Income Tax, net of Federal Benefit	1.4 %	0.5 %	2.8 %	2.2 %	2.1 %	0.8 %	3.0 %	(4.3) %							
State Income Tax, net of Federal Benefit																
State Income Tax, net of Federal Benefit										2.1 %	0.2 %	2.6 %	2.4 %	3.9 %	1.0 %	
Tax Reform Excess ADIT Reversal	Tax Reform Excess ADIT Reversal	(5.7) %	(1.3) %	(0.2) %	(5.3) %	(8.5) %	(6.8) %	(17.0) %	(6.2) %	Tax Reform Excess ADIT Reversal	(2.3) %	(1.3) %	0.2 %	(13.4) %	(0.5) %	(6.0) %
Remeasurement of Excess ADIT										Remeasurement of Excess ADIT	(29.7) %	— %	— %	— %	(58.2) %	— %
Production and Investment Tax Credits	Production and Investment Tax Credits	(5.1) %	0.1 %	— %	(0.1) %	(0.7) %	— %	(46.9) %	(25.5) %	Production and Investment Tax Credits	(6.8) %	(0.2) %	— %	(0.1) %	(1.1) %	— %
Flow Through	Flow Through	0.1 %	0.2 %	0.3 %	1.8 %	0.7 %	0.8 %	0.3 %	(0.2) %	Flow Through	— %	0.1 %	0.3 %	(0.3) %	(2.8) %	0.6 %
AFUDC Equity	AFUDC Equity	(1.4) %	(1.4) %	(2.4) %	(1.5) %	(0.5) %	(0.8) %	(1.6) %	(0.8) %	AFUDC Equity	(1.2) %	(1.5) %	(1.8) %	(0.4) %	(0.7) %	(1.0) %
Discrete Tax Adjustments	Discrete Tax Adjustments	(4.1) %	— %	— %	— %	— %	— %	— %	— %							
Discrete Tax Adjustments																
Other	Other	0.1 %	(0.5) %	(1.0) %	0.7 %	(3.5) %	1.3 %	(0.2) %	0.2 %	Other	0.2 %	0.5 %	— %	0.1 %	— %	0.2 %
Effective Income Tax Rate	Effective Income Tax Rate	6.3 %	18.6 %	20.5 %	18.8 %	10.6 %	16.3 %	(41.4) %	(15.8) %	Effective Income Tax Rate	(16.5) %	18.8 %	22.3 %	9.3 %	(38.4) %	15.9 %

Tax Reform Excess ADIT Reversal	Tax Reform Excess ADIT Reversal	(9.7)%	(2.0)%	0.3 %	(8.6)%	(13.3)%	(6.2)%	(21.9)%	(4.6) %	Tax Reform Excess ADIT Reversal	(6.2)%		(1.5)%	0.3 %	(4.6)%	(7.9)%	(6.8)%
Production and Investment Tax Credits																	
Production and Investment Tax Credits	Production and Investment Tax Credits	(12.0)%	(0.4)%	— %	— %	— %	— %	(43.7)%	(24.1) %		(9.7) %	(0.2) %	— %	— %	(1.1) %	— %	(5.1) %
Flow Through	Flow Through	(0.3)%	0.2 %	0.3 %	(0.7)%	(1.5)%	0.4 %	0.4 %	(1.3) %	Flow Through	0.1 %	0.2 %	0.3 %	0.6 %	(1.8)%	0.5 %	
AFUDC Equity	AFUDC Equity	(1.4)%	(1.2)%	(1.9) %	(0.4)%	(0.6)%	(0.8)%	(0.4)%	(0.2) %	AFUDC Equity	(1.4)%	(1.5)%	(1.6)%	(0.7)%	(0.5)%	(0.8)%	
Discrete Tax Adjustments	Discrete Tax Adjustments	(0.2)%	— %	— %	— %	— %	— %	— %	— %								
Discrete Tax Adjustments																	
Discrete Tax Adjustments	Discrete Tax Adjustments										(3.2)%	— %	— %	3.2 %	1.8 %	— %	
Other	Other	1.0 %	0.2 %	0.2 %	— %	(0.5)%	0.2 %	0.2 %	(0.2) %	Other	0.1 %	0.1 %	0.1 %	— %	— %	— %	
Effective Income Tax Rate	Effective Income Tax Rate	(2.4)%	18.3 %	22.5 %	5.1 %	7.8 %	15.3 %	(41.4)%	(14.7) %	Effective Income Tax Rate	2.6 %	18.4 %	22.7 %	21.9 %	15.1 %	14.9 %	

Nine Months Ended September 30, 2023								
	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State Income Tax, net of Federal Benefit	1.7 %	0.5 %	2.7 %	2.4 %	2.3 %	0.9 %	2.8 %	(2.9)%
Tax Reform Excess ADIT Reversal	(6.0)%	(1.3)%	0.1 %	(4.8)%	(7.6)%	(7.3)%	(17.1)%	(5.3)%
Production and Investment Tax Credits	(7.4)%	— %	— %	(0.1)%	(0.6)%	— %	(48.9)%	(26.7)%
Flow Through	(0.2)%	0.2 %	0.3 %	0.1 %	(1.7)%	0.8 %	0.3 %	(0.3)%
AFUDC Equity	(1.4)%	(1.2)%	(2.0)%	(1.2)%	(0.4)%	(0.8)%	(1.5)%	(0.5)%
Discrete Tax Adjustments	(2.8)%	— %	— %	1.5 %	0.7 %	— %	— %	— %
Other	0.3 %	(0.2)%	(0.5)%	0.4 %	(1.2)%	0.5 %	(0.2)%	0.2 %
Effective Income Tax Rate	5.2 %	19.0 %	21.6 %	19.3 %	12.5 %	15.1 %	(43.6)%	(14.5)%

Nine Months Ended September 30, 2022								
	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) due to:								
State Income Tax, net of Federal Benefit	0.7 %	0.5 %	2.7 %	(0.8)%	1.3 %	0.8 %	3.2 %	(1.5)%
Tax Reform Excess ADIT Reversal	(7.8)%	(2.0)%	0.3 %	(10.3)%	(15.7)%	(7.3)%	(20.8)%	(4.8)%
Production and Investment Tax Credits	(8.7)%	(0.4)%	— %	— %	(1.4)%	— %	(39.5)%	(22.5)%
Flow Through	— %	0.2 %	0.3 %	0.2 %	(1.6)%	0.5 %	0.3 %	(0.8)%
AFUDC Equity	(1.1)%	(1.2)%	(1.9)%	(0.8)%	(0.8)%	(0.7)%	(0.4)%	(0.4)%
Discrete Tax Adjustments	(0.2)%	— %	— %	(1.8)%	— %	— %	— %	0.3 %
Other	0.6 %	0.1 %	0.1 %	— %	0.2 %	0.1 %	0.2 %	— %
Effective Income Tax Rate	4.5 %	18.2 %	22.5 %	7.5 %	3.0 %	14.4 %	(36.0)%	(8.7)%

Federal and State Income Tax Audit Status

The statute of limitations for the IRS to examine AEP and subsidiaries originally filed federal return has expired for tax years 2016 and earlier. AEP has agreed to extend the statute of limitations on the 2017-2019 2017-2020 tax returns to October 31, 2024 May 31, 2025, to allow time for the current IRS audit to be completed including a refund claim approval by the Congressional Joint Committee on Taxation. The statute of limitations for the 2020 return is set to naturally expire in October 2024 as well.

The current IRS audit and associated refund claim evolved from a net operating loss carryback to 2015 that originated in the 2017 return. AEP has received and agreed to immaterial IRS proposed adjustments on the 2017 tax return. The IRS exam is nearly complete, and AEP is currently working with waiting on the IRS to submit the refund claim to the Congressional Joint Committee on Taxation for resolution and final approval.

AEP and subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns, and AEP and subsidiaries are currently under examination in several state and local jurisdictions. Generally, the statutes of limitations have expired for tax years prior to 2017. In addition, management is monitoring and continues to evaluate the potential impact of federal legislation and corresponding state conformity.

Federal Legislation

In August 2022, President Biden signed H.R. 5376 into law, commonly known as the Inflation Reduction Act of 2022, or IRA. Most notably this budget reconciliation legislation creates a 15% minimum tax on adjusted financial statement income (Corporate Alternative Minimum Tax or CAMT), extends and increases the value of PTCs and ITCs, adds a nuclear and clean hydrogen PTC, an energy storage ITC and allows the sale or transfer of tax credits to third parties for cash. As further significant guidance from Treasury and the IRS is expected on the tax provisions in the IRA, AEP will continue to monitor any issued guidance and evaluate the impact on future net income, cash flows and financial condition.

In December 2022, the IRS released Notice 2023-7, which provided initial CAMT guidance that AEP can begin to rely on in 2023. Notably, the interim guidance in Notice 2023-7 confirmed the CAMT depreciation adjustment includes tax depreciation that is capitalized to inventory under §263A and recovered as part of cost of goods sold, providing significant relief to AEP’s potential CAMT exposure. In September 2023, the IRS released Notice 2023-64, which clarifies and supplements items in Notice 2023-7 and stated that additional guidance in the form of proposed regulations is expected. AEP will continue to monitor and assess any additional guidance.

AEP and subsidiaries expect to be are applicable corporations for purposes of the CAMT beginning in 2023, 2024. CAMT cash taxes are expected to be partially offset by regulatory recovery, the utilization of tax credits and additionally the cash inflow generated by the sale of tax credits. The sale of tax credits are presented in the operating section of the statements of cash flows consistent with the presentation of cash taxes paid. AEP presents the loss on sale of tax credits through income tax expense.

In June 2023, the IRS issued temporary regulations related to the transfer of tax credits. In the third quarter of 2023, AEP, on behalf of PSO, SWEPCo and SWEPCo, AEP Energy Supply, LLC, entered into a transferability agreement agreements with a nonaffiliated party parties to sell 2023 generated PTCs resulting in cash proceeds of approximately \$80 \$174 million with \$102 million expected received in 2023, \$62 million received in the fourth first quarter of 2023, 2024 and the remaining \$10 million was received in April 2024. AEP expects to continue to explore the ability to efficiently monetize its tax credits through third party transferability agreements.

I&M’s Cook Plant qualifies for the transferable Nuclear PTC, which is available for tax years beginning in 2024 through 2032. The Nuclear PTC is calculated based on electricity generated and sold to third-parties and is subject to a “reduction amount” as the facility’s gross receipts increase above a certain threshold. Due to lack of guidance and uncertainty surrounding the computation of gross receipts, AEP and I&M are unable to estimate the amount of the Nuclear PTCs earned as of March 31, 2024 and have not included any Nuclear PTCs in the annualized effective tax rate for the first quarter of 2024.

12. FINANCING ACTIVITIES

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Common Stock (Applies to AEP)

At-the-Market (ATM) Program

In 2020, 2023, AEP filed a prospectus supplement and executed an Equity Distribution Agreement, pursuant to which AEP may sell, from time to time, up to an aggregate of \$1 \$1.7 billion of its common stock through an ATM offering program, including an equity forward sales component. The compensation paid to the selling agents by AEP may be up to 2% of the gross offering proceeds of the shares. There were no issuances under the ATM program for the nine three months ended September 30, 2023 March 31, 2024.

Long-term Debt Outstanding (Applies to AEP)

The following table details long-term debt outstanding, net of issuance costs and premiums or discounts:

		September December		Type of Debt	March 31, 2024	December 31, 2023
Type of Debt	Type of Debt	30, 2023	31, 2022			
		(in millions)			(in millions)	
Senior Unsecured Notes	Senior Unsecured Notes	\$ 32,881.6	\$30,174.8			
Pollution Control Bonds	Pollution Control Bonds	1,771.0	1,770.2			

Notes	Notes		
Payable	Payable	141.5	269.7
Securitization	Securitization		
Bonds	Bonds	407.0	487.8
Spent	Spent		
Nuclear Fuel	Nuclear Fuel		
Obligation (a)	Obligation (a)	296.3	285.6
Junior Subordinated Notes			
(b)		2,386.6	2,381.3
Junior			
Subordinated			
Notes			
Other Long-term Debt	Other Long-term Debt	1,605.1	1,431.6
Total Long-term Debt	Total Long-term Debt		
Outstanding	Outstanding	39,489.1	36,801.0
Long-term Debt Due	Long-term Debt Due		
Within One Year	Within One Year	2,773.6	2,486.4
Long-term Debt	Long-term Debt	\$ 36,715.5	\$34,314.6

(a) Pursuant to the Nuclear Waste Policy Act of 1982, I&M, a nuclear licensee, has an obligation to the United States Department of Energy for SNF disposal. The obligation includes a one-time fee for nuclear fuel consumed prior to April 7, 1983. Trust fund assets related to this obligation were \$345 \$355 million and \$330 million \$348 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and are included in Spent Nuclear Fuel and Decommissioning Trusts on the balance sheets.

(b) See "Equity Units" section below for additional information.

Long-term Debt Activity

Long-term debt and other securities issued, retired and principal payments made during the first nine three months of 2023 2024 are shown in the following tables:

Company	Type of Debt	Principal Amount (a)	Interest Rate	Due Date
Issuances:		(in millions)	(%)	
AEP	Senior Unsecured Notes	\$ 850.0	5.63	2033
AEPTCo	Senior Unsecured Notes	700.0	5.40	2053
AEP Texas	Pollution Control Bonds	60.0	4.25	2030
AEP Texas	Senior Unsecured Notes	450.0	5.40	2033
APCo	Other Long-term Debt	200.0	Variable	2024
I&M	Senior Unsecured Notes	500.0	5.63	2053
OPCo	Senior Unsecured Notes	400.0	5.00	2033
PSO	Senior Unsecured Notes	475.0	5.25	2033
SWEPCo	Senior Unsecured Notes	350.0	5.30	2033
<i>Non-Registrant:</i>				
KPCo	Pollution Control Bonds	65.0	4.70	2026
Transource Energy	Other Long-term Debt	14.0	Variable	2025
Total Issuances		\$ 4,064.0		

Company	Type of Debt	Principal Amount (a)	Interest Rate	Due Date
Issuances:		(in millions)	(%)	
AEPTCo	Senior Unsecured Notes	\$ 450.0	5.15	2034
APCo	Senior Unsecured Notes	400.0	5.65	2034

OPCo		Other Long-term Debt	0.6	1.15	2028						
I&M						I&M	Other Long-term Debt		0.7	6.00	2025
PSO	PSO	Other Long-term Debt	0.4	3.00	2027	PSO	Other Long-term Debt		0.1	3.00	2027
SWEPCo		Notes Payable	25.0	6.37	2024						
SWEPCo		Notes Payable	30.9	4.58	2032						
SWEPCo		Other Long-Term Debt	38.2	4.68	2028						
Non-Registrant:											
KPCo		Pollution Control Bonds	65.0	2.35	2023						
		Senior Unsecured Notes									
Transource Energy		Notes	2.6	2.75	2050						
Non-Registrant:											
Non-Registrant:											
Non-Registrant:											
AEGCo											
AEGCo											
AEGCo						Notes Payable		5.0	2.43	2028	
Transource Energy						Transource Energy		Senior Unsecured Notes	1.4	2.75	2050
Total Retirements and Principal Payments	Total Retirements and Principal Payments										
		\$	1,353.3								
Total Retirements and Principal Payments											
Total Retirements and Principal Payments											

Long-term Debt Subsequent Event Events

In October 2023, April 2024, APCo remarketed \$86 million of Pollution Control Bonds.

In April 2024, I&M issued \$80 million of 6.41% Notes Payable due in 2028.

In April 2024, I&M retired \$4 \$8 million of Notes Payable related to DCC Fuel.

In October 2023, Transource Energy April 2024, WPCo issued \$3.5 \$450 million of variable rate Other Long-term Debt 6.89% Notes Payable due in 2025, 2034.

In November 2023, AEP April 2024, WPCo retired \$450 \$265 million of Senior Unsecured Notes.

Equity Units (Applies to AEP)

2020 Equity Units

In August 2020, AEP issued 17 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$850 million. Net proceeds from the issuance were approximately \$833 million. The proceeds were used to support AEP's overall capital expenditure plans.

Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 1.30% Junior Subordinated Notes due in 2025 and a forward equity purchase contract which settled after three years in August 2023. In June 2023, AEP successfully remarketed the Junior Subordinated Notes on behalf of holders of the corporate units. AEP did not receive any proceeds from the remarketing which were used to purchase a portfolio of treasury securities that matured on August 14, 2023. On August 15, 2023, the proceeds from the treasury portfolio were used to settle the forward equity purchase contract with AEP.

The interest rate on the Junior Subordinated Notes was reset to 5.699% with the maturity remaining in 2025. In August 2023, AEP issued 10,048,668 shares of AEP common stock and received proceeds totaling \$850 million under the settlement of the forward equity purchase contract. AEP common stock held in treasury was used to settle the forward equity purchase contract. The proceeds were used to pay down debt balances and support AEP's overall capital expenditure plans. Other Long-term Debt.

Debt Covenants (Applies to AEP and AEPTCo)

Covenants in AEPTCo's note purchase agreements and indenture limit the amount of contractually-defined priority debt (which includes a further sub-limit of \$50 million of secured debt) to 10% of consolidated tangible net assets. AEPTCo's contractually-defined priority debt was 0.9% 0.2% of consolidated tangible net assets as of September 30, 2023 March 31, 2024. The method for calculating the consolidated tangible net assets is contractually-defined in the note purchase agreements.

Dividend Restrictions

Utility Subsidiaries' Restrictions

Parent depends on its utility subsidiaries to pay dividends to shareholders. AEP utility subsidiaries pay dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of the subsidiaries to transfer funds to Parent in the form of dividends.

All of the dividends declared by AEP's utility subsidiaries that provide transmission or local distribution services are subject to a Federal Power Act requirement that prohibits the payment of dividends out of capital accounts in certain circumstances; payment of dividends is generally allowed out of retained earnings. The Federal Power Act also creates a reserve on earnings attributable to hydroelectric generation plants. Because of their ownership of such plants, this reserve applies to APCo and I&M.

Certain AEP subsidiaries have credit agreements that contain covenants that limit their debt to capitalization ratio to 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The Federal Power Act restriction does not limit the ability of the AEP subsidiaries to pay dividends out of retained earnings.

Parent Restrictions (Applies to AEP)

The holders of AEP's common stock are entitled to receive the dividends declared by the Board of Directors provided funds are legally available for such dividends. Parent's income primarily derives from common stock equity in the earnings of its utility subsidiaries.

Pursuant to the leverage restrictions in credit agreements, AEP must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

Corporate Borrowing Program - AEP System (Applies to all Registrant Subsidiaries)

The AEP System uses subsidiaries use a corporate borrowing program to meet the their short-term borrowing needs of AEP's subsidiaries. needs. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and direct borrowing from AEP. The AEP System Utility Money Pool operates in accordance with the terms and conditions of its agreement filed with the FERC. The amounts of outstanding loans to (borrowings from) the Utility Money Pool as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are included in Advances to Affiliates and Advances from Affiliates, respectively, on the Registrant Subsidiaries' balance sheets. The Utility Money Pool participants' money pool activity and corresponding authorized borrowing limits for the nine three months ended September 30, 2023 March 31, 2024 are described in the following table:

Maximum					Net Loans to (Borrowings from)	Authorized	(in millions)
Borrowings							
Borrowings							
Borrowings							
from the							
from the							
from the							
Utility							
Utility							
Utility							
Company							
Company							
Company							

		from the	Loans to	from the	Loans	the Utility		
		Utility	the	Utility	to the	Money		
			Utility	Utility	Utility	Pool as of	Short-term	
			Money	Money	Money	September	Borrowing	
Company		Money Pool	Pool	Pool	Pool	30, 2023	Limit	
(in millions)								
AEP	AEP							
Texas	Texas	\$ 477.5	\$ 42.0	\$ 250.4	\$ 42.0	\$ 42.0	\$ 500.0	
AEPTCo								
AEPTCo								
AEPTCo	AEPTCo	471.3	309.4	134.3	76.0	7.2	820.0	(a) 313.3 298.0 298.0 178.5 178.5 75.3 75.3 272.9 272.9 820.0 820.0
APCo	APCo	388.6	19.8	280.8	19.0	(183.2)	500.0	
I&M	I&M	475.3	112.2	126.0	49.3	21.2	500.0	
I&M								
I&M								
OPCo								
OPCo								
OPCo	OPCo	485.7	64.7	207.1	40.2	(113.3)	500.0	
PSO	PSO	375.0	121.5	106.3	53.9	9.2	400.0	
PSO								
PSO								
SWEPCo	SWEPCo	401.6 (b)	25.8	165.3	16.5	(48.9)	400.0	
SWEPCo								
SWEPCo								

(a) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions.

(b) SWEPCo's maximum borrowings from the Utility Money Pool exceeded the authorized short-term borrowing limit by \$1.6 million on March 15, 2023. On March 16, 2023, SWEPCo's borrowings from the Utility Money Pool were reduced below the \$400 million authorized limit and borrowings have continued to remain below the authorized limit.

The activity in the above table does not include short-term lending activity of certain AEP nonutility subsidiaries. AEP Texas' wholly-owned subsidiary, AEP Texas North Generation Company, LLC and SWEPCo's wholly-owned subsidiary, Mutual Energy SWEPCo, LLC participate in the Nonutility Money Pool. The amounts of outstanding loans to the Nonutility Money Pool as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are included in Advances to Affiliates on the subsidiaries' balance sheets. The Nonutility Money Pool participants' activity for the nine three months ended September 30, 2023 March 31, 2024 is described in the following table:

Maximum Loans to the Nonutility					Average Loans to the Nonutility	Loans to the Nonutility Money Pool as of			
Maximum Loans to the Nonutility					Maximum Loans to the Nonutility	Average Loans to the Nonutility	Loans to the Nonutility Money Pool as of		
Company	Company	Money Pool	Money Pool	September 30, 2023	Company	Money Pool		March 31, 2024	
(in millions)					(in millions)				
(in millions)					(in millions)				
AEP Texas	AEP Texas	\$ 7.0	\$ 6.9	\$ 7.0					
SWEPCo	SWEPCo	2.7	2.3	2.7					

AEP has a direct financing relationship with AEPTCo to meet its short-term borrowing needs. The amounts of borrowings from AEP as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are included in Advances from Affiliates on AEPTCo's balance sheets. AEPTCo's direct borrowing and lending activity financing activities with AEP and corresponding authorized borrowing limit for the nine three months ended September 30, 2023 March 31, 2024 are described in the following table:

Borrowings							
Maximum	Maximum	Maximum	Average	Average	from	Loans to	Authorized

AEP Texas	AEP Texas	5.44 %	0.90 %	5.70 %	1.82 %	AEP Texas	5.71 %	5.18 %	—	%	—	%
AEPTCo	AEPTCo	5.29 %	1.03 %	5.52 %	2.14 %	AEPTCo	5.72 %	5.09 %	5.70	%	5.29	%
APCo	APCo	5.47 %	1.39 %	5.47 %	2.13 %	APCo	5.74 %	5.14 %	5.72	%	5.12	%
I&M	I&M	5.13 %	1.38 %	5.54 %	1.46 %	I&M	5.73 %	5.12 %	—	%	5.16	%
OPCo	OPCo	5.37 %	1.81 %	5.60 %	1.22 %	OPCo	5.71 %	5.17 %	—	%	—	%
PSO	PSO	5.48 %	1.70 %	5.24 %	0.75 %	PSO	5.71 %	4.84 %	—	%	5.11	%
SWEPCo	SWEPCo	5.25 %	1.67 %	5.72 %	0.55 %	SWEPCo	5.71 %	5.12 %	—	%	—	%

Maximum, minimum and average interest rates for funds loaned to the Nonutility Money Pool are summarized in the following table:

Nine Months Ended September 30, 2023							Nine Months Ended September 30, 2022									
Three Months Ended March 31, 2024														Three Months Ended March 31, 2023		
Company	Company	Maximum Interest Rate	Minimum Interest Rate	Average Interest Rate	Maximum Interest Rate	Minimum Interest Rate	Average Interest Rate	Company	Maximum Interest Rate	Minimum Interest Rate	Average Interest Rate	Company	Maximum Interest Rate	Minimum Interest Rate	Average Interest Rate	
		for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool		for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool		for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	for Funds Loaned to the Nonutility Money Pool	
AEP Texas	AEP Texas	5.81 %	4.66 %	5.47 %	3.39 %	0.46 %	1.51 %	AEP Texas	5.79 %	5.66 %	5.72 %	AEP Texas	5.79 %	5.66 %	5.72 %	
SWEPCo	SWEPCo	5.81 %	4.66 %	5.49 %	3.39 %	0.46 %	1.52 %	SWEPCo	5.79 %	5.66 %	5.72 %	SWEPCo	5.79 %	5.66 %	5.72 %	

AEPTCo's maximum, minimum and average interest rates for funds either borrowed from or loaned to AEP are summarized in the following table:

Nine Months Ended September 30,	Maximum Interest Rate for Funds Borrowed from AEP	Minimum Interest Rate for Funds Borrowed from AEP	Maximum Interest Rate for Funds Loaned to AEP	Minimum Interest Rate for Funds Loaned to AEP	Average Interest Rate for Funds Borrowed from AEP	Average Interest Rate for Funds Loaned to AEP
2023	5.81 %	4.53 %	5.81 %	4.53 %	5.43 %	5.46 %
2022	3.39 %	0.46 %	3.37 %	0.46 %	1.56 %	1.38 %

Three Months Ended March 31,	Maximum Interest Rate for Funds Borrowed from AEP	Minimum Interest Rate for Funds Borrowed from AEP	Maximum Interest Rate for Funds Loaned to AEP	Minimum Interest Rate for Funds Loaned to AEP	Average Interest Rate for Funds Borrowed from AEP	Average Interest Rate for Funds Loaned to AEP
2024	5.79 %	5.66 %	5.79 %	5.66 %	5.74 %	5.71 %
2023	5.38 %	4.53 %	5.38 %	4.53 %	5.03 %	5.15 %

Short-term Debt (Applies to AEP and SWEPCo)

Outstanding short-term debt was as follows:

		September 30, 2023		December 31, 2022				March 31, 2024		December 31, 2023	
		Outstanding	Interest	Outstanding	Interest						
Outstanding						Outstanding					
Company	Type of Debt	Amount	Rate (a)	Amount	Rate (a)	Company	Type of Debt	Amount	Rate (a)	Amount	Rate (a)
(dollars in millions)						(dollars in millions)					
AEP	Securitized Debt for Receivables (b)	\$ 900.0	5.60 %	\$ 750.0	4.67 %	AEP	Securitized Debt for Receivables (b)	\$ 900.0	5.54 %	\$ 750.0	4.67 %
AEP	Commercial Paper	1,826.5	5.64 %	2,862.2	4.80 %	AEP	Commercial Paper	2,832.2	5.61 %	2,862.2	4.80 %
AEP	Term Loan	—	— %	150.0	5.17 %						
AEP	Term Loan	—	— %	125.0	5.17 %						
AEP	Term Loan	—	— %	100.0	5.23 %						
AEP	Term Loan	—	— %	125.0	4.87 %						
SWEPCo	Notes Payable	3.9	7.67 %	—	— %						
	Total Short-term Debt	\$ 2,730.4		\$ 4,112.2							
SWEPCo						SWEPCo					
							Notes Payable	5.4	7.68 %	4.3	
	Total Short-term Debt						Total Short-term Debt			\$3,737.6	

(a) Weighted-average rate as of September 30, 2023, March 31, 2024, and December 31, 2022, December 31, 2023, respectively.

(b) Amount of securitized debt for receivables as accounted for under the "Transfers and Servicing" accounting guidance.

Credit Facilities

For a discussion of credit facilities, see "Letters of Credit" section of Note 5.

Securitized Accounts Receivables – AEP Credit (Applies to AEP)

AEP Credit has a receivables securitization agreement with bank conduits. Under the securitization agreement, AEP Credit receives financing from the bank conduits for the interest in the receivables AEP Credit acquires from affiliated utility subsidiaries. These securitized transactions allow AEP Credit to repay its outstanding debt obligations, continue to purchase the operating companies' receivables and accelerate AEP Credit's cash collections.

AEP Credit's receivables securitization agreement provides a commitment of \$900 million from bank conduits to purchase receivables. The agreement was amended in August 2023 to increase the commitment from \$750 million receivables and expires in September 2025. As of September 30, 2023, March 31, 2024, the affiliated utility subsidiaries were in compliance with all requirements under the agreement.

Accounts receivable information for AEP Credit was as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
(dollars in millions)					
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
2024					
2024					
2024					

		(dollars in millions)							
		(dollars in millions)							
		(dollars in millions)							
Effective Interest Rates on Securitization of Accounts Receivable	Effective Interest Rates on Securitization of Accounts Receivable	5.55	%	2.25	%	5.23	%	1.16	%
Net Uncollectible Accounts Receivable Written-Off	Net Uncollectible Accounts Receivable Written-Off	\$ 8.8		\$ 9.5		\$ 22.9		\$ 23.1	
Net Uncollectible Accounts Receivable Written-Off									
Net Uncollectible Accounts Receivable Written-Off									

		September 30, 2023		December 31, 2022	
		(in millions)		(in millions)	
		March 31, 2024		March 31, 2024	
		(in millions)		(in millions)	
Accounts Receivable Retained Interest and Pledged as Collateral Less Uncollectible Accounts	Accounts Receivable Retained Interest and Pledged as Collateral Less Uncollectible Accounts	\$ 1,257.0	\$ 1,167.7		
Short-term – Securitized Debt of Receivables	Short-term – Securitized Debt of Receivables	900.0	750.0		
Delinquent Securitized Accounts Receivable	Delinquent Securitized Accounts Receivable	59.5	44.2		
Bad Debt Reserves Related to Securitization	Bad Debt Reserves Related to Securitization	42.2	39.7		
Unbilled Receivables Related to Securitization	Unbilled Receivables Related to Securitization	301.8	360.9		

AEP Credit's delinquent customer accounts receivable represent accounts greater than 30 days past due.

Securitized Accounts Receivables – AEP Credit (Applies to all Registrant Subsidiaries except AEP Texas and AEPTCo)

Under this sale of receivables arrangement, the Registrant Subsidiaries sell, without recourse, certain of their customer accounts receivable and accrued unbilled revenue balances to AEP Credit and are charged a fee based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience for each Registrant Subsidiary's receivables. APCo does not have regulatory authority to sell its West Virginia accounts receivable. KPCo ceased selling accounts receivable to AEP Credit in the first quarter of 2022, based on the expected sale to Liberty. As a result, in the first quarter of 2022, KPCo recorded an allowance for uncollectible accounts on its balance sheet for those receivables no longer sold to AEP Credit. In the third quarter of 2023, KPCo resumed selling accounts receivable to AEP Credit, due to the termination of the sale to Liberty, and the balance in KPCo's allowance for uncollectible accounts was transferred to AEP

Credit. The costs of customer accounts receivable sold are reported in Other Operation expense on the Registrant Subsidiaries' statements of income. The Registrant Subsidiaries manage and service their customer accounts receivable, which are sold to AEP Credit. AEP Credit securitizes the eligible receivables for the operating companies and retains the remainder.

The amount of accounts receivable and accrued unbilled revenues under the sale of receivables agreements were:

		September 30, 2023		December 31, 2022			
Company	Company					Company	
		(in millions)					
						March 31, 2024	December 31, 2023
						(in millions)	
APCo	APCo	\$	170.5	\$	194.4		
I&M	I&M		176.2		166.9		
OPCo	OPCo		479.3		478.6		
PSO	PSO		211.5		155.5		
SWEPCo	SWEPCo		210.2		194.0		

The fees paid to AEP Credit for customer accounts receivable sold were:

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022			
Company	Company					Company	
		(in millions)					
						Three Months Ended March 31, 2024	2023
						(in millions)	
APCo	APCo	\$4.1	\$2.8	\$13.3	\$5.6		
I&M	I&M	4.4	2.8	12.2	6.5		
OPCo	OPCo	7.4	7.3	22.3	22.2		
PSO	PSO	4.6	2.4	11.3	4.6		
SWEPCo	SWEPCo	5.2	3.2	13.9	6.0		

The proceeds on the sale of receivables to AEP Credit were:

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2022			
Company	Company					Company	
		(in millions)					
						Three Months Ended March 31, 2024	2023
						(in millions)	
APCo	APCo	\$451.6	\$360.4	\$1,372.7	\$1,114.9		
I&M	I&M	553.3	558.5	1,575.9	1,574.3		
OPCo	OPCo	850.3	874.1	2,518.6	2,284.0		
PSO	PSO	633.8	588.5	1,510.3	1,380.4		
SWEPCo	SWEPCo	558.4	593.6	1,456.5	1,425.3		

13. VARIABLE INTEREST ENTITIES

The disclosures in this note apply to AEP unless indicated otherwise.

The accounting guidance for "Variable Interest Entities" is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity's equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity's economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity's expected losses or the right to receive the legal entity's expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for "Variable Interest Entities." In determining whether AEP is the primary beneficiary of a VIE, management considers whether AEP has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently.

Consolidated Variable Interests Entities

The balances below represent the assets and liabilities of consolidated VIEs. These balances include intercompany transactions that are eliminated upon consolidation.

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- (a) Includes an intercompany item eliminated in consolidation of **\$10 million** **\$6 million**.
- (b) Includes an intercompany item eliminated in consolidation of \$6 million.
- (c) Includes an intercompany item eliminated in consolidation of \$2 million.

American Electric Power Company, Inc. and Subsidiary Companies						
Variable Interest Entities						
September 30, 2023						
	Other Consolidated VIEs					
	Protected Cell of EIS			Transsource Energy		
	AEP Credit					
	(in millions)					
ASSETS						
Current Assets	\$	1,259.0	\$		202.9	\$
Net Property, Plant and Equipment		—		—		499.8
Other Noncurrent Assets		9.6		0.7		4.0
Total Assets	\$	1,268.6	\$	203.6	\$	536.6
LIABILITIES AND EQUITY						
Current Liabilities	\$	1,201.3	\$	54.1	\$	21.3
Noncurrent Liabilities		0.9		84.7		229.4
Equity		66.4		64.8		285.9
Total Liabilities and Equity	\$	1,268.6	\$	203.6	\$	536.6

As of September 30, 2023, Apple Blossom, Black Oak, Santa Rita East and Dry Lake are no longer consolidated VIEs due to the sale of the Competitive Contracted Renewables Portfolio. See the "Disposition of the Competitive Contracted Renewables Portfolio" section of Note 6 for additional information.

American Electric Power Company, Inc. and					December
Subsidiary Companies					31, 2022
Variable Interest Entities					
Registrant Subsidiaries					
AEP				APCo	
I&M Texas AEP Texas				Appalachian	
SWEPCo DCC Transition Restoration				Consumer	
Sabine Fuel Funding Funding				Rate Relief	
December 31, 2023					
(in millions)					
December 31, 2023					
December 31, 2023					
Consolidated VIEs					
Consolidated VIEs					
Consolidated VIEs					

Total Assets	\$ 1,190.0	\$ 194.8	\$ 508.5	\$ 238.4	\$ 443.0	\$ 146.9
LIABILITIES AND EQUITY						
Current Liabilities	\$ 1,087.8	\$ 46.4	\$ 22.8	\$ 4.5	\$ 9.6	\$ 1.0
Noncurrent Liabilities	0.9	79.1	218.6	5.4	7.3	0.7
Equity	101.3	69.3	267.1	228.5	426.1	145.2
Total Liabilities and Equity	\$ 1,190.0	\$ 194.8	\$ 508.5	\$ 238.4	\$ 443.0	\$ 146.9

Significant Variable Interests in Non-Consolidated VIEs and Significant Equity Method Investments

The Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 includes a detailed discussion of significant variable interests in non-consolidated VIEs and other significant equity method investments. As As of September 30, 2023 December 31, 2023, AEP no longer owns a significant equity method investment interests in four joint ventures through AEP Wind Holdings, LLC due to the sale of the Competitive Contracted Renewables Portfolio. Previously held by AEP Wind Holdings, LLC, the interests were accounted for under the equity method. See the "Disposition of the Competitive Contracted Renewables Portfolio" section of Note 6 for additional information.

14. PROPERTY, PLANT AND EQUIPMENT

The disclosure in this note applies to AEP and SWEPCo.

