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DELTA REPORT

10-Q

AEP TEXAS INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	4241
CHANGES	505
DELETIONS	1964
ADDITIONS	1772

REFINITIV

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 **June September 30, 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 x 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 x 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	x	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	x
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	x

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 July 30, November 6, 2024
American Electric Power Company, Inc.	532,119,995 532,565,335
	($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

INDEX OF QUARTERLY REPORTS ON FORM 10-Q

June September 30, 2024

Part II. OTHER INFORMATION

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	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.
CAMT	Corporate Alternative Minimum Tax.
CCR	Coal Combustion Residual.
CO_2	Carbon dioxide and other greenhouse gases.
CODM	Chief Operating Decision Maker.
Cook Plant	Donald C. Cook Nuclear Plant, a two-unit, 2,296 MW nuclear plant owned by I&M.
CSAPR	Cross-State Air Pollution Rule.
CWIP	Construction Work in Progress.
DCC Fuel	DCC Fuel XV, DCC Fuel XVI, DCC Fuel XVII, DCC Fuel XVIII, DCC Fuel XIX and DCC Fuel 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.

Term	Meaning
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.
ETR	Effective Tax Rate.
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).
IRP	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.
KPSC	Kentucky Public Service Commission.
KWh	Kilowatt-hour.
LPSC	Louisiana Public Service Commission.
MATS	Mercury and Air Toxic Standards.
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 KPCo 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
NAAQS	National Ambient Air Quality Standards.
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. Oxide.
OCC	Corporation Commission of the State of Oklahoma.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefits.
OTC	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.
PFD	Proposal for Decision.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PLR	Private Letter Ruling.
PM	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.
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.
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.

Term	Meaning
State Transcos	AEPTCo's seven wholly-owned, FERC regulated, transmission only electric utilities, which are geographically aligned with AEP's existing utility operating companies.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.

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 restructuring legislation in Texas.
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.
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.

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 economic impact of increased global conflicts and trade tensions, and the adoption or expansion of economic sanctions, tariffs or trade restrictions.
- Inflationary or deflationary interest rate trends.
- Volatility and disruptions in financial markets precipitated by any cause, including turmoil related to 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 (a) if expected sources of capital such as proceeds from the sale of assets, subsidiaries and tax credits and anticipated securitizations do not materialize or do not materialize at the level anticipated, and (b) during periods when the time lag between incurring costs and recovery is long and the costs are material.
- Decreased Shifting demand for electricity.
- The impact of extreme weather conditions, natural disasters and catastrophic events such as storms, drought conditions and wildfires that pose significant risks including potential litigation and the inability to recover significant damages and restoration costs incurred.
- 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 parties who supply and transport fuel 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 generation nearing the end of its economic life and the ability to build or acquire generation (including from renewable sources), transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed to meet the demand for electricity 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. suppliers caused by pandemics, natural disasters or other events.
- 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 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 efficiently manage operation and maintenance costs.
- 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.
- The impact of changing expectations and demands of customers, regulators, investors and stakeholders, including evolving expectations related to 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, cybersecurity threats, labor strikes impacting material supply chains, global information technology disruptions 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 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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PART I. FINANCIAL INFORMATION

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

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

Earnings Attributable to AEP Common Shareholders decreased remained consistent, slightly increasing from $521 $954 million in 2023 to $340 million $960 million in 2024 primarily due to: 2024.

- *A revenue refund provision related to SWEPCo’s 2012 Texas Base Rate Case and the Turk Plant.*
  - An increase in operating expenses due to the Federal EPA’s revised CCR rule finalized in May 2024.
  - A severance accrual resulting from the voluntary severance program announced in April 2024.

These decreases were partially offset by:

- Favorable rate proceedings in AEP’s various jurisdictions.
- An increase in sales volumes driven by favorable weather and increased load in the commercial customer class.
- Investment in transmission assets, which resulted in higher revenues and income.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

Earnings Attributable to AEP Common Shareholders increased from $918 million $1,872 million in 2023 to $1,343 million $2,303 million in 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.
- An increase in sales volumes driven by favorable weather and increased load in the commercial customer class.
- Investment in transmission assets, which resulted in higher revenues and income.
- A loss on the sale of the competitive contracted renewables portfolio in 2023.

These increases were partially offset by:

- A revenue refund provision related to SWEPCo’s 2012 Texas Base Rate Case and the Turk Plant.
- An increase in operating expenses due to the Federal EPA’s revised CCR rule finalized in May 2024.
- A severance accrual resulting from the voluntary severance program announced in April 2024.

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

Customer Demand

AEP uses sales volumes by customer class as a way to measure significant drivers of customer demand. The percentage change in sales volumes by customer class are shown in the table below:

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AEP’s weather-normalized (a) retail sales volumes Percentage change for the second quarter of 2024 increased by 4.0% from the second quarter of 2023. Weather-normalized **residential sales** decreased by 0.9% in the second quarter of 2024 from the second quarter of 2023. Weather-normalized **commercial sales** increased by 12.4% in the second quarter of 2024 three months ended September 30, 2024 as compared to the second quarter of 2023. three months ended September 30, 2023.

(b) Percentage change for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023.

(c) The increase in commercial sales was primarily due to new data processor loads and economic development. AEP’s second quarter

2024 **industrial sales** volumes increased by 1.1% from SIGNIFICANT DEVELOPMENTS AND TRANSACTIONS

CCR Rule Revisions

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 as well as to establish requirements for currently exempt solid waste management units that involve the direct placement of CCR on the land. In the second quarter of 2023. 2024, AEP evaluated the applicability of the rule to current and former plant sites and recorded a $674 million increase in ARO. See “CCR Rule” section in Environmental Issues below for additional information.

Voluntary Severance Program

In April 2024, management announced a voluntary severance program designed to achieve a reduction in the size of AEP’s workforce. Approximately 7,400 of AEP’s 16,800 employees were eligible to participate in the program. Approximately 1,000 employees chose to take the voluntary severance package and substantially all terminated employment in July 2024. The severance program provides two weeks of base pay for every year of service with a minimum of four weeks and a maximum of 52 weeks of base pay. Certain positions impacted by the voluntary severance program have been and will continue to be refilled to maintain safe, effective and efficient operations. Net savings from the program will help offset increasing operating expenses and high interest costs in order to keep electricity costs affordable for customers. AEP recorded a $122 million pretax expense in the second quarter of 2024 related to this voluntary severance program. The Registrants paid $111 million of the severance benefits in the third quarter of 2024. See Note 13 - Voluntary Severance Program for additional information.

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 and in Michigan in July 2024.In the most recent KPCo, I&M (Indiana jurisdiction), 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.

AEP’s weather-normalized **In April 2024, supportive PLRs for certain** retail **sales jurisdictions were received from the IRS, effective March 2024.** volumes 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 Excess ADIT regulatory liabilities to 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 customers, reduced Excess ADIT regulatory liabilities and recorded favorable impacts to net income in the first quarter of 2024 as shown in the table below:

Company	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.

In the second quarter of 2024, requests seeking to establish a recovery mechanism for these regulatory assets were filed in Indiana, Oklahoma and Texas. In Indiana and Oklahoma, certain intervenors have challenged the recovery, or have proposed ratemaking treatment that would offset the recovery, of the regulatory assets. In the third quarter of 2024, PUCT Staff and certain intervenors in Texas requested a hearing and direct testimony was filed by SWEPCo in October 2024.