Asset Retirement Obligations

The Registrants record ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities, wind farms, solar farms and certain coal mining facilities. The table below summarizes significant changes to the Registrants ARO recorded in 2023 and should be read in conjunction with the Property, Plant and Equipment note within the 2022 Annual Report.

The following is a reconciliation of the aggregate carrying amounts of ARO for AEP and SWEPCo:

Company	ARO as of December 31, 2022	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates	ARO as of September 30, 2023
(in millions)						
AEP (a)(b)(c)(d)(e)(f)	\$ 2,944.9	\$ 86.0	\$ 12.9	\$ (98.1)	\$ 13.8	\$ 2,959.5
SWEPCo (a)(c)(d)(e)	282.2	10.0	7.1	(37.9)	0.4	261.8

- (a) Includes ARO related to ash disposal facilities.
- (b) Includes ARO related to nuclear decommissioning costs for the Cook Plant of \$2.05 billion and \$2 billion as of September 30, 2023 and December 31, 2022, respectively.
- (c) Includes ARO related to Sabine and DHLC.
- (d) Includes ARO related to asbestos removal.
- (e) In 2023, SWEPCo settled \$35 million of costs related to closure/reclamation work performed due to the recent retirements of the Pirkey Plant and Dolet Hills Power Station. See "Coal-Fired Generation Plants" section of Note 4 for additional information.
- (f) In August 2023, AEP completed the sale of its competitive contracted renewables portfolio to a nonaffiliated party and settled ARO liabilities of \$31 million. See "Disposition of the Competitive Contracted Renewables Portfolio" section of Note 6 for additional information.

15. 14. REVENUE FROM CONTRACTS WITH CUSTOMERS

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Disaggregated Revenues from Contracts with Customers

The tables below represent AEP's reportable segment revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

Three Months Ended September 30, 2023						
Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated
(in millions)						

		Three Months Ended March 31, 2024										Three Months Ended March 31, 2023							
		Vertically Integrated Utilities										Transmission and Distribution Utilities, AEP Holdco, Generation & Marketing, Corporate and Other, and Reconciling Adjustments							
		(in millions)										(in millions)							
Retail Revenues:	Retail Revenues:																		
Residential Revenues	Residential Revenues	\$	1,326.7	\$	772.5	\$	—	\$	—	\$	—	\$	—	\$	—	\$	2,099.2		
Residential Revenues																			
Residential Revenues																			
Commercial Revenues	Commercial Revenues		753.3		387.7		—		—		—		—		—		1,141.0		
Industrial Revenues			699.9		138.9		—		—		—		(0.3)				838.5		
Industrial Revenues (a)																			
Other Retail Revenues	Other Retail Revenues		66.6		13.0		—		—		—		—		—		79.6		
Total Retail Revenues	Total Retail Revenues		2,846.5		1,312.1		—		—		—		(0.3)				4,158.3		
Wholesale and Competitive Retail Revenues:	Wholesale and Competitive Retail Revenues:																		
Wholesale and Competitive Retail Revenues:																			
Wholesale and Competitive Retail Revenues:																			
Generation Revenues	Generation Revenues		174.3		—		—		31.8		—		(0.3)				205.8		
Transmission Revenues (a)			120.6		176.0		466.1		—		—		(425.1)				337.6		
Renewable Generation Revenues (b)			—		—		—		19.8		—		(2.5)				17.3		
Generation Revenues																			
Generation Revenues																			
Transmission Revenues (b)																			
Renewable Generation Revenues (a)																			
Retail, Trading and Marketing Revenues (c)	Retail, Trading and Marketing Revenues (c)		—		—		—		510.8		0.8		(36.7)				474.9		
Total Wholesale and Competitive Retail Revenues	Total Wholesale and Competitive Retail Revenues		294.9		176.0		466.1		562.4		0.8		(464.6)				1,035.6		

	Other							
Other Revenues	Revenues							
from	from							
Contracts	Contracts							
with	with							
Customers	Customers							
(d)	(d)	61.3	58.2	4.8	0.9	55.6	(48.5)	132.3
Other Revenues from Contracts with Customers (d)								
Other Revenues from Contracts with Customers (d)								
Total Revenues from Contracts with Customers								
Total Revenues from Contracts with Customers								
Total Revenues from Contracts with Customers	Total Revenues from Contracts with Customers	3,202.7	1,546.3	470.9	563.3	56.4	(513.4)	5,326.2
Other Revenues:	Other Revenues:							
Alternative Revenue Programs (b) (e)		0.5	(5.0)	5.8	—	—	5.7	7.0
Other Revenues (b) (f)		2.2	2.8	—	3.4	0.8	(0.7)	8.5
Other Revenues:								
Other Revenues:								
Alternative Revenue Programs (e)								
Alternative Revenue Programs (e)								
Alternative Revenue Programs (e)								
Other Revenues (a) (f)								
Total Other Revenues	Total Other Revenues	2.7	(2.2)	5.8	3.4	0.8	5.0	15.5
Total Revenues	Total Revenues	\$ 3,205.4	\$ 1,544.1	\$ 476.7	\$ 566.7	\$ 57.2	\$ (508.4)	\$ 5,341.7
Total Revenues								
Total Revenues								

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$366 \$387 million. The remaining affiliated amounts were immaterial.

(b) Amounts include affiliated and nonaffiliated revenues.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$37 \$46 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was \$32 \$48 million. The remaining affiliated amounts were immaterial.

(e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

(f) Generation & Marketing includes economic hedge activity.

Three Months Ended September 30, 2022						
Vertically Integrated Utilities	Transmission and Distribution Utilities		AEP Transmission Holdco	Generation & Marketing		Corporate and Other
	Reconciling Adjustments		AEP Consolidated			
	(in millions)					
Three Months Ended March 31, 2023						
Three Months Ended						

		Vertically Integrated Utilities										Transmission and AEP Generation						Corporate and Other		Reconciling Adjustment
		(in millions)										Vertically Integrated Utilities	Distribution Utilities	Transmission Holdco	& Marketing	Corporate and Other	Reconciling Adjustment			
		(in millions)										(in millions)						(in millions)		
Retail Revenues:	Retail Revenues:																			
Residential Revenues																				
Residential Revenues																				
Residential Revenues	Residential Revenues	\$	1,298.0	\$	721.9	\$	—	\$	—	\$	—	\$	—	\$	2,019.9					
Commercial Revenues	Commercial Revenues		725.1		373.0		—		—		—		—		1,098.1					
Industrial Revenues	Industrial Revenues		658.5		191.5		—		—		—		(0.3)		849.7					
Other Retail Revenues	Other Retail Revenues		54.3		15.0		—		—		—		—		69.3					
Total Retail Revenues	Total Retail Revenues		2,735.9		1,301.4		—		—		—		(0.3)		4,037.0					
Wholesale and Competitive Retail Revenues:	Wholesale and Competitive Retail Revenues:																			
Wholesale and Competitive Retail Revenues:																				
Wholesale and Competitive Retail Revenues:																				
Generation Revenues																				
Generation Revenues																				
Generation Revenues	Generation Revenues		299.3		—		—		83.7		—		(0.2)		382.8					
Transmission Revenues (a)	Transmission Revenues (a)		120.3		162.3		424.9		—		—		(392.7)		314.8					
Renewable Generation Revenues (b)	Renewable Generation Revenues (b)		—		—		—		44.3		—		(2.5)		41.8					
Retail, Trading and Marketing Revenues			—		—		—		482.9		2.2		0.2		485.3					
Retail, Trading and Marketing Revenues (b)																				
Total Wholesale and Competitive Retail Revenues	Total Wholesale and Competitive Retail Revenues		419.6		162.3		424.9		610.9		2.2		(395.2)		1,224.7					
Other Revenues from Contracts with Customers (c)	Other Revenues from Contracts with Customers (c)		69.7		74.5		(0.3)		1.7		24.3		(31.9)		138.0					
Other Revenues from Contracts with Customers (c)																				

Other Revenues from Contracts with Customers (c)								
Total Revenues from Contracts with Customers								
Total Revenues from Contracts with Customers								
Total Revenues from Contracts with Customers	Total Revenues from Contracts with Customers	3,225.2	1,538.2	424.6	612.6	26.5	(427.4)	5,399.7
Other Revenues:	Other Revenues:							
Alternative Revenue Programs (b) (d)		0.9	(13.5)	6.3	—	—	4.4	(1.9)
Other Revenues:								
Other Revenues:								
Alternative Revenue Programs (d)								
Alternative Revenue Programs (d)								
Alternative Revenue Programs (d)								
Other Revenues (b) (e)	Other Revenues (b) (e)	0.2	5.5	—	122.8	1.8	(2.0)	128.3
Total Other Revenues	Total Other Revenues	1.1	(8.0)	6.3	122.8	1.8	2.4	126.4
Total Revenues	Total Revenues	\$ 3,226.3	\$ 1,530.2	\$ 430.9	\$ 735.4	\$ 28.3	\$ (425.0)	\$ 5,526.1
Total Revenues								
Total Revenues								

- (a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was ~~\$342~~ \$357 million. The remaining affiliated amounts were immaterial.
- (b) Amounts include affiliated and nonaffiliated revenues.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was ~~\$18~~ \$29 million. The remaining affiliated amounts were immaterial.
- (d) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.
- (e) Generation & Marketing includes economic hedge activity.

Three Months Ended September 30, 2023									
AEP Texas AEPTCo APCo I&M OPCo PSO SWEPCo									
(in millions)									
Three Months Ended March 31, 2024					Three Months Ended March 31, 2024				
AEP Texas					AEP Texas AEPTCo APCo I&M OPCo PSO SWEPCo				
(in millions)					(in millions)				
Retail Revenues:	Retail Revenues:								
Residential Revenues	Residential Revenues	\$ 236.2	\$ —	\$ 397.1	\$ 230.7	\$ 536.3	\$ 310.5	\$ 286.5	
Residential Revenues									
Residential Revenues									
Commercial Revenues	Commercial Revenues	112.4	—	181.3	159.2	275.3	171.9	174.9	
Industrial Revenues		35.4	—	197.1	159.1	103.6	114.1	105.5	
Industrial Revenues (a)									

Other Retail	Other Retail							
Revenues	Revenues	9.2	—	26.8	1.3	3.8	33.8	2.4

Wholesale	Wholesale
Revenues:	Revenues:

Wholesale Revenues:	
Generation Revenues (b)	
Generation Revenues (b)	
Generation Revenues (b)	
Transmission Revenues (c)	

Other Revenues from Contracts with Customers (c)	8.8	5.0	35.2	26.2	49.2	5.4	6.0

Other Revenues from Contracts
with Customers (d)

Other Revenues from Contracts
with Customers (d)

Total Revenues from Contracts with Customers

**Total Revenues from Contracts
with Customers**

Total Revenues from Contracts with Customers	Total Revenues from Contracts with Customers	556.6	459.7	962.4	677.1	989.6	641.6	654.5

Other	Other
Revenues:	Revenues:

Alternative Revenue							
Programs (d) (e)	(2.0)	3.0	(0.7)	(2.9)	(3.1)	2.6	0.3
Other Revenues (e)	—	—	0.1	2.1	3.0	—	—

Other Revenues:

Other Revenues:

Alternative Revenue Programs

(e)

Alternative Revenue Programs

(e)

Alternative Revenue Programs

(e)

Other	
Revenues (a)	

Total Other	Total Other							
Revenues	Revenues	(2.0)	3.0	(0.6)	(0.8)	(0.1)	2.6	0.3

Total	Total
Revenues	Revenues \$ 554.6 \$ 462.7 \$ 961.8 \$ 676.3 \$ 989.5 \$ 644.2 \$ 654.8

Total Revenues	\$ 879,213

[illegible]

- (a) Amounts include affiliated and nonaffiliated revenues.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$41 million primarily related to the PPA with KGPCo.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$384 million, APCo was \$21 million and SWEPCo was \$14 million. The remaining affiliated amounts were immaterial.
- (d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$18 million primarily related to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.
- (e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

	Three Months Ended March 31, 2023													
	AEP Texas		AEPTCo		APCo		I&M		OPCo		PSO		SWEPCo	
	(in millions)													
Retail Revenues:														
Residential Revenues	\$	130.7	\$	—	\$	470.5	\$	239.6	\$	526.0	\$	170.9	\$	175.9
Commercial Revenues		97.3		—		171.3		138.9		278.5		109.1		143.5
Industrial Revenues		39.3		—		185.8		152.6		173.6		98.3		104.2
Other Retail Revenues		8.3		—		26.2		1.3		3.8		24.2		2.6
Total Retail Revenues		275.6		—		853.8		532.4		981.9		402.5		426.2
Wholesale Revenues:														
Generation Revenues (a)		—		—		80.2		104.0		—		0.9		39.6
Transmission Revenues (b)		146.3		438.7		41.4		8.1		17.9		11.3		42.9
Total Wholesale Revenues		146.3		438.7		121.6		112.1		17.9		12.2		82.5
Other Revenues from Contracts with Customers (c)		9.7		3.7		13.0		21.4		33.2		2.3		7.9
Total Revenues from Contracts with Customers		431.6		442.4		988.4		665.9		1,033.0		417.0		516.6
Other Revenues:														
Alternative Revenue Programs (d)		(2.1)		(0.8)		(0.7)		(2.9)		(9.5)		—		(0.7)
Other Revenues (e)		—		—		—		—		11.1		—		—
Total Other Revenues		(2.1)		(0.8)		(0.7)		(2.9)		1.6		—		(0.7)
Total Revenues	\$	429.5	\$	441.6	\$	987.7	\$	663.0	\$	1,034.6	\$	417.0	\$	515.9

- (a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was ~~\$36~~ ~~\$47~~ million primarily related to the PPA with KGPCo.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$363 million, APCo was \$22 million and SWEPCo was ~~\$17~~ ~~\$349~~ million. The remaining affiliated amounts were immaterial.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$18 million primarily related to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.
- (d) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.
- (e) Amounts include affiliated and nonaffiliated revenues.

	Three Months Ended September 30, 2022						
	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
Retail Revenues:							
Residential Revenues	\$ 204.0	\$ —	\$ 360.5	\$ 238.6	\$ 517.9	\$ 299.6	\$ 285.5
Commercial Revenues	107.1	—	161.1	154.3	266.1	153.4	182.3
Industrial Revenues	35.4	—	163.3	155.6	156.1	98.9	108.3
Other Retail Revenues	11.5	—	20.6	1.2	3.5	30.1	0.6
Total Retail Revenues	358.0	—	705.5	549.7	943.6	582.0	576.7
Wholesale Revenues:							
Generation Revenues (a)	—	—	107.9	126.3	—	9.4	87.6
Transmission Revenues (b)	140.8	411.7	41.5	8.8	21.5	10.2	42.3
Total Wholesale Revenues	140.8	411.7	149.4	135.1	21.5	19.6	129.9

Other Revenues from Contracts with Customers (c)	9.5	(0.3)	33.7	30.6	64.8	6.4	7.6
Total Revenues from Contracts with Customers	508.3	411.4	888.6	715.4	1,029.9	608.0	714.2
Other Revenues:							
Alternative Revenue Programs (d) (e)	0.6	7.1	—	—	(14.1)	0.2	3.3
Other Revenues (e)	—	—	0.3	—	5.5	—	—
Total Other Revenues	0.6	7.1	0.3	—	(8.6)	0.2	3.3
Total Revenues	\$ 508.9	\$ 418.5	\$ 888.9	\$ 715.4	\$ 1,021.3	\$ 608.2	\$ 717.5

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$44 million primarily related to the PPA with KGPCo.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$339 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$15 million primarily related to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.

(d) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

(e) Amounts include affiliated and nonaffiliated revenues.

	Nine Months Ended September 30, 2023							
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated	
	(in millions)							
Retail Revenues:								
Residential Revenues	\$ 3,459.1	\$ 2,003.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,462.5
Commercial Revenues	2,029.4	1,121.9	—	—	—	—	—	3,151.3
Industrial Revenues (a)	2,069.1	503.9	—	—	—	(0.6)	—	2,572.4
Other Retail Revenues	182.3	37.4	—	—	—	—	—	219.7
Total Retail Revenues	7,739.9	3,666.6	—	—	—	(0.6)	—	11,405.9
Wholesale and Competitive Retail Revenues:								
Generation Revenues	498.5	—	—	83.8	—	(0.2)	—	582.1
Transmission Revenues (b)	348.8	524.3	1,372.0	—	—	(1,229.7)	—	1,015.4
Renewable Generation Revenues (a)	—	—	—	74.2	—	(5.7)	—	68.5
Retail, Trading and Marketing Revenues (c)	—	—	—	1,332.2	1.7	(46.7)	—	1,287.2
Total Wholesale and Competitive Retail Revenues	847.3	524.3	1,372.0	1,490.2	1.7	(1,282.3)	—	2,953.2
Other Revenues from Contracts with Customers (d)	155.8	157.1	12.7	7.7	113.6	(132.1)	—	314.8
Total Revenues from Contracts with Customers	8,743.0	4,348.0	1,384.7	1,497.9	115.3	(1,415.0)	—	14,673.9
Other Revenues:								
Alternative Revenue Programs (a) (e)	(7.5)	(19.5)	6.1	—	—	2.3	—	(18.6)
Other Revenues (a) (f)	2.2	20.0	—	(272.8)	4.0	(3.6)	—	(250.2)
Total Other Revenues	(5.3)	0.5	6.1	(272.8)	4.0	(1.3)	—	(268.8)
Total Revenues	\$ 8,737.7	\$ 4,348.5	\$ 1,390.8	\$ 1,225.1	\$ 119.3	\$ (1,416.3)	\$ —	\$ 14,405.1

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$1.1 billion. The affiliated revenue for Vertically Integrated Utilities was \$125 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$47 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was \$87 million. The remaining affiliated amounts were immaterial.

(e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

(f) Generation & Marketing includes economic hedge activity.

Nine Months Ended September 30, 2022

	Vertically Integrated Utilities								AEP Consolidated
	Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments			
	(in millions)								
Retail Revenues:									
Residential Revenues	\$ 3,428.1	\$ 1,884.1	\$ —	\$ —	\$ —	\$ —	\$ —	5,312.2	
Commercial Revenues	1,922.8	994.4	—	—	—	—	—	2,917.2	
Industrial Revenues (a)	1,863.3	487.3	—	—	—	(0.7)	—	2,349.9	
Other Retail Revenues	154.6	39.4	—	—	—	—	—	194.0	
Total Retail Revenues	7,368.8	3,405.2	—	—	—	(0.7)	—	10,773.3	
Wholesale and Competitive Retail Revenues:									
Generation Revenues (a)	674.8	—	—	207.0	—	(0.1)	—	881.7	
Transmission Revenues (b)	334.4	482.1	1,261.0	—	—	(1,086.5)	—	991.0	
Renewable Generation Revenues (a)	—	—	—	104.9	—	(6.2)	—	98.7	
Retail, Trading and Marketing Revenues (c)	—	—	—	1,280.0	6.7	(11.1)	—	1,275.6	
Total Wholesale and Competitive Retail Revenues	1,009.2	482.1	1,261.0	1,591.9	6.7	(1,103.9)	—	3,247.0	
Other Revenues from Contracts with Customers (d)	180.5	194.2	(0.3)	11.9	59.1	(71.6)	—	373.8	
Total Revenues from Contracts with Customers	8,558.5	4,081.5	1,260.7	1,603.8	65.8	(1,176.2)	—	14,394.1	
Other Revenues:									
Alternative Revenue Programs (a) (e)	3.4	(21.5)	(39.6)	—	—	(7.4)	—	(65.1)	
Other Revenues (a) (f)	0.3	18.6	—	410.5	6.9	(6.9)	—	429.4	
Total Other Revenues	3.7	(2.9)	(39.6)	410.5	6.9	(14.3)	—	364.3	
Total Revenues	\$ 8,562.2	\$ 4,078.6	\$ 1,221.1	\$ 2,014.3	\$ 72.7	\$ (1,190.5)	\$ —	14,758.4	

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$1 billion. The affiliated revenue for Vertically Integrated Utilities was \$120 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$11 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was \$36 million. The remaining affiliated amounts were immaterial.

(e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

(f) Generation & Marketing includes economic hedge activity.

	Nine Months Ended September 30, 2023													
	AEP Texas		AEPTCo		APCo		I&M		OPCo		PSO		SWEPCo	
	(in millions)													
Retail Revenues:														
Residential Revenues	\$	511.8	\$	—	\$	1,192.4	\$	655.5	\$	1,491.6	\$	667.9	\$	647.5
Commercial Revenues		310.3		—		516.2		439.5		811.6		412.7		472.2
Industrial Revenues (a)		109.9		—		575.4		467.6		394.0		320.2		320.3
Other Retail Revenues		26.2		—		78.2		3.8		11.2		86.3		7.6
Total Retail Revenues		958.2		—		2,362.2		1,566.4		2,708.4		1,487.1		1,447.6
Wholesale Revenues:														
Generation Revenues (b)		—		—		223.8		257.7		—		0.3		120.3
Transmission Revenues (c)		464.0		1,338.1		130.8		28.1		60.3		32.0		123.6
Total Wholesale Revenues		464.0		1,338.1		354.6		285.8		60.3		32.3		243.9
Other Revenues from Contracts with Customers (d)		29.2		12.8		60.0		92.6		127.9		14.9		20.9
Total Revenues from Contracts with Customers		1,451.4		1,350.9		2,776.8		1,944.8		2,896.6		1,534.3		1,712.4

Other Revenues:							
Alternative Revenue Program (a) (e)	(6.1)	(1.7)	(0.9)	(8.4)	(13.5)	1.6	(3.9)
Other Revenues (a)	—	—	0.1	2.1	20.1	—	—
Total Other Revenues	(6.1)	(1.7)	(0.8)	(6.3)	6.6	1.6	(3.9)
Total Revenues	\$ 1,445.3	\$ 1,349.2	\$ 2,776.0	\$ 1,938.5	\$ 2,903.2	\$ 1,535.9	\$ 1,708.5

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$121 million primarily relating to the PPA with KGPCo. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$1.1 billion, APCo was \$64 million and SWEPCo was \$43 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$52 million primarily relating to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.

(e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

	Nine Months Ended September 30, 2022													
	AEP Texas		AEPTCo		APCo		I&M		OPCo		PSO		SWEPCo	
	(in millions)													
Retail Revenues:														
Residential Revenues	\$	520.8	\$	—	\$	1,131.7	\$	665.6	\$	1,363.3	\$	650.7	\$	650.0
Commercial Revenues		312.6		—		467.6		419.5		681.9		372.1		458.8
Industrial Revenues (a)		102.6		—		479.0		452.1		384.8		270.0		290.1
Other Retail Revenues		29.2		—		61.4		3.7		10.2		77.1		7.4
Total Retail Revenues		965.2		—		2,139.7		1,540.9		2,440.2		1,369.9		1,406.3
Wholesale Revenues:														
Generation Revenues (b)		—		—		227.6		310.9		—		19.2		206.2
Transmission Revenues (c)		417.7		1,218.1		123.4		26.3		64.4		28.9		116.8
Total Wholesale Revenues		417.7		1,218.1		351.0		337.2		64.4		48.1		323.0
Other Revenues from Contracts with Customers (d)		24.4		(0.4)		78.6		86.3		169.6		21.4		18.9
Total Revenues from Contracts with Customers		1,407.3		1,217.7		2,569.3		1,964.4		2,674.2		1,439.4		1,748.2
Other Revenues:														
Alternative Revenue Program (a) (e)		(2.9)		(34.4)		0.1		7.3		(18.6)		(0.7)		0.7
Other Revenues (a)		—		—		0.4		(0.1)		18.6		—		—
Total Other Revenues		(2.9)		(34.4)		0.5		7.2		—		(0.7)		0.7
Total Revenues	\$	1,404.4	\$	1,183.3	\$	2,569.8	\$	1,971.6	\$	2,674.2	\$	1,438.7	\$	1,748.9

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$122 million primarily relating to the PPA with KGPCo.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$992 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$44 million primarily relating to barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.

(e) Alternative revenue programs in certain jurisdictions include regulatory mechanisms that periodically adjust for over/under collection of related revenues.

Fixed Performance Obligations (Applies to AEP, APCo and I&M)

The following table represents the Registrants' remaining fixed performance obligations satisfied over time as of **September 30, 2023** **March 31, 2024**. Fixed performance obligations primarily include electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. The Registrants elected to apply the exemption to not disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less. Due to the annual establishment of revenue requirements, transmission revenues are excluded from the table below. The Registrant Subsidiaries amounts shown in the table below include affiliated and nonaffiliated revenues.

Company	Company 2023	2024-2025	2026-2027	After 2027	Total	Company	2024	2025-2026	2027-2028	After 2028	Total

(in millions)						
(in millions)						
(in millions)						
AEP	AEP	\$22.6	\$166.2	\$141.2	\$35.0	\$365.0
APCo						
APCo						
APCo	APCo	4.0	32.2	26.6	11.6	74.4
I&M	I&M	1.1	8.8	8.8	4.5	23.2

Contract Assets and Liabilities

Contract assets are recognized when the Registrants have a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. The Registrants did not have material contract assets as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**.

When the Registrants receive consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheets in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. The Registrants' contract liabilities typically arise from services provided under joint use agreements for utility poles. The Registrants did not have material contract liabilities as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**.

Accounts Receivable from Contracts with Customers

Accounts receivable from contracts with customers are presented on the Registrant Subsidiaries' balance sheets within the Accounts Receivable - Customers line item. The Registrant Subsidiaries' balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information.

The following table represents the amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on the Registrant Subsidiaries' balance sheets:

Company	September 30, 2023	December 31, 2022
	(in millions)	
AEP Texas	\$ 0.1	\$ 0.1
AEPTCo	122.5	113.8
APCo	69.3	64.5
I&M	50.1	75.3
OPCo	67.3	49.9
PSO	13.8	18.8
SWEPCo	23.7	19.1

	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)						
March 31, 2024	\$ —	\$ 129.2	\$ 77.8	\$ 55.8	\$ 72.3	\$ 10.8	\$ 16.1
December 31, 2023	—	123.2	71.7	44.0	70.1	12.4	27.4

CONTROLS AND PROCEDURES

During the **third first** quarter of **2023**, **2024**, management, including the principal executive officer and principal financial officer of each of the Registrants, evaluated the Registrants' disclosure controls and procedures. Disclosure controls and procedures are defined as controls and other procedures of the Registrants that are designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act is accumulated and communicated to the Registrants' management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As of **September 30, 2023**, **March 31, 2024**, these officers concluded that the disclosure controls and procedures in place are effective and provide reasonable assurance that the disclosure controls and procedures accomplished their objectives.

There was no change in the Registrants' internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the **third first** quarter of **2023**, **2024** that materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of material legal proceedings, see "Commitments, Guarantees and Contingencies," of Note 5 incorporated herein by reference.

Item 1A. Risk Factors

The Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 includes a detailed discussion of risk factors. As of September 30, 2023 March 31, 2024, the risk factors appearing in AEP's 2022 2023 Annual Report are supplemented and updated as follows:

Our The occurrence of one or more wildfires could cause tremendous loss, impact the market value and credit ratings of our securities and have a material adverse effect on our financial position may be adversely impacted if announced dispositions do not occur as planned or if assets under strategic evaluation lose value. condition. (Applies to AEP) all Registrants

In October 2022, AEP initiated a strategic evaluation for its ownership. More frequent and severe drought conditions, extreme swings in AEP Energy. In April 2023, management completed amount and timing of precipitation, changes in vegetation, unseasonably warm temperatures, very low humidity, stronger winds and other factors have increased the strategic evaluation duration of AEP Energy and initiated a sale process. In April 2023, AEP also made a decision to include AEP Onsite Partners in the sale process. AEP Onsite Partners also owns a 50% interest in NM Renewable Development, LLC. (NMRD). Separate from the remainder of AEP Onsite Partners, AEP wildfire season and the joint owner have agreed potential impact of an event. AEP's infrastructure is aging and poses risks to initiate a joint sales process for their respective interests in NMRD.

In July 2023, AEP made a decision to initiate a sales process for its investment in Pioneer Transmission, LLC safety and Prairie Wind Transmission, LLC.

Any planned sale of assets system reliability and investments, including subsidiaries, wildfire mitigation initiatives may not be successful or effective in preventing or reducing wildfire-related events. Wildfires can occur even when effective mitigation procedures are followed. Despite AEP's wildfire mitigation initiatives, a wildfire could be ignited, spread and cause damages, which would subject AEP to significant liability. Other potential risks associated with wildfires include the inability to secure sufficient insurance coverage, or increased costs of insurance, regulatory recovery risk, litigation risk, and the potential for any number of reasons beyond our control, including regulatory approval on terms that are acceptable. Depending on the outcome of these potential sales, it could reduce future net income a credit downgrade and impact financial condition. Subsequent additional costs to access capital markets.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None None.

Item 3. Defaults Upon Senior Securities

None None.

Item 4. Mine Safety Disclosures

The Federal Mine Safety and Health Act of 1977 (Mine Act) imposes stringent health and safety standards on various mining operations. The Mine Act and its related regulations affect numerous aspects of mining operations, including training of mine personnel, mining procedures, equipment used in mine emergency procedures, mine plans and other matters. SWEPCo, through its ownership of DHLC, a wholly-owned lignite mining subsidiary of SWEPCo, is subject to the provisions of the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires companies that operate mines to include in their periodic reports filed with the SEC, certain mine safety information covered by the Mine Act. Exhibit 95 "Mine Safety Disclosure Exhibit" contains the notices of violation and proposed assessments received by DHLC under the Mine Act for the quarter ended September 30, 2023. Not applicable.

Item 5. Other Information

On March 1, 2024, Greg B. Hall, the Executive Vice President and Chief Commercial Officer of the Company, entered into a Rule 10b5-1 trading agreement ("Rule 10b5-1 Trading Plan") intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Securities Exchange Act of 1934. Mr. Hall's Rule 10b5-1 Trading Plan provides for an aggregate sale of up to 3,297 shares of common stock on or after May 31, 2024 and until such shares are sold and 2,703 shares of common stock between May 31, 2024 and December 31, 2024.

On March 1, 2024, Therace M. Risch, the Executive Vice President and Chief Information and Technology Officer of the Company, entered into a Rule 10b5-1 Trading Plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Securities Exchange Act of 1934. Ms. Risch's Rule 10b5-1 Trading Plan provides for an aggregate sale of up to 5,539 shares of common stock between May 31, 2024 and April 30, 2025.

On March 5, 2024, Antonio P. Smyth, Executive Vice President – Grid Solutions and Government Affairs of the Company, entered into a Rule 10b5-1 Trading Plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Securities Exchange Act of 1934. Mr. Smyth's Rule 10b5-1 Trading Plan provides for an aggregate sale of up to 2,623 shares of common stock on or after June 5, 2024 and until such shares are sold and 2,624 shares of common stock between June 5, 2024 and January 31, 2025.

During the three months ended September 30, 2023 March 31, 2024, none of the Company's other directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Item 6. Exhibits

The documents designated with an (*) below have previously been filed on behalf of the Registrants shown and are incorporated herein by reference to the documents indicated and made a part hereof.

Exhibit	Description	Previously Filed as Exhibit to:
AEPTCo± File No. 333-217143		
4(a)	Company Order and Officer's Certificate between AEPTCo and The Bank of New York Mellon Trust Company, N.A. as Trustee dated March 13, 2024 establishing terms of the 5.15% Senior Notes, Series Q due 2034.	Form 8-K dated March 13, 2024, Exhibit 4(a).
APCo± File No. 1-3457		
4(b)	Company Order and Officer's Certificate between APCo and The Bank of New York Mellon Trust Company, N.A. as Trustee dated March 20, 2024 establishing terms of the 5.65% Senior Notes, Series CC due 2034.	Form 8-K dated March 20, 2024, Exhibit 4(a).

The exhibits designated with an (X) in the table below are being filed on behalf of the Registrants.

Exhibit	Description	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
10 4(c)	March 28, 2024 Amendment and extension to \$1,000,000,000 Credit Agreement dated March 31, 2021 among the Company, Initial Lenders and Wells Fargo Bank National Association as Administrative Agent.	X							
4(d)	March 28, 2024 Amendment and extension to \$5,000,000,000 of the \$4,000,000,000 Credit Agreement dated March 31, 2021 among the Company, Initial Lenders and Wells Fargo Bank National Association as Administrative Agent.	X							
10(a)	Executive Severance, Release of All Claims and Noncompetition Agreement between the Company and Ann P. Kelly, Julia A. Sloat.	X							
10(b)	Aircraft Time Sharing Agreement between AEPSC and Benjamin G.S. Fowke, III.	X							
10(c)	American Electric Power System 2024 Long-Term Incentive Plan.	X							
31(a)	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X	X	X	X	X	X	X	X
31(b)	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X	X	X	X	X	X	X	X
32(a)	Certification of Chief Executive Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code	X	X	X	X	X	X	X	X
32(b)	Certification of Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code	X	X	X	X	X	X	X	X
95	Mine Safety Disclosures								X
101.INS	XBRL Instance Document	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.							
101.SCH	XBRL Taxonomy Extension Schema	X	X	X	X	X	X	X	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X	X	X	X	X	X	X	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X	X	X	X	X	X	X	X

Exhibit	Description	AEP							
		AEP	Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
101.LAB	XBRL Taxonomy Extension Label Linkbase	X	X	X	X	X	X	X	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	X	X	X	X	X	X	X	X
104	Cover Page Interactive Data File	Formatted as Inline XBRL and contained in Exhibit 101.							

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

AMERICAN ELECTRIC POWER COMPANY, INC.

By: /s/ Kate Sturgess
 Kate Sturgess
 Controller and Chief Accounting Officer

AEP TEXAS INC.
 AEP TRANSMISSION COMPANY, LLC
 APPALACHIAN POWER COMPANY
 INDIANA MICHIGAN POWER COMPANY
 OHIO POWER COMPANY
 PUBLIC SERVICE COMPANY OF OKLAHOMA
 SOUTHWESTERN ELECTRIC POWER COMPANY

By: /s/ Kate Sturgess
 Kate Sturgess
 Controller and Chief Accounting Officer

Date: November 2, 2023 April 30, 2024

206 167

Execution Version

U.S. \$1,000,000,000

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of March 28, 2024
 among

AMERICAN ELECTRIC POWER COMPANY, INC.
 as the Borrower

THE LENDERS NAMED HEREIN
 as Initial Lenders

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
 as Administrative Agent

WELLS FARGO SECURITIES, LLC
 JPMORGAN CHASE BANK, N.A.

BARCLAYS BANK PLC
THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BOFA SECURITIES, INC.
MIZUHO BANK, LTD.
Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
Syndication Agents

THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BANK OF AMERICA, N.A.
MIZUHO BANK, LTD.
Documentation Agents

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AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 28, 2024 (this “**Agreement**”), among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the “**Borrower**”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “**Initial Lenders**”), and WELLS FARGO BANK, NATIONAL ASSOCIATION (“**Wells Fargo Bank**”), as administrative agent (in such capacity, and its successors in such capacity as provided in Article VII, the “**Administrative Agent**”) for the Lenders (as hereinafter defined).

PRELIMINARY STATEMENT:

The Borrower has requested that the Lenders agree, on the terms and conditions set forth herein, to amend and restate in its entirety the Credit Agreement, dated as of March 31, 2021 (as amended and in effect immediately prior to the Restatement Effective Date, the “**Existing Credit Agreement**”), among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto. The Lenders have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement.

On the Restatement Effective Date, with respect to each “Lender” under and as defined in the Existing Credit Agreement that declines or fails to enter into this Agreement by returning an executed counterpart hereof to the Administrative Agent prior to the Restatement Effective Date (each, a “**Departing Lender**”), then such institution’s “Commitment” under and as defined in the Existing Credit Agreement shall terminate, effective on the Restatement Effective Date, the Borrower shall prepay all of such Departing Lender’s “Advances” outstanding under and as defined in the Existing Credit Agreement and all interest, fees and other amounts owing, as of the Restatement Effective Date, to such Departing Lender under the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Adjusted Term SOFR” means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

“Administrative Agent” has the meaning specified in the recital of parties to this Agreement.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

“Advance” means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a SOFR Advance.

“Affected Financial Institution” means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

“Affiliate” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term “control” (including the terms “controlling”, “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

“Agent Parties” has the meaning specified in Section 8.02(c).

“Agent’s Account” means an account of the Administrative Agent maintained by the Administrative Agent from time to time designated in a written notice to the Lenders and the Borrower.

“Anniversary Date” has the meaning specified in Section 2.06(a).

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

“Applicable Law” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

“Applicable Margin” means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this definition):

Applicable Rating Level	Applicable Margin for SOFR Advances	Applicable Margin for Base Rate Advances
1	1.000%	0.000%
2	1.125%	0.125%
3	1.250%	0.250%
4	1.500%	0.500%
5	1.750%	0.750%

provided, that the Applicable Margins set forth above shall be increased, for each Applicable Rating Level, upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

Any change in the Applicable Margin resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of any change in the Moody's Rating or the S&P Rating that results in such change in the Applicable Rating Level.

"Applicable Rating Level" at any time shall be determined in accordance with the then-applicable S&P Rating and the then-applicable Moody's Rating as follows:

S&P Rating/Moody's Rating	Applicable Rating Level
S&P Rating A or higher or Moody's Rating A2 or higher	1
S&P Rating A- or Moody's Rating A3	2
S&P Rating BBB+ or Moody's Rating Baa1	3
S&P Rating BBB or Moody's Rating Baa2	4
S&P Rating BBB- or below or Moody's Rating Baa3 or below, or no S&P Rating or Moody's Rating	5

If the S&P Rating and the Moody's Rating are not the same (i.e., a "split rating") the following shall apply: (i) if the S&P Rating and the Moody's Rating are split by one rating, the higher of such ratings shall control, and (ii) if the S&P Rating and the Moody's Rating are split by more than one rating, the Applicable Rating Level shall be the rating level immediately below the Applicable Rating Level corresponding to the higher of the two ratings (e.g. if the ratings are split by two ratings and the highest rating is the Moody's Rating at A2, then the Applicable Rating Level will be 2) unless, in each case, either rating is below BBB- or Baa3 (as applicable), in which case the lower of the two ratings shall control.

"Approved Fund" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07), and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto or any other form approved by the Administrative Agent.

"Available Commitment" means, for each Lender at any time on any day, the unused portion of such Lender's Commitment, computed after giving effect to all Extensions of Credit

made or to be made on such day, the application of proceeds therefrom and all prepayments and repayments of Advances made on such day.

"Available Commitments" means the aggregate of the Lenders' Available Commitments hereunder.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 8.21(c).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of America" means Bank of America, N.A.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided that*, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

"Barclays" means Barclays Bank PLC.

"Base Rate" means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus

1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.11(a).

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation

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thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of

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information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"BHC Act Affiliate" has the meaning specified in Section 8.22.

"BOFAS" means BofA Securities, Inc., together with any of its Affiliates it deems appropriate to provide the services contemplated herein.

"Borrower" has the meaning specified in the recital of parties to this Agreement.

"Borrowing" means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02 or 2.13, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

"Borrowing Date" means the date of any Borrowing.

"Business Day" means any day that (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed and (b) is not a day on which commercial banks in Charlotte, North Carolina are closed.

"CGMI" means Citigroup Global Markets Inc.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, implemented, adopted or issued.

"Citibank" means Citibank, N.A.

"Commitment" means, for each Lender, the obligation of such Lender to make Advances to the Borrower hereunder in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be reduced from time to time pursuant to Section 2.08.

"Commitment Fee Rate" means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this definition):

Applicable Rating Level	Commitment Fee Rate
1	0.075%
2	0.100%
3	0.150%
4	0.200%
5	0.250%

A change in the Commitment Fee Rate resulting from a change in the Applicable Rating Level shall become effective upon the date of public announcement of a change in the Moody's Rating or the S&P Rating that results in a change in the Applicable Rating Level.

"Commitment Percentage" means, as to any Lender as of any date of determination, the percentage describing such Lender's pro rata share of the Commitments set forth in the Register from time to time; provided that in the case of Section 8.16 when a Defaulting Lender shall exist, **"Commitment Percentage"** means the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Commitments" means the aggregate of the Lenders' Commitments hereunder.

"Communications" has the meaning specified in Section 8.02(b).

"Confidential Information" means information that the Borrower furnishes to the Administrative Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Joint Lead Arrangers or such Lender from a source other than the Borrower.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by overall gross receipts or income, or net income (however denominated) or that are franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes.

"Consolidated Capital" means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by the Borrower and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

"Consolidated Debt" of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

"Consolidated Subsidiary" means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

"Consolidated Tangible Net Assets" means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such

revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of a new, or the renewal of the same, Interest Period for SOFR Advances, pursuant to Section 2.12 or 2.13.

"Covered Entity" has the meaning specified in Section 8.22.

"Covered Party" has the meaning specified in Section 8.22.

"Credit Party" means the Administrative Agent and each Lender.

"Debt" of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Declining Lender" has the meaning specified in Section 2.06(b).

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Right" has the meaning specified in Section 8.22.

"Defaulting Lender" means, subject to Section 8.16(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and

the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder within two Business Days of the date when due, (ii) has notified the Borrower or any Credit

Party in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund an Advance hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.16(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Departing Lender" has the meaning specified in the Preliminary Statement in this Agreement.

"Designated Lender" has the meaning specified in Section 2.07(a).

"Disclosure Documents" means the Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2023 and the Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Report on Form 10-K for the period ended December 31, 2023 but prior to the Restatement Effective Date.

"Dollars" and the symbol **"\$"** mean lawful currency of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

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"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity-Preferred Securities" means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the

indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) the Internal Revenue Code.

"ERISA Event" means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

"Erroneous Payment" has the meaning assigned thereto in Section 7.06(a).

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"Erroneous Payment Deficiency Assignment" has the meaning assigned thereto in Section 7.06(d).

"Erroneous Payment Impacted Class" has the meaning assigned thereto in Section 7.06(d).

"Erroneous Payment Return Deficiency" has the meaning assigned thereto in Section 7.06(d).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Events of Default" has the meaning specified in Section 6.01.

"Exchange Act" has the meaning specified in Section 6.01(f).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by overall gross receipts or income, or net income (however denominated), franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.20(b)) or (ii) such Lender changes its applicable Lending Office, except in each case to the extent that, pursuant to Section 2.18, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its applicable Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.18(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning specified in the Preliminary Statement in this Agreement.

"Extension Effective Date" has the meaning specified in Section 2.06(c).

"Extension of Credit" means the making of a Borrowing. For purposes of this Agreement, a Conversion shall not constitute an Extension of Credit.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into in connection with such sections of the Internal Revenue Code and any legislation, law, regulation or practice enacted or promulgated pursuant to such intergovernmental agreement.

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"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it; *provided* that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Floor" means a rate of interest equal to 0.00%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Plan" has the meaning specified in Section 4.01(i).

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" has the meaning specified in Section 1.03.

"GenCo" means AEP Generation Resources Inc.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guaranty" of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

"Hazardous Materials" means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Indemnified Party" has the meaning specified in Section 8.04(b).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Initial Lenders" has the meaning specified in the recital of parties to this Agreement.

"Interest Period" means, as to any SOFR Advance, the period commencing on the date such SOFR Advance is disbursed or converted to or continued as a SOFR Advance and ending on the date one (1), three (3) or six (6) months thereafter, in each case as selected by the Borrower in its Notice of Borrowing or a notice of conversion and subject to availability; *provided*, that:

- (i) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;
- (ii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;
- (iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;
- (iv) no Interest Period shall extend beyond the Termination Date;
- (v) there shall be no more than ten (10) Interest Periods in effect at any time; and
- (vi) no tenor that has been removed from this definition pursuant to Section 8.21 shall be available for specification in any Notice of Borrowing or notice of conversion.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"IRS" means the United States Internal Revenue Service.

"Joint Lead Arrangers" means Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, BOFAS and Mizuho, in their capacities as joint lead arrangers and joint bookrunners for the credit facilities provided for herein.

"JPMorgan" means JPMorgan Chase Bank, N.A.

"Lenders" means, at any time, collectively, (i) the Initial Lenders (other than any such Initial Lenders that have previously assigned all of their respective Advances and Commitments to other Persons in accordance with Section 8.07(b) at such time), and (ii) any other Persons that

have become Lenders holding Advances and/or Commitments at such time in accordance with Section 8.07(b).

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender's Extensions of Credit, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Loan Documents" means, collectively, (i) the Commitment Letter, dated as of February 21, 2024, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (ii) the Fee Letter, dated as of February 21, 2024, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan and Barclays, (iii) the Fee Letter, dated as of February 21, 2024, among the Borrower, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (iv) the Fee Letter, dated as of February 21, 2024, between the Borrower and the Administrative Agent, (v) this Agreement, and (vi) each promissory note issued pursuant to Section 2.10(d), in each case, as any of the foregoing may be amended, supplemented or modified from time to time.

"Margin Regulations" means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Margin Stock" has the meaning specified in the Margin Regulations.

“Material Adverse Change” means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“Material Adverse Effect” means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

“Mizuho” means Mizuho Bank, Ltd.

“Moody’s” means Moody’s Investors Service, Inc.

“Moody’s Rating” means, on any date of determination, the debt rating most recently announced by Moody’s with respect to the long-term senior unsecured debt issued by the Borrower.

“MUFG” means MUFG Bank, Ltd.

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“Multiemployer Plan” has the meaning specified in Section 4.01(i).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notice of Borrowing” has the meaning specified in Section 2.02(a).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20(b)).

“Outstanding Credits” means, on any date of determination and as to any Lender, the aggregate principal amount of such Lender’s Advances outstanding on such date.

“Overnight Rate” means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning specified in Section 8.07(d).

“Participant Register” has the meaning specified in Section 8.07(d).

“Patriot Act” has the meaning specified in Section 8.14.

“Permitted Liens” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

- (iii) Liens incurred or deposits made to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations;
- (iv) easements, rights of way and other encumbrances on title to real

property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" has the meaning specified in Section 4.01(i).

"Platform" has the meaning specified in Section 8.02(b).

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

"Proposed Increased Commitment" has the meaning specified in Section 2.07(a).

"QFC" has the meaning specified in Section 8.22.

"QFC Credit Support" has the meaning specified in Section 8.22.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Register" has the meaning specified in Section 8.07(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"Required Lenders" means at any time Lenders owed in excess of 50% of the Outstanding Credits at such time, or, if there are no Outstanding Credits, Lenders having in excess of 50% in interest of the Commitments in effect at such time having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. Subject to Section 8.01, the Outstanding Credits and Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restatement Effective Date" has the meaning specified in Section 3.01.

"Restructuring Law" means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

"RTO Transaction" means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission.

"S&P" means S&P Global Ratings, a business unit of S&P Global, Inc.

"S&P Rating" means, on any date of determination, the rating most recently announced by S&P with respect to the long-term senior unsecured debt issued by the Borrower.

"Sanctioned Country" means, at any time, a region, a country or territory which is itself (or whose government is) the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, any target of Sanctions, including: (a) any Person on any list of targets identified or designated pursuant to any Sanctions, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by the Office of Foreign Assets Control of the U.S. Department of the Treasury to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

"Sanctions" means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or executive order), the United Nations Security Council, the European Union, any European member state, His Majesty's Treasury, or other relevant sanctions authority

in any jurisdiction in which (a) the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Outstanding Credits will be used, or (c) from which repayment of the Outstanding Credits will be derived.

"Scotiabank" means The Bank of Nova Scotia.

"SEC" means the United States Securities and Exchange Commission.

"Significant Subsidiary" means, at any time, any Subsidiary of the Borrower that constitutes at such time a "significant subsidiary" of the Borrower, as such term is defined in Regulation S-X of the SEC as in effect on the date hereof (17 C.F.R. Part 210) (other than AEP Energy Supply LLC or GenCo); *provided, however*, that if AEP Energy Supply LLC or GenCo own, on an aggregate basis, assets exceeding 20% of the Borrower's "total assets" as used in Regulation S-X, AEP Energy Supply LLC or GenCo will be considered Significant Subsidiaries, and *provided, further*, that "total assets" as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of Stranded Cost Recovery Bonds or other asset backed securities of a similar nature.

"Sixth Amended and Restated Credit Agreement" means the Sixth Amended and Restated Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto pursuant to which the lenders party thereto provide to the Borrower a \$5,000,000,000 revolving credit facility.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Advance" means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 2.11(b).

"Stranded Cost Recovery Bonds" means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Significant Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by law (including, without limitation, any "financing order", as such term is defined in the Texas Utilities Code) to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time

directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Supported QFC" has the meaning specified in Section 8.22.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **"Periodic Term SOFR Determination Day"**) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(a) for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the **"Base Rate Term SOFR Determination Day"**) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

"Term SOFR Adjustment" means, for any calculation with respect to a Base Rate Advance, 0.10% per annum, or a SOFR Advance, 0.10% per annum for each applicable Interest Period therefor.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" means, with respect to any Lender, the earlier to occur of (i) March 29, 2027 or such later date that may be established for such Lender from time to time pursuant to Section 2.06 hereof, and (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.08 or 6.01.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitment and Outstanding Credits of such Lender at such time.

"Type" refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at SOFR.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.13 and 2.14, in each case, such day is also a Business Day.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning specified in Section 8.22.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.18(g)(ii)(B)(3).

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"Wells Fargo Bank" has the meaning specified in the recital of parties to this Agreement.

"Wells Fargo Securities" means Wells Fargo Securities, LLC.

"Withholding Agent" means the Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the

Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Computation of Time Periods.

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03 Accounting Terms.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied in accordance with the consistency requirements thereof as in effect from time to time ("**GAAP**"); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Restatement Effective Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Restatement Effective Date.

SECTION 1.04 Other Interpretive Provisions.

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words "including", "include" and "includes" shall be deemed

to be followed by the words "without limitation"; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York City time unless otherwise specified. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 1.05 Rates.

The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.21, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or

consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.06 Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01 The Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances in Dollars to the Borrower from time to time on any Business Day during the period from the

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date hereof until the Termination Date in an aggregate outstanding amount not to exceed at any time such Lender's Available Commitment at such time. Within the limits of each Lender's Commitment and as hereinabove and hereinafter provided, the Borrower may request Borrowings hereunder, and repay or prepay Advances pursuant to Section 2.14 and utilize the resulting increase in the Available Commitments for further Borrowings in accordance with the terms hereof.

(b) In no event shall the Borrower be entitled to request or receive any Borrowing that would cause the aggregate Outstanding Credits (including such requested Borrowing) to exceed the aggregate Commitments.

SECTION 2.02 Making Advances.

(a) Each Borrowing of Advances shall be in an amount not less than \$10,000,000 (or, if less, the Available Commitments at such time) or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. Each such Borrowing shall be made on notice, given not later than 11:00 A.M. on the third U.S. Government Securities Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of SOFR Advances, or not later than 1:00 P.M. on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt written notice. Each such notice of a Borrowing under this Section 2.02 (a "Notice of Borrowing") shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 3:00 P.M. on the applicable Borrowing Date, make available for the account of its applicable Lending Office to the Administrative Agent at the Agent's Account, in same day funds, such Lender's ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make SOFR Advances shall then be suspended pursuant to Section 2.12(b), 2.12(e) or 2.16, and (ii) there shall be not more than 20 Borrowings at any one time outstanding.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

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(d) In connection with any borrowing hereunder, the Administrative Agent may assume that each Lender has made its respective share of such borrowing available on such date in accordance with the terms hereof and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount, with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Advances. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Advance included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 [Reserved].

SECTION 2.04 [Reserved].

SECTION 2.05 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee equal to the Commitment Fee Rate in effect for each day, multiplied by the amount of such Lender's Available Commitment (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the Termination Date of such Lender, payable quarterly in arrears on the last day of each March, June, September and December, commencing March 31, 2024, and ending on the Termination Date of such Lender.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

SECTION 2.06 Extension of the Termination Date.

(a) Not earlier than 60 days prior to, nor later than 30 days prior to each anniversary of the Restatement Effective Date (each, an "**Anniversary Date**"), the Borrower may request by notice made to the Administrative Agent (which shall promptly notify the Lenders thereof) a one-year extension of the Termination Date. Each Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day and shall not be less than 15 days prior to, nor more than 30 days prior to, the Anniversary Date) that either (A) such Lender declines to consent to extending the Termination Date or (B) such Lender consents to extending the Termination Date. Any Lender not responding within the above time period shall be deemed not to have consented to extending the Termination Date. The Administrative Agent shall, after receiving the notifications from all of the

Lenders or the expiration of such period, whichever is earlier, notify the Borrower and the Lenders of the results thereof. The Borrower may request no more than two (2) extensions of the Termination Date pursuant to this Section following the Restatement Effective Date. For the avoidance of doubt, at no time may the term of this Agreement exceed three (3) years.

(b) If any Lender declines, or is deemed to have declined, to consent to such request for extension (each a "**Declining Lender**"), the Borrower shall have the right to replace such Declining Lender in accordance with Section 2.20(b). Any Lender replacing a Declining Lender shall be deemed to have consented to

such request for extension (regardless of when such replacement is effective) and shall not be deemed to be a Declining Lender.

(c) If the Required Lenders have consented to the extension of the Termination Date, the Termination Date shall be extended (solely with respect to each Lender that consented to the extension) to the date that is one year after the then-effective Termination Date, effective as of the Anniversary Date. On or prior to the Anniversary Date, the Borrower shall deliver to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (i) the resolutions of the Borrower authorizing such extension, certified as being in effect as of the Anniversary Date and the related incumbency certificate of the Borrower, (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request and (iii) a certificate of the Borrower stating that on and as of such Anniversary Date, and after giving effect to the extension to be effective on such date, all conditions precedent to an Extension of Credit are satisfied. On or prior to the Termination Date applicable to any Declining Lender, such Declining Lender shall have received payment in full of the principal amount of all Advances outstanding owing to such Declining Lender and all interest thereon and all fees and other amounts (including, without limitation, any amounts payable pursuant to Section 8.04(c)) payable to such Declining Lender accrued through such Termination Date. Promptly following such Anniversary Date, the Administrative Agent shall distribute an amended Schedule I to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes, if any, in the Lenders, the Commitments and each Lender's Commitment Percentage as of such Anniversary Date.

SECTION 2.07 Increase of the Commitments.

(a) The Borrower may, from time to time, provided that no Default or Event of Default has occurred and is continuing, request by notice to the Administrative Agent, to increase the Commitments in minimum increments of \$10,000,000, up to a maximum increase aggregate amount for all such increases to occur after the Restatement Effective Date of \$250,000,000, by designating one or more Eligible Assignees (each a "**Designated Lender**") that agree to accept all or a portion of such additional Commitments (the "**Proposed Increased Commitment**"), provided, that (x) if a Designated Lender is not a Lender, such Designated Lender shall be reasonably acceptable to the Administrative Agent, and such Designated Lender's Proposed Increased Commitment shall be at least \$5,000,000; and (y) if a Designated Lender is a Lender, the allocations of the Proposed Increased Commitment among Designated Lenders that are Lenders shall be based on the ratio of each existing Lender's Proposed Increased Commitment, if any, to the aggregate of all Proposed Increased Commitments. The Borrower may elect to remove or replace any such designated Eligible Assignee at any time prior to the effective date of such increase, *provided* that any newly designated Eligible Assignee is reasonably acceptable to the Administrative Agent.

(b) The Administrative Agent shall promptly notify the Designated Lenders of the Proposed Increased Commitment. Each Designated Lender shall notify the Administrative Agent by the

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date specified by the Administrative Agent (which date shall be a Business Day) that either (A) such Designated Lender declines to accept its additional Commitments or (B) such Designated Lender consents to accept its additional Commitments. Any Designated Lender not responding on or prior to the date specified by the Administrative Agent shall be deemed not to have consented to accept its additional Commitments. The Administrative Agent shall, after receiving the notifications from all of the Designated Lenders or following the date specified in the notice to such Designated Lenders, whichever is earlier, notify the Borrower and the Lenders of the results thereof and the effective date of any additional Commitments. The Borrower shall deliver (i) a certificate signed by a duly authorized officer of the Borrower to the Administrative Agent, dated as of the effective date of such additional Commitments, stating that all conditions precedent to an Extension of Credit set forth in Section 3.02 are true and correct on and as of such effective date and (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request.

(c) Promptly following the effective date of any Commitment increase pursuant to this Section 2.07, (i) the Administrative Agent shall distribute an amended Schedule I to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes in Lenders, the Commitments and each Lender's Commitment Percentage as of such effective date and (ii) the Borrower shall prepay the outstanding Borrowings (if any) in full, and shall simultaneously make new Borrowings hereunder in an amount equal to such prepayment, so that, after giving effect thereto, the Borrowings are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment increase). Prepayments made under this clause (c) shall not be subject to the notice requirements of Section 2.14.

(d) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment increase and the making of any Advances on such date pursuant to clause (c)(ii) above, all calculations and payments of fees and of interest on the Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.08 Termination or Reduction of the Commitments.

(a) The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Available Commitments, *provided* that (i) each partial reduction shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made that would reduce the aggregate Commitments to an amount less than the aggregate Outstanding Credits on the date of such termination or reduction.

(b) The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender in accordance with Section 8.16(a)(iv).

(c) The Commitment of each Lender shall automatically terminate on the Termination Date applicable to such Lender as provided in Section 2.06.

(d) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

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SECTION 2.09 Repayment of Advances.

(a) The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date with respect to such Lender the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

(b) If at any time the aggregate principal amount of Outstanding Credits exceed the aggregate Commitments, the Borrower shall pay or prepay so much of the Borrowings as shall be necessary in order that the principal amount of Advances outstanding will not exceed the Commitments.

SECTION 2.10 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.10 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with their terms.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its assignees) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein.

SECTION 2.11 Interest on Advances.

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) **Base Rate Advances.** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

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(b) **SOFR Advances.** During such periods as such Advance is a SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such SOFR Advance shall be Converted or paid in full.

SECTION 2.12 Interest Rate Determination.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.11(a) or (b).

(b) Subject to Section 8.21 below, in connection with any request for a SOFR Advance or a conversion to or continuation thereof or otherwise, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Term SOFR for the applicable Interest Period with respect to a proposed SOFR Advance on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Advances during such Interest Period and, in the case of clause (ii), the Required Lenders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent shall promptly give notice thereof to the Borrower. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make SOFR Advances, and any right of the Borrower to convert any Advance to or continue any Advance as a SOFR Advance, shall be suspended (to the extent of the affected SOFR Advances or the affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances (to the extent of the affected SOFR Advances or the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances in the amount specified therein and (B) any outstanding affected SOFR Advance will be deemed to have been converted into Base Rate Advances at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

(c) If the Borrower shall fail to select the duration of any Interest Period for any SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert

into a Base Rate Advance and (ii) the obligation of the Lenders to make SOFR Advances, or to Convert outstanding Advances into SOFR Advances shall be suspended.

SECTION 2.13 Optional Conversion of Advances.

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.12 and 2.16, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that any Conversion of SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such SOFR Advances, any Conversion of Base Rate Advances into SOFR Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into SOFR Advances, the duration of the initial Interest Period for each such Advance. Each such notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.14 Optional Prepayments of Advances.

The Borrower may, upon at least two Business Days' notice, in the case of SOFR Advances, and upon notice not later than 11:00 A.M. (New York City time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.15 Increased Costs.

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

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(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Advance or of maintaining its obligation to make any such Advance, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or other Recipient, the Borrower shall promptly pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any applicable Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Advances made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender, the Borrower shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or holding companies, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be required to compensate any Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) **Survival.** All of the obligations of the Borrower under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.16 Laws Affecting SOFR Availability.

If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or

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impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any SOFR Advance, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders (an **"Illegality Notice"**). Thereafter, until each affected Lender notifies the Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such determination no longer exist, (i) any obligation of the Lenders to make SOFR Advances, and any right of the Borrower to convert any Advance to a SOFR Advance or continue any Advance as a SOFR Advance, shall be suspended and (ii) if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Advances to Base Rate Advances (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Advances to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Advances to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

SECTION 2.17 Payments and Computations.

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section 2.15, 2.18, 8.04(c) or 8.16) to the Lenders for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on SOFR or the Federal Funds Rate and of commitment fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, commitment fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

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(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fees, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of SOFR Advances to be made in the next following calendar month or on a date after the Termination Date, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.18 Taxes.

(a) **Defined Terms.** For purposes of this Section 2.18, the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.18, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver

such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.18(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this

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Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or W 8BEN E;

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, W 8BEN E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be

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necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.18 (including by the payment of additional amounts pursuant to this Section 2.18), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **FATCA Withholding.** For purposes of determining withholding Taxes imposed under FATCA, from and after the Restatement Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the obligations of the Borrower set forth in this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Sections 1.1471-2(b)(2)(i) and 1.1471-2T(b)(2)(i).

(j) **Survival.** Each party's obligations under this Section 2.18 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.19 Sharing of Payments, Etc.

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it (other than pursuant to Section 2.15, 2.18, 8.04(c) or 8.16 or in respect of SOFR Advances converted into Base Rate Advances pursuant to Section 2.16) by the Borrower in excess of its ratable share of payments on account of the Advances to the Borrower obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase

from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.19 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.02(d) or 7.05, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, apply any amounts thereafter received by the Administrative Agent for the account of such Lender

for the benefit of the Administrative Agent to satisfy such Lender's obligations to it or them under such Section until all such unsatisfied obligations are fully paid, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.20 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different Lending Office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.18, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 2.20(a), or if any Lender is a Declining Lender, a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.18) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); *provided that*:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances, together with all applicable accrued interest thereon, accrued fees and all other

amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal amounts and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.18, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III

CONDITIONS PRECEDENT

SECTION 3.01 Conditions Precedent to Effectiveness of this Agreement and Initial Extensions of Credit.

This Agreement and the obligation of each Lender to make the initial Extension of Credit to be made by it hereunder shall take effect on the date (the "**Restatement Effective Date**") on which each of the following conditions precedent has been satisfied:

(a) The Administrative Agent shall have received on or before the Restatement Effective Date the following, each dated the Restatement Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Agreement, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement.

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder.

(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit C hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(iv) A favorable opinion of Winston & Strawn LLP, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

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(b) On the Restatement Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Restatement Effective Date, stating that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the Restatement Effective Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all fees and expenses of the Administrative Agent, the Joint Lead Arrangers and the Lenders then due and payable in accordance with the terms of the Loan Documents (including the fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(e) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.10(d), duly completed and executed by the Borrower and payable to such Lenders.

(f) The Administrative Agent shall have received copies of the Disclosure Documents.

(g) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Restatement Effective Date.

(h) The Sixth Amended and Restated Credit Agreement shall have been executed and delivered by the Borrower and the other parties thereto, the aggregate amount of revolving commitments thereunder shall not exceed \$5,000,000,000 and such revolving commitments shall have become effective in accordance with its terms.

(i) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

SECTION 3.02 Conditions Precedent to each Extension of Credit.

The obligation of each Lender to make each Extension of Credit to be made by it hereunder (other than in connection with any Borrowing that would not increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Extension of Credit shall constitute a representation and warranty by the Borrower that on the date of such Extension of Credit such statements are true):

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(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the penultimate sentence of Section 4.01(f)) are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the date of such Extension of Credit, before and after giving effect to such Extension of Credit and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing or would result from such Extension of Credit or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender through the Administrative Agent.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of any Loan Document.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as disclosed in the Disclosure Documents.

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(f) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at December 31, 2023, and the related consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal periods then ended (accompanied by an opinion of PricewaterhouseCoopers LLP, an independent registered public accounting firm), copies of each of which have been furnished to each Lender, fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2023, there has been no Material Adverse Change. As of the Restatement Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent, any Lender in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in material compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any Governmental Authority applicable to it.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all material respects with ERISA and the Internal Revenue Code. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term "**Plan**" means an "employee pension benefit plan" (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term "**Multiemployer Plan**" means any Plan which is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA). The term "**Foreign Plan**" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not

more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Extension of Credit, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the Restatement Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or use of proceeds thereof or other transaction contemplated by this Agreement violates, or will violate, Anti-Corruption Laws or applicable Sanctions.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01 Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will:

(a) **Preservation of Existence, Etc.** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and

any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

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(b) **Compliance with Laws, Etc.** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with GAAP.

(i) **Reporting Requirements.** Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the Borrower's Quarterly Report on Form 10-Q for such quarter, as filed with the SEC, which shall contain a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of

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such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with generally accepted accounting principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Borrower's Annual Report on Form 10-K for such year, as filed with the SEC, which shall contain a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by PricewaterhouseCoopers LLP or another independent registered public accounting firm acceptable to the Required Lenders, and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Borrower or any Significant Subsidiary files with the SEC or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

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(vi) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vii) such other information respecting the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i), (ii) and (iv) shall be deemed to have been delivered if such information shall be available on the website of the SEC at <http://www.sec.gov> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(k) **Use of Proceeds.** Use the proceeds of the Borrowings for working capital and general corporate purposes of the Borrower; provided that no part of the proceeds of any of the Advances shall be used for purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System) or for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. If

requested by the Administrative Agent or any Lender (through the Administrative Agent), the Borrower shall promptly furnish to the Administrative Agent and each requesting Lender a statement in conformity with the requirements of Form G-3 or Form U-1, as applicable, under Regulation U of the Board of Governors of the Federal Reserve System.

SECTION 5.02 Negative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) **Mergers, Etc.** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (if other than the Borrower) assumes, in form reasonably satisfactory to the Administrative Agent, all of the obligations of the Borrower under this Agreement and the other Loan Documents, is incorporated or otherwise organized under the laws of a state of the United States of America or the District of Columbia and has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case, that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) **Stock of Significant Subsidiaries.** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred

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and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower (other than AEP Energy Services, Inc. or CSW Energy, Inc.) if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary (other than AEP Energy Services, Inc. or CSW Energy, Inc.) to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) **Liens, Etc.** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the date hereof, (iii) Liens securing first mortgage bonds issued by any Subsidiary of the Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of such Subsidiary and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the date hereof, or amend, supplement or otherwise modify any agreement existing on the date hereof, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the date hereof; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such

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withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Margin Stock.** Use the proceeds of any Extension of Credit to buy or carry Margin Stock.

(h) **No Violation of Anti-Corruption Laws or Sanctions.** Request any Borrowing, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use, directly or, to the actual knowledge of the Borrower or any of its Subsidiaries, indirectly, the proceeds of any Borrowing (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.03 Financial Covenant.

So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

ARTICLE VI EVENTS OF DEFAULT

SECTION 6.01 Events of Default.

If any of the following events ("**Events of Default**") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable, or shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than Section 5.02(f)), or (ii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$100,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or

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redeemed (other than (x) by a regularly scheduled required prepayment or redemption, or (y) any event or condition which results in the conversion of such Debt constituting convertible indebtedness of the Borrower or any Significant Subsidiary pursuant to its terms, into (i) common stock of the Borrower or such Significant Subsidiary (or other securities or property following a merger event, reclassification or other change of the common stock of the Borrower or such Significant Subsidiary), (ii) cash or (iii) a combination of such common stock and cash, unless such conversion results from a default thereunder or an event of the type that constitutes an Event of Default), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary 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 the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the date hereof was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Borrower’s Voting Stock shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date hereof, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason to constitute a majority of the board of directors of the Borrower, *provided* that any person becoming a director subsequent to the date hereof, whose election, or nomination for election by the Borrower’s shareholders, was approved by a vote of at least a majority of the directors of the board of directors of the Borrower as comprised as of the date hereof shall be, for purposes of this provision, considered as though such person were a member of the board as of the date hereof; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers’ of America 1974 Pension Trust by the Borrower or any of its ERISA Affiliates shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in

the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender to make Extensions of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Borrowings, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Borrowings, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Extensions of Credit shall automatically be terminated and (B) the outstanding Borrowings, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII THE ADMINISTRATIVE AGENT

SECTION 7.01 Authorization and Action.

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters expressly provided for in this Agreement as being subject to the discretion of the Administrative Agent, such matters shall be subject to the sole discretion of the Administrative Agent, its directors, officers, agents and employees. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the outstanding Borrowings), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02 Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender recorded in the Register as the owner of the Commitment recorded for such Lender in the Register until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07 and except as provided otherwise in Section 8.16; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith

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by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Lender or to inspect the property (including the books and records) of any Lender; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of, this Agreement or any other instrument or document furnished pursuant thereto; (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by fax) believed by it to be genuine and signed or sent by the proper party or parties; and (vii) shall not have any fiduciary duty to any other Lender.

SECTION 7.03 Administrative Agent and its Affiliates.

With respect to its Commitments and the Advances made by it, the Person serving as Administrative Agent shall have the same rights and powers in its capacity as a Lender under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial advisor for, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any Lender and any of their respective Subsidiaries or Affiliates thereof as if such Person were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04 Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05 Indemnification.

Each Lender severally agrees to indemnify the Administrative Agent and its Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; *provided, however*, that no Lender shall be liable, as to the Administrative Agent or any Related Party of any of the foregoing, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful

misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent and each Related Party of any of the foregoing promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees

and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.05 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent or any Related Party of any of the foregoing promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent or such Related Party for such other Lender's ratable share of such amount. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 7.06 Erroneous Payments.

(a) Each Lender and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender (each such recipient, a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.06(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "**Erroneous Payment**"), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment

(or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an "**Erroneous Payment Return Deficiency**"), then at the sole discretion of the Administrative Agent and upon the Administrative Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.06 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any obligations hereunder owed by the Borrower, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making a payment on the obligations hereunder and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the Payment Recipient, as the case

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may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party's obligations under this Section 7.06 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 7.06 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Amendments, Etc.

Subject to Section 8.16(a)(i), no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall:

(a) unless in writing and signed by all the Lenders (other than, in the case of the following clauses (i) through (iv), any Defaulting Lender), do any of the following:

(i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein,

(ii) increase the aggregate amount of the Commitments (except pursuant to Section 2.07),

- (iii) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or
- (iv) amend or waive Section 2.19, this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; or
- (b) unless in writing and signed by each Lender that is directly affected thereby, do any of the following:
 - (i) increase the amount or extend the termination date of such Lender's Commitment, or subject such Lender to any additional obligations,
 - (ii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances of such Lender or any fees or other amounts payable to such Lender hereunder, or
 - (iii) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances or any fees or other amounts payable to such Lender hereunder; and

provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and the Required Lenders, amend or waive Section 8.16. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender not consenting to the amendment provided for therein shall terminate (but such Lender shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal outstanding amount of and interest accrued on each Advance made by it and outstanding, and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

SECTION 8.02 Notices, Etc.

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower at its address at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer (fax: (614) 716-2807; telephone: (614) 716-2208; email: lldieck@aep.com), with a copy to the General Counsel (fax: (614) 716-3440; telephone: (614) 716-3300); if to any Initial Lender, at its Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at Wells Fargo Bank, National Association, 1525 W. WT Harris Blvd, Charlotte, NC 28262, Mail Code: D1109-019, Attention: Syndication Agency Services (fax: 704-715-0017; telephone: 704-590-2706; email: agencyservices.requests@wellsfargo.com); or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax or electronic transmission of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered under Section 5.01(i) (i), (ii), (iv) and (v) (the "**Communications**") available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the "**Platform**"). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES

IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, "**AGENT PARTIES**") HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.03 No Waiver; Remedies.

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04 Costs and Expenses.

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender and the Administrative Agent and each of their Related Parties (each, an "**Indemnified Party**") from and against any and all claims, damages, losses and liabilities, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit (ii) any error or omission in connection with posting of the data required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) on the website of the SEC or any successor website or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable

judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit.

(c) If any payment of principal of, or Conversion of, any SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.09, 2.12(d), 2.15 or 2.17, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01, the assignment of any such Advance pursuant to Section 2.20(b) or for any other reason (in the case of any such payment or Conversion), or if any prepayment of a SOFR Advance is made on a date other than the date specified in any notice therefor delivered pursuant hereto, the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.15 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Extensions of Credit or the use or

proposed use of the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

SECTION 8.05 Right of Set-off.

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmaturing; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

SECTION 8.06 Binding Effect.

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender and their respective successors and assigns, except that the Borrower shall not have the right

to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders. None of the Joint Lead Arrangers nor any Person designated as a "Documentation Agent" or a "Syndication Agent" with respect to this Agreement shall have any duties or liabilities under this Agreement other than in its capacity as a Lender.

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SECTION 8.07 Assignments and Participations.