Disposition of AEP OnSite Partners

In April 2023, AEP initiated a sales process for its ownership in AEP OnSite 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. In May 2024, AEP signed an agreement to sell AEP OnSite Partners to a nonaffiliated third-party. In September 2024, AEP completed the sale to a nonaffiliated third-party and received cash proceeds of approximately $318 million, net of taxes and transaction costs. The proceeds were used to pay down short-term debt. See the “Disposition of AEP OnSite Partners” section of Note 6 for additional information.

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. Most notably this budget reconciliation legislation created a 15% minimum tax on adjusted financial statement income (CAMT), extended and increased the value of PTCs and ITCs, added a nuclear and clean hydrogen PTC, an energy storage ITC and allowed 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 September 2024, Treasury and the IRS issued proposed regulations on the application of CAMT. AEP and subsidiaries are subject to the CAMT and are expected to incur a liability in 2024. However, any CAMT cash taxes incurred 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 April 2024, the IRS issued final regulations related to the transfer of tax credits. In 2023, AEP, on behalf of PSO, SWEPCo and AEP Energy Supply LLC, entered into transferability agreements with nonaffiliated parties to sell 2023 generated PTCs resulting in cash proceeds of approximately $174 million with $102 million received in 2023, $62 million received in the first quarter of 2024 and the remaining $10 million was received in the second quarter of 2024. In the third quarter of 2024, AEP, on behalf of PSO, SWEPCo and APCo, entered into transferability agreements with nonaffiliated parties to sell 2024 generated PTCs which will result in approximately $137 million of cash proceeds, of which approximately $91 million was received in the third quarter of 2024 and the remaining $46 million is expected to be received in the fourth quarter of 2024 and the first quarter of 2025. 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 six months ended June 30, 2024 increased 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. In the third quarter of 2024, AEP and I&M have included $64 million of estimated Nuclear PTCs within their annualized ETR. Absent specific IRS guidance, AEP and I&M’s estimated 2024 Nuclear PTC was calculated using estimated 2024 gross receipts and forecasted annual generation for the Cook Plant. If, and when, IRS guidance is eventually issued, the value of the estimated Nuclear PTC will be updated to reflect such guidance, if necessary. See Note 11 - Income Taxes for additional information.

New Generation to Support Reliability

The growth of AEP’s regulated generation portfolio reflects the company’s commitment to meet customer’s energy and capacity needs while balancing cost and reliability.

Significant Approved Generation Filings

AEP has received regulatory approvals from various state regulatory commissions to acquire approximately 2,505 MWs of owned renewable generation facilities, totaling approximately $6 billion. The estimated cost of these facilities are included in the Budgeted Capital Expenditures disclosure included in the Financial Condition section below. In addition, AEP has received regulatory approvals for 792 MWs of renewable purchase power agreements. The following table summarizes regulatory approvals received for active renewable projects as of September 30, 2024:

Company	Generation Type	Expected Commercial Operation	Owned/PPA	Generating Capacity
				(in MWs)
APCo	Solar	2024-2027	PPA	339
APCo (a)	Wind	2025-2026	Owned	344
I&M	Solar	2026	PPA	100
I&M	Solar	2027	Owned	469
I&M	Wind/Solar	2025-2027	PPA	280
PSO (b)	Solar	2025-2026	Owned	340
PSO (b)	Wind	2025-2026	Owned	553
SWEPCo (c)	Solar	2025	PPA	73
SWEPCo (c)	Wind	2024-2025	Owned	799
Total Approved Renewable Projects				3,297

(a) APCo issued notice to proceed for the construction of 204 MWs of wind capacity.

(b) PSO issued notices to proceed for the construction of two wind facilities and one solar facility for a combined total capacity of 477 MWs. These facilities reflect the first of the approved projects contemplated within PSO’s 893 MWs of total new renewable generation.

(c) Includes approvals by 3.4% compared the APSC and LPSC for 799 MWs of owned wind projects which have commenced construction. Additionally, the LPSC approved the flex-up option, allowing SWEPCo to provide additional services to Louisiana customers and recover the portion of the projects denied by the PUCT.

In June 2024, PSO entered into a PSA to acquire a 795 MW combined-cycle power generation facility located in Oklahoma. The acquisition is subject to OCC pre-approval including the approval of a rider to allow asset recovery prior to the six months ended June 30, 2023. Weather-normalized **residential sales** decreased inclusion in base rates in a future rate case. The acquisition also requires FERC approval and clearance under the Hart-Scott-Rodino Act. Subject to these approvals, PSO expects to close on the transaction by 0.8% June 30, 2025.

In addition to the generation projects discussed 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, for the six months ended June 30, 2024 compared five year period 2024-2028:

	I&M		KPCo		PSO		SWEPCo		WPCo
	Coal	Natural Gas	Coal	Natural Gas	Natural Gas	Wind	Natural Gas	Wind	Coal
Delivery Start Year	(in MWs)								
2024	230	314	74	80	1,114	29	425	57	72
2025	—	440	—	85	1,150	29	500	157	—
2026	—	—	—	—	980	86	350	100	—
2027	—	210	—	—	260	86	300	100	—
2028	—	1,050	—	—	260	—	300	—	—

Significant Generation Requests for Proposal (RFP)

The table below includes active RFPs issued for both owned and purchased power generation. Unless otherwise noted, RFPs issued are all-source solicitations for accredited capacity. Projects selected will be subject to regulatory approval.

Company	Issuance Date	Projected In-Service Dates	Generating Capacity
			(in MWs)
KPCo (a)	September 2023	2026/2027	1,300
PSO	November 2023	2027/2028	1,500
SWEPCo	January 2024	2028	2,100
APCo (b)	May 2024	2028	1,100
I&M (c)	September 2024	2029	4,000
Total Significant RFPs			10,000

(a) RFP is seeking proposals for PPAs only.

(b) RFP is seeking wind, solar, stand-alone battery energy storage systems and Renewable Energy Certificates.

(c) RFP seeks up to 4,000 MW (cumulatively) from intermittent (wind, solar), non-intermittent (dispatchable), and emerging technology resources.

Regulatory Matters - Utility Rates and Rate Proceedings

The Registrants 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. Depending on the six months ended June 30, 2023. Weather-normalized outcomes, these rate cases and proceedings can have a material impact on results of operations, cash flows and possibly financial condition. AEP is currently involved in the following key proceedings:

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

Completed Base Rate Case Proceedings

Company	Jurisdiction	Annual Base Revenue Increase		Approved ROE	New Rates Effective
		(in millions)			
PSO	Oklahoma	$ 131.0	(a)	9.3%	January 2024
APCo	Virginia	127.0	(b)	9.5%	January 2024
KPCo	Kentucky	60.0	(c)	9.75%	January 2024
I&M	Indiana	62.0	(d)	9.85%	May 2024
I&M	Michigan	17.0		9.86%	July 2024
AEP Texas	Texas	70.0		9.76%	October 2024

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

(b) increased by 11.5% 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 six months ended June 30, 2024 compared to the six months ended June 30, 2023. The 2023 Annual Report for additional information.