(a) **Successors and Assigns of Lenders Generally.** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

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(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.20(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected

parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Assumption delivered to it and a register in which it shall record the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.**

(i) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and

(iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.05 with respect to any payments made by such Lender to its Participant(s).

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (ii), (iii) or (iv) of the first sentence of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.18, 8.04(b) and 8.04(c) (subject to the requirements and limitations therein, including the requirements under Section 2.18(g) (it being understood that the documentation required under Section 2.18(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.20(b) as if it were an assignee under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.18, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and

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expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.20(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Advances or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitments, Advances or other obligations are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.08 Confidentiality.

Each of the Administrative Agent and the Lenders agree to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent and any Lender or any of their respective Affiliates on a

nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information.

SECTION 8.09 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8.10 Severability; Survival.

(a) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 8.11 Execution in Counterparts; Electronic Execution.

(a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an

Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be

entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 8.12 Jurisdiction, Etc.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8.13 Waiver of Jury Trial.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, THE BORROWER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 8.14 USA Patriot Act.

Each of the Lenders hereby notifies the Borrower that (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certification.

SECTION 8.15 No Fiduciary Duty.

Each of the Administrative Agent, each Lender and each of their respective Affiliates and their officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the "Lenders") may have economic interests that conflict with those of the Borrower. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has

consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 8.16 Defaulting Lenders.

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

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(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided that*, if (x) such payment is a payment of the principal amount of any Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of such Defaulting Lender until such time as all Advances are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.** No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.05(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(iv) **Reduction of Available Commitments.** The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.16(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided that* (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent or any Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary

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to cause the Advances to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 8.17 [Reserved].

SECTION 8.18 [Reserved].

SECTION 8.19 Amendment and Restatement of Existing Credit Agreement.

This Agreement continues in effect the Existing Credit Agreement, and the Existing Credit Agreement shall be amended and restated in its entirety by the terms and provisions of this Agreement, which shall supersede all terms and provisions of the Existing Credit Agreement effective from and after the Restatement Effective Date. This Agreement is not intended to, and shall not, constitute a novation of any indebtedness or other obligations owing by the Borrower under the Existing Credit Agreement or a waiver or release of any indebtedness or other obligations owing, or any "Defaults" or "Events of Default" (each as defined in the Existing Credit Agreement) existing, under the Existing Credit Agreement based on any facts or events occurring or existing at or prior to the execution and delivery of this Agreement.

SECTION 8.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

SECTION 8.21 Benchmark Replacement Setting.

(a) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark

Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 8.21(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) **Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) **Notices; Standards for Decisions and Determinations.** The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 8.21(d). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.21(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 8.21(c).

(d) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period.** Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at

any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

SECTION 8.22 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) If a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. If a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

- (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

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"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Remainder of page intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

AMERICAN ELECTRIC POWER COMPANY, INC., as Borrower

By: /s/ Julie A. Sherwood
Name: Julie A. Sherwood
Title: SVP Treasury & Risk

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, an LC Issuing Bank and a Lender

By: /s/ Patrick Engel
Name: Patrick Engel
Title: Managing Director

BARCLAYS BANK PLC,
as an LC Issuing Bank and a Lender

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

JPMORGAN CHASE BANK, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Khawaja Tariq
Name: Khawaja Tariq
Title: Vice President

BANK OF AMERICA, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Jacqueline G. Margetis
Name: Jacqueline G. Margetis

Title: Director

CITIBANK, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Richard Rivera
Name: Richard Rivera
Title: Vice President

MIZUHO BANK, LTD.,
as an LC Issuing Bank and a Lender

By: /s/ Edward Sacks
Name: Edward Sacks
Title: Authorized Signatory

MUFG BANK, LTD.,
as an LC Issuing Bank and a Lender

By: /s/ Nietzsche Rodricks
Name: Nietzsche Rodricks
Title: Managing Director

BANK OF NOVA SCOTIA,
as an LC Issuing Bank and a Lender

By: /s/ David Dewar
Name: David Dewar
Title: Director

BANK OF MONTREAL,
as a Lender

By: /s/ Michael Cummings
Name: Michael Cummings
Title: Managing Director

CANADIAN IMPERIAL BANK OF
COMMERCE, NEW YORK BRANCH
as a Lender

By: /s/ Amit Vasani
Name: Amit Vasani
Title: Managing Director

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK,
as a Lender

By: /s/ Page Dillehunt
Name: Page Dillehunt
Title: Managing Director

By: /s/ Michael Willis
Name: Michael Willis
Title: Managing Director

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Andrew B. Vernon
Name: Andrew B. Vernon
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Renee M. Bonnell
Name: Renee M. Bonnell
Title: Senior Vice President

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Alicia McMahon
Name: Alicia McMahon
Title: Assistant Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Martina Wellik
Name: Martina Wellik
Title: Authorized Signatory

SUMITOMO MISUI BANKING
CORPORATION,
as a Lender

By: /s/ Alkesh Nanavaty
Name: Alkesh Nanavaty
Title: Executive Director

THE BANK OF NEW YORK MELLON,
as a Lender

By: /s/ Molly H. Ross
Name: Molly H. Ross
Title: Director

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH,
as a Lender

By: /s/ Betty Chang
Name: Betty Chang
Title: Authorized Signatory

TRUIST BANK,
as a Lender

By: /s/ Catherine Strickland
Name: Catherine Strickland
Title: Vice President

U.S. NATIONAL BANK ASSOCIATION,
as a Lender

By: /s/ James O'Shaughnessy
Name: James O'Shaughnessy
Title: Senior Vice President

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as a Lender

By: /s/ Stefan Lemire
Name: Stefan Lemire
Title: Assistant Vice President

FIRST NATIONAL BANK OF PENNSYLVANIA,
as a Lender

By: /s/ David Diez
Name: David Diez
Title: Managing Director of Debt Capital Markets

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Matthew Stanisa
Name: Matthew Stanisa
Title: Assistant Vice President

Schedule I

Schedule of Lenders as of the Restatement Effective Date

Lender Name	Commitment
Wells Fargo Bank, National Association	\$55,020,833.34
Barclays Bank PLC	\$55,020,833.34
JPMorgan Chase Bank, N.A.	\$55,020,833.34
Bank of America, N.A.	\$55,020,833.34
Citibank, N.A.	\$55,020,833.34
Mizuho Bank, Ltd.	\$55,020,833.34
MUFG Bank, Ltd.	\$55,020,833.34
The Bank of Nova Scotia	\$55,020,833.34
Bank of Montreal	\$38,833,333.33
Canadian Imperial Bank of Commerce, New York Branch	\$38,833,333.33
Credit Agricole Corporate and Investment Bank	\$38,833,333.33
Goldman Sachs Bank USA	\$38,833,333.33
KeyBank National Association	\$38,833,333.33
Morgan Stanley Bank, N.A.	\$38,833,333.33
PNC Bank, National Association	\$38,833,333.33
Royal Bank of Canada	\$38,833,333.33
Sumitomo Mitsui Banking Corporation	\$38,833,333.33
The Bank of New York Mellon	\$38,833,333.33
The Toronto-Dominion Bank, New York Branch	\$38,833,333.33
Truist Bank	\$38,833,333.33
U.S. Bank National Association	\$38,833,333.33
Fifth Third Bank	\$18,333,333.33
First National Bank of Pennsylvania	\$18,333,333.33
The Huntington National Bank	\$18,333,333.33
Total	\$1,000,000,000.00

Schedule 4.01(m)

Significant Subsidiaries

AEP Transmission Holding Company, LLC

AEP Transmission Company, LLC

AEP Texas Inc.

Appalachian Power Company

Indiana Michigan Power Company

Ohio Power Company

Southwestern Electric Power Company

EXHIBIT A
(to the Credit Agreement)

FORM OF NOTICE OF BORROWING

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Syndication Agency Services

[Date]

Ladies and Gentlemen:

The undersigned, American Electric Power Company, Inc., refers to the Amended and Restated Credit Agreement, dated as of March [28], 2024 (as amended or modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among the undersigned, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent for said Lenders, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is _____, 20__.
- (ii) [The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][SOFR Advances].]
- (iii) The aggregate amount of the Proposed Borrowing is \$_____.
- [(iv) The initial Interest Period for each SOFR Advance made as part of the Proposed Borrowing is [[one][three][six] month[s]].]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (other than Section 4.01(e) and the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

AMERICAN ELECTRIC POWER COMPANY, INC.

By

Name:

Title:

EXHIBIT B
(to the Credit Agreement)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “**Assignor**”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “**Assignee**”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “**Credit Agreement**”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the Credit Agreement, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “**Assigned Interest**”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

- ¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
- ² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
- ³ Select as appropriate.
- ⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

2. Assignee[s]: _____

[Assignee is an [Affiliate][Approved Fund] of [identify Lender]

3. Borrower(s): American Electric Power Company, Inc.

4. Administrative Agent: Wells Fargo Bank, National Association, as the Administrative Agent under the Credit Agreement
5. Credit Agreement: The \$1,000,000,000 Amended and Restated Credit Agreement dated as of March 28, 2024, among American Electric Power Company, Inc., as the Borrower, the Lenders parties thereto and Wells Fargo Bank, National Association, as Administrative Agent
6. Assigned Interest[s]:

Assignor[s] ⁵	Assignee[s] ⁶	Aggregate Amount of Commitment/Advances for all Lenders ⁷	Amount of Commitment/Advances Assigned ⁸	Percentage Assigned of Commitment/Advances ⁹	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date: _____]⁹

[Page break]

- ⁵ List each Assignor, as appropriate.
- ⁶ List each Assignee, as appropriate.
- ⁷ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
- ⁸ Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.
- ⁹ To be completed if the Assignor and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹⁰

[NAME OF ASSIGNOR]

By: _____

Title: _____

[NAME OF ASSIGNOR]

By: _____

Title: _____

ASSIGNEE[S]¹¹

[NAME OF ASSIGNEE]

By: _____

Title: _____

[NAME OF ASSIGNEE]

By:

Title:

¹⁰ Add additional signature blocks as needed.

¹¹ Add additional signature blocks as needed.

[Consented to and]¹² Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By:

Title:

[Consented to:

AMERICAN ELECTRIC POWER COMPANY, INC.

By:

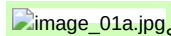
Title:]¹³

¹²To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

¹³To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

\$1,000,000,000 Amended and Restated Credit Agreement dated as of March 28, 2024 among American Electric Power Company, Inc., as the Borrower, the Lenders parties thereto and Wells Fargo Bank, National Association, as Administrative Agent



STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. **Representations and Warranties.**

- 1.1. **Assignor[s].** [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. **Assignee[s].** [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 8.07 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to clauses (i) and (ii) of Section 5.01(i) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the] [such] Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information

as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Exhibit C

FORM OF OPINION OF COUNSEL FOR THE BORROWER

To each of the Lenders party to the Credit Agreement referred to below and to Wells Fargo Bank, National Association, as Administrative Agent thereunder

[], 2024

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(a) of the Amended and Restated Credit Agreement, dated as of March 28, 2024 (the "Credit Agreement") among American Electric Power Company, Inc. (the "Borrower"), the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Terms defined in the Credit Agreement are used herein as therein defined.

I am Senior Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the Credit Agreement. I am generally familiar with the Borrower's corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement and the promissory notes issued by the Borrower on the date hereof pursuant to Section 2.10(d) of the Credit Agreement (collectively, the "Loan Documents").
- (2) The documents furnished by the Borrower pursuant to Section 3.01 of the Credit Agreement.
- (3) The certificate of incorporation of the Borrower and all amendments thereto.
- (4) The by-laws of the Borrower and all amendments thereto.
- (5) A certificate of the Secretary of State of New York, dated March [], 2024, attesting to the continued existence and good standing of the Borrower in that State.

In addition, I have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

In my examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance thereof and the due execution and delivery thereof by or on behalf of such person of each such document

and instrument. In the case of any such person that is not a natural person, I have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the Credit Agreement and certificates delivered upon the execution and delivery of the Credit Agreement) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States. My opinions expressed below are limited to the law of the States of New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of New York; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Disclosure Documents referenced in Section 3.01 of the Credit Agreement or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Requirements of Law" means the laws of the State of New York and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental authority applicable to the Borrower.

2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the Credit Agreement and to perform its obligations under each of the Credit Agreement and each other Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the Credit Agreement and each other Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and each Loan Document has been duly executed and delivered by the Borrower. The Credit Agreement and each other Loan Document constitutes the valid and legally binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

3. The execution, delivery and performance of the Credit Agreement and each other Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.

4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the Credit Agreement or any other Loan Document and the performance, validity and enforceability of the Credit Agreement and any other Loan Document.

5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.

6. Neither the Borrower nor any of its Significant Subsidiaries is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Neither the making of any Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the 1940 Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of any jurisdiction (other than the State of New York) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a Federal or state court outside of the State of New York would give effect to the choice of New York law provided for in the Credit Agreement.

This opinion letter has been rendered solely for your benefit in connection with the Credit Agreement and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other person (other than your respective counsel, auditors and any regulatory agency

having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; provided that, (i) Winston & Strawn LLP, special counsel for the Administrative Agent, may rely on the opinions expressed in this opinion letter in connection with the opinion to be furnished by them in connection with the transactions contemplated by the Credit Agreement and (ii) any person that becomes a Lender after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

David C. House

Counsel for American Electric Power Company, Inc.

EXHIBIT D-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Administrative Agent and the Borrower, and (2) the undersigned shall have at all times furnished the Administrative Agent and the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT D-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships
For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT D-3

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships
For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT D-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Administrative Agent and the

Borrower, and (2) the undersigned shall have at all times furnished the Administrative Agent and the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

Execution Version

U.S. \$5,000,000,000

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of March 28, 2024

among

AMERICAN ELECTRIC POWER COMPANY, INC.

as the Borrower

THE LENDERS NAMED HEREIN

as Initial Lenders

THE LC ISSUING BANKS NAMED HEREIN

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Administrative Agent

WELLS FARGO SECURITIES, LLC

JPMORGAN CHASE BANK, N.A.

BARCLAYS BANK PLC

THE BANK OF NOVA SCOTIA

MUFG BANK, LTD.

CITIBANK, N.A.

BOFA SECURITIES, INC.
MIZUHO BANK, LTD.
Joint Lead Arrangers and Joint Bookrunners

JPMORGAN CHASE BANK, N.A.
BARCLAYS BANK PLC
Syndication Agents

THE BANK OF NOVA SCOTIA
MUFG BANK, LTD.
CITIBANK, N.A.
BANK OF AMERICA, N.A.
MIZUHO BANK, LTD.
Documentation Agents

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SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

SIXTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 28, 2024 (this “**Agreement**”), among AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the “**Borrower**”), the banks, financial institutions and other institutional lenders listed on the signatures pages hereof (the “**Initial Lenders**”), WELLS FARGO BANK, NATIONAL ASSOCIATION (“**Wells Fargo Bank**”), as administrative agent (in such capacity, and its successors in such capacity as provided in Article VII, the “**Administrative Agent**”) for the Lenders (as hereinafter defined), the LC Issuing Banks (as hereinafter defined), and the Swingline Lender (as hereinafter defined).

PRELIMINARY STATEMENT:

The Borrower has requested that the Lenders and the LC Issuing Banks agree, on the terms and conditions set forth herein, to amend and restate in its entirety the Fifth Amended and Restated Credit Agreement, dated as of March 31, 2021 (as amended and in effect immediately prior to the Restatement Effective Date, the “**Existing Credit Agreement**”), among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto. The Lenders and the LC Issuing Banks have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement.

On the Restatement Effective Date, with respect to each “Lender” under and as defined in the Existing Credit Agreement that declines or fails to enter into this Agreement by returning an executed counterpart hereof to the Administrative Agent prior to the Restatement Effective Date (each, a “**Departing Lender**”), then such institution’s “Commitment” under and as defined in the Existing Credit Agreement shall terminate, effective on the Restatement Effective Date, the Borrower shall prepay all of such Departing Lender’s “Advances” outstanding under and as defined in the Existing Credit Agreement and all interest, fees and other amounts owing, as of the Restatement Effective Date, to such Departing Lender under the Existing Credit Agreement, and such Departing Lender shall be released from its participations and any obligation to purchase participations in any “Letters of Credit” outstanding under and as defined in the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree that the Existing Credit Agreement is amended and restated in its entirety as follows:

ARTICLE 1 DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Certain Defined Terms.

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent" has the meaning specified in the recital of parties to this Agreement.

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"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Advance" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a SOFR Advance and to a Revolving Advance or a Swingline Advance.

"Affected Financial Institution" means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise.

"Agent Parties" has the meaning specified in Section 8.02(c).

"Agent's Account" means an account of the Administrative Agent maintained by the Administrative Agent from time to time designated in a written notice to the Lenders and the Borrower.

"Anniversary Date" has the meaning specified in Section 2.06(a).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, money laundering or corruption.

"Applicable Law" means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of governmental bodies, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

"Applicable Margin" means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this definition):

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Applicable Rating Level	Applicable Margin for SOFR Advances	Applicable Margin for Base Rate Advances
1	1.000%	0.000%
2	1.125%	0.125%
3	1.250%	0.250%
4	1.500%	0.500%
5	1.750%	0.750%

provided, that the Applicable Margins set forth above shall be increased, for each Applicable Rating Level, upon the occurrence and during the continuance of any Event of Default by 2.00% per annum.

Any change in the Applicable Margin resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of any change in the Moody's Rating or the S&P Rating that results in such change in the Applicable Rating Level.

"**Applicable Rating Level**" at any time shall be determined in accordance with the then-applicable S&P Rating and the then-applicable Moody's Rating as follows:

S&P Rating/Moody's Rating	Applicable Rating Level
S&P Rating A or higher or Moody's Rating A2 or higher	1
S&P Rating A- or Moody's Rating A3	2
S&P Rating BBB+ or Moody's Rating Baa1	3
S&P Rating BBB or Moody's Rating Baa2	4
S&P Rating BBB- or below or Moody's Rating Baa3 or below, or no S&P Rating or Moody's Rating	5

If the S&P Rating and the Moody's Rating are not the same (i.e., a "split rating") the following shall apply: (i) if the S&P Rating and the Moody's Rating are split by one rating, the higher of such ratings shall control, and (ii) if the S&P Rating and the Moody's Rating are split by more than one rating,

the Applicable Rating Level shall be the rating level immediately below the Applicable Rating Level corresponding to the higher of the two ratings (e.g. if the ratings are split by two ratings and the highest rating is the Moody's Rating at A2, then the Applicable Rating Level will be 2) unless, in each case, either rating is below BBB- or Baa3 (as applicable), in which case the lower of the two ratings shall control.

"**Approved Fund**" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 8.07), and accepted by the Administrative Agent, in substantially the form of Exhibit C hereto or any other form approved by the Administrative Agent.

"**Available Commitment**" means, for each Lender at any time on any day, the unused portion of such Lender's Commitment, computed after giving effect to all Extensions of Credit made or to be made on such day, the application of proceeds therefrom and all prepayments and repayments of Advances made on such day.

"**Available Commitments**" means the aggregate of the Lenders' Available Commitments hereunder.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 8.21(c).

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"**Bail-In Legislation**" means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as

amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank of America" means Bank of America, N.A.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a proceeding under any Debtor Relief Law, or has had a receiver, custodian, conservator,

trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in a similar capacity) appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that, a Bankruptcy Event shall not result solely by virtue of any ownership interest, or acquisition of any equity interest, in such Person by a Governmental Authority so long as such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm obligations under any agreement in which it commits to extend credit.

"Barclays" means Barclays Bank PLC.

"Base Rate" means, at any time, the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% and (c) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1.00%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate, the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (c) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 0.00%.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.11(a).

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 8.21.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread

adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

ARTICLE 1 (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 8.21.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"BHC Act Affiliate" has the meaning specified in Section 8.22.

"BOFAS" means BofA Securities, Inc., together with any of its Affiliates it deems appropriate to provide the services contemplated herein.

"Borrower" has the meaning specified in the recital of parties to this Agreement.

"Borrowing" means a borrowing by the Borrower consisting of simultaneous Advances of the same Type, having the same Interest Period and ratably made or Converted on the same day by each of the Lenders pursuant to Section 2.02, 2.03 or 2.13, as the case may be. All Advances to the Borrower of the same Type, having the same Interest Period and made or Converted on the same day shall be deemed a single Borrowing hereunder until repaid or next Converted.

"Borrowing Date" means the date of any Borrowing.

"Business Day" means any day that (a) is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed and (b) is not a day on which commercial banks in Charlotte, North Carolina are closed.

"Cash Collateralize" means, to pledge and deposit with, or deliver to the Administrative Agent, or directly to the applicable LC Issuing Bank (with notice thereof to the Administrative Agent), for the benefit of one or more of the LC Issuing Banks, the Swingline Lender or the Lenders, as collateral for LC Outstandings or obligations of the Lenders to fund participations in respect of LC Outstandings or Swingline Advances, cash or deposit account balances or, if the Administrative Agent and the applicable LC Issuing Bank and the Swingline Lender shall agree, in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, such LC Issuing Bank and the Swingline Lender, as applicable. **"Cash Collateral"** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support. **"Cash Collateralization"** shall have a meaning correlative to the foregoing.

"CGMI" means Citigroup Global Markets Inc.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided that* notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, implemented, adopted or issued.

"Citibank" means Citibank, N.A.

"Commitment" means, for each Lender, the obligation of such Lender to make Advances to the Borrower and to acquire participations in Letters of Credit and Swingline Advances hereunder in an aggregate amount no greater than the amount set forth on Schedule I hereto or, if such Lender has entered into any Assignment and Assumption, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), in each such case as such amount may be reduced from time to time pursuant to Section 2.08.

"Commitment Fee Rate" means, at any time, the rate per annum set forth below next to the Applicable Rating Level in effect at such time (as adjusted, from time to time, in accordance with the terms of this definition):

Applicable Rating Level	Commitment Fee Rate
1	0.100%

2	0.125%

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3	0.175%
4	0.225%
5	0.275%

A change in the Commitment Fee Rate resulting from a change in the Applicable Rating Level shall become effective upon the date of public announcement of a change in the Moody's Rating or the S&P Rating that results in a change in the Applicable Rating Level.

"Commitment Percentage" means, as to any Lender as of any date of determination, the percentage describing such Lender's pro rata share of the Commitments set forth in the Register from time to time; provided that in the case of Section 8.16 when a Defaulting Lender shall exist, **"Commitment Percentage"** means the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"Commitments" means the aggregate of the Lenders' Commitments hereunder.

"Communications" has the meaning specified in Section 8.02(b).

"Confidential Information" means information that the Borrower furnishes to the Administrative Agent, the Joint Lead Arrangers or any Lender in a writing designated as confidential but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent, the Joint Lead Arrangers or such Lender from a source other than the Borrower.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 8.04 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

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"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by overall gross receipts or income, or net income (however denominated) or that are franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes.

"Consolidated Capital" means the sum of (i) Consolidated Debt of the Borrower and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of the Borrower, in each case determined in accordance with GAAP, but including

Equity-Preferred Securities issued by the Borrower and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

"Consolidated Debt" of the Borrower means the total principal amount of all Debt described in clauses (i) through (v) of the definition of Debt and Guaranties of such Debt of the Borrower and its Consolidated Subsidiaries, excluding, however, (i) Debt of AEP Credit, Inc. that is non-recourse to the Borrower, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

"Consolidated Subsidiary" means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

"Consolidated Tangible Net Assets" means, on any date of determination and with respect to any Person at any time, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of such Person and its Consolidated Subsidiaries most recently delivered to the Lenders pursuant to Section 5.01(i) as of such date of determination, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of such Person and its Consolidated Subsidiaries appearing on such balance sheet.

"Convert", "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of the other Type, or the selection of a new, or the renewal of the same, Interest Period for SOFR Advances, pursuant to Section 2.12 or 2.13.

"Covered Entity" has the meaning specified in Section 8.22.

"Covered Party" has the meaning specified in Section 8.22.

"Credit Party" means the Administrative Agent, any LC Issuing Bank and each Lender.

"Debt" of any Person means, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, including, without

limitation, the leases described in clause (iv) of Section 5.02(c), (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, (vi) all Guaranties and (vii) all reasonably quantifiable obligations under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, all Debt of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Declining Lender" has the meaning specified in Section 2.06(b).

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Default Right" has the meaning specified in Section 8.22.

"Defaulting Lender" means, subject to Section 8.16(b), any Lender that (i) has failed to (A) fund all or any portion of its Advances within two Business Days of the date such Advances were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, or (B) pay to any Credit Party any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Advances) within two Business Days of the date when due, (ii) has notified the Borrower or any Credit Party in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund an Advance hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (iv) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall

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be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 8.16(b)) upon delivery of written notice of such determination to the Borrower, each LC Issuing Bank, and each Lender.

"Departing Lender" has the meaning specified in the Preliminary Statement in this Agreement.

"Designated Lender" has the meaning specified in Section 2.07(a).

"Disclosure Documents" means the Borrower's Report on Form 10-K, as filed with the SEC, for the fiscal year ended December 31, 2023 and the Borrower's Current Reports on Form 8-K, as filed with the SEC after the date of filing the Borrower's Report on Form 10-K for the period ended December 31, 2023 but prior to the Restatement Effective Date.

"Dollars" and the symbol "\$" mean lawful currency of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 8.07(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 8.07(b)(iii)).

"Environmental Action" means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including, without limitation, (i) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (ii) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

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"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity-Preferred Securities" means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of the Borrower and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by the Borrower or any Consolidated Subsidiary of the Borrower, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the Termination Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) the Internal Revenue Code.

"ERISA Event" means (i) the termination of or withdrawal from any Plan by the Borrower or any of its ERISA Affiliates, (ii) the failure by the Borrower or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Plan or (iii) the failure by the Borrower or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

"Erroneous Payment" has the meaning assigned thereto in Section 7.06(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned thereto in Section 7.06(d).

"Erroneous Payment Impacted Class" has the meaning assigned thereto in Section 7.06(d).

"Erroneous Payment Return Deficiency" has the meaning assigned thereto in Section 7.06(d).

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Events of Default" has the meaning specified in Section 6.01.

"Exchange Act" has the meaning specified in Section 6.01(f).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by overall gross receipts or income, or net income (however denominated), franchise Taxes, privilege Taxes, license Taxes or branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.20(b)) or (ii) such Lender changes its

applicable Lending Office, except in each case to the extent that, pursuant to Section 2.18, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its applicable Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.18(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning specified in the Preliminary Statement in this Agreement.

"Existing Letter of Credit" means each letter of credit previously issued that (a) is outstanding on the Restatement Effective Date and (b) is listed on Schedule 2.04(j).

"Extension Effective Date" has the meaning specified in Section 2.06(c).

"Extension of Credit" means the making of a Borrowing, the issuance of a Letter of Credit or the amendment of any Letter of Credit having the effect of extending the stated termination date thereof or increasing the maximum amount available to be drawn thereunder. For purposes of this Agreement, a Conversion shall not constitute an Extension of Credit.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any intergovernmental agreement entered into in connection with such sections of the Internal Revenue Code and any legislation, law, regulation or practice enacted or promulgated pursuant to such intergovernmental agreement.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by

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it; provided that if the Federal Funds Rate as determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Floor" means a rate of interest equal to 0.00%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Foreign Plan" has the meaning specified in Section 4.01(i).

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to any LC Issuing Bank, such Defaulting Lender's Commitment Percentage of the LC Outstandings with respect to Letters of Credit issued by such LC Issuing Bank, other than such LC Outstandings as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swingline Lender, such Defaulting Lender's Commitment Percentage of outstanding Swingline Advances other than Swingline Advances as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" has the meaning specified in Section 1.03.

"GenCo" means AEP Generation Resources Inc.

"Governmental Approval" means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guaranty" of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other Person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

"Hazardous Materials" means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Indemnified Party" has the meaning specified in Section 8.04(b).

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Initial Lenders" has the meaning specified in the recital of parties to this Agreement.

"Interest Period" means, as to any SOFR Advance, the period commencing on the date such SOFR Advance is disbursed or converted to or continued as a SOFR Advance and ending on the date one (1), three (3) or six (6) months thereafter, in each case as selected by the Borrower in its Notice of Borrowing or a notice of conversion and subject to availability; provided that:

(i) the Interest Period shall commence on the date of advance of or conversion to any SOFR Advance and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(ii) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(iv) no Interest Period shall extend beyond the Termination Date;

(v) there shall be no more than ten (10) Interest Periods in effect at any time; and

(vi) no tenor that has been removed from this definition pursuant to Section 8.21 shall be available for specification in any Notice of Borrowing or notice of conversion.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"IRS" means the United States Internal Revenue Service.

"Joint Lead Arrangers" means Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, BOFAS and Mizuho, in their capacities as joint lead arrangers and joint bookrunners for the credit facilities provided for herein.

"JPMorgan" means JPMorgan Chase Bank, N.A.

"LC Collateral Account" has the meaning specified in Section 2.04(b).

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"LC Commitment" means, with respect to any LC Issuing Bank, the maximum permitted amount of the LC Outstandings that may be attributable to Letters of Credit issued by such LC Issuing Bank. The initial amount of the LC Commitment for (a) each of Wells Fargo Bank, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, Bank of America and Mizuho, in its capacity as an LC Issuing Bank, is \$50,000,000, and (b) in the case of any LC Issuing Bank that becomes an LC Issuing Bank hereunder pursuant to Section 2.04(a), the maximum permitted amount contained in a written agreement referred to in such Section, or, in each case, such other maximum permitted amount with respect to any LC Issuing Bank as may have been agreed in writing (and notified in writing to the Administrative Agent) by such LC Issuing Bank and the Borrower.

"LC Fee" has the meaning specified in Section 2.05(c).

"LC Issuing Bank" means (a) Wells Fargo Bank, JPMorgan, Barclays, Scotiabank, MUFG, Citibank, Bank of America and Mizuho, (b) solely in respect of any Existing Letter of Credit, the Person that is the issuer thereof and (c) any Lender that shall agree to serve as LC Issuing Bank pursuant to Section 2.04(a), each in its capacity as an issuer of Letters of Credit hereunder. Each LC Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such LC Issuing Bank, in which case the term "LC Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such LC Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.04 with respect to such Letters of Credit).

"LC Outstandings" means, on any date of determination, the sum of (i) the undrawn stated amounts of all Letters of Credit that are outstanding on such date plus (ii) the aggregate principal amount of all unpaid reimbursement obligations of the Borrower on such date with respect to payments made by any LC Issuing Bank under any Letter of Credit (excluding reimbursement obligations that have been repaid with the proceeds of any Borrowing).

"LC Payment Notice" has the meaning specified in Section 2.04(e).

"Lenders" means, at any time, collectively, (i) the Initial Lenders (other than any such Initial Lenders that have previously assigned all of their respective Advances and Commitments to other Persons in accordance with Section 8.07(b) at such time), and (ii) any other Persons that have become Lenders holding Advances and/or Commitments at such time in accordance with Section 8.07(b). Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Lending Office" means, with respect to any Lender, the office of such Lender maintaining such Lender's Extensions of Credit, which office may, to the extent the applicable Lender notifies the Administrative Agent in writing, include an office of any Affiliate of such Lender or any domestic or foreign branch of such Lender or Affiliate.

"Letter of Credit" means any standby letters of credit issued by an LC Issuing Bank pursuant to Section 2.04.

"Lien" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained

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security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Loan Documents" means, collectively, (i) the Commitment Letter, dated as of February 21, 2024, among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan, Barclays, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (ii) the Fee Letter, dated as of February 21, 2024,

among the Borrower, Wells Fargo Bank, Wells Fargo Securities, JPMorgan and Barclays, (iii) the Fee Letter, dated as of February 21, 2024, among the Borrower, Scotiabank, MUFG, CGMI, Bank of America, BOFAS and Mizuho, (iv) the Fee Letter, dated as of February 21, 2024, between the Borrower and the Administrative Agent, (v) this Agreement, and (vi) each promissory note issued pursuant to Section 2.10(d), in each case, as any of the foregoing may be amended, supplemented or modified from time to time.

"Margin Regulations" means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Margin Stock" has the meaning specified in the Margin Regulations.

"Material Adverse Change" means any material adverse change (i) in the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

"Material Adverse Effect" means a material adverse effect (i) on the business, condition (financial or otherwise) or operations of the Borrower and its Subsidiaries, taken as a whole, or (ii) that is reasonably likely to affect the legality, validity or enforceability of this Agreement against the Borrower or the ability of the Borrower to perform its obligations under this Agreement.

"Minimum Collateral Amount" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of all LC Issuing Banks with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and the LC Issuing Banks in their reasonable discretion.

"Mizuho" means Mizuho Bank, Ltd.

"Moody's" means Moody's Investors Service, Inc.

"Moody's Rating" means, on any date of determination, the debt rating most recently announced by Moody's with respect to the long-term senior unsecured debt issued by the Borrower.

"MUFG" means MUFG Bank, Ltd.

"Multiemployer Plan" has the meaning specified in Section 4.01(i).

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders in accordance with the terms of Section 8.01 and (ii) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"non-performing Lender" has the meaning specified in Section 2.04(f).

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Advance, Commitment or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.20(b)).

"Outstanding Credits" means, on any date of determination and as to any Lender, the sum of (i) the aggregate principal amount of such Lender's Advances outstanding on such date plus (ii) such Lenders participation in LC Outstandings on such date plus (iii) such Lender's participation in any

outstanding Swingline Advances.

"Overnight Rate" means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning specified in Section 8.07(d).

"Participant Register" has the meaning specified in Section 8.07(d).

"Patriot Act" has the meaning specified in Section 8.14.

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(g) hereof; (ii) Liens imposed by law, such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens, and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings; (iii) Liens incurred or deposits made to

secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (v) any judgment Lien, unless an Event of Default under Section 6.01(g) shall have occurred and be continuing; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or any Significant Subsidiary and not created in contemplation of such event; (vii) deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety bonds; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property); (ix) extensions, renewals or replacements of any Lien described in clause (iii), (vi), (vii) or (viii) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties not theretofore subject to the Lien being extended, renewed or replaced; and (x) any other Lien not covered by the foregoing exceptions as long as immediately after the creation of such Lien the aggregate principal amount of Debt secured by all Liens created or assumed under this clause (x) does not exceed 10% of Consolidated Tangible Net Assets of the Borrower.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.

"Plan" has the meaning specified in Section 4.01(i).

"Platform" has the meaning specified in Section 8.02(b).

"Prime Rate" means, at any time, the rate of interest per annum publicly announced from time to time by the Administrative Agent as its prime rate. Each change in the Prime Rate shall be effective as of the opening of business on the day such change in such prime rate occurs. The parties hereto acknowledge that the rate announced publicly by the Administrative Agent as its prime rate is an index or base rate and shall not necessarily be its lowest or best rate charged to its customers or other banks.

"Proposed Increased Commitment" has the meaning specified in Section 2.07(a).

"QFC" has the meaning specified in Section 8.22.

"QFC Credit Support" has the meaning specified in Section 8.22.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any LC Issuing Bank, as applicable.

"Register" has the meaning specified in Section 8.07(c).

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"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"Request for Issuance" means a request made pursuant to Section 2.04 in the form of Exhibit B.

"Required Lenders" means at any time Lenders owed in excess of 50% of the Outstanding Credits at such time, or, if there are no Outstanding Credits, Lenders having in excess of 50% in interest of the Commitments in effect at such time having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. Subject to Section 8.01, the Outstanding Credits and Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restated 3-Year Credit Agreement" means the Amended and Restated Credit Agreement, dated as of the Restatement Effective Date, among the Borrower, Wells Fargo Bank, as administrative agent, and the banks, financial institutions and other institutional lenders party thereto pursuant to which the lenders party thereto provide to the Borrower a \$1,000,000,000 revolving credit facility.

"Restatement Effective Date" has the meaning specified in Section 3.01.

"Restructuring Law" means Texas Senate Bill 7, as enacted by the Legislature of the State of Texas and signed into law on June 18, 1999, Ohio Senate Bill No. 3, as enacted by the General Assembly of the State of Ohio and signed into law on July 6, 1999, or any similar law applicable to the Borrower or any Subsidiary of the Borrower governing the deregulation or restructuring of the electric power industry.

"Revolving Advance" means an Advance made by a Lender as part of a Borrowing to the Borrower pursuant to Section 2.02.

"RTO Transaction" means the transfer of transmission facilities to a regional transmission organization or equivalent organization as approved or ordered by the Federal Energy Regulatory Commission.