(d) A two-step increase in commercial sales Indiana rates with a $28 million annual increase effective May 2024 with the remaining $34 million annual increase effective in January 2025 subject to I&M's level of electric plant in service as of December 31, 2024 in comparison to I&M's 2024 forecasted test year.

Pending Base Rate Case Proceedings

Company	Jurisdiction	Filing Date	Annual Base Revenue Increase Request	Requested ROE
			(in millions)	
PSO	Oklahoma	January 2024	$ 218.0 (a)	10.8%
APCo	Virginia	March 2024	64.0 (b)	10.8%
APCo	West Virginia	November 2024	250.5	10.8%

(a) In October 2024, PSO, the OCC and certain intervenors filed a joint stipulation and settlement agreement with the OCC that included a net annual revenue increase of $120 million based upon a 9.5% ROE. In October 2024, a hearing was held at the OCC and PSO implemented an interim annual base rate increase of $120 million, subject to refund pending a final order by the OCC. An order is expected in the fourth quarter of 2024.

(b) In September 2024, APCo submitted an amendment to its Virginia base case reducing the previously requested annual base rate increase from $95 million to $64 million. Alternatively, the request would be reduced to $45 million if annual environmental compliance consumable expenses are moved from base rates to recovery through APCo's environmental rate adjustment clause. An order is expected in the fourth quarter of 2024.

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 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. In April 2024, the PUCO issued an order approving the settlement agreement. In May 2024, intervenors filed an application for rehearing with the PUCO on the approved settlement agreement and the PUCO denied the intervenors' application for rehearing in June 2024.

SWEPCo 2012 Texas Base Rate Case

In 2012, SWEPCo filed a request with the PUCT to increase annual base rates primarily due to new data processor loads 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 economic development. AEP's **industrial sales** volumes 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.

In December 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 recorded a pretax, non-cash disallowance of $86 million in the fourth quarter of 2023.

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. 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 were not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. 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. In May 2024, the PUCT denied SWEPCo's appeal of the ALJ's March 2024 decision. In the second quarter of 2024, based on the PUCT's decision, SWEPCo recorded a one-time, probable revenue refund provision of $160 million, including interest, associated with revenue collected from February 2013 through December 2023. In June 2024, SWEPCo and parties to the remand proceeding reached an agreement in principle that would resolve all issues in the case. In October 2024, SWEPCo filed the settlement agreement with the PUCT. Under the settlement agreement, SWEPCo will refund over a two-year period $148 million, including interest, associated with revenue collected from February 2013 through December 2023 and remove AFUDC in excess of the Texas jurisdictional capital cost cap from rate base. The settlement is expected to be considered by the PUCT in the fourth quarter of 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 0.7% $52 million, $61 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 six months ended June 30, 2024 compared 2021 rate year, and for such refunds to be reflected in the annual update for the next rate year. Accordingly, in the third quarter of 2024, the AEP transmission owning subsidiaries within SPP provided a portion of the 2021 rate year refunds, with the remainder of the refunds expected to be provided in 2025. The AEP transmission owning subsidiaries within PJM are expected to provide their respective refunds for the 2021 rate year in 2025. 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 six months ended June 30, 2023. FERC, which preserve the non-finality of the FERC's January 2024 orders pending further proceedings on rehearing and appeal. In April 2024, AEPSC 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. In May 2024, AEPSC filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit seeking review of the FERC's January 2024 and March 2024 decisions. In July 2024, the FERC issued orders approving AEPSC's request to reopen the record for the limited purpose of accepting into the record the IRS PLRs and establish additional briefing procedures. In August 2024, AEPSC filed briefs with the FERC requesting the commission modify or overturn their initial orders.

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 Registrants have not yet been directed to make cash refunds related to the 2024, 2023 or 2022 rate years. 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 MWs/477 MWs) of the Turk Plant and operates the facility. As of September 30, 2024, the net book value of the Turk Plant was $1.3 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 first half of 2025, subject to market conditions. As of September 30, 2024, regulatory asset balances expected to be recovered through securitization total $485 million and include: (a) $297 million of plant retirement costs, (b) $79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) $49 million of deferred purchased power expenses, (d) $58 million of under-recovered purchased power rider costs and (e) $2 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. A hearing with the KPSC was previously scheduled to occur in June 2024. The hearing was postponed and has not yet been rescheduled. 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 the KPSC may issue its order in the fourth quarter of 2024 or early 2025. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Virginia Fuel Adjustment Clause (FAC) Review

In 2023, APCo submitted its annual fuel cost filing with the Virginia SCC. Interim Virginia FAC rates were implemented in November 2023. In APCo's 2022 Virginia fuel update filing, the Virginia staff ordered the Virginia Staff to commence an audit of APCo’s fuel costs for the years ended December 31, 2019, 2020, 2021 and 2022. The Virginia staff analyzed APCo’s 2019 through 2022 fuel procurement activities and concluded the procurement practices were reasonable and prudent and recommended no disallowances. In May 2024, the Virginia SCC issued an order approving the audit of APCo’s 2019 and 2020 fuel costs but concluded that the review of APCo fuel costs for 2021 and 2022 remains open for further evaluation. As of September 30, 2024, APCo had a Virginia jurisdictional under-recovered fuel balance of $164 million. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

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 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 February 2024, an Ohio grand jury indictment charged certain former FirstEnergy executives and the former PUCO Chairman and related entities with various crimes, including bribery. In 2021, four AEP shareholders filed derivative actions purporting to assert claims on behalf of AEP against certain AEP officers and directors. In April 2024, AEP reached an agreement with the four shareholders to fully and finally resolve the derivative actions, and the settlement of those actions was approved in October 2024. 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 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 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.

Hurricane Helene

In late September 2024, the remnants of Hurricane Helene significantly impacted APCo’s Virginia and West Virginia service territories leading to approximately 260,000 customer outages and damages to APCo’s power grid. Storm restoration efforts continued into early October and APCo completed restoration efforts for all customers who lost power by October 6th, 2024. As of September 30, 2024, APCo incurred approximately $19 million ($13 million related to the Virginia jurisdiction and $6 million related to the West Virginia jurisdiction) of incremental other operation and maintenance expenses and approximately $8 million of capital expenditures. APCo deferred $16 million of the incremental other operation and maintenance expenses as regulatory assets as the costs are deemed probable of future recovery. Based on the information currently available, APCo estimates total storm restoration costs to be approximately $140 million, of which 70% is expected to be deferred as regulatory assets and the remaining 30% of the costs are expected to be capital expenditures. If any costs related to Hurricane Helene are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Supply Chain Disruption and Inflation Federal Tax Legislation

The Registrants have experienced certain supply chain disruptions driven by several factors including international tensions 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 created a 15% minimum tax on adjusted financial statement income (CAMT), extended and increased the value of PTCs and ITCs, added a nuclear and clean hydrogen PTC, an energy storage ITC and allowed the sale or transfer of tax credits to third-parties for cash. As further significant guidance from Treasury and the ramifications of regional conflict, inflation, labor shortages in certain trades and shortages IRS is expected on the tax provisions in the availability of certain raw materials. These supply chain disruptions have not had a material IRA, AEP will continue to monitor any issued guidance and evaluate the impact on the Registrants' future net income, cash flows and financial condition, but condition.