"S&P" means S&P Global Ratings, a business unit of S&P Global, Inc.

"S&P Rating" means, on any date of determination, the rating most recently announced by S&P with respect to the long-term senior unsecured debt issued by the Borrower.

"Sanctioned Country" means, at any time, a region, a country or territory which is itself (or whose government is) the subject or target of any Sanctions.

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"Sanctioned Person" means, at any time, any target of Sanctions, including: (a) any Person on any list of targets identified or designated pursuant to any Sanctions, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by the Office of

Foreign Assets Control of the U.S. Department of the Treasury to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s) or (d) any Person otherwise a target of Sanctions, including vessels and aircraft, that are designated under any Sanctions program.

"Sanctions" means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future statute or executive order), the United Nations Security Council, the European Union, any European member state, His Majesty's Treasury, or other relevant sanctions authority in any jurisdiction in which (a) the Borrower or any of its Subsidiaries or Affiliates is located or conducts business, (b) in which any of the proceeds of the Outstanding Credits will be used, or (c) from which repayment of the Outstanding Credits will be derived.

"Scotiabank" means The Bank of Nova Scotia.

"SEC" means the United States Securities and Exchange Commission.

"Significant Subsidiary" means, at any time, any Subsidiary of the Borrower that constitutes at such time a "significant subsidiary" of the Borrower, as such term is defined in Regulation S-X of the SEC as in effect on the date hereof (17 C.F.R. Part 210) (other than AEP Energy Supply LLC or GenCo); *provided, however*, that if AEP Energy Supply LLC or GenCo own, on an aggregate basis, assets exceeding 20% of the Borrower's "total assets" as used in Regulation S-X, AEP Energy Supply LLC or GenCo will be considered Significant Subsidiaries, and *provided, further*, that "total assets" as used in Regulation S-X shall not include securitization transition assets, phase-in cost assets or similar assets on the balance sheet of any Subsidiary resulting from the issuance of Stranded Cost Recovery Bonds or other asset backed securities of a similar nature.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Advance" means an Advance that bears interest at a rate based on Adjusted Term SOFR as provided in Section 2.11(b).

"Stranded Cost Recovery Bonds" means securities, however denominated, that are issued by the Borrower or any Consolidated Subsidiary of the Borrower that are (i) non-recourse to the Borrower and its Significant Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition or similar charges authorized by law (including, without limitation, any "financing order", as such term is defined in

the Texas Utilities Code) to be invoiced to customers of any Subsidiary of the Borrower or to retail electric providers.

"Subsidiary" of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries.

"Supported QFC" has the meaning specified in Section 8.22.

"Swingline Advance" means any swingline advance made by the Swingline Lender to the Borrower pursuant to Section 2.03, and all such swingline advances collectively as the context requires.

"Swingline Commitment" means the lesser of (a) \$300,000,000 and (b) the unused amount of the Commitment of the Swingline Lender.

"Swingline Lender" means Wells Fargo Bank in its capacity as swingline lender hereunder or any successor thereto.

"Swingline Participation Amount" has the meaning assigned thereto in Section 2.03(b)(iii).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Advance, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **"Periodic Term SOFR Determination Day"**) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Advance on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the **"Base Rate Term SOFR Determination Day"**) that is two (2) U.S. Government Securities Business Days prior to such day, as such

rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (Eastern time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

"Term SOFR Adjustment" means, for any calculation with respect to a Base Rate Advance, 0.10% per annum, or a SOFR Advance, 0.10% per annum for each applicable Interest Period therefor.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" means, with respect to any Lender, the earlier to occur of (i) March 28, 2029 or such later date that may be established for such Lender from time to time pursuant to Section 2.06 hereof, and (ii) the date of termination in whole of the Commitments available to the Borrower pursuant to Section 2.08 or 6.01.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitment and Outstanding Credits of such Lender at such time.

"Type" refers to the distinction between Advances bearing interest at the Base Rate and Advances bearing interest at SOFR.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in

United States government securities; provided, that for purposes of notice requirements in Sections 2.02(a), 2.13 and 2.14, in each case, such day is also a Business Day.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning specified in Section 8.22.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.18(g)(ii)(B)(3).

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or Persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

"Wells Fargo Bank" has the meaning specified in the recital of parties to this Agreement.

"Wells Fargo Securities" means Wells Fargo Securities, LLC.

"Withholding Agent" means the Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Computation of Time Periods.

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03 Accounting Terms.

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles applied in accordance with the consistency requirements thereof as in effect from time to time ("**GAAP**"); *provided* that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Restatement Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or

financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any change to GAAP occurring after the Restatement Effective Date as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)*, issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case to the extent that such change would require treating any operating lease entered into on or prior to December 31, 2018 that would not otherwise constitute Debt as a capital lease where such operating lease would not constitute Debt and was not required to be so treated under GAAP as in effect on the Restatement Effective Date.

SECTION 1.04 Other Interpretive Provisions.

As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words "including", "include" and "includes" shall be deemed to be followed by the words "without limitation"; (vii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (viii) references to any time of day shall be to New York City time unless otherwise specified. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 1.05 Rates.

The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 8.21, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any

error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.06 Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES

SECTION 1.02 The Advances.

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Revolving Advances in Dollars to the Borrower and to participate in Letters of Credit and Swingline Advances from time to time on any Business Day during the period from the date hereof until the Termination Date in an aggregate outstanding amount not to exceed at any time such Lender's Available Commitment at such time. Within the limits of each Lender's Commitment and as hereinabove and hereinafter provided, the Borrower may request Borrowings hereunder, and repay or prepay Advances pursuant to Section 2.14 and utilize the resulting increase in the Available Commitments for further Borrowings in accordance with the terms hereof.

(b) In no event shall the Borrower be entitled to request or receive any Borrowing that would cause the aggregate Outstanding Credits (including such requested Borrowing) to exceed the aggregate Commitments.

SECTION 2.02 Making Revolving Advances.

(a) Each Borrowing of Revolving Advances shall be in an amount not less than \$10,000,000 (or, if less, the Available Commitments at such time) or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitment Percentages. Each such Borrowing shall be made on notice, given not later than 11:00 A.M. on the third U.S. Government Securities Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of SOFR Advances, or not later than 1:00 P.M. on the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt written notice. Each such notice of a Borrowing under this Section 2.02 (a "**Notice of Borrowing**") shall be by telephone, confirmed immediately in writing, or fax in substantially the form of Exhibit A hereto, specifying therein the requested (i) Borrowing Date for such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing consisting of SOFR Advances, the initial Interest Period for each such Advance. Each Lender shall, before 3:00 P.M. on the applicable Borrowing Date, make available for the account of its applicable Lending Office to the Administrative Agent at the Agent's Account, in same day funds, such Lender's ratable portion of the Borrowing to be made on such Borrowing Date. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Section 3.02, the

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Administrative Agent will promptly make such funds available to the Borrower in such manner as the Borrower shall have specified in the applicable Notice of Borrowing and as shall be reasonably acceptable to the Administrative Agent.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) the Borrower may not select SOFR Advances for any Borrowing if the aggregate amount of such Borrowing is less than \$10,000,000 or if the obligation of the Lenders to make SOFR Advances shall then be suspended pursuant to Section 2.12(b), 2.12(e) or 2.16, and (ii) there shall be not more than 20 Borrowings at any one time outstanding.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to comprise SOFR Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Section 3.02, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(d) In connection with any borrowing hereunder, the Administrative Agent may assume that each Lender has made its respective share of such borrowing available on such date in accordance with the terms hereof and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Advances. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Advance included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03 Swingline Advances.

(a) Subject to the terms and conditions of this Agreement and the other Loan Documents and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, the Swingline Lender may, in its sole discretion, make Swingline Advances to the Borrower from time to time from the Restatement Effective Date to, but not including, the Termination Date; provided, that (i) after giving effect to any amount requested, the Outstanding Credits shall not exceed the

Commitment and (ii) the aggregate principal amount of all outstanding Swingline Advances (after giving effect to any amount requested) shall not exceed the Swingline Commitment.

(b) (i) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), by written notice given no later than 11:00 a.m. on any Business Day request each Lender to make, and each Lender hereby agrees to make, a Revolving Advance as a Base Rate Advance in an amount equal to such Lender's Commitment Percentage of the aggregate amount of the Swingline Advances outstanding on the date of such notice, to repay the Swingline Lender. Each Lender shall make the amount of such Revolving Advance available to the Administrative Agent in immediately available funds at the Administrative Agent's Lending Office not later than 1:00 p.m. on the day specified in such notice. The proceeds of such Revolving Advance shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Swingline Advances. No Lender's obligation to fund its respective Commitment Percentage of a Swingline Advance shall be affected by any other Lender's failure to fund its Commitment Percentage of a Swingline Advance, nor shall any Lender's Commitment Percentage be increased as a result of any such failure of any other Lender to fund its Commitment Percentage of a Swingline Advance.

(ii) The Borrower shall pay to the Swingline Lender on demand, and in any event on the Termination Date, in immediately available funds the amount of such Swingline Advance to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. In addition, the Borrower irrevocably authorizes the Administrative Agent to charge any account maintained by the Borrower with the Swingline Lender (up to the amount available therein) in order to immediately pay the Swingline Lender the amount of such Swingline Advances to the extent amounts received from the Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Lenders in accordance with their respective Commitment Percentages.

(iii) If for any reason any Swingline Advance cannot be refinanced with a Revolving Advance pursuant to Section 2.03(b)(i), each Lender shall, on the date such Revolving Advance was to have been made pursuant to the notice referred to in Section 2.03(b)(i), purchase for cash an undivided participating interest in the then outstanding Swingline Advances by paying to the Swingline Lender an amount (the "**Swingline Participation Amount**") equal to such Lender's Commitment Percentage of the aggregate principal amount of Swingline Advances then outstanding. Each Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its Swingline Participation Amount. Whenever, at any time after the Swingline Lender has received from any Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Advances, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Advances then due); provided that in the event that such payment received by the Swingline Lender is required to be returned, such Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(iv) Each Lender's obligation to make the Revolving Advances referred to in Section 2.03(b)(i) and to purchase participating interests pursuant to Section 2.03(b)(iii) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article III, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower or any other Lender or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(v) If any Lender fails to make available to the Administrative Agent, for the account of the Swingline Lender, any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(b) by the time specified in Section 2.03(b)(i) or 2.03(b)(iii), as applicable, the Swingline

Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the applicable Federal Funds Rate, plus any administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Advance or Swingline Participation Amount, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (v) shall be conclusive absent manifest error.

(c) The Borrower shall deliver its irrevocable Notice of Borrowing to the Administrative Agent not later than 11:00 a.m. on the same Business Day as each Swingline Advance, of its intention to borrow, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be in an aggregate principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or the remaining amount of the Swingline Commitment).

(d) Not later than 1:00 p.m. on the proposed Borrowing Date, the Swingline Lender will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's applicable Lending Office in funds immediately available to the Administrative Agent, the Swingline Advances to be made on such Borrowing Date. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account as agreed upon by the Borrower and the Administrative Agent from time to time.

(e) The Borrower hereby agrees to repay the outstanding principal amount of all Swingline Advances in accordance with Section 2.03(b) (but, in any event, no later than the Termination Date), together, in each case, with all accrued but unpaid interest thereon.

SECTION 2.04 Letters of Credit.

(a) Each LC Issuing Bank has severally agreed to act as an LC Issuing Bank and, in such capacity, each LC Issuing Bank has severally agreed to issue Letters of Credit in an amount such that the LC Outstandings attributable to Letters of Credit issued by such LC Issuing Bank is not greater than the LC Commitment for such LC Issuing Bank, subject to the terms and conditions set forth herein. The

Borrower may also from time to time appoint one or more Lenders (with the consent of any such Lender, which consent may be withheld in the sole discretion of each Lender) to act, either directly or through an Affiliate of such Lender, as an LC Issuing Bank hereunder. Any such appointment and the terms thereof shall be evidenced in a separate written agreement executed by the Borrower and the relevant LC Issuing Bank, a copy of which agreement shall be delivered by the Borrower to the Administrative Agent. The Administrative Agent shall give prompt notice of any such appointment to the other Lenders. Upon such appointment, if and for so long as such Lender shall have any obligation to issue any Letters of Credit hereunder or any Letter of Credit issued by such Lender shall remain outstanding, such Lender shall be deemed to be, and shall have all the rights and obligations of, an "LC Issuing Bank" under this Agreement.

(b) Subject to the terms and conditions hereof, each Letter of Credit shall be issued (or the stated maturity thereof extended or terms thereof modified or amended) on not less than two Business Days' prior notice thereof by delivery of a Request for Issuance to the Administrative Agent (which shall promptly distribute copies thereof to the Lenders) and the relevant LC Issuing Bank for the account of the Borrower or any of its Subsidiaries; *provided* that the Borrower shall be the account party for the purposes of this Agreement and shall have the reimbursement obligations with respect thereto. Each Letter of Credit shall be issued in a form acceptable to the LC Issuing Bank. Each Request for Issuance shall specify (i) the identity of the relevant LC Issuing Bank, (ii) the date (which shall be a Business Day) of issuance of such Letter of Credit (or the date of effectiveness of such extension, modification or amendment) and the stated expiry date thereof (which shall be not more than one year after the date of issuance (subject to automatic renewal or extension for additional one year periods (but not to a date later than the Termination Date) pursuant to documentation acceptable to the applicable LC Issuing Bank), *provided*, that if the expiry date of such Letter of Credit is later than the Termination Date of any Lender, the Borrower will no later than five Business Days prior to such Termination Date deposit in an account designated with the Administrative Agent (the "**LC Collateral Account**"), in the name of the Administrative Agent and for the benefit of the applicable Lenders and the applicable LC Issuing Banks, in same day funds, an amount equal to the product of (A) 1.03 times the aggregate undrawn stated amount of such Letter of Credit and (B) the Commitment Percentage of the Commitments expiring on such Termination Date), (iii) the proposed stated amount of such Letter of Credit (which amount shall not (A) be less than \$100,000 and (B) be subject to any automatic increase provisions), (iv) the name and address of the beneficiary of such Letter of Credit and (v) a statement of drawing conditions applicable to such Letter of Credit, and if such Request for Issuance relates to an amendment or modification of a Letter of Credit, it shall, to the extent applicable, be accompanied by the consent of the beneficiary of the Letter of Credit thereto. Each Request for Issuance shall be irrevocable unless modified or rescinded by the Borrower not less than two days prior to the proposed date of issuance (or effectiveness) specified therein. Not later than 12:00 noon on the proposed date of issuance (or effectiveness) specified in such Request for Issuance, and upon fulfillment of the applicable conditions precedent and the other requirements set forth herein, the relevant LC Issuing Bank shall issue (or extend, amend or modify) such Letter of Credit and provide notice and a copy thereof to the Administrative Agent, which shall, upon request by a Lender, promptly furnish copies thereof to such Lender; *provided* that the LC Issuing Bank shall

not issue or amend any Letter of Credit if such LC Issuing Bank has received notice from the Administrative Agent that the applicable conditions precedent have not been satisfied.

(c) No Letter of Credit shall be requested or issued hereunder if, after the issuance thereof, (i) the aggregate Outstanding Credits would exceed the aggregate Commitments, (ii) the portion of the LC Outstandings attributable to Letters of Credit issued by any LC Issuing Bank will not exceed the LC Commitment of such LC Issuing Bank or (iii) the aggregate LC Outstandings would exceed \$1,200,000,000. No LC Issuing Bank shall be under any obligation to issue any Letter of Credit if the

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issuance of such Letter of Credit would violate one or more policies of such LC Issuing Bank now or hereafter in effect and applicable to letters of credit generally (which policy is in writing and made available to Borrower).

(d) The Borrower hereby agrees to pay to the Administrative Agent for the account of each LC Issuing Bank and, if they shall have purchased participations in the reimbursement obligations of the Borrower pursuant to subsection (e) below, the participating Lenders, on each date on which such LC Issuing Bank shall pay any amount under any Letter of Credit issued by such LC Issuing Bank, a sum equal to the amount so paid plus interest on such amount from the date so paid by such LC Issuing Bank until repayment to such LC Issuing Bank in full at a fluctuating interest rate per annum equal to the interest rate applicable to Base Rate Advances plus 2%. The Borrower may reimburse drawings under a Letter of Credit with an Advance. Notwithstanding anything herein to the contrary, the obligations with respect to Letters of Credit of (i) the Borrower shall survive any Termination Date and shall remain in effect until no Letters of Credit remain outstanding, (ii) each Lender shall survive to the extent that the Borrower shall fail to deposit Cash Collateral in the LC Collateral Account as required under subsection (b) above and (iii) each Lender shall be reinstated, to the extent any such Cash Collateral, the application thereof or the reimbursement in respect thereof is required to be returned to the Borrower by any LC Issuing Bank after such Termination Date.

(e) If any LC Issuing Bank shall not have been reimbursed in full for any payment made by such LC Issuing Bank under a Letter of Credit issued by such LC Issuing Bank on the date of such payment, such LC Issuing Bank may give the Administrative Agent and each Lender prompt notice thereof (an "**LC Payment Notice**") no later than 12:00 noon on any Business Day on or after the Business Day immediately succeeding the date of such payment by such LC Issuing Bank. Each Lender severally agrees to purchase a participation in the reimbursement obligation of the Borrower to such LC Issuing Bank by paying to the Administrative Agent for the account of such LC Issuing Bank an amount equal to such Lender's Commitment Percentage of such unreimbursed amount paid by such LC Issuing Bank, plus interest on such amount at a rate per annum equal to the Federal Funds Rate from the date of the payment by such LC Issuing Bank to the date of payment to such LC Issuing Bank by such Lender. Each such payment by a Lender shall be made not later than 3:00 P.M. on the later to occur of (i) the Business Day immediately following the date of such payment by such LC Issuing Bank and (ii) the Business Day on which such Lender shall have received an LC Payment Notice from such LC Issuing Bank. Each Lender's obligation to make each such payment to the Administrative Agent for the account of such LC Issuing Bank shall be several and shall not be affected by the occurrence or continuance of a Default or the failure of any other Lender to make any payment under this Section 2.04(e). Each Lender further agrees that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(f) The failure of any Lender to make any payment to the Administrative Agent for the account of any LC Issuing Bank in accordance with subsection (e) above shall not relieve any other Lender of its obligation to make payment, but no Lender shall be responsible for the failure of any other Lender. If any Lender (a "**non-performing Lender**") shall fail to make any payment to the Administrative Agent for the account of any LC Issuing Bank in accordance with subsection (e) above within five Business Days after the LC Payment Notice relating thereto, then, for so long as such failure shall continue, such LC Issuing Bank shall be deemed, for purposes of Sections 6.01 and 8.01 hereof, to be a Lender owed a Borrowing in an amount equal to the outstanding principal amount due and payable by such non-performing Lender to the Administrative Agent for the account of such LC Issuing Bank pursuant to subsection (e) above. Any non-performing Lender and the Borrower (without waiving any claim against such Lender for such Lender's failure to purchase a participation in the reimbursement

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obligations of the Borrower under subsection (e) above) severally agree to pay to the Administrative Agent for the account of such LC Issuing Bank forthwith on demand such amount, together with interest thereon for each day from the date such Lender would have purchased its participation had it complied with the requirements of subsection (e) above until the date such amount is paid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to Base Rate Advances plus 2%, in accordance with Section 2.04(d), and (ii) in the case of such Lender, the Federal Funds Rate.

(g) The payment obligations of each Lender under Section 2.04(e) and of the Borrower under this Agreement in respect of any payment under any Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any other agreement or instrument relating thereto or to such Letter of Credit;

(ii) any amendment or waiver of, or any consent to departure from, the terms of this Agreement or such Letter of Credit;

(iii) the existence of any claim, set-off, defense or other right that the Borrower may have at any time against any beneficiary, or any transferee, of such Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any LC Issuing Bank, or any other Person, whether in connection with this Agreement, the transactions contemplated hereby, thereby or by such Letter of Credit, or any unrelated transaction;

(iv) any statement or any other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment in good faith by any LC Issuing Bank under the Letter of Credit issued by such LC Issuing Bank against presentation of a draft or certificate that does not comply with the terms of such Letter of Credit;

(vi) the use that may be made of any Letter of Credit by, or any act or omission of, the beneficiary of any Letter of Credit (or any Person for which the beneficiary may be acting); or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(h) Without limiting any other provision of this Section 2.04, for purposes of this Section 2.04 any LC Issuing Bank may rely upon any oral, telephonic, telegraphic, facsimile, electronic, written or other communication believed in good faith to have been authorized by the Borrower, whether or not given or signed by an authorized Person of the Borrower.

(i) The Borrower assumes all risks of the acts and omissions of any beneficiary or transferee of any Letter of Credit. Neither any LC Issuing Bank, the Lenders nor any of their respective officers, directors, employees, agents or Affiliates shall be liable or responsible for (i) the use that may be made of such Letter of Credit or any acts or omissions of any beneficiary or transferee thereof in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by any LC Issuing Bank against presentation of documents that do not comply with the terms of

such Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (iv) any other circumstances whatsoever in making or failing to make payment under such Letter of Credit, except that the Borrower and each Lender shall have the right to bring suit against each LC Issuing Bank, and each LC Issuing Bank shall be liable to the Borrower and any Lender, to the extent of any direct, as opposed to consequential, damages suffered by the Borrower or such Lender that the Borrower or such Lender obtains a final non-appealable judgment by a court of competent jurisdiction that such damages were caused by such LC Issuing Bank's willful misconduct or gross negligence, including, in the case of the Borrower, such LC Issuing Bank's willful failure to make timely payment under such Letter of Credit following the presentation to it by the beneficiary thereof of a draft and accompanying certificate(s) that strictly comply with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, each LC Issuing Bank may accept sight drafts and accompanying certificates presented under the Letter of Credit issued by such LC Issuing Bank that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and payment against such documents shall not constitute willful misconduct or gross negligence by such LC Issuing Bank. Notwithstanding the foregoing, no Lender shall be obligated to indemnify the Borrower for damages caused by any LC Issuing Bank's willful misconduct or gross negligence as determined in a final non-appealable judgment of a court of competent jurisdiction.

(j) Upon satisfaction of all conditions precedent set forth in Sections 3.01 and 3.02, each Existing Letter of Credit shall be deemed to be a "Letter of Credit" issued pursuant to this Section 2.04 on the date of this Agreement for all purposes of this Agreement and the other Loan Documents.

SECTION 2.05 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee equal to the Commitment Fee Rate in effect for each day, multiplied by the amount of such Lender's Available Commitment; *provided*, that the amount of outstanding Swingline Advances shall not be considered usage of the Available Commitments for the purpose of calculating such commitment fee (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the Termination Date of such Lender, payable quarterly in arrears on the last day of each March, June, September and December, commencing March 31, 2024, and ending on the Termination Date of such Lender.

(b) The Borrower shall pay to the Administrative Agent such fees as may from time to time be agreed between the Borrower and the Administrative Agent.

(c) The Borrower shall pay to the Administrative Agent for the account of each Lender a fee (the "**LC Fee**") on the daily aggregate principal amount of each such Lender's Commitment Percentage of the LC Outstandings for each day (i) from the date hereof, in the case of each Initial Lender, and (ii) from the effective date specified in the Assignment and Assumption pursuant to which it became a Lender, in the case of each other Lender, in each case until the later to occur of (x) the Termination Date of such Lender, and (y) the date on which no Letters of Credit in which such Lender is obligated to participate are outstanding, payable on the last day of each March, June, September and December (commencing on March 31, 2024), and on such later date, at a rate equal at all times to the Applicable Margin in effect from time to time for SOFR Advances.

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(d) The Borrower shall pay to each LC Issuing Bank fronting and other fees for the issuance and maintenance of Letters of Credit issued by such LC Issuing Bank and for drawings thereunder as may be separately agreed between the Borrower and such LC Issuing Bank.

SECTION 2.06 Extension of the Termination Date.

(a) Not earlier than 60 days prior to, nor later than 30 days prior to each anniversary of the Restatement Effective Date (each, an "**Anniversary Date**"), the Borrower may request by notice made to the Administrative Agent (which shall promptly notify the Lenders thereof) a one-year extension of the Termination Date. Each Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day and shall not be less than 15 days prior to, nor more than 30 days prior to, the Anniversary Date) that either (A) such Lender declines to consent to extending the Termination Date or (B) such Lender consents to extending the Termination Date. Any Lender not responding within the above time period shall be deemed not to have consented to extending the Termination Date. The Administrative Agent shall, after receiving the notifications from all of the Lenders or the expiration of such period, whichever is earlier, notify the Borrower and the Lenders of the results thereof. The Borrower may request no more than two (2) extensions of the Termination Date pursuant to this Section following the Restatement Effective Date. For the avoidance of doubt, at no time may the term of this Agreement exceed five (5) years.

(b) If any Lender declines, or is deemed to have declined, to consent to such request for extension (each a "**Declining Lender**"), the Borrower shall have the right to replace such Declining Lender in accordance with Section 2.20(b). Any Lender replacing a Declining Lender shall be deemed to have consented to such request for extension (regardless of when such replacement is effective) and shall not be deemed to be a Declining Lender.

(c) If the Required Lenders have consented to the extension of the Termination Date, the Termination Date shall be extended (solely with respect to each Lender that consented to the extension) to the date that is one year after the then-effective Termination Date, effective as of the Anniversary Date. On or prior to the Anniversary Date, the Borrower shall deliver to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, (i) the resolutions of the Borrower authorizing such extension, certified as being in effect as of the Anniversary Date and the related incumbency certificate of the Borrower, (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request and (iii) a certificate of the Borrower stating that on and as of such Anniversary Date, and after giving effect to the extension to be effective on such date, all conditions precedent to an Extension of Credit are satisfied. On or prior to the Termination Date applicable to any Declining Lender, such Declining Lender shall have received payment in full of the principal amount of all Advances outstanding owing to such Declining Lender and all interest thereon and all fees and other amounts (including, without limitation, any amounts payable pursuant to Section 8.04(c)), payable to such Declining Lender accrued through such Termination Date. Promptly following such Anniversary Date, the Administrative Agent shall distribute an amended Schedule I to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes, if any, in the Lenders, the Commitments and each Lender's Commitment Percentage as of such Anniversary Date.

(d) Each LC Issuing Bank and the Swingline Lender may, in its sole discretion, elect not to serve in such capacity following any extension of the Termination Date; *provided* that, (i) the Borrower and the Administrative Agent may appoint a replacement for such resigning LC Issuing Bank or

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Swingline Lender, and (ii) whether such replacement is found shall not otherwise affect the extension of the Termination Date.

SECTION 2.07 Increase of the Commitments.

(a) The Borrower may, from time to time, provided that no Default or Event of Default has occurred and is continuing, request by notice to the Administrative Agent, to increase the Commitments in minimum increments of \$10,000,000, up to a maximum increase aggregate amount for all such increases to occur after the Restatement Effective Date of \$1,000,000,000, by designating one or more Eligible Assignees (each a “**Designated Lender**”) that agree to accept all or a portion of such additional Commitments (the “**Proposed Increased Commitment**”), provided, that (x) if a Designated Lender is not a Lender, such Designated Lender shall be reasonably acceptable to the Administrative Agent and each LC Issuing Bank and the Swingline Lender, and such Designated Lender’s Proposed Increased Commitment shall be at least \$5,000,000; and (y) if Designated Lender is a Lender, such Designated Lender shall be reasonably acceptable to each LC Issuing Bank and the Swingline Lender, and allocations of the Proposed Increased Commitment among Designated Lenders that are Lenders shall be based on the ratio of each existing Lender’s Proposed Increased Commitment, if any, to the aggregate of all Proposed Increased Commitments. The Borrower may elect to remove or replace any such designated Eligible Assignee at any time prior to the effective date of such increase, *provided* that any newly designated Eligible Assignee is reasonably acceptable to the Administrative Agent and each LC Issuing Bank and the Swingline Lender.

(b) The Administrative Agent shall promptly notify the Designated Lenders of the Proposed Increased Commitment. Each Designated Lender shall notify the Administrative Agent by the date specified by the Administrative Agent (which date shall be a Business Day) that either (A) such Designated Lender declines to accept its additional Commitments or (B) such Designated Lender consents to accept its additional Commitments. Any Designated Lender not responding on or prior to the date specified by the Administrative Agent shall be deemed not to have consented to accept its additional Commitments. The Administrative Agent shall, after receiving the notifications from all of the Designated Lenders or following the date specified in the notice to such Designated Lenders, whichever is earlier, notify the Borrower and the Lenders of the results thereof and the effective date of any additional Commitments. The Borrower shall deliver (i) a certificate signed by a duly authorized officer of the Borrower to the Administrative Agent, dated as of the effective date of such additional Commitments, stating that all conditions precedent to an Extension of Credit set forth in Section 3.02 are true and correct on and as of such effective date and (ii) a favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), as to such matters as any Lender through the Administrative Agent may reasonably request.

(c) Promptly following the effective date of any Commitment increase pursuant to this Section 2.07, (i) the Administrative Agent shall distribute an amended Schedule I to this Agreement (which shall thereafter be incorporated into this Agreement) to reflect any changes in Lenders, the Commitments and each Lender’s Commitment Percentage as of such effective date and (ii) the Borrower shall prepay the outstanding Borrowings (if any) in full, and shall simultaneously make new Borrowings hereunder in an amount equal to such prepayment, so that, after giving effect thereto, the Borrowings are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment increase). Prepayments made under this clause (c) shall not be subject to the notice requirements of Section 2.14.

(d) Notwithstanding any provision contained herein to the contrary, from and after the date of any Commitment increase and the making of any Advances on such date pursuant to clause (c)(ii) above, all calculations and payments of fees and of interest on the Advances shall take into account the actual Commitment of each Lender and the principal amount outstanding of each Advance made by such Lender during the relevant period of time.

SECTION 2.08 Termination or Reduction of the Commitments.

(a) The Borrower shall have the right, upon at least three Business Days’ notice to the Administrative Agent, to terminate in whole or reduce ratably in part the Available Commitments, *provided* that (i) each partial reduction shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made that would reduce the aggregate Commitments to an amount less than the aggregate Outstanding Credits on the date of such termination or reduction.

(b) The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender in accordance with Section 8.16(a)(vi).

(c) The Commitment of each Lender shall automatically terminate on the Termination Date applicable to such Lender as provided in Section 2.06.

(d) Once terminated, neither a Commitment nor any portion thereof may be reinstated.

SECTION 2.09 Repayment of Advances.

(a) The Borrower shall repay to the Administrative Agent for the account of each Lender on the Termination Date with respect to such Lender the aggregate principal amount of all Advances made by such Lender to the Borrower then outstanding.

(b) If at any time the aggregate principal amount of Outstanding Credits exceed the aggregate Commitments, the Borrower shall pay or prepay so much of the Borrowings (*first*, the Swingline Advances, and *second*, Revolving Advances) and/or deposit funds in the LC Collateral Account equal to 103% of so much of the LC Outstandings as shall be necessary in order that the principal amount of Advances outstanding plus the aggregate amount of LC Outstandings not so Cash Collateralized will not exceed the Commitments.

SECTION 2.10 Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Advance made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(b) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Advance made hereunder, the Type of each Advance made and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

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(c) The entries made in the accounts maintained pursuant to subsections (a) and (b) of this Section 2.10 shall, to the extent permitted by Applicable Law, be prima facie evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Advances and interest thereon in accordance with their terms.

(d) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to such Lender (or, if requested by such Lender, to such Lender and its assignees) and in a form approved by the Administrative Agent. Thereafter, the Advances evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 8.07) be represented by one or more promissory notes in such form payable to the payee named therein.

SECTION 2.11 Interest on Advances.

The Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) **Base Rate Advances.** During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the sum of (x) the Base Rate plus (y) the Applicable Margin for Base Rate Advances in effect from time to time, payable in arrears quarterly on the last day of each March, June, September and December during such periods and on the date such Base Rate Advance shall be Converted or paid in full.

(b) **SOFR Advances.** During such periods as such Advance is a SOFR Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of (x) Adjusted Term SOFR for such Interest Period for such Advance plus (y) the Applicable Margin for SOFR Advances in effect from time to time, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period and on the date such SOFR Advance shall be Converted or paid in full.

(c) **Swingline Advances.** Swingline Advances shall be made and maintained as Base Rate Advances only.

SECTION 2.12 Interest Rate Determination.

(a) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.11(a), (b) or (c).

(b) Subject to Section 8.21 below, in connection with any request for a SOFR Advance or a conversion to or continuation thereof or otherwise, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for ascertaining Adjusted Term SOFR for the applicable Interest Period with respect to a proposed SOFR Advance on or prior to the first day of such Interest Period or (ii) the Required Lenders shall determine (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Advances during such Interest Period and, in the case of clause (ii), the Required

Lenders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent shall promptly give notice thereof to the Borrower. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make SOFR Advances, and any right of the Borrower to convert any Advance to or continue any Advance as a SOFR Advance, shall be suspended (to the extent of the affected SOFR Advances or the affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances (to the extent of the affected SOFR Advances or the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances in the amount specified therein and (B) any outstanding affected SOFR Advance will be deemed to have been converted into Base Rate Advances at the end of the applicable Interest Period. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

(c) If the Borrower shall fail to select the duration of any Interest Period for any SOFR Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(d) On the date on which the aggregate unpaid principal amount of SOFR Advances comprising any Borrowing shall be reduced, by payment or prepayment or otherwise, to less than \$10,000,000, such Advances shall automatically Convert into Base Rate Advances.

(e) Upon the occurrence and during the continuance of any Event of Default, (i) each SOFR Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make SOFR Advances, or to Convert outstanding Advances into SOFR Advances shall be suspended.

SECTION 2.13 Optional Conversion of Advances.

The Borrower may on any Business Day, upon notice given to the Administrative Agent not later than 12:00 noon on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Sections 2.12 and 2.16, Convert all or any part of Advances of one Type comprising the same Borrowing into Advances of the other Type or of the same Type but having a new Interest Period; *provided, however*, that the Borrower may not request that Swingline Advances be converted into or continued as SOFR Advances or Base Rate Advances, any Conversion of SOFR Advances into Base Rate Advances shall be made only on the last day of an Interest Period for such SOFR Advances, any Conversion of Base Rate Advances into SOFR Advances shall be in an amount not less than the minimum amount specified in Section 2.02(b) and no Conversion of any Advances shall result in more separate Borrowings than permitted under Section 2.02(b). Each such notice of a Conversion shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the Advances to be Converted, and (iii) if such Conversion is into SOFR Advances, the duration of the initial Interest Period for each such Advance. Each such notice of Conversion shall be irrevocable and binding on the Borrower.

SECTION 2.14 Optional Prepayments of Advances.

The Borrower may, upon at least two Business Days' notice, in the case of SOFR Advances, and upon notice not later than 11:00 A.M. (New York City time) on the date of prepayment, in the case of Base Rate Advances, to the Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, and, if such notice is given, the Borrower shall prepay the outstanding principal amount of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in a minimum amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) in the event of any such prepayment of a SOFR Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(c).

SECTION 2.15 Increased Costs.

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender or any LC Issuing Bank;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any LC Issuing Bank any other condition, cost or expense (other than Taxes) affecting this Agreement or Advances made by such Lender or any Letter of Credit or Swingline Advance or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, any LC Issuing Bank or such other Recipient of making, converting to, continuing or maintaining any Advance (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender, such LC Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or Swingline Advance (or of maintaining its obligation to participate in or to issue any Letter of Credit or Swingline Advance), or to reduce the amount of any sum received or receivable by such Lender, such LC Issuing Bank or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender, such LC Issuing Bank or other Recipient, the Borrower shall promptly pay to any such Lender, such LC Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such LC Issuing Bank or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender or any LC Issuing Bank determines that any Change in Law affecting such Lender or such LC Issuing Bank or any applicable Lending Office of such

Lender or such Lender's or such LC Issuing Bank's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or such LC Issuing Bank's capital or on the capital of such Lender's or such LC Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Advances made by, or participations in Letters of Credit or Swingline Advances held by, such Lender, or the Letters of Credit issued by such LC Issuing Bank, to a level below that which such Lender or such LC Issuing Bank or such Lender's or such LC Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such LC Issuing Bank's policies and the policies of such Lender's or such LC Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender or such LC Issuing Bank, the Borrower shall promptly pay to such Lender or such LC Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such LC Issuing Bank or such Lender's or such LC Issuing Bank's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender, or an LC Issuing Bank or such other Recipient setting forth the amount or amounts necessary to compensate such Lender or such LC Issuing Bank, such other Recipient or any of their respective holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such LC Issuing Bank or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender or any LC Issuing Bank or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such LC Issuing Bank's or such other Recipient's right to demand such compensation; *provided* that the Borrower shall not be required to compensate any Lender or an LC Issuing Bank or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or such LC Issuing Bank or such other Recipient, as the case may be, notifies the

Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such LC Issuing Bank's or such other Recipient's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Survival. All of the obligations of the Borrower under this Section 2.15 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.16 Laws Affecting SOFR Availability.

If, after the date hereof, the introduction of, or any change in, any Applicable Law or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any of the Lenders (or any of their respective Lending Offices) with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, shall make it unlawful or impossible for any of the Lenders (or any of their respective Lending Offices) to honor its obligations hereunder to make or maintain any SOFR Advance, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, such Lender shall promptly give

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notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrower and the other Lenders (an "**Illegality Notice**"). Thereafter, until each affected Lender notifies the Administrative Agent and the Administrative Agent notifies the Borrower that the circumstances giving rise to such determination no longer exist, (i) any obligation of the Lenders to make SOFR Advances, and any right of the Borrower to convert any Advance to a SOFR Advance or continue any Advance as a SOFR Advance, shall be suspended and (ii) if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate". Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Advances to Base Rate Advances (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (c) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Advances to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Advances to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 8.04.

SECTION 2.17 Payments and Computations.

(a) The Borrower shall make each payment to be made by it hereunder not later than 1:00 P.M. on the day when due in Dollars to the Administrative Agent at the Agent's Account in same day funds without condition or deduction for any counterclaim, defense, recoupment or setoff. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section 2.15, 2.18, 8.04(c) or 8.16) to the Lenders for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Assumption and recording of the information contained therein in the Register pursuant to Section 8.07(c), from and after the effective date specified in such Assignment and Assumption, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Assumption shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves. Each payment to the Administrative Agent on account of the principal of or interest on the Swingline Advances or of any fee, commission or other amounts payable to the Swingline Lender shall be made in like manner, but for the account of the Swingline Lender.

(b) The Borrower hereby authorizes each Lender, if and to the extent payment owed to such Lender is not made when due hereunder, after any applicable grace period, to charge from time to time against any or all of the Borrower's accounts with such Lender any amount so due.

(c) All computations of interest based on the rate referred to in clause (i) of the definition of the "Base Rate" contained in Section 1.01 shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on SOFR or the Federal Funds Rate and of commitment fees and LC Fees shall be made by the Administrative Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, commitment fees or LC Fees are payable. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fees, as the case may be; *provided, however*, that, if such extension would cause payment of interest on or principal of SOFR Advances to be made in the next following calendar month or on a date after the Termination Date, such payment shall be made on the next preceding Business Day.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to a Lender hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date, and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.18 Taxes.

(a) **Defined Terms.** For purposes of this Section 2.18, the term “Lender” includes any LC Issuing Bank and the term “Applicable Law” includes FATCA.

(b) **Payments Free of Taxes.** Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Borrower.** The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Borrower.** The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders.** Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 8.07(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) **Evidence of Payments.** As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.18, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders.** (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.18(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this

Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

- (1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W 8BEN E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;
- (2) executed copies of IRS Form W-8ECI;
- (3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or W 8BEN E;
- (4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, W 8BEN E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably

requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds.** If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.18 (including by the payment of additional amounts pursuant to this Section 2.18), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **FATCA Withholding.** For purposes of determining withholding Taxes imposed under FATCA, from and after the Restatement Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the obligations of the Borrower set forth in this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Sections 1.1471-2(b)(2)(i) and 1.1471-2T(b)(2)(i).

(j) **Survival.** Each party's obligations under this Section 2.18 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.19 Sharing of Payments, Etc.

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances owing to it or participations in Letters of Credit or Swingline Advances (other than pursuant to Section 2.15, 2.18, 8.04(c) or 8.16 or in respect of SOFR Advances converted into Base Rate Advances pursuant to Section 2.16) by the Borrower in excess of its ratable share of payments on account of the Advances to the Borrower and participations

in Letters of Credit and Swingline Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in such Advances owing to them and participations in Letters of Credit and Swingline Advances as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.19 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

(b) If any Lender shall fail to make any payment required to be made by it pursuant to Sections 2.02(d), 2.03(f), 2.04(e) or 7.05, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent and the LC Issuing Banks to satisfy such Lender's obligations to it or them under such Section until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as Cash Collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.20 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different Lending Office or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.18, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender delivers a notice pursuant to Section 2.16, requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.18 and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 2.20(a), or if any Lender is a Declining Lender, a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 8.07), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.18) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); *provided that*:

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(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 8.07(b)(iv);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Advances and any participations in Swingline Advances and/or Letters of Credit funded pursuant to Section 2.03(h) or 2.04(e), as applicable, together with all applicable accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 8.04(c)) from the assignee (to the extent of such outstanding principal amounts and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.18, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) no Default shall have occurred and be continuing;

(v) such assignment does not conflict with Applicable Law; and

(vi) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III CONDITIONS PRECEDENT

SECTION 3.01 Conditions Precedent to Effectiveness of this Agreement and Initial Extensions of Credit.

This Agreement and the obligation of each Lender and each LC Issuing Bank, as applicable, to make the initial Extension of Credit to be made by it hereunder shall take effect on the date (the "**Restatement Effective Date**") on which each of the following conditions precedent has been satisfied:

(a) The Administrative Agent shall have received on or before the Restatement Effective Date the following, each dated the Restatement Effective Date, in form and substance reasonably satisfactory to the Administrative Agent in sufficient copies for each Lender:

(i) Certified copies of the Borrower's certificate of incorporation and bylaws, and resolutions of the board of directors of the Borrower approving this Agreement, a certificate of good standing for the Borrower from its jurisdiction of incorporation and all documents evidencing other necessary corporate action and Governmental Approvals, if any, with respect to this Agreement.

(ii) A certificate of the Secretary or Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder.

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(iii) A favorable opinion of counsel for the Borrower (which may be an attorney of American Electric Power Service Corporation), substantially in the form of Exhibit D hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(iv) A favorable opinion of Winston & Strawn LLP, counsel for the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent.

(b) On the Restatement Effective Date, the following statements shall be true and the Administrative Agent shall have received for the account of each Lender a certificate signed by a duly authorized officer of the Borrower, dated the Restatement Effective Date, stating that:

(i) The representations and warranties of the Borrower contained in Section 4.01 are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the Restatement Effective Date, as though made on and as of such date, and

(ii) No event has occurred and is continuing that constitutes a Default.

(c) The Borrower shall have paid all fees and expenses of the Administrative Agent, the Joint Lead Arrangers and the Lenders then due and payable in accordance with the terms of the Loan Documents (including the fees and expenses of counsel to the Administrative Agent to the extent then due and payable).

(d) The Administrative Agent shall have received counterparts of this Agreement, executed and delivered by the Borrower and the Lenders.

(e) The Administrative Agent shall have received all promissory notes (if any) requested by the Lenders pursuant to Section 2.10(d), duly completed and executed by the Borrower and payable to such Lenders.

(f) The Administrative Agent shall have received copies of the Disclosure Documents.

(g) The Administrative Agent shall have received all documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent such documentation or information is requested by the Administrative Agent on behalf of the Lenders prior to the Restatement Effective Date.

(h) The Restated 3-Year Credit Agreement shall have been executed and delivered by the Borrower and the other parties thereto, the aggregate amount of revolving commitments thereunder shall be not more than \$1,000,000,000 and such revolving commitments shall have become effective in accordance with its terms.

(i) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender or any LC Issuing Bank through the Administrative Agent.

SECTION 3.02 Conditions Precedent to each Extension of Credit.

The obligation of each Lender and each LC Issuing Bank, as applicable, to make each Extension of Credit to be made by it hereunder (other than in connection with any Borrowing that would not

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increase the aggregate principal amount of Advances outstanding immediately prior to the making of such Borrowing) shall be subject to the satisfaction of the conditions precedent set forth in Section 3.01 and on the date of such Borrowing:

(a) The following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Extension of Credit shall constitute a representation and warranty by the Borrower that on the date of such Extension of Credit such statements are true):

(i) The representations and warranties of the Borrower contained in Section 4.01 (other than the representation and warranty in Section 4.01(e) and the representation and warranty set forth in the penultimate sentence of Section 4.01(f)) are true and correct in all material respects (or, if already qualified by materiality, in all respects) on and as of the date of such Extension of Credit, before and after giving effect to such Extension of Credit and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing or would result from such Extension of Credit or from the application of the proceeds therefrom, that constitutes a Default.

(b) The Administrative Agent shall have received copies or other evidence of such other approvals and such other opinions or documents as may be reasonably requested by the Administrative Agent or by any Lender or any LC Issuing Bank through the Administrative Agent.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and each Significant Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) The execution, delivery and performance by the Borrower of each Loan Document, and the consummation of the transactions contemplated hereby, are within the Borrower's corporate powers, have been duly authorized by all necessary action, and do not contravene (i) the Borrower's certificate of incorporation or by-laws, (ii) law binding or affecting the Borrower or (iii) any contractual restriction binding on or affecting the Borrower or any of its properties.

(c) Each Loan Document has been duly executed and delivered by the Borrower. Each Loan Document is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights in general, and except as the availability of the remedy of specific performance is subject to general principles of equity (regardless of whether such remedy is sought in a proceeding in equity or at law) and subject to requirements of reasonableness, good faith and fair dealing.

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(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Borrower of any Loan Document.

(e) There is no pending or threatened action, suit, investigation, litigation or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any Governmental Authority or arbitrator that is reasonably likely to have a Material Adverse Effect, except as disclosed in the Disclosure Documents.

(f) The consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at December 31, 2023, and the related consolidated statements of income and cash flows of the Borrower and its Consolidated Subsidiaries for the fiscal periods then ended (accompanied by an opinion of PricewaterhouseCoopers LLP, an independent registered public accounting firm), copies of each of which have been furnished to each Lender, fairly present the consolidated financial condition of the Borrower and its Consolidated Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Consolidated Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2023, there has been no Material Adverse Change. As of the Restatement Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

(g) No written statement, information, report, financial statement, exhibit or schedule furnished by or on behalf of the Borrower to the Administrative Agent, any Lender or any LC Issuing Bank in connection with the syndication or negotiation of this Agreement or included herein or delivered pursuant hereto contained, contains, or will contain any material misstatement of fact or intentionally omitted, omits, or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(h) Except as disclosed in the Disclosure Documents, the Borrower and each Significant Subsidiary is in material compliance with all laws (including ERISA and Environmental Laws) rules, regulations and orders of any Governmental Authority applicable to it.

(i) No failure to satisfy the minimum funding standard applicable to a Plan for a plan year (as described in Section 302 of ERISA and Section 412 of the Internal Revenue Code) that could reasonably be expected to have a Material Adverse Effect, whether or not waived, has occurred with respect to any Plan. The Borrower has not incurred, and does not presently expect to incur, any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan that could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its ERISA Affiliates have complied in all material respects with ERISA and the Internal Revenue Code. The Borrower and each of its Subsidiaries have complied in all material respects with foreign law applicable to its Foreign Plans, if any. As used herein, the term "**Plan**" means an "employee pension benefit plan" (as defined in Section 3 of ERISA) which is and has been established or maintained, or to which contributions are or have been made or should be made according to the terms of the plan, by the Borrower or any of its ERISA Affiliates. The term "**Multiemployer Plan**" means any Plan which is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA). The term "**Foreign Plan**" means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement maintained by any Subsidiary which, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

(j) The Borrower and its Subsidiaries have filed or caused to be filed all material Federal, state and local tax returns that are required to be filed by them, and have paid or caused to be paid all material taxes shown to be due and payable on such returns or on any assessments received by them (to the extent that such taxes and assessments have become due and payable) other than those taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP.

(k) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of any Advance will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. Not more than 25% of the assets of the Borrower and the Significant Subsidiaries that are subject to the restrictions of Section 5.02(a), (c) or (d) constitute Margin Stock.

(l) Neither the Borrower nor any Significant Subsidiary is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Extension of Credit, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated hereby will violate any provision of such Act or any rule, regulation or order of the SEC thereunder.

(m) All Significant Subsidiaries as of the Restatement Effective Date are listed on Schedule 4.01(m) hereto.

(n) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors and officers and, to the knowledge of the Borrower, its employees and agents, are in compliance with Anti-Corruption Laws and applicable

Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, Letter of Credit, or use of proceeds thereof or other transaction contemplated by this Agreement violates, or will violate, Anti-Corruption Laws or applicable Sanctions.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01 Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower will:

(a) **Preservation of Existence, Etc.** Preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all material rights (charter and statutory) and franchises; *provided, however*, that the Borrower and any Significant Subsidiary may consummate any merger or consolidation permitted under Section 5.02(a); and *provided further* that neither the Borrower nor any Significant Subsidiary shall be required to preserve any right or franchise if (i) the board of directors of the Borrower or such Significant Subsidiary, as the case may be, shall determine that the preservation thereof is no longer

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desirable in the conduct of the business of the Borrower or such Significant Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower or such Significant Subsidiary, as the case may be, or to the Lenders; (ii) required in connection with or pursuant to any Restructuring Law; or (iii) required in connection with the RTO Transaction; and *provided further*, that no Significant Subsidiary shall be required to preserve and maintain its corporate existence if (x) the loss thereof is not disadvantageous in any material respect to the Borrower or to the Lenders or (y) required in connection with or pursuant to any Restructuring Law or (z) required in connection with the RTO Transaction.

(b) **Compliance with Laws, Etc.** Comply, and cause each Significant Subsidiary to comply, in all material respects, with Applicable Law, with such compliance to include, without limitation, compliance with ERISA and Environmental Laws.

(c) **Performance and Compliance with Other Agreements.** Perform and comply, and cause each Significant Subsidiary to perform and comply, with the provisions of each indenture, credit agreement, contract or other agreement by which it is bound, the non-performance or non-compliance with which would result in a Material Adverse Change.

(d) **Inspection Rights.** At any reasonable time and from time to time, permit the Administrative Agent, any LC Issuing Bank or any Lender or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Significant Subsidiary and to discuss the affairs, finances and accounts of the Borrower and any Significant Subsidiary with any of their officers or directors and with their independent certified public accountants.

(e) **Maintenance of Properties, Etc.** Maintain and preserve, and cause each Significant Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted and except as required in connection with or pursuant to any Restructuring Law or in connection with RTO Transaction.

(f) **Maintenance of Insurance.** Maintain, and cause each Significant Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties; *provided, however*, that the Borrower and each Significant Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice.

(g) **Payment of Taxes, Etc.** Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property and (ii) all lawful claims that, if unpaid, might by law become a Lien upon its property; *provided, however*, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(h) **Keeping of Books.** Keep, and cause each Significant Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Significant Subsidiary in accordance with GAAP.

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(i) **Reporting Requirements.** Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a copy of the Borrower's Quarterly Report on Form 10-Q for such quarter, as filed with the SEC, which shall contain a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as having been prepared in accordance with generally accepted accounting principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Borrower's Annual Report on Form 10-K for such year, as filed with the SEC, which shall contain a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by PricewaterhouseCoopers LLP or another independent registered public accounting firm acceptable to the Required Lenders, and consolidating statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Borrower as to compliance with the terms of this Agreement and (A) certifying that there have been no Subsidiaries that have become Significant Subsidiaries at any time during such period, or any Subsidiaries that have ceased to be Significant Subsidiaries at any time during such period, in each case except as expressly identified in such certificate, and (B) setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.03, *provided* that in the event of any change in GAAP used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 5.03, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five days after the chief financial officer or treasurer of the Borrower obtains knowledge of the occurrence of each Default continuing on the date of such statement, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Default and the action that the Borrower has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Borrower or any Significant Subsidiary files with the SEC or any national securities exchange;

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(v) promptly after the commencement thereof, notice of all actions and proceedings before any Governmental Authority or arbitrator affecting the Borrower or any Significant Subsidiary of the type described in Section 4.01(e);

(vi) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(vii) such other information respecting the Borrower or any of its Subsidiaries as any LC Issuing Bank or any Lender through the Administrative Agent may from time to time reasonably request.

Notwithstanding the foregoing, the information required to be delivered pursuant to clauses (i), (ii) and (iv) shall be deemed to have been delivered if such information shall be available on the website of the SEC at <http://www.sec.gov> or any successor website; *provided* that the compliance certificates required under clauses (i) and (ii) shall be delivered in the manner specified in Section 8.02(b).

(j) **Compliance with Anti-Corruption Laws and Sanctions.** Maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(k) **Use of Proceeds.** Use the proceeds of the Borrowings and Letters of Credit for working capital and general corporate purposes of the Borrower; provided that no part of the proceeds of any of the Advances or Letters of Credit shall be used for purchasing or carrying margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System) or for any purpose which violates the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System. If requested by the Administrative Agent or any Lender (through the Administrative Agent), the Borrower shall promptly furnish to the Administrative Agent and each requesting Lender a statement in conformity with the requirements of Form G-3 or Form U-1, as applicable, under Regulation U of the Board of Governors of the Federal Reserve System.

SECTION 5.02 Negative Covenants.

So long as any Advance or any other amount payable hereunder shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower agrees that it will not:

(a) **Mergers, Etc.** Merge or consolidate with or into any Person, or permit any Significant Subsidiary to do so, except that (i) any Subsidiary may merge or consolidate with or into any other Subsidiary of the Borrower, (ii) any Subsidiary may merge into the Borrower, (iii) any Significant Subsidiary may merge with or into any other Person so long as such Significant Subsidiary continues to be a Significant Subsidiary of the Borrower and (iv) the Borrower may merge with any other Person so long as the successor entity (if other than the Borrower) assumes, in form reasonably satisfactory to the Administrative Agent, all of the obligations of the Borrower under this Agreement and the other Loan Documents, is incorporated or otherwise organized under the laws of a state of the United States of America or the District of Columbia and has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), *provided*, in each case,

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that no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom.

(b) **Stock of Significant Subsidiaries.** Sell, lease, transfer or otherwise dispose of, other than (i) in connection with an RTO Transaction, but only if no Default or Event of Default has occurred and is continuing or would result from such RTO Transaction, or (ii) pursuant to the requirements of any Restructuring Law, equity interests in any Significant Subsidiary of the Borrower (other than AEP Energy Services, Inc. or CSW Energy, Inc.) if such Significant Subsidiary would cease to be a Subsidiary as a result of such sale, lease, transfer or disposition.

(c) **Sales, Etc. of Assets.** Sell, lease, transfer or otherwise dispose of, or permit any Significant Subsidiary (other than AEP Energy Services, Inc. or CSW Energy, Inc.) to sell, lease, transfer or otherwise dispose of, any assets, or grant any option or other right to purchase, lease or otherwise acquire any assets, except (i) sales in the ordinary course of its business, (ii) sales, leases, transfers or dispositions of assets to any Person that is not a wholly-owned Subsidiary of the Borrower that in the aggregate do not exceed 20% of the Consolidated Tangible Net Assets of the Borrower and its Subsidiaries, whether in one transaction or a series of transactions, (iii) other sales, leases, transfers and dispositions made in connection with an RTO Transaction or pursuant to the requirements of any Restructuring Law or to a wholly owned Subsidiary of the Borrower, or (iv) sales of pollution control assets to a state or local government or any political subdivision or agency thereof in connection with any transaction with such Person pursuant to which such Person sells or otherwise transfers such pollution control assets back to the Borrower or a Subsidiary under an installment sale, loan or similar agreement, in each case in connection with the issuance of pollution control or similar bonds.

(d) **Liens, Etc.** Create or suffer to exist, or permit any Significant Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, on or with respect to equity interests in any Subsidiary of the Borrower, whether now owned or hereafter acquired, or assign, or permit any Significant Subsidiary to assign, any right to receive income (other than in connection with Stranded Cost Recovery Bonds and the sale of accounts receivable by the Borrower), other than (i) Permitted Liens, (ii) the Liens existing on the date hereof, (iii) Liens securing first mortgage bonds issued by any Subsidiary of the

Borrower the rates or charges of which are regulated by the Federal Energy Regulatory Commission or any state governmental authority, *provided* that the aggregate principal amount of such first mortgage bonds of any such Subsidiary do not exceed 66 2/3% of the net value of plant, property and equipment of such Subsidiary and (iv) the replacement, extension or renewal of any Lien permitted by clauses (ii) and (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby.

(e) **Restrictive Agreements.** Enter into, or permit any Significant Subsidiary to enter into (except in connection with or pursuant to any Restructuring Law), any agreement after the date hereof, or amend, supplement or otherwise modify any agreement existing on the date hereof, that imposes any restriction on the ability of any Significant Subsidiary to make payments, directly or indirectly, to its shareholders by way of dividends, advances, repayment of loans or intercompany charges, expenses and accruals or other returns on investments that is more restrictive than any such restriction applicable to such Significant Subsidiary on the date hereof; *provided, however*, that any Significant Subsidiary may agree to a financial covenant limiting its ratio of Consolidated Debt to Consolidated Capital to no more than 0.675 to 1.000.

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(f) **ERISA.** (i) Terminate or withdraw from, or permit any of its ERISA Affiliates to terminate or withdraw from, any Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such termination or withdrawal, if such termination or withdrawal could have a Material Adverse Effect, (ii) incur a full or partial withdrawal, or permit any ERISA Affiliate to incur a full or partial withdrawal, from any Multiemployer Plan with respect to which the Borrower or any of its ERISA Affiliates may have any liability by reason of such withdrawal, if such withdrawal could have a Material Adverse Effect, (iii) otherwise fail, or permit any of its ERISA Affiliates to fail, to comply in all material respects with ERISA or the related provisions of the Internal Revenue Code if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect, or (iv) fail, or permit any of its Subsidiaries to fail, to comply with Applicable Law with respect to any Foreign Plan if such noncompliances, singly or in the aggregate, could have a Material Adverse Effect.

(g) **Margin Stock.** Use the proceeds of any Extension of Credit to buy or carry Margin Stock.

(h) **No Violation of Anti-Corruption Laws or Sanctions.** Request any Borrowing or Letter of Credit, or use or permit any of its Subsidiaries or its or their respective directors, officers, employees and agents to use, directly or, to the actual knowledge of the Borrower or any of its Subsidiaries, indirectly, any Letter of Credit or the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.03 Financial Covenant.

So long as any Advance shall remain unpaid, any Letter of Credit shall remain outstanding or any Lender shall have any Commitment hereunder, the Borrower will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.000.

ARTICLE VI EVENTS OF DEFAULT

SECTION 6.01 Events of Default.

If any of the following events ("**Events of Default**") shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance or any reimbursement obligation with respect to any Letter of Credit pursuant to Section 2.04(d) when the same becomes due and payable, or shall fail to pay any interest on any Advance or make any other payment of fees or other amounts payable under this Agreement within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) (i) The Borrower shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(a), 5.01(i)(iii) or 5.02 (other than Section 5.02(f)), or (ii) the Borrower shall fail

to provide Cash Collateral in accordance with Section 2.04(b), 2.09(b), 8.16(a)(v) or 8.17, or (iii) the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) Any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Borrower (but excluding Debt outstanding hereunder) or any Significant Subsidiary outstanding in a principal or notional amount of at least \$100,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than (x) by a regularly scheduled required prepayment or redemption or (y) any event or condition which results in the conversion of such Debt constituting convertible indebtedness of the Borrower or any Significant Subsidiary pursuant to its terms, into (i) common stock of the Borrower or such Significant Subsidiary (or other securities or property following a merger event, reclassification or other change of the common stock of the Borrower or such Significant Subsidiary), (ii) cash or (iii) a combination of such common stock and cash, unless such conversion results from a default thereunder or an event of the type that constitutes an Event of Default), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(e) The Borrower or any Significant Subsidiary 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 the Borrower or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) (i) Any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that as of the date hereof was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 30% of the Borrower’s Voting Stock shall acquire a beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act), directly or indirectly, of Voting Stock of the Borrower (or other securities convertible into such Voting Stock) representing 30% or more of the combined voting power of all Voting Stock of the Borrower; or (ii) during any period of up to 24 consecutive months, commencing after the date hereof, individuals who at the beginning of such 24-month period were directors of the Borrower shall cease for any reason to constitute a majority of the board of directors of the Borrower, *provided* that any person becoming a director subsequent to the date hereof, whose election, or nomination for election by the Borrower’s shareholders, was approved by a vote of at least a majority of the directors of the board of directors of the Borrower as comprised as of the date hereof shall be, for purposes of this provision, considered as though such person were a member of the board as of the date hereof; or

(g) Any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Borrower or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Borrower or any Significant Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) (i) The termination of or withdrawal from the United Mine Workers’ of America 1974 Pension Trust by the Borrower or any of its ERISA Affiliates shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Borrower and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000;

then, and in any such event, the Administrative Agent (i) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the obligation of each Lender and each LC Issuing Bank to make Extensions of Credit to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Required Lenders, by notice to the Borrower, declare the outstanding Borrowings, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the outstanding Borrowings, all such interest and all such amounts shall become and be forthwith due and payable by the Borrower, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, (A) the obligation of each Lender and each LC Issuing Bank to make Extensions of Credit shall automatically be terminated and (B) the outstanding Borrowings, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

SECTION 6.02 Actions in Respect of the Letters of Credit upon Default.

If any Event of Default described in Section 6.01(e) shall have occurred and be continuing or the Borrowings shall have otherwise been accelerated or the Commitments terminated pursuant to Section 6.01, then the Administrative Agent may, or shall at the request of the Required Lenders, make demand upon the Borrower to, and forthwith upon such demand the Borrower will, deposit in the LC Collateral Account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders and LC Issuing Banks, in same day funds, an amount equal to 103% of the aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date. If at any time the Administrative Agent determines that any funds held in the LC Collateral Account are subject to any right or claim of any Person other than the Administrative Agent, the Lenders and the LC Issuing Banks or that the total amount of such funds is less than 103% of the aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date, the Borrower will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the LC Collateral Account, an amount equal to the excess of (i) 103% of such aggregate undrawn stated amounts of all Letters of Credit that are outstanding on such date over (ii) the total amount of funds, if any, then held in the LC Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit in the LC Collateral Account, such funds shall be applied to reimburse the relevant LC Issuing Bank or Lender holding a participation in the reimbursement obligation of the Borrower to such LC Issuing Bank to the extent permitted by applicable law.

ARTICLE VII THE ADMINISTRATIVE AGENT

SECTION 7.01 Authorization and Action.

Each Lender and each LC Issuing Bank hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters expressly provided for in this Agreement as being subject to the discretion of the Administrative Agent, such matters shall be subject to the sole discretion of the Administrative Agent, its directors, officers, agents and employees. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the outstanding Borrowings), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or Applicable Law. The Administrative Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02 Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the generality of the foregoing, the Administrative Agent: (i) may treat each Lender recorded in the Register as the owner of the Commitment recorded for such Lender in the Register until the Administrative Agent receives and accepts an Assignment and Assumption entered into by such Lender, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07 and except as provided otherwise in Section 8.16; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Lender or to inspect the property (including the books and records) of any Lender; (v) shall not be responsible to any Lender for the

due execution, legality, validity, enforceability, genuineness, sufficiency or value of, this Agreement or any other instrument or document furnished pursuant thereto; (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by fax) believed by it to be genuine and signed or sent by the proper party or parties; and (vii) shall not have any fiduciary duty to any other Lender.

SECTION 7.03 Administrative Agent and its Affiliates.

With respect to its Commitments and the Advances made by it, the Person serving as Administrative Agent shall have the same rights and powers in its capacity as a Lender under this Agreement as any other Lender and may exercise the same as though it were not the Administrative

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Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, own securities of, act as the financial advisor for, accept investment banking engagements from and generally engage in any kind of business with, the Borrower, any Lender and any of their respective Subsidiaries or Affiliates thereof as if such Person were not the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 7.04 Lender Credit Decision.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05 Indemnification.

Each Lender severally agrees to indemnify the Administrative Agent, each LC Issuing Bank and each of their respective Related Parties (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so) from and against such Lender's ratable share (determined as provided below) of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent, such LC Issuing Bank or such Related Party in any way relating to or arising out of this Agreement or any action taken or omitted by such Person under this Agreement; *provided, however*, that no Lender shall be liable, as to the Administrative Agent, any LC Issuing Bank or any Related Party of any of the foregoing, for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of such Person as determined in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent, each LC Issuing Bank and each Related Party of any of the foregoing promptly upon demand for its ratable share of any costs and expenses (including, without limitation, fees and reasonable expenses of counsel) payable by the Borrower under Section 8.04, to the extent that the Administrative Agent, such LC Issuing Bank or such Related Party is not promptly reimbursed for such costs and expenses by the Borrower after request therefor and without limiting the Borrower's obligation to do so. For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of (i) the aggregate principal amount of the Advances outstanding at such time and owing to the respective Lenders and (ii) the aggregate unused portions of their respective Commitments at such time. In the event that any Lender shall have failed to make any Advance as required hereunder, such Lender's Commitment shall be considered to be unused for purposes of this Section 7.05 to the extent of the amount of such Advance. The failure of any Lender to reimburse the Administrative Agent, any LC Issuing Bank or any Related Party of any of the foregoing promptly upon demand for its ratable share of any amount required to be paid by the Lender to the Administrative Agent, such LC Issuing Bank or such Related Party as provided herein shall not relieve any other Lender of its obligation hereunder to reimburse the Administrative Agent, such LC Issuing Bank or such Related Party for its ratable share of such amount, but no Lender shall be responsible for the failure of any other Lender to reimburse the Administrative Agent, such LC Issuing Bank or such Related Party for such other Lender's ratable share of such amount. Without

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prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 7.05 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

SECTION 7.06 Erroneous Payments.

(a) Each Lender, each LC Issuing Bank and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or LC Issuing Bank or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender, LC Issuing Bank (each such recipient, a **"Payment Recipient"**) that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 7.06(a), whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an **"Erroneous Payment"**), then, in each case, such Payment Recipient is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance

with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an **"Erroneous Payment Return Deficiency"**), then at the sole discretion of the Administrative Agent and upon the Administrative Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the **"Erroneous Payment Impacted Class"**) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the **"Erroneous Payment Deficiency Assignment"**) plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 8.07 and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this Section 7.06 or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any obligations hereunder owed by the Borrower, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making a payment on the obligations hereunder and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the obligations hereunder, the obligations hereunder or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party's obligations under this Section 7.06 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all obligations hereunder (or any portion thereof) under any Loan Document.

(g) Nothing in this Section 7.06 will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Amendments, Etc.

Subject to Section 8.16(a)(i), no amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall:

(a) unless in writing and signed by all the Lenders (other than, in the case of the following clauses (i) through (iv), any Defaulting Lender), do any of the following:

(i) amend Section 3.01 or 3.02 or waive any of the conditions specified therein,

(ii) increase the aggregate amount of the Commitments (except pursuant to Section 2.07),

(iii) change the definition of Required Lenders or the percentage of the Commitments or of the aggregate unpaid principal amount of the outstanding Borrowings, or the number or percentage of the Lenders, that shall be required for the Lenders or any of them to take any action hereunder, or

(iv) amend or waive Section 2.19, this Section 8.01 or any provision of this Agreement that requires pro rata treatment of the Lenders; or

(b) unless in writing and signed by each Lender that is directly affected thereby, do any of the following:

(i) increase the amount or extend the termination date of such Lender's Commitment, or subject such Lender to any additional obligations,

(ii) reduce the principal of, or interest on, or rate of interest applicable to, the outstanding Advances of such Lender or any fees or other amounts payable to such Lender hereunder, or

(iii) postpone any date fixed for any payment of principal of, or interest on, the outstanding Advances or any fees or other amounts payable to such Lender hereunder; and

provided further that (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent or any LC Issuing Bank in addition to the Lenders required above to take such action, affect the rights or duties of the Administrative Agent or such LC Issuing Bank, as the case may be, under this Agreement, (y) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, each LC Issuing Bank and the Required Lenders, amend or waive Section 8.16 and (z) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent, the Swingline Lender and

the Required Lenders adversely affect the rights or duties of the Swingline Lender under this Agreement; provided, this Agreement may be amended to adjust the borrowing mechanics related to Swingline Advances with only the written consent of the Administrative Agent, the Swingline Lender and the Borrower so long as the obligations of the Lenders, if any, who have not executed such

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amendment are not adversely affected thereby. Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Administrative Agent if (i) by the terms of such agreement the Commitment of each Lender and the obligations of each LC Issuing Bank not consenting to the amendment provided for therein shall terminate (but such Lender or LC Issuing Bank shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04) upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender or LC Issuing Bank not consenting thereto receives payment in full of the principal outstanding amount of and interest accrued on each Advance made by it or any Letter of Credit issued by it and outstanding, as the case may be, and all other amounts owing to it or accrued for its account under this Agreement and is released from its obligations hereunder.

SECTION 8.02 Notices, Etc.

(a) The Borrower hereby agrees that any notice that is required to be delivered to it hereunder shall be delivered to the Borrower as set forth in this Section 8.02. All notices and other communications provided for hereunder shall be in writing (including fax) and mailed, faxed or delivered, if to the Borrower at its address at 1 Riverside Plaza, Columbus, Ohio 43215, Attention: Treasurer (fax: (614) 716-2807; telephone: (614) 716-2208; email: lldieck@aep.com), with a copy to the General Counsel (fax: (614) 716-3440; telephone: (614) 716-3300); if to any Initial Lender, at its Lending Office specified in its Administrative Questionnaire; if to any other Lender, at its Lending Office specified in the Assignment and Assumption pursuant to which it became a Lender; if to the Administrative Agent, at its address at Wells Fargo Bank, National Association, 1525 W. WT Harris Blvd, Charlotte, NC 28262, Mail Code: D1109-019, Attention: Syndication Agency Services (fax: 704-715-0017; telephone: 704-590-2706; email: agencyservices.requests@wellsfargo.com); if to any LC Issuing Bank, at such address as shall be designated by such LC Issuing Bank and notified to the Lenders pursuant to Section 2.04; or, as to the Borrower or the Administrative Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Administrative Agent. All such notices and communications shall be effective when delivered or received at the appropriate address or number to the attention of the appropriate individual or department, except that notices and communications to the Administrative Agent pursuant to Article II, III or VII shall not be effective until received by the Administrative Agent. Delivery by fax or electronic transmission of an executed counterpart of any amendment or waiver of any provision of this Agreement or of any Exhibit hereto to be executed and delivered hereunder shall be effective as delivery of a manually executed counterpart thereof.

(b) The Borrower and the Lenders hereby agree that the Administrative Agent may make any information required to be delivered under Section 5.01(i)(i), (ii), (iv) and (v) (the “**Communications**”) available to the Lenders by posting the Communications on Intralinks, SyndTrak or a substantially similar electronic transmission systems (the “**Platform**”). The Borrower and the Lenders hereby acknowledge that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR

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PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, “**AGENT PARTIES**”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY

FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.03 No Waiver; Remedies.

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04 Costs and Expenses.

(a) The Borrower agrees to pay promptly upon demand all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement and the other documents to be delivered hereunder, including, without limitation, (i) all due diligence, syndication (including printing, distribution and bank meetings), transportation, computer, duplication, appraisal, consultant, and audit expenses and (ii) the reasonable fees and expenses of counsel for the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly upon demand all costs and expenses of the Administrative Agent, the LC Issuing Banks and the Lenders, if any (including, without limitation, counsel fees and expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder, including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent, LC Issuing Banks and the Lenders in connection with the enforcement of rights under this Section 8.04(a).

(b) The Borrower agrees to indemnify and hold harmless each Lender, each LC Issuing Bank and the Administrative Agent and each of their Related Parties (each, an "**Indemnified Party**") from and against any and all claims, damages, losses and liabilities, joint or several, to which any such Indemnified Party may become subject, in each case arising out of or in connection with or relating to (including, without limitation, in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (i) this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit (ii) any error or omission in connection with posting of the data required to be delivered pursuant to Section 5.01(i)(i), (ii) or (iv) on the website of the SEC or any successor website or (iii) the actual or alleged presence of Hazardous Materials on any property of the Borrower or any of its Subsidiaries or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, and to reimburse any Indemnified Party for any and all reasonable expenses (including, without limitation, reasonable fees and expenses of counsel) as they are incurred in connection with the investigation of or preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of the Borrower or any of its Affiliates and whether or not any of the transactions contemplated hereby are consummated or this Agreement is terminated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 8.04(b) applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Extensions of Credit.