In September 2024, Treasury and the IRS issued proposed regulations on the application of CAMT. AEP and subsidiaries are subject to the CAMT and are expected to incur a liability in 2024. However, any CAMT cash taxes incurred 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.

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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. In the third quarter of 2024, AEP and I&M have extended lead times included $64 million of estimated Nuclear PTCs within their annualized ETR. Absent specific IRS guidance, AEP and I&M's estimated 2024 Nuclear PTC was calculated using estimated 2024 gross receipts and forecasted annual generation for certain goods the Cook Plant. If, and services and have contributed when, IRS guidance is eventually issued, the value of the estimated Nuclear PTC will be updated to higher prices reflect such guidance, if necessary. See Note 11 - Income Taxes for fuel, materials, labor, equipment and other needed commodities. Management has implemented risk mitigation strategies in an attempt additional information.

New Generation to mitigate the impacts of these supply chain disruptions. Support Reliability

The growth of AEP's regulated generation portfolio reflects the company's commitment to meet customer's energy and capacity needs while balancing cost and reliability.

Significant Approved Generation Filings

AEP has received regulatory approvals from various state regulatory commissions to acquire approximately 2,505 MWs of owned renewable generation facilities, totaling approximately $6 billion. The estimated cost of these facilities are included in the Budgeted Capital Expenditures disclosure included in the Financial Condition section below. In addition, AEP has received regulatory approvals for 792 MWs of renewable purchase power agreements. The following table summarizes regulatory approvals received for active renewable projects as of September 30, 2024:

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(c) Includes approvals by the APSC and LPSC for 799 MWs of owned wind projects which have commenced construction. Additionally, the LPSC approved the flex-up option, allowing SWEPCo to provide additional services to Louisiana customers and recover the portion of the projects denied by the PUCT.

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In addition to the generation projects discussed 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, for the five year period 2024-2028:

	I&M		KPCo		PSO		SWEPCo		WPCo
	Coal	Natural Gas	Coal	Natural Gas	Natural Gas	Wind	Natural Gas	Wind	Coal
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2028	—	1,050	—	—	260	—	300	—	—

Significant Generation Requests for Proposal (RFP)

The table below includes active RFPs issued for both owned and purchased power generation. Unless otherwise noted, RFPs issued are all-source solicitations for accredited capacity. Projects selected will be subject to regulatory approval.

Company	Issuance Date	Projected In-Service Dates	Generating Capacity
			(in MWs)
KPCo (a)	September 2023	2026/2027	1,300
PSO	November 2023	2027/2028	1,500
SWEPCo	January 2024	2028	2,100
APCo (b)	May 2024	2028	1,100
I&M (c)	September 2024	2029	4,000
Total Significant RFPs			10,000

(a) RFP is seeking proposals for PPAs only.

(b) RFP is seeking wind, solar, stand-alone battery energy storage systems and Renewable Energy Certificates.

(c) RFP seeks up to 4,000 MW (cumulatively) from intermittent (wind, solar), non-intermittent (dispatchable), and emerging technology resources.

Regulatory Matters - Utility Rates and Rate Proceedings

The Registrants 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. Depending on the outcomes, these rate cases and proceedings can have a material impact on results of operations, cash flows and possibly financial condition. AEP is currently involved in the following key proceedings:

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

Completed Base Rate Case Proceedings

Company	Jurisdiction	Annual Base Revenue Increase			Approved ROE	New Rates Effective
		(in millions)				
PSO	Oklahoma	$	131.0	(a)	9.3%	January 2024
APCo	Virginia		127.0	(b)	9.5%	January 2024
KPCo	Kentucky		60.0	(c)	9.75%	January 2024
I&M	Indiana		62.0	(d)	9.85%	May 2024
I&M	Michigan		17.0		9.86%	July 2024
AEP Texas	Texas		70.0		9.76%	October 2024

(a) See "2022 Oklahoma Base Rate Case" section of Note 4 in the 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.

(d) A two-step increase in Indiana rates with a $28 million annual increase effective May 2024 with the remaining $34 million annual increase effective in January 2025 subject to I&M's level of electric plant in service as of December 31, 2024 in comparison to I&M's 2024 forecasted test year.

Pending Base Rate Case Proceedings

Company	Jurisdiction	Filing Date	Annual Base Revenue Increase Request			Requested ROE
			(in millions)			
PSO	Oklahoma	January 2024	$	218.0	(a)	10.8%
APCo	Virginia	March 2024		64.0	(b)	10.8%
APCo	West Virginia	November 2024		250.5		10.8%

(a) In October 2024, PSO, the OCC and certain intervenors filed a joint stipulation and settlement agreement with the OCC that included a net annual revenue increase of $120 million based upon a 9.5% ROE. In October 2024, a hearing was held at the OCC and PSO implemented an interim annual base rate increase of $120 million, subject to refund pending a final order by the OCC. An order is expected in the fourth quarter of 2024.

(b) In September 2024, APCo submitted an amendment to its Virginia base case reducing the previously requested annual base rate increase from $95 million to $64 million. Alternatively, the request would be reduced to $45 million if annual environmental compliance consumable expenses are moved from base rates to recovery through APCo's environmental rate adjustment clause. An order is expected in the fourth quarter of 2024.

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 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. In April 2024, the PUCO issued an order approving the settlement agreement. In May 2024, intervenors filed an application for rehearing with the PUCO on the approved settlement agreement and the PUCO denied the intervenors' application for rehearing in June 2024.

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.

In December 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 recorded a pretax, non-cash disallowance of $86 million in the fourth quarter of 2023.

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. 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 were not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. 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. In May 2024, the PUCT denied SWEPCo's appeal of the ALJ's March 2024 decision. In the second quarter of 2024, based on the PUCT's decision, SWEPCo recorded a one-time, probable revenue refund provision of $160 million, including interest, associated with revenue collected from February 2013 through December 2023. In June 2024, SWEPCo and parties to the remand proceeding reached an agreement in principle that would resolve all issues in the case. In October 2024, SWEPCo filed the settlement agreement with the PUCT. Under the settlement agreement, SWEPCo will refund over a two-year period $148 million, including interest, associated with revenue collected from February 2013 through December 2023 and remove AFUDC in excess of the Texas jurisdictional capital cost cap from rate base. The settlement is expected to be considered by the PUCT in the fourth quarter of 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, $61 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. Accordingly, in the third quarter of 2024, the AEP transmission owning subsidiaries within SPP provided a portion of the 2021 rate year refunds, with the remainder of the refunds expected to be provided in 2025. The AEP transmission owning subsidiaries within PJM are expected to provide their respective refunds for the 2021 rate year in 2025. 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, AEPSC 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. In May 2024, AEPSC filed a petition for review with the United States economy has experienced Court of Appeals for the District of Columbia Circuit seeking review of the FERC's January 2024 and March 2024 decisions. In July 2024, the FERC issued orders approving AEPSC's request to reopen the record for the limited purpose of accepting into the record the IRS PLRs and establish additional briefing procedures. In August 2024, AEPSC filed briefs with the FERC requesting the commission modify or overturn their initial orders.