(c) If any payment of principal of, or Conversion of, any SOFR Advance is made by the Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion pursuant to Section 2.09, 2.12(d), 2.15 or 2.17, acceleration of the maturity of the outstanding Borrowings pursuant to Section 6.01, the assignment of any such Advance pursuant to Section 2.20(b) or for any other reason (in the case of any such payment or Conversion), or if any prepayment of a SOFR Advance is made on a date other than the date specified in any notice therefor delivered pursuant hereto, the Borrower shall, promptly upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment or Conversion, including, without limitation, any loss (other than loss of Applicable Margin), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in Sections 2.15 and 8.04 shall survive the payment in full of principal, interest and all other amounts payable hereunder.

(e) The Borrower agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or its security holders or creditors related to or arising out of or in connection with this Agreement, the Extensions of Credit or the use or proposed use of

the proceeds thereof, any of the transactions contemplated by any of the foregoing or in the loan documentation or the performance by an Indemnified Party of any of the foregoing (including the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents) except to the extent that any loss, claim, damage, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(f) In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against the Borrower or any of its Affiliates in which such Indemnified Party is not named as a defendant, the Borrower agrees to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and disbursements of its legal counsel.

SECTION 8.05 Right of Set-off.

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the outstanding Borrowings due and payable pursuant to the provisions of Section 6.01, each Credit Party and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Credit Party or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Credit Party, whether or not such Credit Party shall have made any demand under this Agreement and although such obligations may be unmaturing; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 8.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the LC Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations of the Borrower owing to such Defaulting Lender as to which it exercised such right of setoff. Each Credit Party agrees promptly to notify the Borrower after any such set-off and application, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Credit Party and its Affiliates may have.

SECTION 8.06 Binding Effect.

This Agreement shall become effective upon satisfaction of the conditions precedent specified in Section 3.01 and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent, each Lender and each LC Issuing Bank (upon its appointment pursuant to Section 2.04(a)) and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Lenders. None of the Joint Lead Arrangers nor any Person designated as a "Documentation Agent" or a "Syndication Agent" with respect to this Agreement shall have any duties or liabilities under this Agreement other than in its capacity as a Lender.

SECTION 8.07 Assignments and Participations.

(a) **Successors and Assigns of Lenders Generally.** No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Advances at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Advances at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Advances outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Advances of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if the "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, or an integral multiple of \$1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Advances or the Commitment assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall

object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of each LC Issuing Bank and the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (to be paid by the assigning Lender, or, in the case of an assignment pursuant to Section 2.20(b), the Borrower); *provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Advances previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Advances and Commitments in accordance with its Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and

Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.15, 2.18 and 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided*, that except to the extent otherwise expressly agreed in writing by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Assumption delivered to it and a register in which it shall record the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.**

(i) Any Lender may at any time, without the consent of, or notice to, the Borrower, the Administrative Agent, or any LC Issuing Bank, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the LC Issuing Banks and Lenders shall continue to deal solely and directly with such

Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 7.05 with respect to any payments made by such Lender to its Participant(s).

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (ii), (iii) or (iv) of the first sentence of Section 8.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.18, 8.04(b) and 8.04(c) (subject to the requirements and limitations therein, including the requirements under Section 2.18(g) (it being understood that the documentation required under Section 2.18(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.20(b) as if it were an assignee

under subsection (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.18, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.20(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.05 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Commitments, Advances or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Advances, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitments, Advances, Letters of Credit or other obligations are in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 8.08 Confidentiality.

Each of the Administrative Agent, the Lenders and the LC Issuing Banks agree to maintain the confidentiality of the Confidential Information, except that Confidential Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any state, federal or foreign authority or examiner regulating banks, banking or other financial institutions and any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Law or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder or (iii) any credit insurance

provider relating to the Borrower and its obligations; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or this Agreement or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to this Agreement; (h) with the consent of the Borrower; or (i) to the extent such Confidential Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender, and LC Issuing Bank or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any Lender in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments. Any Person required to maintain the confidentiality of Confidential Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Confidential Information as such Person would accord to its own confidential information.

SECTION 8.09 Governing Law.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8.10 Severability; Survival.

(a) In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby.

(b) All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Advances and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the LC Issuing Banks or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Advance or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

SECTION 8.11 Execution in Counterparts; Electronic Execution.

(a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by fax or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or

authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such

Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 8.12 Jurisdiction, Etc.

(a) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK CITY, THE COUNTY OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT IN THE COURTS OF ANY JURISDICTION.

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(b) EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY NEW YORK STATE OR FEDERAL COURT. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

SECTION 8.13 Waiver of Jury Trial.

EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT, EACH LC ISSUING BANK AND EACH LENDER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF THE ADMINISTRATIVE AGENT, ANY LC ISSUING BANK, THE BORROWER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

SECTION 8.14 USA Patriot Act.

Each of the Lenders and the LC Issuing Banks hereby notifies the Borrower that (a) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law as of October 26, 2001)) (as amended, restated, modified or otherwise supplemented from time to time, the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or LC Issuing Bank, as the case may be, to identify the Borrower in accordance with the Patriot Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certification.

SECTION 8.15 No Fiduciary Duty.

Each of the Administrative Agent, each Lender and each of their respective Affiliates and their officers, directors, controlling persons, employees, agents and advisors (collectively, solely for purposes of this Section 8.15, the "Lenders") may have economic interests that conflict with those of the Borrower. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its Affiliates. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its Affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has

consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any

Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

SECTION 8.16 Defaulting Lenders.

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 8.01.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 8.05 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any LC Issuing Bank or the Swingline Lender hereunder; *third*, to Cash Collateralize the LC Issuing Banks' and Swingline Lender's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 8.17; *fourth*, as the Borrower may request (so long as no Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the LC Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 8.17; *sixth*, to the payment of any amounts owing to the Lenders or the LC Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the LC Issuing Banks against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided that*, if (x) such payment is a payment of the principal amount of any Advances or LC Outstandings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and LC Outstandings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or LC Outstandings owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in LC Outstandings and Swingline Advances are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 8.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to

post Cash Collateral pursuant to this Section 8.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.** (A) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.05(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive LC Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 8.17.

(C) With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in LC Outstandings or Swingline Advances that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each LC Issuing Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such LC Issuing Bank's or Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Participations to Reduce Fronting Exposure.** All or any part of such Defaulting Lender's participation in LC Outstandings and Swingline Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) no Event of Default shall have occurred and be continuing, (y) such reallocation does not cause the aggregate Outstanding Credits of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment and (z) such reallocation does not cause the aggregate Outstanding Credits to exceed the aggregate Commitments. Subject to Section 8.20, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Repayment of Swingline Advances; Cash Collateral.** If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, *first*, repay Swingline Advances in an amount equal to the Swingline Lender's Fronting Exposure and, *second*, Cash Collateralize the LC Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 8.17.

(vi) **Reduction of Available Commitments.** The Borrower may terminate the Available Commitment of any Lender that is a Defaulting Lender upon not less than three Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 8.16(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); *provided* that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be

deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any LC Issuing Bank, or any Lender may have against such Defaulting Lender.

(b) **Defaulting Lender Cure.** If the Borrower, the Administrative Agent, the Swingline Lender and each LC Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances and funded and unfunded participations in LC Outstandings and Swingline Advances to be held pro rata by the Lenders in accordance with the Commitments (without giving effect to Section 8.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed in writing by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) **New Swingline Advances/Letters of Credit.** So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Advances unless it is satisfied that it shall have no Fronting Exposure after giving effect to such Swingline Advance, and (ii) no LC Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(d) **Bankruptcy Event of a Parent Company.** If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any LC Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more

other agreements in which such Lender commits to extend credit, no LC Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the LC Issuing Bank shall have entered into arrangements with the Borrower or such Lender, satisfactory to such LC Issuing Bank to defease any risk to it in respect of such Lender hereunder.

SECTION 8.17 Cash Collateral

At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent, any LC Issuing Bank or the Swingline Lender (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the LC Issuing Banks' and/or Swingline Lender's Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 8.16(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) **Grant of Security Interest.** The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of each LC Issuing Bank and the Swingline Lender, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of LC Outstandings and Swingline Advances, to be applied pursuant to subsection (ii) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, each LC Issuing Bank and the Swingline Lender as herein provided, or that the total amount of such

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Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) **Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 8.17 or Section 8.16 in respect of Letters of Credit and Swingline Advances shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of LC Outstandings and Swingline Advances (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) **Termination of Requirement.** Cash Collateral (or the appropriate portion thereof) provided to reduce any LC Issuing Bank's and/or the Swingline Lender's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 8.17 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent, each LC Issuing Bank and the Swingline Advances that there exists excess Cash Collateral; provided that, subject to Section 8.16, the Person providing Cash Collateral and each LC Issuing Bank and the Swingline Lender may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations.

SECTION 8.18 Reallocations.

The Administrative Agent, the Borrower and each Lender agree that upon the effectiveness of this Agreement on the Restatement Effective Date, the amount of such Lender's Commitment is as set forth on Schedule I hereto.

SECTION 8.19 Amendment and Restatement of Existing Credit Agreement.

This Agreement continues in effect the Existing Credit Agreement, and the Existing Credit Agreement shall be amended and restated in its entirety by the terms and provisions of this Agreement, which shall supersede all terms and provisions of the Existing Credit Agreement effective from and after the Restatement Effective Date. This Agreement is not intended to, and shall not, constitute a novation of any indebtedness or other obligations owing by the Borrower under the Existing Credit Agreement or a waiver or release of any indebtedness or other obligations owing, or any "Defaults" or "Events of Default" (each as defined in the Existing Credit Agreement) existing, under the Existing Credit Agreement based on any facts or events occurring or existing at or prior to the execution and delivery of this Agreement.

SECTION 8.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

SECTION 8.21 Benchmark Replacement Setting.

(a) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 8.21(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) **Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) **Notices; Standards for Decisions and Determinations.** The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 8.21(d). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 8.21(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 8.21(c).

(d) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in

its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark

Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period.** Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (A) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Advances to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Advances and (B) any outstanding affected SOFR Advances will be deemed to have been converted to Base Rate Advances at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

SECTION 8.22 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) If a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. If a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect

to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

- (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

AMERICAN ELECTRIC POWER COMPANY, INC., as Borrower

By: /s/ Julie A. Sherwood
Name: Julie A. Sherwood
Title: SVP Treasury & Risk

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swingline Lender, an LC Issuing Bank and a Lender

By: /s/ Patrick Engel
Name: Patrick Engel
Title: Managing Director

BARCLAYS BANK PLC,
as an LC Issuing Bank and a Lender

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

JPMORGAN CHASE BANK, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Khawaja Tariq
Name: Khawaja Tariq
Title: Vice President

BANK OF AMERICA, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Jacqueline G. Margetis
Name: Jacqueline G. Margetis
Title: Director

CITIBANK, N.A.,
as an LC Issuing Bank and a Lender

By: /s/ Richard Rivera
Name: Richard Rivera
Title: Vice President

MIZUHO BANK, LTD.,
as an LC Issuing Bank and a Lender

By: /s/ Edward Sacks
Name: Edward Sacks
Title: Authorized Signatory

MUFG BANK, LTD.,
as an LC Issuing Bank and a Lender

By: /s/ Nietzsche Rodricks
Name: Nietzsche Rodricks
Title: Managing Director

BANK OF NOVA SCOTIA,
as an LC Issuing Bank and a Lender

By: /s/ David Dewar
Name: David Dewar
Title: Director

BANK OF MONTREAL,
as a Lender

By: /s/ Michael Cummings
Name: Michael Cummings
Title: Managing Director

CANADIAN IMPERIAL BANK OF
COMMERCE, NEW YORK BRANCH
as a Lender

By: /s/ Amit Vasani
Name: Amit Vasani
Title: Managing Director

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK,
as a Lender

By: /s/ Page Dillehunt
Name: Page Dillehunt
Title: Managing Director

By: /s/ Michael Willis
Name: Michael Willis
Title: Managing Director

GOLDMAN SACHS BANK USA,
as a Lender

By: /s/ Andrew B. Vernon
Name: Andrew B. Vernon
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Renee M. Bonnell
Name: Renee M. Bonnell
Title: Senior Vice President

MORGAN STANLEY BANK, N.A.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Alicia McMahon
Name: Alicia McMahon
Title: Assistant Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Martina Wellik
Name: Martina Wellik
Title: Authorized Signatory

SUMITOMO MISUI BANKING
CORPORATION,
as a Lender

By: /s/ Alkesh Nanavaty
Name: Alkesh Nanavaty
Title: Executive Director

THE BANK OF NEW YORK MELLON,
as a Lender

By: /s/ Molly H. Ross
Name: Molly H. Ross
Title: Director

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH,
as a Lender

By: /s/ Betty Chang
Name: Betty Chang
Title: Authorized Signatory

TRUIST BANK,
as a Lender

By: /s/ Catherine Strickland
Name: Catherine Strickland
Title: Vice President

U.S. NATIONAL BANK ASSOCIATION,
as a Lender

By: /s/ James O'Shaughnessy
Name: James O'Shaughnessy
Title: Senior Vice President

FIFTH THIRD BANK, NATIONAL
ASSOCIATION,
as a Lender

By: /s/ Stefan Lemire
Name: Stefan Lemire
Title: Assistant Vice President

FIRST NATIONAL BANK OF PENNSYLVANIA,
as a Lender

By: /s/ David Diez
Name: David Diez
Title: Managing Director of Debt Capital Markets

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Matthew Stanisa
Name: Matthew Stanisa
Title: Assistant Vice President

Schedule I

Schedule of Lenders as of the Restatement Effective Date

Lender Name	Commitment
Wells Fargo Bank, National Association	\$275,104,166.66
Barclays Bank PLC	\$275,104,166.66
JPMorgan Chase Bank, N.A.	\$275,104,166.66
Bank of America, N.A.	\$275,104,166.66
Citibank, N.A.	\$275,104,166.66
Mizuho Bank, Ltd.	\$275,104,166.66
MUFG Bank, Ltd.	\$275,104,166.66
The Bank of Nova Scotia	\$275,104,166.66
Bank of Montreal	\$194,166,666.67
Canadian Imperial Bank of Commerce, New York Branch	\$194,166,666.67
Credit Agricole Corporate and Investment Bank	\$194,166,666.67
Goldman Sachs Bank USA	\$194,166,666.67
KeyBank National Association	\$194,166,666.67
Morgan Stanley Bank, N.A.	\$194,166,666.67
PNC Bank, National Association	\$194,166,666.67
Royal Bank of Canada	\$194,166,666.67
Sumitomo Mitsui Banking Corporation	\$194,166,666.67
The Bank of New York Mellon	\$194,166,666.67
The Toronto-Dominion Bank, New York Branch	\$194,166,666.67
Truist Bank	\$194,166,666.67
U.S. Bank National Association	\$194,166,666.67
Fifth Third Bank	\$91,666,666.67
First National Bank of Pennsylvania	\$91,666,666.67
The Huntington National Bank	\$91,666,666.67
Total	\$5,000,000,000.00

Schedule 2.04(j)

Existing Letters of Credit

None.

Schedule 4.01(m)

Significant Subsidiaries

AEP Transmission Holding Company, LLC

AEP Transmission Company, LLC

AEP Texas Inc.

Appalachian Power Company

Indiana Michigan Power Company

Ohio Power Company

Southwestern Electric Power Company

EXHIBIT A

(to the Credit Agreement)

FORM OF NOTICE OF BORROWING

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below

Attention: Syndication Agency Services

[Date]

Ladies and Gentlemen:

The undersigned, American Electric Power Company, Inc., refers to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended or modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among the undersigned, the Lenders party thereto, the LC Issuing Banks party thereto, the Swingline Lender and Wells Fargo Bank, National Association, as Administrative Agent for said Lenders, LC Issuing Banks and Swingline Lender, and hereby gives you notice, irrevocably, pursuant to Section 2.02(a) of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "**Proposed Borrowing**") as required by Section [2.02(a)] [2.03(e)] of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 20__.

(ii) [The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][SOFR Advances].]

(iii) The aggregate amount of the Proposed Borrowing is \$ _____.

(iv) The initial Interest Period for each SOFR Advance made as part of the Proposed Borrowing is [[one][three][six] month[s].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement (other than Section 4.01(e) and the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date hereof, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on the date hereof; and

(B) no event has occurred and is continuing, or would result from the Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default.

Very truly yours,

AMERICAN ELECTRIC POWER COMPANY, INC.

By

Name:

Title:

EXHIBIT B
(to the Credit Agreement)

FORM OF REQUEST FOR ISSUANCE

Wells Fargo Bank, National Association, as Administrative Agent
for the Lenders party
to the Credit Agreement
referred to below
Attention: Syndication Agency Services

[], as LC Issuing Bank

[Date]

Ladies and Gentlemen:

The undersigned, American Electric Power Company, Inc., refers to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended or modified from time to time, the "**Credit Agreement**," the terms defined therein being used herein as therein defined), among the undersigned, the Lenders party thereto, the LC Issuing Banks party thereto, the Swingline Lender and Wells Fargo Bank, National Association, as Administrative Agent for said Lenders, LC Issuing Banks and Swingline Lender, and hereby gives you notice pursuant to Section 2.04(b) of the Credit Agreement that the undersigned hereby requests the issuance of a Letter of Credit (the "**Requested Letter of Credit**") in accordance with the following terms:

(i) the LC Issuing Bank is _____;

(ii) the requested date of [issuance] [extension] [modification] [amendment] of the Requested Letter of Credit (which is a Business Day) is _____;

(iii) the expiration date of the Requested Letter of Credit requested hereby is _____;¹

(iv) the proposed stated amount of the Requested Letter of Credit is _____;²

(v) the beneficiary of the Requested Letter of Credit is _____, with an address at _____; and

(vi) the conditions under which a drawing may be made under the Requested Letter of Credit are as follows: _____; and

(vii) any other additional conditions are as follows: _____.

¹ Date may not be more than one year after the date specified in clause (ii).

² Must be minimum of \$100,000.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the [issuance] [extension] [modification] [amendment] of the Requested Letter of Credit:

(A) the representations and warranties contained in Section 4.01 of the Credit (other than Section 4.01 (e) and the last sentence of Section 4.01(f)) are true and correct in all material respects on and as of the date hereof, before and after giving effect to the [issuance] [extension] [modification] [amendment] of the Requested Letter of Credit and to the application of the proceeds therefrom, as though made on and as of the date hereof; and

(B) no event has occurred and is continuing, or would result from the [issuance] [extension] [modification] [amendment] of the Requested Letter of Credit or from the application of the proceeds therefrom, that constitutes a Default.

AMERICAN ELECTRIC POWER COMPANY, INC.

By

Name:

Title:

EXHIBIT C
(to the Credit Agreement)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] "**Assignor**") and [the][each]² Assignee identified in item 2 below ([the][each, an] "**Assignee**"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the Credit Agreement, and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

- 1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
- 2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
- 3 Select as appropriate.
- 4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]:

2. Assignee[s]:

[Assignee is an [Affiliate][Approved Fund] of [identify Lender]

3. Borrower(s): American Electric Power Company, Inc.
4. Administrative Agent: Wells Fargo Bank, National Association, as the Administrative Agent under the Credit Agreement
5. Credit Agreement: The \$5,000,000,000 Sixth Amended and Restated Credit Agreement dated as of March 28, 2024 among American Electric Power Company, Inc., as the Borrower, the Lenders parties thereto, the LC Issuing Banks parties thereto, the Swingline Lender and Wells Fargo Bank, National Association, as Administrative Agent
6. Assigned Interest[s]:

Assignor[s] ₆	Assignee[s] ₆	Aggregate Amount of Commitment/Advances for all Lenders ₇	Amount of Commitment/Advances Assigned ₈	Percentage Assigned of Commitment/Advances ₈	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date:]₉

[Page break]

-
- 5 List each Assignor, as appropriate.
- 6 List each Assignee, as appropriate.
- 7 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
- 8 Set forth, to at least 9 decimals, as a percentage of the Commitment/Advances of all Lenders thereunder.
- 9 To be completed if the Assignor and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.
-

Effective Date: _____, 20____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹⁰

[NAME OF ASSIGNOR]

By: _____

Title: _____

[NAME OF ASSIGNOR]

By: _____

Title: _____

ASSIGNEE[S]¹¹

[NAME OF ASSIGNEE]

By: _____

Title: _____

[NAME OF ASSIGNEE]

By: _____

Title: _____

¹⁰ Add additional signature blocks as needed.

¹¹ Add additional signature blocks as needed.

[Consented to and]¹² Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: _____

Title: _____

Consented to:

[EACH LC ISSUING BANK], as an LC Issuing Bank

By:

Title:

[WELLS FARGO BANK, NATIONAL ASSOCIATION], as

Swingline Lender

By:

Title:

[Consented to:

AMERICAN ELECTRIC POWER COMPANY, INC.

By:

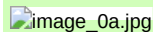
Title:]¹³

¹²To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

¹³To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

ANNEX 1

\$5,000,000,000 Sixth Amended and Restated Credit Agreement dated as of March 28, 2024 among American Electric Power Company, Inc., as the Borrower, the Lenders parties thereto, the LC Issuing Banks parties thereto, the Swingline Lender and Wells Fargo Bank, National Association, as Administrative Agent



STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. **Representations and Warranties.**

- 1.1. **Assignor[s].** [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
- 1.2. **Assignee[s].** [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 8.07 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to clauses (i) and (ii) of Section 5.01(i) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the

Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) agrees that (i) it will, independently and without reliance on the Administrative Agent,

[the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender and (c) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto.

2. **Payments.** From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.
 3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by fax shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.
-

Exhibit D

FORM OF OPINION OF COUNSEL FOR THE BORROWER

To each of the Lenders and LC Issuing Banks party to the Sixth Amended and Restated Credit Agreement referred to below and to Wells Fargo Bank, National Association, as Administrative Agent thereunder

[], 2024

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 3.01(a) of the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (the "Credit Agreement") among American Electric Power Company, Inc. (the "Borrower"), the Lenders party thereto, the LC Issuing Banks party thereto and Wells Fargo Bank, National Association, as Administrative Agent. Terms defined in the Credit Agreement are used herein as therein defined.

I am Senior Counsel for American Electric Power Service Corporation, an affiliate of the Borrower, and have acted as counsel to the Borrower in connection with the preparation, execution and delivery of the Credit Agreement. I am generally familiar with the Borrower's corporate history, properties, operations and charter (including amendments, restatements and supplements thereto).

In connection with this opinion, I, or attorneys over whom I exercise supervision, have examined:

- (1) The Credit Agreement and the promissory notes issued by the Borrower on the date hereof pursuant to Section 2.10(d) of the Credit Agreement (collectively, the "Loan Documents").
- (2) The documents furnished by the Borrower pursuant to Section 3.01 of the Credit Agreement.
- (3) The certificate of incorporation of the Borrower and all amendments thereto.
- (4) The by-laws of the Borrower and all amendments thereto.
- (5) A certificate of the Secretary of State of New York, dated March [], 2024, attesting to the continued existence and good standing of the Borrower in that State.

In addition, I have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower, and agreements, instruments and other documents, as I have deemed necessary as a basis for the opinions expressed below.

In my examination, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. In making our examination of documents and instruments executed or to be executed by persons other than the Borrower, I have assumed that each such other person had the requisite power and authority to enter into and perform fully its obligations thereunder, the due authorization by each such other person for the execution, delivery and performance

thereof and the due execution and delivery thereof by or on behalf of such person of each such document and instrument. In the case of any such person that is not a natural person, I have also assumed, insofar as it is relevant to the opinions set forth below, that each such other person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was created and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified could reasonably be expected to have a material effect upon its ability to execute, deliver and/or perform its obligations under any such document or instrument. I have further assumed that each document, instrument, agreement, record and certificate reviewed by us for purposes of rendering the opinions expressed below has not been amended by any oral agreement, conduct or course of dealing between the parties thereto.

As to questions of fact material to the opinions expressed herein, I have relied upon certificates and representations of officers of the Borrower (including but not limited to those contained in the Credit Agreement and certificates delivered upon the execution and delivery of the Credit Agreement) and of appropriate public officials, without independent verification of such matters except as otherwise described herein.

Whenever my opinions herein with respect to the existence or absence of facts are stated to be to my knowledge or awareness, it is intended to signify that no information has come to my attention that would give me actual knowledge of the existence or absence of such facts. However, except to the extent expressly set forth herein, I have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to my or their knowledge of the existence or absence of such facts should be assumed.

I am a member of the Bar of the States of New York and Ohio and do not purport to be expert on the laws of any jurisdiction other than the laws of the States of New York and Ohio and the Federal laws of the United States. My opinions expressed below are limited to the law of the States of New York and Ohio and the Federal law of the United States.

Based upon the foregoing and upon such investigation as I have deemed necessary, and subject to the limitations, qualifications and assumptions set forth herein, I am of the following opinion:

1. The Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of New York; (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property which it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the date hereof; (c) is duly qualified as a foreign corporation and is in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except any such jurisdiction where the failure to so qualify could not, in the aggregate, reasonably be expected to result in a Material Adverse Change; (d) owns or possesses all material licenses and permits necessary for the operation by it of its business as currently conducted; and (e) is in compliance with all Requirements of Law, except as disclosed in the Disclosure Documents referenced in Section 3.01 of the Credit Agreement or to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The term "Requirements of

Law" means the laws of the State of New York and the laws, rules and regulations of the United States of America (including, without limitation, ERISA and Environmental Laws) and orders of any governmental authority applicable to the Borrower.

2. The Borrower has the corporate power and authority, and the legal right, to execute and deliver the Credit Agreement and to perform its obligations under each of the Credit Agreement and each other Loan Document, and to borrow under the Credit Agreement. The Borrower has taken all necessary corporate action to authorize the execution, delivery and performance of the Credit Agreement and each other Loan Document and the incurrence of Advances on the terms and conditions of the Credit Agreement, and each Loan Document has been duly executed and delivered by the Borrower. The Credit Agreement and each other Loan Document constitutes the valid and legally binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

3. The execution, delivery and performance of the Credit Agreement and each other Loan Document and the Advances made under the Credit Agreement will not violate any Requirements of Law, the Borrower's certificate of incorporation or by-laws, or any material contractual restriction binding on or affecting the Borrower or any of its properties.

4. No approval or authorization or other action by, and no notice to or filing with, any governmental agency or regulatory body or other third person is required in connection with the due execution and delivery of the Credit Agreement or any other Loan Document and the performance, validity and enforceability of the Credit Agreement and any other Loan Document.

5. Except as described in Section 4.01(e) of the Credit Agreement, no action, suit, investigation, litigation, or proceeding, including, without limitation, any Environmental Action, affecting the Borrower or any of its Significant Subsidiaries before any court, government agency or arbitrator is pending or, to my knowledge, threatened, that is reasonably likely to have a Material Adverse Effect.

6. Neither the Borrower nor any of its Significant Subsidiaries is an "investment company", or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Neither the making of any Advances, the application of the proceeds or repayment thereof by the Borrower nor the consummation of the other transactions contemplated by the Credit Agreement will violate any provision of the 1940 Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

The opinion set forth above in the last sentence of paragraph 2 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and to general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law.)

I express no opinion as to (i) Section 8.05 of the Credit Agreement; (ii) the effect of the law of any jurisdiction (other than the State of New York) wherein any Lender may be located which limits the rates of interest which may be charged or collected by such Lender; and (iii) whether a Federal or state court outside of the State of New York would give effect to the choice of New York law provided for in the Credit Agreement.

This opinion letter has been rendered solely for your benefit in connection with the Credit Agreement and the transactions contemplated thereby and may not be used, circulated, quoted, relied upon or otherwise referred to by any other person (other than your respective counsel, auditors and any regulatory agency

having jurisdiction over you or as otherwise required pursuant to legal process or other requirements of law) for any other purpose without my prior written consent; provided that, (i) Winston & Strawn LLP, special counsel for the Administrative Agent, may rely on the opinions expressed in this opinion letter in connection with the opinion to be furnished by them in connection with the transactions contemplated by the Credit Agreement and (ii) any person that becomes a Lender or an LC

Issuing Bank after the date hereof may rely on the opinions expressed in this opinion letter as though addressed to such person. I undertake no responsibility to update or supplement this opinion in response to changes in law or future events or circumstances.

Very truly yours,

David C. House

Counsel for American Electric Power Company, Inc.

EXHIBIT E
(to the Credit Agreement)

[Reserved]

EXHIBIT F-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships
For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders, the LC Issuing Banks named therein, the Swingline Lender and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Administrative Agent and the Borrower, and (2) the undersigned shall have at all times furnished the Administrative Agent and the Borrower with a properly

completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT F-2

FORM OF U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders, the LC Issuing Banks named therein, the Swingline Lender and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT F-3

**FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships
For U.S. Federal Income Tax Purposes)**

**U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)**

Reference is hereby made to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders, the LC Issuing Banks named therein, the Swingline Lender and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:

Name:

Title:

Date: _____, 20[]

EXHIBIT F-4

**FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships
For U.S. Federal Income Tax Purposes)**

**U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)**

Reference is hereby made to the Sixth Amended and Restated Credit Agreement, dated as of March 28, 2024 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among American Electric Power Company, Inc. (the "Borrower"), the Lenders, the LC Issuing Banks named therein, the Swingline Lender and Wells Fargo Bank, National Association, as the administrative agent (the "Administrative Agent") for the Lenders.

Pursuant to the provisions of Section 2.18 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Advance(s) and Commitment (as well as any promissory note(s) evidencing such Advance(s) and Commitment), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Internal Revenue Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Administrative Agent and the Borrower, and (2) the undersigned shall have at all times furnished the Administrative Agent and the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:

Name:

Title:

Date: _____, 20[]

EXECUTIVE SEVERANCE, RELEASE OF ALL CLAIMS AND NONCOMPETITION AGREEMENT

1. This **Severance, Release of All Claims and Noncompetition Agreement** ("Agreement") is entered into by and between **Ann P. Kelly Julia A. Sloat**, hereinafter herein after referred to, together with her their heirs, executors, administrators, successors, assigns and personal representatives, as "Employee", and American Electric Power **Service Corporation, Company Inc.**, hereinafter referred to, together with all its past, present and future affiliated, parent and/or subsidiary organizations and divisions, and all past, present and future officers, directors, members, employees and agents of each, in both their individual and representative capacities, as the **"Company," "Company"**.

2. **Severance Allowance.** Provided the Employee timely executes, returns, and does not revoke this **Agreement and Agreement**; continues to provide services to the **company Company** as required from February 25, 2024 (the "Last Day Worked") up to and including **the Termination Date, April 8, 2024** (the "Separation Date"); and timely affirms, returns, and does not revoke their affirmation; the Company shall provide the following consideration:

(a) **to** Employee (or Employee's estate) a salary and bonus severance in the amount of **\$1,260,000 \$5,760,000** (the "Severance Amount"). The Company shall pay the Severance Amount to Employee according to the following payment schedule:

(i) As of the first regular payroll date of the Company that coincides with or immediately follows the date that is six months after Friday, September 29, 2023 (the "Termination Date"), the Last Day Worked, a payment equal to 50% of the Severance Amount; \$1,440,000; and

(ii) The balance of such Severance Amount shall be paid in 1339 equal bi-weekly installments of \$110,769.23 as of such number of subsequent regular payroll dates of the Company.

Payment under this Section 22(a) shall be made by direct deposit, deposit, by mailing to the last address provided by Employee to the Company, or by such other reasonable method as determined by the Company. Each payment shall be subject subject to such deductions as required by law, law including, if applicable, repayment of the pay advance made to Employee on or about April 12, 2001, that is not deducted from other amounts paid or payable to Employee.

(b) Partial vesting shall apply to Employee's outstanding Performance Share Awards and RSU Awards, as further described in the Summary of Benefits from Andrew Phillip R. Carlin Ulrich, EVP, Chief HR Officer, to Employee, a copy of which is attached hereto as Exhibit A (the "Summary of Benefits").

3. **Consideration.** Employee acknowledges that the benefits described in this Agreement are benefits to which she they would not be entitled but for this Agreement.

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4. **Release and Waiver of Claims.** In exchange for the foregoing benefits, subject to Section 11 of this Agreement (Protected Activity),

(A) **Release and Waiver.** Employee on behalf of Employee and her heirs, executors, administrators, successors, assigns and personal representatives, hereby releases and forever discharges the Company and the Company's long-term disability plans (including any trustees, custodians and administrators engaged in connection with the administration of claims or assets maintained in connection with any such plans) of and from any and all legal, equitable, and administrative claims and demands of every name, type, act and nature, arising out of or existing by reason of any known or unknown act or inaction whatsoever and occurring directly or indirectly as a result of or prior to execution of this Agreement. This release includes, but is not limited to, any claims, charges, complaints, grievances, causes of action (known or unknown), demands, injuries (whether personal, emotional or other), unfair labor practices, or suits arising, directly or indirectly, out of Employee's employment with and/or separation of

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employment from the Company, and includes, but is not limited to claims, charges, complaints, actions, grievances, demands or suits which may be, have, or might have been asserted, whether in contract or in tort, and whether under common law or under federal, state or local statute, regulation or ordinance. Claims, actions and demands released herein include but are not limited to those based on allegations of wrongful discharge, retaliation, personal injury and/or breach of contract; those arising under federal, state or local employment discrimination, fair employment practices, and/or wage and hour laws; and for West Virginia employees, those arising under the West Virginia Human Rights Act; those arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, as amended, the Fair Labor Standards Act, the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers' Benefit Protection Act, the Rehabilitation Act of 1973, the Americans With Disabilities Act ("ADA") and Executive Order 11246, (all as amended); those arising under the Uniformed Services Employment and Re-employment Rights Act of 1994 ("USERRA"), the Worker

Adjustment and Retraining Notification Act ("WARN"), the Labor Management Relations Act ("LMRA"), the National Labor Relations Act ("NLRA"), and the Family and Medical Leave Act ("FMLA"); and those arising under applicable securities laws. Also released are any claims and demands related to entitlement to long-term disability benefits under any Company long-term disability plan. Excluded Employee is waiving any right to recover any individual relief from the Company (including back pay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, lawsuit or other proceeding brought by Employee or on Employee's behalf against the Company pertaining to events occurring directly or indirectly as the result of or prior to execution of this Agreement. The parties intend that this release and waiver of be construed as broadly as the law permits.

(B) Excluded. This release and waiver does not apply to (i) claims are for unemployment or worker's compensation benefits; (ii) any pending or as yet unaccrued worker's compensation/occupational disease claims, vested rights under Company pension and savings plan plans (401k); (iii) claims for benefits participation in or reimbursement under any health and welfare benefits benefit plans (medical, dental and vision) under the terms of such plans, plans; (iv) claims for vested balances and payments under non-qualified deferred compensation plans, plans; (v) and claims which controlling law clearly holds cannot be waived or released by law. Also excluded from this release and waiver of claims are the relocation expenses associated with Employee's 2023 move to Ohio, which the Company has agreed to pay to Employee irrespective of whether Employee executes this Agreement. These expenses include home sale reimbursement, home sale bonus, new home purchase closing cost reimbursement, up to 60 days of duplicate house expense reimbursement, and meals and mileage for her final move trip. To be reimbursed, Employee must submit a request with proper documentation in accordance with the Company's relocation program and do so within 90 calendar days of the effective date of this Agreement or of the event triggering the reimbursement expense, whichever is later. private agreement.

5. **Agreement Not to Compete.** Without American Electric Power Service Corporation's prior written consent, Employee agrees not to, during the 12-month period following the Employee's Termination Date (the "Restricted Period"), for any reason, directly or indirectly either as principal, agent, manager, employee, partner, shareholder, director, officer, consultant or otherwise, become engaged or involved, in a manner that relates to or is similar in nature to the specific duties performed by the Employee at any time during her employment with any the Company, in any business (other than as a less-than three percent (3%) equity owner of any corporation traded on any national, international or regional stock exchange or in the over-the-counter market) that directly competes with the Company in

(a) the business of the harnessing, production, transmission, distribution, marketing or sale of electricity; or the development or operation of transmission facilities or power generation facilities; or

(b) any other business in which the Company is engaged at the termination of the Employee's employment with the Company.