As a significant level result of inflation 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 Registrants have not yet been directed to make cash refunds related to the 2024, 2023 or 2022 rate years. 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 has contributed refunds would be returned to increased uncertainty 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 outlook Vertically Integrated Utilities segment. SWEPCo owns 73% (440 MWs/477 MWs) of the Turk Plant and operates the facility. As of September 30, 2024, the net book value of the Turk Plant was $1.3 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 economic activity, including whether capacity needs and support compliance with SPP's 2023 increased capacity planning reserve margin requirements. In April 2023, intervenors filed testimony recommending the pace APSC deny the Certificate of inflation will continue 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 moderate. A prolonged continuation or allow the merchant portion of the Turk Plant to serve Arkansas customers. As a further increase 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 severity first half of supply chain 2025, subject to market conditions. As of September 30, 2024, regulatory asset balances expected to be recovered through securitization total $485 million and inflationary disruptions could result in additional increases in the cost include: (a) $297 million of certain goods, services plant retirement costs, (b) $79 million of deferred storm costs related to 2020, 2021, 2022 and cost 2023 major storms, (c) $49 million of capital deferred purchased power expenses, (d) $58 million of under-recovered purchased power rider costs and further extend lead times which (e) $2 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.

2024 SIGNIFICANT DEVELOPMENTS AND TRANSACTIONS

CCR Rule Revisions Investigation of the Service, Rates and Facilities of KPCo

In April 2024, June 2023, the Federal EPA finalized revisions 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 CCR Rule 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. A hearing with the KPSC was previously scheduled to expand occur in June 2024. The hearing was postponed and has not yet been rescheduled. If any fines or penalties are levied against KPCo relating to the scope 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 rule to include inactive impoundments at inactive facilities as well as to establish requirements for currently exempt solid waste management units ratemaking methodology that involve limits purchased power costs recoverable through the direct placement of CCR on FAC. A hearing was held in February 2024 and the land. In KPSC may issue its order in the second fourth quarter of 2024 AEP evaluated or early 2025. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Virginia Fuel Adjustment Clause (FAC) Review

In 2023, APCo submitted its annual fuel cost filing with the applicability Virginia SCC. Interim Virginia FAC rates were implemented in November 2023. In APCo's 2022 Virginia fuel update filing, the Virginia staff ordered the Virginia Staff to commence an audit of APCo's fuel costs for the years ended December 31, 2019, 2020, 2021 and 2022. The Virginia staff analyzed APCo's 2019 through 2022 fuel procurement activities and concluded the procurement practices were reasonable and prudent and recommended no disallowances. In May 2024, the Virginia SCC issued an order approving the audit of APCo's 2019 and 2020 fuel costs but concluded that the review of APCo fuel costs for 2021 and 2022 remains open for further evaluation. As of September 30, 2024, APCo had a Virginia jurisdictional under-recovered fuel balance of $164 million. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

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 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 rule 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 February 2024, an Ohio grand jury indictment charged certain former FirstEnergy executives and the former PUCO Chairman and related entities with various crimes, including bribery. In 2021, four AEP shareholders filed derivative actions purporting to current assert claims on behalf of AEP against certain AEP officers and former plant sites directors. In April 2024, AEP reached an agreement with the four shareholders to fully and recorded a $674 million increase finally resolve the derivative actions, and the settlement of those actions was approved in ARO. October 2024. See "CCR Rule" "Litigation Related to Ohio House Bill 6" section in Environmental Issues of Litigation below for additional information.

Voluntary Severance Program In March 2021, the Governor of Ohio signed legislation that, among other things, repealed the payments to the 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 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.

Hurricane Helene

In April late September 2024, management announced a voluntary severance program designed the remnants of Hurricane Helene significantly impacted APCo's Virginia and West Virginia service territories leading to achieve a reduction in the size approximately 260,000 customer outages and damages to APCo's power grid. Storm restoration efforts continued into early October and APCo completed restoration efforts for all customers who lost power by October 6th, 2024. As of AEP's workforce and help offset increasing operating expenses due to inflation and high interest costs in order to keep electricity costs affordable for customers. Approximately 7,400 of AEP's 16,800 employees were eligible to participate in the program. Approximately 1,000 employees have chosen to take the voluntary severance package and substantially all will terminate employment in July 2024. The severance program provides two weeks of base pay for every year of service with a minimum of four weeks and a maximum of 52 weeks of base pay. AEP recorded a $122 million pretax expense in the second quarter of 2024 September 30, 2024, APCo incurred approximately $19 million ($13 million related to this voluntary severance program. See Note 13 - Voluntary Severance Program for additional information.

NOLCs in Retail Jurisdictions - IRS PLRs

The registrants have made rate filings with state commissions the Virginia jurisdiction and $6 million related to transition to stand-alone treatment of NOLCs in retail rate making.The registrants completed the transition in Tennessee, West Virginia jurisdiction) of incremental other operation and Virginia prior to 2024 maintenance expenses and in Michigan in July 2024.In approximately $8 million of capital expenditures. APCo deferred $16 million of the most recent KPCo, I&M (Indiana jurisdiction), PSO incremental other operation and SWEPCo base rate cases, maintenance expenses as regulatory assets as the companies filed to transition to stand-alone rate making which was contingent upon a supportive PLR from costs are deemed probable of future recovery. Based on 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 Excess ADIT regulatory liabilities information currently available, APCo estimates total storm restoration costs to 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 customers, reduced Excess ADIT regulatory liabilities and recorded favorable impacts to net income in the first quarter approximately $140 million, of 2024 as shown in the table below:

Company	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.

In the second quarter of 2024, requests seeking to establish a recovery mechanism for these regulatory assets were filed in Indiana, Oklahoma and Texas.

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 offers electricity 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 1,004,000 customer accounts as of June 30, 2024. In April 2023, AEP management completed the strategic evaluation of AEP Energy and initiated a sale process. In May 2024, management announced AEP will retain AEP Energy.

AEP OnSite Partners

In April 2023, AEP initiated a sales process for its ownership in AEP OnSite 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 June 30, 2024, AEP OnSite Partners owned projects located in 21 states, including approximately 103 MWs of installed solar capacity and two solar projects under construction totaling approximately 8 MWs. As of June 30, 2024, the net book value of the assets and liabilities of AEP OnSite Partners was $341 million.

In May 2024, AEP signed an agreement to sell AEP OnSite Partners to a nonaffiliated third party. AEP has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The sale remains subject to FERC approval under Section 203 of the Federal Power Act and which 70% is expected to close in be deferred as regulatory assets and the third quarter remaining 30% of 2024. AEP expects the costs are expected to receive be capital expenditures. If any costs related to Hurricane Helene are not recoverable, it could reduce future net income and cash proceeds of approximately $315 million, net of taxes flows and transaction costs. See the “Planned Disposition of AEP OnSite Partners” section of Note 6 for additional information. impact financial condition.

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. Most notably this budget reconciliation legislation created a 15% minimum tax on adjusted financial statement income (CAMT), extended and increased the value of PTCs and ITCs, added a nuclear and clean hydrogen PTC, an energy storage ITC and allowed 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 September 2024, Treasury and the IRS issued proposed regulations on the application of CAMT. AEP and subsidiaries are applicable corporations for purposes of subject to the CAMT and are expected to incur a liability in 2024. However, any CAMT cash taxes incurred 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 April 2024, the IRS issued final regulations related to the transfer of tax credits. In 2023, AEP, on behalf of PSO, SWEPCo and AEP Energy Supply LLC, entered into transferability agreements with nonaffiliated parties to sell 2023 generated PTCs resulting in cash proceeds of approximately $174 million $174 million with $102 million $102 million received in 2023, $62 million received in the first quarter of 2024 and the remaining $10 million $10 million was received in the second quarter of 2024. In July the third quarter of 2024, AEP, on behalf of PSO, SWEPCo and SWEPCo, APCo, entered into another transferability agreement agreements with a nonaffiliated party parties to sell 2024 generated PTCs which will result in approximately $100 million $137 million of cash proceeds, of which approximately $90 million is expected by $91 million was received in the end third quarter of 2024 and the remainder remaining $46 million is expected to be received in the fourth quarter of 2024 and the first quarter of 2025. 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 In the third quarter of guidance and uncertainty surrounding the computation of gross receipts, 2024, AEP and I&M are unable to estimate have included $64 million of estimated Nuclear PTCs within their annualized ETR. Absent specific IRS guidance, AEP and I&M’s estimated 2024 Nuclear PTC was calculated using estimated 2024 gross receipts and forecasted annual generation for the amount Cook Plant. If, and when, IRS guidance is eventually issued, the value of the estimated Nuclear PTCs earned as of June 30, 2024 and have not included any Nuclear PTCs in the annualized effective tax rate for the second quarter of 2024. PTC will be updated to reflect such guidance, if necessary. See Note 11 - Income Taxes for additional information.

New Generation to Support Reliability

The growth of AEP’s regulated generation portfolio reflects the company’s commitment to meet customer’s energy and capacity needs while balancing cost and reliability.

Significant Approved Generation Filings

AEP has received regulatory approvals from various state regulatory commissions to acquire approximately 2,811 2,505 MWs of owned renewable generation facilities, totaling approximately $6.6 billion $6 billion. The estimated cost of these facilities are included in the Budgeted Capital Expenditures disclosure included in the Financial Condition section below. In addition, AEP has also received regulatory approvals for 612 792 MWs of renewable purchase power agreements. The following table summarizes regulatory approvals received for active renewable projects as of June 30, 2024 September 30, 2024:

Company	Company	Generation Type	Expected Commercial Operation	Owned/PPA	Generating Capacity	Company	Generation Type	Expected Commercial Operation	Owned/PPA	Generating Capacity
									(in MWs)	
APCo										
APCo										
APCo										

APCo (a)
I&M
I&M
PSO (a)
I&M
PSO (a) (b)
SWEPCo (b)
SWEPCo (b)(c)
PSO (b)
SWEPCo (c)
SWEPCo (c)
Total Approved Renewable Projects

(a) APCo issued notice to proceed for the construction of 204 MWs of wind capacity.

(b) PSO issued notices to proceed for the construction of three two wind facilities and one solar facility for a combined total capacity of 477 MWs. These facilities reflect the first of the approved projects contemplated within PSO's 996 893 MWs of total new renewable generation.

(b) (c) Includes approvals by the APSC and LPSC for 999 799 MWs of owned projects. wind projects which have commenced construction. Additionally, the LPSC approved the flex-up option, allowing SWEPCo to provide additional service services to Louisiana customers and recover the portion of the projects denied by the PUCT.

(c) SWEPCo issued notice to proceed for the construction of all 799 MWs of wind capacity.

In June 2024, PSO entered into a PSA to acquire a 795 MW combined-cycle power generation facility located in Oklahoma. The acquisition is subject to OCC pre-approval including the approval of a rider to allow asset recovery prior to the inclusion in base rates in a future rate case. The acquisition also requires FERC approval and clearance under the Hart-Scott-Rodino Act. Subject to these approvals, PSO expects to close on the transaction by June 30, 2025.

In addition to the generation projects discussed 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: year, for the five year period 2024-2028:

		I&M I&M I&M		**KPCo**		**PSO**		**SWEPCo**			**WPCo**		**KPCo**	**PSO**		**SWEPCo**		**WPCo**				
		Coal	**Coal**	**Natural Gas**	**Coal**	**Natural Gas**	**Natural Gas**		**Wind**		**Natural Gas**	**Wind**	**Coal**	**Coal**	**Natural Gas**	**Coal**	**Natural Gas**	**Natural Gas**	**Wind**	**Natural Gas**	**Wind**	**Coal**
Delivery Start Year	**Delivery Start Year**			**(in MWs)**				**Delivery Start Year**			**(in MWs)**											
2024																						
2025																						
2026																						
2027																						
2028																						
After 2028																						

Significant Generation Requests for Proposal (RFP)

The table below includes active RFPs recently issued for both owned and purchased power generation. Unless otherwise noted, RFPs issued are all-source solicitations for accredited capacity. Projects selected will be subject to regulatory approval.

Company Company Company	**Issuance Date**	**Projected In-Service Dates**	**Generating Capacity**	**Issuance Date**	**Projected In-Service Dates**		**Generating Capacity**
						(in MWs)	
KPCo (a)							
KPCo (a)							
KPCo (a)							
PSO							

SWEPCo	
APCo (b)	
I&M (c)	
Total Significant RFPs	

(a) RFP is seeking proposals for PPAs only.

(b) RFP is seeking wind, solar, stand-alone battery energy storage systems and Renewable Energy Certificates.

(c) RFP seeks up to 4,000 MW (cumulatively) from intermittent (wind, solar), non-intermittent (dispatchable), and emerging technology resources.

Regulatory Matters - Utility Rates and Rate Proceedings

The Registrants 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. Depending on the outcomes, these rate cases and proceedings can have a material impact on results of operations, cash flows and possibly financial condition. AEP is currently involved in the following key proceedings. proceedings:

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

Completed Base Rate Case Proceedings

Company	Company	Jurisdiction	Annual Base Revenue Base Revenue Base Revenue Increase (in millions)	Approved ROE	New Rates Effective	Approved Company	Jurisdiction	New Rates Increase	ROE
PSO PSO PSO		Oklahoma	$131.0 (a) (a)	9.3%	January 2024		Oklahoma	$ 131.0 (a) (a)	9.3%
APCo	APCo	Virginia	127.0 (b) (b)	9.5%	January 2024	APCo	Virginia	127.0 (b) (b)	9.5%
KPCo	KPCo	Kentucky	60.0 (c) (c)	9.75%	January 2024	KPCo	Kentucky	60.0 (c) (c)	9.75%
I&M	I&M	Indiana	62.0 (d) (d)	9.85%	May 2024	I&M	Indiana	62.0 (d) (d)	9.85%
I&M	I&M	Michigan	17.0	9.86% 9.86%	July 2024	I&M	Michigan	17.0	9.8
AEP Texas		Texas	70.0	9.76%	October 2024				

(a) See "2022 Oklahoma Base Rate Case" section of Note 4 in the 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.

(d) A phased-in two-step increase in Indiana rates with a $28 million annual increase effective May 2024 with the remaining $34 million annual increase effective in January 2025 subject to I&M's level of electric plant in service as of December 31, 2024 in comparison to I&M's 2024 forecasted test year.