The provisions of this Section 5 shall be limited in scope and be effective only within one or more of the following geographical areas: (A) any state in the United States where the Company has at least U.S. \$25 million in capital deployed as of the Employee's Termination Date; or (B) any state or country with respect to which the Company conducted a business, which, or

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oversight of which, constituted any part of the Employee's employment. The parties intend the above geographical areas to be completely severable and independent, and any invalidity or unenforceability of this Agreement with respect to any one area shall not render this Agreement unenforceable as applied to any one or more of the other areas. Nothing in this Section 5 shall be construed to prohibit the Employee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict the Employee from providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

6. **Cessation of Employment and (where applicable) LTD Benefits.** If Employee has any claim of any benefit entitlement attributable to a disability of Employee, Employee further acknowledges and understands that, as a consequence of accepting the benefits referenced in this Agreement, and signing this Agreement, Employee's employment with the Company is terminated, the payment (if applicable) of any long-term disability benefits will cease, any claim of entitlement to long-term disability benefits is released, and that any existing reduction of employee contributions toward the cost of medical, dental, life and any other coverages will also cease, subject to Employee's rights to continuation of coverages

pursuant to applicable law. In any event, Employee acknowledges that Employee shall no longer be entitled to any continued employment with the Company.

7. **Resignation of Director, Officer and Manager Positions.** To the extent Employee has retained any director, officer and/or manager positions with the Company subsequent to Employee's termination of employment, and to the extent Employee has not already done so, Employee, by executing this Agreement on the date set forth below, hereby resigns, effective immediately, from any and all director, officer and manager positions with the Company.

8. **Neutral Reference.** Employee should direct any request by a prospective employer to the AEPSC Employee Service Center (hr@aep.com or 1-888-237-2363 ext. 5), which is the contact for employment verifications. Such requests will be answered by providing job title, total time employed, and start and/or termination date.

9. **Acknowledgement of Covenants.** Employee affirms that Employee has received a copy of the American Electric Power Executive Severance Plan, as amended, a copy of which is attached hereto as Exhibit B (the "Plan") and shall comply with the provisions in Article VI, during and after the Employee's employment with the Company.

10. **No Admission of Liability.** Employee understands that the Company believes that Employee has no valid claim against the Company and that this Agreement is being offered to give Employee a source of income and benefits while she attempts to obtain other employment. The fact that this Agreement is offered to the Employee in the first place will not be understood as an indication that the Company believes that Employee has been injured, discriminated against, or treated unlawfully in any respect.

11. **Protected Activity.** (a) (A) Employee understands and acknowledges that nothing in this Agreement prohibits, penalizes, or otherwise discourages her them from reporting, providing testimony regarding, or otherwise communicating any nuclear safety concern, workplace safety

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concern, or public safety concern to the U.S. Nuclear Regulatory Commission (NRC) or the U.S. Department of Labor (DOL). Employee further understands and acknowledges that the provisions of this Agreement are not intended to restrict her their communication with, or full cooperation in, proceedings or investigations by any agency relating to nuclear regulatory or

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safety issues. Employee understands that nothing in the Agreement waives her their right to file a claim with the DOL pursuant to Section 211 of the Energy Reorganization Act, but the Employee expressly waives her their right to recover any and all damages or other equitable relief, including, but not limited to reinstatement, back pay, front pay, compensatory damages, attorney fees or costs, that may be awarded to the Employee by the DOL as a result of such a claim.

(b) (B) Nothing in this Agreement (including but not limited to the release and waiver of claims and the confidentiality, cooperation, non-disparagement, return of property and any other limiting provisions) (1) affects or limits Employee's right to challenge the validity of this Agreement under the ADEA or the Older Workers Benefit Protection Act (where Employee is age 40 or older) or (2) prevents Employee from filing a charge or complaint with, from communicating with or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the National Labor Relations Board, the Securities and Exchange Commission, the

Internal Revenue Service, the Department of Justice or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information. This Agreement does not limit any right Employee may have, where eligible, to receive an award from a government agency (and not the Company) for information provided to the government agency.

12. 6. Agreement Not to Compete. Without American Electric Power Service Corporation's prior written consent, Employee agrees not to, during the 24-month period following the Employee's Separation Date (the "Restricted Period"), for any reason, directly or indirectly either as principal, agent, manager, employee, partner, shareholder, director, officer, consultant or otherwise, become engaged or involved, in a manner that relates to or is similar in nature to the specific duties performed by the Employee at any time during their employment with any the Company, in any business (other than as a less-than three percent (3%) equity owner of any corporation traded on any national, international or regional stock exchange or in the over-the-counter market) that directly competes with the Company in

(i) the business of the harnessing, production, transmission, distribution, marketing or sale of electricity; or the development or operation of transmission facilities or power generation facilities; or

(ii) any other business in which the Company is engaged as of the Separation Date.

The provisions of this Section 6 shall be limited in scope and be effective only within one or more of the following geographical areas: (A) any state in the United States where the Company has at least U.S. \$25 million in capital deployed as of the Employee's Separation Date; or (B) any state or country with respect to which the Company conducted a business, which, or oversight of which, constituted any part of the Employee's employment. The parties intend the

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above geographical areas to be completely severable and independent, and any invalidity or unenforceability of this Agreement with respect to any one area shall not render this Agreement unenforceable as applied to any one or more of the other areas. Nothing in this Section 6 shall be construed to prohibit the Employee being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict the Employee from providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

7. Cessation of Employment and (where applicable) LTD Benefits. If Employee has any claim of any benefit entitlement attributable to a disability of Employee, Employee further acknowledges and understands that, as a consequence of accepting the benefits referenced in this Agreement, and signing this Agreement, Employee's employment with the Company is terminated, the payment (if applicable) of any long-term disability benefits will cease, any claim of entitlement to long-term disability benefits is released, and that any existing reduction of employee contributions toward the cost of medical, dental, life and any other coverages will also cease, subject to Employee's rights to continuation of coverages pursuant to applicable law. In any event, Employee acknowledges that Employee shall no longer be entitled to any continued employment with the Company.

8. Resignation of Director, Officer and Manager Positions. To the extent Employee has retained any director, officer and/or manager positions with the Company subsequent to Employee's Last Day Worked, and to the extent Employee has not already done so, Employee, by executing this Agreement on the date set forth below, hereby resigns, effective immediately, from any and all director, officer and/or manager positions with the Company.

9. Acknowledgement of Covenants. Employee reaffirms that Employee is bound by and shall comply with the provisions in Article VI of the American Electric Power Executive Severance Plan, as amended (the "Executive Severance Plan"), a copy of which is attached hereto as Exhibit B, during and after the Employee's employment with the Company.

10. No Admission of Liability. Employee understands that the Company believes that Employee has no valid claim against the Company and that this Agreement is being offered to give Employee a source of income and benefits while they attempt to obtain other employment. The fact that this Agreement is offered to the Employee in the first place will not be understood as an indication that the Company believes that Employee has been injured, discriminated against or treated unlawfully in any respect.

11. Re-employment. Employee agrees and understands that **she they** will not seek **re-employment re-employment** with the Company, and that this Agreement shall act as a complete **defense bar** to any claim of entitlement to employment or re-employment by the Company.

12. Entire Agreement. Employee and the Company acknowledge that this Agreement and the **Plan exhibits hereto** contains the entire agreement and understanding of the parties and that no other representation or agreement of any kind whatsoever has been made to

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Employee by the Company or by any other person or entity to cause Employee to sign this Agreement.

13. Applicable Law. This Agreement shall be governed and interpreted in accordance with the laws of Ohio and applicable federal law.

14. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the Company and Employee agree that such determination shall not affect the other provisions and that all other provisions shall be enforced as if the invalid provision were not a part of this Agreement.

15. EMPLOYEE NOTICE: PLEASE READ CAREFULLY BEFORE SIGNING EXECUTING THIS SEVERANCE, RELEASE OF ALL CLAIMS AND NONCOMPETITION AGREEMENT. AGREEMENT.

You have twenty-one (21) calendar days within which to consider this Agreement. **You may not execute this Agreement until after your Last Day Worked (February 25, 2024). You may execute (accept) this Agreement at any time after your Last Day Worked and within the twenty-one (21) day review period by signing and dating this Agreement and then scanning and emailing it to Phillip R. Ulrich, EVP, Chief HR Officer, prulrich@aep.com.** Should you **sign execute** the Agreement, you have the right to revoke it, in writing, for a period of seven (7) calendar days after you **sign execute** it. Any such revocation **also** should be provided to **Andy Carlin at arcarlin@aep.com. Phillip R. Ulrich, EVP, Chief HR Officer, prulrich@aep.com.** This Agreement shall not become effective or enforceable until the seven-day revocation period has expired. However, if you **sign execute** this Agreement **but and** do not exercise the right to revoke, this Agreement will immediately become a binding and enforceable contract.

You further understand that the Severance Allowance described in Section 2 does not become due or payable unless you affirm your acceptance of this Agreement after your Separation Date (April 8, 2024) as outlined in Section 18, below.

You are advised to consult with an attorney prior to **signing executing** this Agreement. You may have rights or claims arising under the Age Discrimination in Employment Act and/or **the Older**

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Workers Benefit Protection Act. If you work in West Virginia, you are further advised that the toll-free number of the West Virginia State Bar Association is 1-800-642-3617.

16. Capitalized Terms and Definitions. Unless specifically defined herein, capitalized terms in this Agreement shall have the definition **used** described in the **Executive Severance Plan**. Employee acknowledges that **she has they have** received a copy of the **Executive Severance Plan**.

18.17. Conclusion. The parties have read the foregoing Severance, and Release of All Claims and Noncompetition Agreement and fully understand it. They now voluntarily sign this Agreement on the date indicated, signifying their agreement and willingness to be bound by its terms.

ANN P. KELLY AMERICAN ELECTRIC POWER
SERVICE CORPORATION

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EXECUTION OF AGREEMENT

Employee American Electric Power Company, Inc.

/s/ Ann P. Kelly Julia A. Sloat By: /s/ Phillip R. Ulrich

Julia A. Sloat Phillip R. Ulrich

Title: EVP, Chief HR Officer

Dated: 2/26/2024 Dated: 2/26/2024

18. AFFIRMATION OF THIS AGREEMENT. PLEASE READ CAREFULLY. Employee affirms the terms and conditions of the Agreement including but not limited to the waiver and release in Section 4 and the covenants addressed in Sections 6 and 9.

Employee may not affirm this Agreement before the Separation Date (April 8, 2024). If Employee chooses to affirm this Agreement, they must do so by returning a fully executed Agreement, including this Affirmation, no later than April 25, 2024, to Phillip R. Ulrich, EVP, Chief HR Officer, prulrich@aep.com. Employee acknowledges that they had more than twenty-one days in which to consider this Agreement including Section 18 as no terms were changed since its initial execution.

Employee understands they have the right to revoke their Affirmation if they do so in writing within seven (7) calendar days of their signing this Affirmation ("Affirmation Revocation Period"). Any such revocation should be provided to Phillip R. Ulrich, EVP, Chief HR Officer, prulrich@aep.com. This Affirmation is not effective or enforceable until after the Affirmation Revocation Period has expired. However, if Employee signs this Affirmation but does not exercise the right to revoke, Section 18 (the Affirmation) will immediately become a binding and enforceable contract.

You are advised to consult with an attorney prior to signing this Affirmation. You may have rights or claims arising under the Age Discrimination in Employment Act and/or the Older Workers Benefit Protection Act. If you work in West Virginia, you are further advised that the toll-free number of the West Virginia State Bar Association is 1-800-642-3617.

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AFFIRMATION:

I hereby knowingly and voluntarily execute this Affirmation on the date indicated below.

Employee

/s/ Julia A. Sloat

Julia A. Sloat

Dated: 4/9/2024

(This Affirmation must be signed and returned to Phillip R. Ulrich, EVP, Chief HR Officer, prulrich@aep.com between April 9, 2024, and April 25, 2024, to be valid.)

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AIRCRAFT TIME SHARING AGREEMENT

This Aircraft Time Sharing Agreement (the "**Agreement**") is made and entered into as of the 26th day of April, 2024 by and between American Electric Power Service Corporation, a corporation organized and existing under the laws of the State of New York ("**AEP**"), and Benjamin G.S. Fowke, III an individual ("**User**").

WITNESSETH:

WHEREAS, AEP has rightful possession of the aircraft listed in Appendix A, together with the engines and components installed thereon (the "**Aircraft**"). The parties acknowledge that Appendix A may be modified from time to time as AEP aircraft are replaced and that updates of Appendix A do not require a full amendment to this Agreement; and

WHEREAS, User desires use of the Aircraft on a limited basis; and

WHEREAS, AEP desires to make the Aircraft available to User with flight crew on a non-exclusive time sharing basis in accordance with §91.501 of the Federal Aviation Regulations ("**FARs**"); and

WHEREAS, this Agreement sets forth the understanding of the parties as to the terms under which AEP will provide User with the use, on a non-exclusive time sharing basis, of the Aircraft.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Provision of Aircraft and Crew. AEP agrees to provide the Aircraft and flight crew to User on a time sharing basis in accordance with the provisions of §§ 91.501(b)(6), 91.501(c)(1) and 91.501(d) of the FARs. AEP shall provide, at its sole expense, qualified flight crew for all flight operations under this Agreement. User shall be entitled to utilize the Aircraft for a total of up to 40 flight hours per year (excluding deadhead flights). Use in excess of such amount shall be permitted only with the approval of the Chair of the Human Resources Committee ("HRC") of the Board of Directors of American Electric Power Company, Inc. ("AEP Inc.") or, if such position exists and is a separate person at such time, AEP Inc.'s Lead Director, provided however, that either may seek the approval of the full HRC at their discretion prior to responding to any such request.

2. Term. The term of this Agreement shall be for a period of one year and shall be automatically extended for additional one-year terms on the same conditions as set forth herein unless earlier terminated as provided for in Section 17.

3. Reimbursement of Expenses. For each flight conducted under this Agreement (including deadhead flights), User shall pay AEP the sum of the expenses of operating each

specific flight to the extent permitted by FAR 91.501(d)(1) through FAR 91.501(d)(9) (or the successor thereto), i.e. the sum of the expenses set forth in subsections (a) - (i) below:

- (a) Fuel, oil, lubricants, and other additives;
- (b) Actual travel expenses of the crew, including food, lodging, and ground transportation;
- (c) Hangar, tie-down and security costs away from the Aircraft's base of operation;
- (d) Insurance obtained for the specific flight;
- (e) Landing fees, airport taxes, and similar assessments;
- (f) Customs, foreign permit, and similar fees directly related to the flight;
- (g) Incremental catering and other food and beverages;
- (h) Passenger ground transportation; and
- (i) Incremental flight planning and weather contract services required for a specific flight under this Agreement.

4. Invoicing and Payment. All payments to be made to AEP by User hereunder shall be paid in the manner set forth in this Section 4. AEP will pay to suppliers, employees, contractors, and governmental entities all expenses related to the operation of the Aircraft hereunder in the ordinary course. As to each flight operated hereunder, AEP shall provide or cause to be provided to User an invoice for the charges specified in Section 3 of this Agreement (plus domestic or international air transportation excise taxes, as applicable, imposed by the Internal Revenue Code), such invoice to be issued within forty-five (45) days after the end of each month for flights performed within such month. User shall pay AEP the full amount of such invoice within thirty (30) days of the date of the invoice. AEP may net the amount of such invoices from amounts payable from AEP to User including payroll or similar payments. In the event AEP has not received supplier invoices for reimbursable charges relating to such flight prior to such invoicing, AEP may issue supplemental invoice(s) for such charge(s) to User, and User shall pay such charge(s) within thirty (30) days of the date of each supplemental invoice.

5. Flight Requests. User will provide AEP with flight requests and proposed flight schedules as far in advance as possible, and in any case at least twenty-four (24) hours in advance of User's desired departure, except in urgent or emergency situations. Flight requests shall be in a form, whether oral or written, mutually convenient to and agreed upon by the parties. AEP shall notify User as to whether or not the requested use of the Aircraft can be accommodated. AEP's prior planned utilization of the Aircraft will take precedence over User's use and an Aircraft may not be available due to maintenance, operational considerations, crew scheduling or other considerations. AEP shall have sole and exclusive authority over the scheduling of the Aircraft. AEP shall not be liable to User or any other person for loss, injury, or damage occasioned by the delay or failure to furnish the Aircraft and crew pursuant to this Agreement for any reason. In addition to requested schedules and departure times, User shall provide at least the following information for each proposed flight reasonably in advance of the desired departure time as required by AEP or its flight crew:

- (a) departure point;
- (b) destination;
- (c) date and time of flight;

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- (d) number and identity of anticipated passengers (which shall always include User, whether or not there will be additional guests);
- (e) nature of any unusual luggage and/or cargo expected to be carried;
- (f) date and time of return flight, if any;
- (g) the purpose of the trip; and
- (h) any other information concerning the proposed flight that may be pertinent to or required by AEP or its flight crew.

6. Operational Authority and Control. AEP shall be responsible for the physical and technical operation of the Aircraft used under this Agreement and shall retain full authority and control including exclusive operational control and possession of such Aircraft at all times during the use of Aircraft under this Agreement. In accordance with applicable FARs, the qualified flight crew provided by AEP will exercise all required duties and responsibilities in regard to the safety of each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning the preparation of an Aircraft used under this Agreement for flight and the flight itself, the load carried and its distribution, the decision whether or not a flight shall be undertaken, the route to be flown, the place where landings shall be made, and all other matters relating to operation of an Aircraft under this Agreement. User specifically agrees that the flight crew shall have final and complete authority to delay, divert or cancel any

flight for any reason or condition which in the sole judgment of the pilot-in-command could compromise the safety of the flight, and to take any other action which in the sole judgment of the pilot-in-command is necessitated by considerations of safety. No such action of the pilot-in-command shall create or support any liability to User or any other person for loss, injury, damage or delay. The parties further agree that AEP shall not be liable for delay or failure to furnish the Aircraft and crew pursuant to this Agreement, including, for example when such failure is caused by government regulation or authority, mechanical difficulty or breakdown, war, terrorism, civil commotion, strikes or labor disputes, weather conditions, acts of God, or other circumstances beyond AEP's reasonable control. User agrees that AEP's operation of aircraft under this Agreement shall be strictly within the guidelines of the AEP's Flight Operations Department manual and FAR Part 91.

7. Aircraft Maintenance. AEP shall, at its own expense, cause the Aircraft to be inspected, maintained, serviced, repaired, overhauled, and tested in accordance with FAR Part 91 so that the Aircraft will remain in good operating condition and in a condition consistent with its airworthiness certification. Performance of maintenance, preventive maintenance or inspection shall not be delayed or postponed for the purpose of scheduling the Aircraft unless such maintenance or inspection can safely be conducted at a later time in compliance with applicable laws, regulations and requirements, and such delay or postponement is consistent with the sound discretion of the pilot-in-command. In the event that any maintenance is required that will interfere with User's requested or scheduled flights, AEP or AEP's pilot-in-command, shall notify User of the maintenance required, the effect on the ability to comply with User's requested or scheduled flights and the manner and time and date in which the parties may later conduct such flight(s), if at all.

8. Insurance. AEP will maintain or cause to be maintained in full force and effect throughout the term of this Agreement Aviation Liability insurance in respect of the Aircraft listed in Appendix A in an amount at least equal to \$200 million combined single limit for bodily injury to or death of persons (including passengers) and property damage liability (limits may be met with a combination of Excess Liability limits that attach to an Aviation Liability policy). AEP shall (i) make reasonable efforts to provide for thirty (30) days prior written notice to User before any lapse, alteration, termination or cancellation of insurance shall be effective as to User, (ii) request provisions whereby the insurer(s) irrevocably and unconditionally waive all rights of subrogation they may have or acquire against User, (iii) include User as an additional insured, and (iv) have insurer include a cross-liability clause to the effect that such insurance, except for the limits of liability, shall operate to give User the same protection as if there were a separate policy issued to the User.

9. Use of Aircraft. (a) User warrants that:

- (i) User will use the Aircraft under this Agreement for and only for User's own account, including the carriage of his or her guests, and will not use, or hold out the use of, the Aircraft for the purpose of providing transportation of passengers or cargo for compensation or hire;
- (ii) User will not permit any lien, security interest or other charge or encumbrance to attach against the Aircraft as a result of his or her actions or inactions, and shall not convey, mortgage, assign, lease or in any way alienate the Aircraft or AEP's rights hereunder; and
- (iii) During the term of this Agreement, User will abide by and conform to, and will cause all passengers to abide by and conform to, all such laws, governmental and airport orders, rules, and regulations as shall from time to time be in effect relating in any way to the operation or use of the Aircraft.

(b) User's use shall include the use of the Aircraft by his or her family, friends and guests (including spouses, children, parents, employees, etc.) provided they accompany User on the flight and the terms of the use by such other individuals is consistent with the FARs.

10. Limitation of Liability. NEITHER AEP (NOR ITS AFFILIATES, EMPLOYEES, OFFICERS, DIRECTORS, AGENTS OR REPRESENTATIVES) MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO ANY AIRCRAFT TO BE USED HEREUNDER OR ANY ENGINE OR COMPONENT THEREOF INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, AIRWORTHINESS, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR TITLE. USER AGREES THAT ITS SOLE RECOURSE AND EXCLUSIVE REMEDY FOR ANY DAMAGE, LOSS, OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED SHALL BE SUCH PROCEEDS TO WHICH USER IS ENTITLED FROM THE INSURANCE

PROVIDED BY AEP UNDER THIS AGREEMENT. USER HEREBY WAIVES ON BEHALF OF USER AND HIS OR HER HEIRS, EXECUTORS, SUCCESSORS, AND ASSIGNS OF ANY KIND WHATSOEVER ANY RIGHT TO RECOVER ANY DAMAGE, LOSS, OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY EXCEPT AS SPECIFICALLY PROVIDED IN THE PRECEDING SENTENCE. IN NO EVENT SHALL AEP BE LIABLE FOR OR HAVE ANY DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO THE OTHER PARTY FOR ANY CLAIMED INDIRECT, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR FOR ANY DAMAGES REGARDLESS OF WHETHER IT KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGE, LOSS OR EXPENSE. The provisions of this Section 10 shall survive the termination or expiration of this Agreement.

11. Base of Operations. For purposes of this Agreement, the base of operation of the Aircraft is John Glenn International Airport, Columbus, Ohio; provided, that such base may be changed upon notice from AEP to User.

12. Subordination. The parties acknowledge that AEP's possession of Aircraft used under this Agreement is pursuant to one or more lease agreements between AEP and the Party(ies) listed in Appendix A ("**Lessors**") and that (A) any rights of User contained herein are and remain, subject and subordinate to the Lessor's interest in and with respect to the Aircraft under the lease documents, (B) this Agreement shall not convey any lien on, or other property interest in or against the Aircraft used under this Agreement, and (C) User is not permitted any disposition of or to create any lien against the Aircraft.

13. Notices and Communications. All notices and other communications under this Agreement shall be in writing (except as permitted in Section 5) and shall be given (and shall be deemed to have been duly given upon receipt or refusal to accept receipt) by personal delivery, by facsimile, or by a reputable overnight courier service, addressed as follows:

If to AEP: American Electric Power Service Corporation
1 Riverside Plaza, 07
Columbus, Ohio 43215
Attn: Vice President, Applications and Business Solutions

If to User: Benjamin G.S. Fowke, III
1 Riverside Plaza, 30
Columbus, Ohio 43215

or to such other person or address as either party may from time to time designate in writing to the other party. Neither party shall object to the manner or timing of notice for any notice which was actually received by such party.

14. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to its subject matter, and there are no representations, warranties, rights,

obligations, liabilities, conditions, covenants, or agreements other than as expressly set forth herein.

15. **Further Acts.** AEP and User shall from time to time perform such other and further acts and execute such other and further instruments as may be required by law or may be reasonably necessary (i) to carry out the intent and purpose of this Agreement, and (ii) to establish, maintain and protect the respective rights and remedies of the other party.

16. **Successors and Assigns.** Neither this Agreement nor any party's interest herein shall be assignable to any other party. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, representatives and successors.

17. **Termination.** Either party may terminate this Agreement for any reason upon prior written notice to the other, such termination to become effective thirty (30) days from the date of the notice; provided, that this Agreement may be terminated as a result of a breach by either party of its obligations under this Agreement on thirty (30) days' written notice by the non-breaching party to the breaching party; and provided further, that this Agreement may be terminated on such shorter notice as may be required to comply with applicable laws, regulations, the requirements of any financial institution with an interest in the Aircraft, insurance requirements, in the event the insurance to be provided hereunder is not in full force and effect, or the breaching party's acts or omissions violate the terms of such insurance. Notwithstanding any termination of this Agreement, User shall remain responsible for the costs and expenses incurred during the term.

18. **Governing Law and Consent to Jurisdiction.** This Agreement shall be construed under and the legal relations between the parties shall be governed by the laws of the State of Ohio. The parties hereby consent and agree to submit to the exclusive jurisdiction and venue of any state or federal court in the State of Ohio in any proceedings hereunder, and each hereby waives any objection to any such proceedings based on improper venue or forum non-conveniens or similar principles. The parties hereto hereby further consent and agree to the exercise of such personal jurisdiction over them by such courts with respect to any such proceedings, waive any objection to the assertion or exercise of such jurisdiction and consent to process being served in any such proceedings in the manner provided for the giving of notices hereunder.

19. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected or impaired.

20. **Amendment or Modification.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and is not intended to confer upon any person or entity any rights or remedies hereunder which are not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by the parties hereto.

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21. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement, binding on all the parties notwithstanding that all the parties are not signatories to the same counterpart.

22. **TRUTH IN LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS:**

(a) AEP CERTIFIES THAT THE AIRCRAFT HAS BEEN INSPECTED AND MAINTAINED WITHIN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT (OR SUCH SHORTER PERIOD AS AEP SHALL HAVE POSSESSED THE AIRCRAFT) IN ACCORDANCE WITH THE PROVISIONS OF PART 91 OF THE FEDERAL AVIATION REGULATIONS, AND THAT ALL APPLICABLE REQUIREMENTS FOR THE AIRCRAFT'S MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN MET.

(B) AEP AGREES, CERTIFIES AND ACKNOWLEDGES, AS EVIDENCED BY ITS SIGNATURE HEREIN, THAT WHENEVER THE AIRCRAFT IS OPERATED UNDER THIS AGREEMENT, AEP SHALL BE KNOWN AS, CONSIDERED, AND SHALL IN FACT BE THE OPERATOR OF THE AIRCRAFT, AND THAT AEP UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

By: /s/ Joe Brenner

Name: Joe Brenner

Title: Vice President, Applications and Business Solutions

(C) THE PARTIES UNDERSTAND THAT AN EXPLANATION OF FACTORS AND PERTINENT FEDERAL AVIATION REGULATIONS BEARING ON OPERATIONAL CONTROL CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE. USER UNDERSTANDS THAT A TRUE COPY OF THIS AGREEMENT WILL BE SENT BY AEP TO: FEDERAL AVIATION ADMINISTRATION, AIRCRAFT REGISTRATION BRANCH, ATTN. TECHNICAL SECTION (AVN-450), P.O. BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS AFTER ITS EXECUTION, AS REQUIRED BY FAR SECTION 91.23(c)(1). FURTHER, THE PARTIES ACKNOWLEDGE THAT NO OPERATIONS UNDER THIS TIME SHARING AGREEMENT SHALL BE PERMITTED UNTIL TIMELY NOTICE HAS BEEN DELIVERED OF THE FIRST FLIGHT HEREUNDER TO THE FLIGHT STANDARDS DISTRICT OFFICE TO THE POINT OF DEPARTURE AS REQUIRED BY FAR SECTION 91.23(c)(3).

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[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have caused this Aircraft Time Sharing Agreement to be duly executed on the day and year first above written.

American Electric Power USER:

Service Corporation Benjamin G.S. Fowke, III

By: /s/ Joe Brenner By: /s/ Benjamin G.S. Fowke, III

Name: Joe Brenner

Title: Vice President, Applications
and Business Solutions

A legible copy of this Agreement shall be kept in the Aircraft for all operations conducted hereunder as required by FAR Section 91.23(c)(2).

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Appendix A

Listing of Aircraft

Note: The following list of Aircraft is effective as of the date below and may be modified from time to time as AEP aircraft are replaced. This list may be amended without formal amendment to the Agreement by the initial of a replacement Appendix A below.

Make	Model	Serial Number	Registration Number	Lessor
Bombardier Inc.	BD-100-1A10 (CL35) – Challenger 350	20850	N892AE	PNC Equipment Finance LLC
Bombardier Inc.	BD-100-1A10 (CL35) – Challenger 350	20859	N893AE	PNC Equipment Finance LLC
Bombardier Inc.	BD-100-1A10 (CL35) – Challenger 350	20861	N894AE	Peapack Capital Corporation

Date: April 26, 2024

American Electric Power USER:
Service Corporation Benjamin G.S. Fowke, III

Initialed: /s/ PJB Initialed: /s/ BGSE
Name: Joe Brenner
Title: Vice President, Applications
and Business Solutions

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 “**EffectiveDate**”) 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.

"AggregateShareAuthorization" has the meaning set forth in Section 4.01.

"AnnualAwardLimit" 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.

"AwardAgreement" 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 **"BoardofDirectors"** means the Board of Directors of the Company.

"Cash-BasedAward" 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.

"DirectorAward" 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.

"EffectiveDate" 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.

"ExchangeAct" 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.

"FairMarketValue" 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.

"FullValueAward" 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.

"GrantPrice" 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.

"IncentiveStockOption" 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.

"NonqualifiedStockOption" 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.

"OptionPrice" means the price at which a Share may be purchased by a Participant pursuant to an Option.

"OptionTerm" 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.

"OtherStock-BasedAward" 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.

"PerformanceMeasures" 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

"PerformancePeriod" 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.

"PerformanceShare" 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.

"PerformanceUnit" 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.

"PlanYear" means the calendar year.

"PriorPlan" means the American Electric Power System 2015 Long-Term Incentive Plan, last approved by shareholders on April 21, 2015, as amended.

"PriorPlanAward" means an award granted under the Prior Plan that is outstanding as of the Effective Date.

"RestrictedStock" means an Award granted pursuant to Article 8, as set forth therein.

“RestrictedStockUnit” means an Award granted pursuant to Article 8, as set forth therein.

“Share” means a share of common stock of the Company.

“StockAppreciationRight” or **“SAR”** means an Award, designated as an SAR, granted pursuant to Article 7.

“Stock OwnershipParticipant” 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 xx 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) 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.xxx 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 \$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.

Name: Phillip R. Ulrich

Title: Human Resources (b) All Awards shall be subject to the Company's compensation recoupment policy as such policy may be in effect from time to time.

Dated: 10/23/2023 Dated: 10/23/2023 **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.

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AEP CONFIDENTIAL

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EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, **Julia A. Sloat**, **Benjamin G. S. Fowke, III**, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of AEP Texas Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Julia A. Sloat Benjamin G. S. Fowke, III

Julia A. Sloat Benjamin G. S. Fowke, III

Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Julia A. Sloat Benjamin G. S. Fowke, III
 Julia A. Sloat Benjamin G. S. Fowke, III
 Interim Chief Executive Officer

EXHIBIT 31(a)
 CERTIFICATION PURSUANT TO SECTION 302
 OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the

registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Julia A. Sloat, Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~November 2, 2023~~ April 30, 2024

By: ~~/s/ Julia A. Sloat~~ Benjamin G. S. Fowke, III
~~Julia A Sloat~~ Benjamin G. S. Fowke, III
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, ~~Julia A. Sloat~~ Benjamin G. S. Fowke, III, certify that:

1. I have reviewed this report on Form 10-Q of Public Service Company of Oklahoma;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~November 2, 2023~~ April 30, 2024

By: ~~/s/ Julia A. Sloat~~ Benjamin G. S. Fowke, III
~~Julia A. Sloat~~ Benjamin G. S. Fowke, III
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, **Julia A. Sloat**, **Benjamin G. S. Fowke, III**, certify that:

1. I have reviewed this report on Form 10-Q of Southwestern Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** **April 30, 2024**

By: /s/ **Julia A. Sloat** **Benjamin G. S. Fowke, III**
Julia A. Sloat **Benjamin G. S. Fowke, III**
Interim Chief Executive Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

1. I have reviewed this report on Form 10-Q of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the

registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** **April 30, 2024**

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

- I have reviewed this report on Form 10-Q of AEP Texas Inc.;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

1. I have reviewed this report on Form 10-Q of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

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EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

1. I have reviewed this report on Form 10-Q of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

1. I have reviewed this report on Form 10-Q of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

- 1. I have reviewed this report on Form 10-Q of Public Service Company of Oklahoma;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 2, 2023** April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Charles E. Zebula, certify that:

- 1. I have reviewed this report on Form 10-Q of Southwestern Electric Power Company;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 April 30, 2024

By: /s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of American Electric Power Company, Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Transmission Company, LLC (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to AEP Transmission Company, LLC and will be retained by AEP Transmission Company, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Texas Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III

Julia A. Sloat Benjamin G. S. Fowke, III

Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to AEP Texas Inc. and will be retained by AEP Texas Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Appalachian Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III

Julia A. Sloat Benjamin G. S. Fowke, III

Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Appalachian Power Company and will be retained by Appalachian Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Indiana Michigan Power Company (the “Company”) on Form 10-Q (the “Report”) for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Indiana Michigan Power Company and will be retained by Indiana Michigan Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

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This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Ohio Power Company (the “Company”) on Form 10-Q (the “Report”) for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Ohio Power Company and will be retained by Ohio Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Public Service Company of Oklahoma (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Public Service Company of Oklahoma and will be retained by Public Service Company of Oklahoma and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Southwestern Electric Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Julia A. Sloat, Benjamin G. S. Fowke, III, the interim chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Julia A. Sloat Benjamin G. S. Fowke, III
Julia A. Sloat Benjamin G. S. Fowke, III
Interim Chief Executive Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Southwestern Electric Power Company and will be retained by Southwestern Electric Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of American Electric Power Company, Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Transmission Company, LLC (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to AEP Transmission Company, LLC and will be retained by AEP Transmission Company, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the

Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of AEP Texas Inc. (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to AEP Texas Inc. and will be retained by AEP Texas Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Appalachian Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 April 30, 2024

A signed original of this written statement required by Section 906 has been provided to Appalachian Power Company and will be retained by Appalachian Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Indiana Michigan Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to Indiana Michigan Power Company and will be retained by Indiana Michigan Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Ohio Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to Ohio Power Company and will be retained by Ohio Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Public Service Company of Oklahoma (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to Public Service Company of Oklahoma and will be retained by Public Service Company of Oklahoma and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of Southwestern Electric Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof, I, Charles E. Zebula, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles E. Zebula
Charles E. Zebula
Chief Financial Officer

November 2, 2023 **April 30, 2024**

A signed original of this written statement required by Section 906 has been provided to Southwestern Electric Power Company and will be retained by Southwestern Electric Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95

MINE SAFETY INFORMATION

The Federal Mine Safety and Health Act of 1977 (Mine Act) imposes stringent health and safety standards on various mining operations. The Mine Act and its related regulations affect numerous aspects of mining operations, including training of mine personnel, mining procedures, equipment used in mine emergency procedures, mine plans and other matters. SWEPCo, through its ownership of Dolet Hills Lignite Company (DHLC), a wholly-owned lignite mining subsidiary of SWEPCo, is subject to the provisions of the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) requires companies that operate mines to include in their periodic reports filed with the SEC, certain mine safety information covered by the Mine Act. DHLC received the following notices of violation and proposed assessments under the Mine Act for the quarter ended September 30, 2023:

Number of Citations for S&S Violations of Mandatory Health or Safety Standards under 104 *	—
Number of Orders Issued under 104(b) *	—
Number of Citations and Orders for Unwarrantable Failure to Comply with Mandatory Health or Safety Standards under 104(d) *	—
Number of Flagrant Violations under 110(b)(2) *	—
Number of Imminent Danger Orders Issued under 107(a) *	—
Total Dollar Value of Proposed Assessments **	\$ —
Number of Mining-related Fatalities	—

* References to sections under the Mine Act.

** DHLC received no citations during the third quarter of 2023. There were no proposed assessments received this quarter.

There are currently no legal actions pending before the Federal Mine Safety and Health Review Commission.

DISCLAIMER

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