Pending Base Rate Case Proceedings

Company	Company	Jurisdiction	Filing Filing Filing Date	Annual Annual Annual Base Revenue Increase Request	Requested ROE

Company											
Company											
				(in millions)							
				(in millions)							
				(in millions)							
PSO											
PSO											
PSO		Oklahoma		January 2024		$	218.0	(a)	(a)	10.8%	
AEP Texas											
AEP Texas											
AEP Texas											
APCo	APCo	Virginia		March 2024			64.0	(b)	(b)	10.8%	
APCo	APCo	West Virginia		November 2024			250.5		10.8%		10.8%
APCo											

(a) In June October 2024, PSO, the OCC and certain intervenors filed a joint stipulation and settlement agreement with the OCC that included a net annual revenue increase of $120 million based upon a 9.5% ROE. In October 2024, a hearing was held at the OCC and PSO implemented an interim annual base rate increase of $120 million, subject to refund pending a final order by the OCC. An order is expected in the fourth quarter of 2024.

(b) In September 2024, APCo submitted an amendment to its Virginia base case reducing the originally previously requested annual base rate increase from $95 million to $78 million $64 million. Alternatively, the request would be reduced to $45 million if annual environmental compliance consumable expenses are moved from base rates to recovery through APCo's environmental rate adjustment clause. An order is expected in the fourth quarter of 2024.

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 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. In April 2024, the PUCO issued an order approving the settlement agreement. In May 2024, intervenors filed an application for rehearing with the PUCO on the approved settlement agreement and in response OPCo filed an opposition to rehearing. In June 2024, the PUCO denied the intervenors' application for rehearing. rehearing in June 2024.

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, In December 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 were not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. 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. In May 2024, the PUCT denied SWEPCo's appeal of the ALJ's March 2024 decision. In the second quarter of 2024, based on the PUCT's decision, SWEPCo recorded a one-time, probable revenue refund provision of $160 million, including interest, associated with revenue collected from February 2013 through December 2023. The $160 million revenue refund provision represents management's best estimate based on the range of probable refunds between $104 million and $197 million, including interest. In June 2024, SWEPCo and parties to the remand proceeding reached an agreement in principle that would resolve all issues in the case. In October 2024, SWEPCo filed the settlement agreement with the PUCT. Under the settlement agreement, SWEPCo will refund over a two-year period $148 million, including interest, associated with revenue collected from February 2013 through December 2023 and remove AFUDC in excess of the Texas jurisdictional capital cost cap from rate base. The settlement is expected to be filed and considered by the PUCT in the third fourth quarter of 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 $61 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. Accordingly, in the third quarter of 2024, the AEP transmission owning subsidiaries within SPP provided a portion of the 2021 rate year refunds, with the remainder of the refunds expected to be provided in 2025. The AEP transmission owning subsidiaries within PJM are expected to provide their respective refunds for the 2021 rate year in 2025. 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, AEPSC 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. In May 2024, AEPSC filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit seeking review of the FERC's January 2024 and March 2024 decisions. In July 2024, the FERC issued orders approving AEPSC's request to reopen the record for the limited purpose of accepting into the record the IRS PLRs and establish additional briefing procedures. In August 2024, AEPSC is required to file filed briefs with the FERC in requesting the third quarter of 2024. commission modify or overturn their initial orders.

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 Registrants have not yet been directed to make cash refunds related to the 2024, 2023 or 2022 rate years. 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 MWs/477 MWs) of the Turk Plant and operates the facility. As of June 30, 2024 September 30, 2024, the net book value of the Turk Plant was $1.3 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 first half of 2024, 2025, subject to market conditions. As of June 30, 2024 September 30, 2024, regulatory asset balances expected to be recovered through securitization total $481 $485 million and include: (a) $293 $297 million of plant retirement costs, (b) $79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) $48 $49 million of deferred purchased power expenses, (d) $60 $58 million of under-recovered purchased power rider costs and (e) $1 $2 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, A hearing with the KPSC denied KPCo's February 2024 motion. was previously scheduled to occur in June 2024. The June 2024 hearing with the

KPSC was postponed and has not yet been rescheduled. 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 the KPSC may issue its order is expected in the second half fourth quarter of 2024. 2024 or early 2025. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

Virginia Fuel Adjustment Clause (FAC) Review

In 2023, APCo submitted their its annual fuel cost filing with the Virginia SCC. Interim Virginia FAC rates were implemented in November 2023. In APCo's 2022 Virginia fuel update filing, the Virginia staff ordered the Virginia Staff to commence an audit of APCo’s fuel costs for the years ended December 31, 2019, 2020, 2021 and 2022. The Virginia staff analyzed APCo’s 2019 through 2022 fuel procurement activities and concluded the procurement practices were reasonable and prudent and recommended no disallowances. In May 2024, the Virginia SCC issued an order approving the audit of APCo’s 2019 and 2020 fuel costs but concluded that the review of APCo fuel costs for 2021 and 2022 remains open for further evaluation. As of June 30, 2024 September 30, 2024, APCo had a Virginia jurisdictional under-recovered fuel balance of $190 million. $164 million. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition condition.

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 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 February 2024, an Ohio grand jury indictment charged certain former FirstEnergy executives and the former PUCO Chairman and related entities with various crimes, including bribery. In 2021, four AEP shareholders filed derivative actions purporting to assert claims on behalf of AEP against certain AEP officers and directors. In April 2024, AEP reached an agreement with the four shareholders to fully and finally resolve the derivative actions. actions, and the settlement of those actions was approved in October 2024. 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 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 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.

Hurricane Helene

In late September 2024, the remnants of Hurricane Helene significantly impacted APCo’s Virginia and West Virginia service territories leading to approximately 260,000 customer outages and damages to APCo’s power grid. Storm restoration efforts continued into early October and APCo completed restoration efforts for all customers who lost power by October 6th, 2024. As of September 30, 2024, APCo incurred approximately $19 million ($13 million related to the Virginia jurisdiction and $6 million related to the West Virginia jurisdiction) of incremental other operation and maintenance expenses and approximately $8 million of capital expenditures. APCo deferred $16 million of the incremental other operation and maintenance expenses as regulatory assets as the costs are deemed probable of future recovery. Based on the information currently available, APCo estimates total storm restoration costs to be approximately $140 million, of which 70% is expected to be deferred as regulatory assets and the remaining 30% of the costs are expected to be capital expenditures. If any costs related to Hurricane Helene are not recoverable, it could reduce future net income and cash flows and impact financial condition.

Supply Chain Disruption and Inflation

The Registrants have experienced certain supply chain disruptions driven by several factors including international tensions and the ramifications of regional conflict, 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’ 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 seeking to limit the impacts of these supply chain disruptions.

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 to 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.

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. 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 (collectively, the “Derivative Actions”) 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 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. 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. 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. 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.

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 letter from counsel representing the purported AEP shareholder who had 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”) (Litigation Demand). The Litigation Demand is directed to the AEP Board and contains factual allegations involving HB 6 that are generally consistent with those in the Derivative Actions. The Litigation Demand requested, 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 asserting claims similar to the claims asserted in the Derivative Actions. The AEP Board considered the Litigation Demand and formed a committee of the Board (the “Demand Demand Review Committee”) Committee) to investigate, review, monitor and analyze the Litigation Demand and make a recommendation to the AEP Board regarding a reasonable and appropriate response to the same.

In April 2024, AEP reached an agreement with the four shareholders to fully and finally resolve the Derivative Actions and the Litigation Demand, and all claims asserted or that could have been asserted by any AEP shareholder based on the facts alleged, in the manner and upon the terms and conditions set forth in the settlement documents (the “Settlement”) Settlement). In July 2024, the U.S. District Court preliminarily approved the Settlement. Subject to final approval by the Court, the The Settlement includes a payment of $450 thousand for attorneys’ fees and the implementation of certain corporate governance changes outlined in the Settlement, many of which have already been put in place. The Settlement does not include any admission of liability. In October 2024, the event District Court issued an Order and Judgment approving the Settlement is not approved by and granted an Order of Dismissal with Prejudice. Under the Court or the Settlement, all Derivative Actions and have been or will be dismissed, the Litigation Demand are not otherwise settled or dismissed, the defendants will continue to defend against the Derivative Actions has been withdrawn, and the AEP Board will continue to act in response those matters and claims have been resolved pursuant to the Litigation Demand as appropriate. Management does not believe terms of the range of potential losses that is reasonably possible of occurring as a result of either the Derivative Actions or the Litigation Demand will have a material impact on results of operations, cash flows or financial condition. Settlement.

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 Based on these discussions, in the third quarter of 2024, AEP recorded a loss contingency of $19 million in Other Operation expenses on AEP’s statements of income and accrued a corresponding liability in Other Current Liabilities on AEP’s balance sheets. A resolution of the investigation or filed claims the outcome of which cannot be predicted, may subject AEP to civil penalties and other remedial measures. Discussions are continuing and in an amount that could differ from the amount recorded; however, management does not believe the range of potential losses that is reasonably possible of occurring as a result of this investigation, or possible any such resolution thereof, will have a material impact on results of operations, cash flows or financial condition. would be material.

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 assertions related to the CCR Rule (see "CCR Rule" section below for additional information), including 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 any determinations of noncompliance by the Federal EPA with various aspects of the CCR Rule 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, which in June 2024, were dismissed for lack of jurisdiction. 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. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

Litigation Regarding Justice Thermal Coal Contract

In December 2023, 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 in April 2024, APCo filed an amended complaint seeking a 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 validity of the contract termination and asserting counterclaims. Justice Thermal's counterclaims allege that APCo breached The parties entered into a Settlement Agreement and Release pursuant to which the litigation was dismissed with prejudice in September 2024 and each party released the other from all claims relating to the contract assert or the litigation, and as 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 counterclaims. Management is unable to determine a range of potential losses that is reasonably possible of occurring. result this matter has been resolved.

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 Compliance on the Generating Fleet

The rules and environmental control requirements discussed below will have a material impact on AEP's operations. As of June 30, 2024 September 30, 2024, AEP owned generating capacity of approximately 23,200 23,000 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. AEP continues to refine the cost estimates of complying with these rules to identify the best alternative for ensuring compliance with all of the rules while meeting AEP's obligations to provide reliable and affordable electricity.

The costs of complying with new rules 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 and (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 GHG 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 February 2024, the Federal EPA 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 revise their SIPs to include additional requirements, resulting in further emission reductions to ensure that the new standard will be met. Areas around some of AEP's generating facilities may be 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 take some time to 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 were filed in the U.S. Court of Appeals for the District of Columbia Circuit. In early 2018, the Federal EPA announced plans to revisit aspects of the final rule raised by petitioners in petitions for administrative reconsideration, and the court granted the Federal EPA's motion to hold the litigation in abeyance.

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 SO_2 emissions trading program based on CSAPR allowance allocations. Environmental groups filed challenges to these various rulemakings in district courts in the Fifth Circuit and 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 intervened in the Fifth Circuit litigation in support of the Federal EPA. In July 2024, the U.S. District Court for the District of Columbia Circuit entered a consent decree setting deadlines for the Federal EPA to rule on Regional Haze SIPs for 33 states, including Texas. In September 2024, the Federal EPA signed a proposed rule to partially approve and partially disapprove the Texas SIP revision. The deadlines proposed rule was published in the Federal Register in October 2024, initiating a public comment period ending November 14, 2024. The deadline for the Federal EPA to make proposed and take final action on the Texas SIP revision are September 30, 2024 and is May 30, 2025.

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 nonattainment and interfere with maintenance of the 1997 ozone NAAQS and the 1997 and 2006 $PM_{2.5}$ NAAQS in downwind states. CSAPR relies on SO_2 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. AEP has been able to meet the requirements of the revised rule over the 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 provided the Federal EPA with authority to impose a FIP for those states, replacing the SIPs that were disapproved. In August 2023, a FIP (the Good Neighbor Plan) went into effect that further revised the ozone season NO_X budgets under the existing CSAPR program in states to which the FIP applies. As a result of several separate legal challenges brought by states and industry parties in various federal courts, implementation of the FIP has been stayed in all of the states in which AEP operates. In October 2024, the Federal EPA issued a final rule to administratively stay the effectiveness of the Good Neighbor Plan's requirements for all sources covered by that rule as promulgated where an administrative stay was not already in place. The administrative stay of the Good Neighbor Plan's effectiveness for power plants and other industrial facilities in each of the 23 states will remain in place until the Supreme Court lifts its order staying enforcement of the Good Neighbor Plan, other courts lift any judicial orders staying the SIP disapproval action as to the state, and the Federal EPA takes subsequent rulemaking action consistent with any judicial rulings on the merits. Management will continue to monitor the outcome of this litigation and the development of SIPs for any potential impact to operations.

Climate Change, CO_2 Regulation and Energy Policy

In April 2024, the Administrator of the Federal EPA signed new GHG standards and guidelines for new and existing fossil-fuel fired sources. The rule relies on carbon capture and sequestration and natural gas co-firing as means to reduce CO_2 emissions from coal fired plants and carbon capture and sequestration or limited utilization to reduce CO_2 emissions from new gas turbines. The rule also offers early retirement of coal plants in lieu of carbon capture and storage as an alternative means of compliance. 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 best strategy for complying with this and other new rules, discussed below, while ensuring the adequacy of resources to meet customer needs. The rule has been challenged by 27 states, numerous companies, trade associations and others. AEP has joined with several other utilities to challenge the rule and has asked the court to stay the rule during the litigation, and the appeals have been consolidated. In July 2024, the D.C. Circuit U.S. Court of appeals Appeals for the District of Columbia Circuit denied those motions to stay and several parties, including AEP and other utilities, have filed applications with the United States Supreme Court seeking an emergency stay. Management The Supreme Court denied those applications in October 2024 and the litigation will continue to monitor proceed before the outcome U.S. Court of this litigation. Appeals for the District of Columbia Circuit. Excessive costs to comply with environmental regulations have led to the announcement of early plant closures across the country. The Federal EPA's new GHG rules, and suite of other new rules issued simultaneously which are discussed below, are directed at the fossil-

fuel fired electric utility industry 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.

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. Based on the output of these IRPs, in October 2022, AEP has set the modified its intermediate and long-term GHG emission reduction goals. The intermediate goal is an 80% reduction in Scope 1 GHG emissions by 2030 (from a 2005 baseline); and the long-term goal is net-zero Scope 1 and Scope 2 GHG emissions by 2045. AEP's total Scope 1 GHG estimated emissions in 2023 were approximately 43.4 million metric tons, a 68% 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 expects its Scope 1 GHG emissions to vary annually depending on the proportion of its own generation and purchased power used to serve customers as well as load growth on the system.

AEP has made significant progress in reducing CO_2 emissions from its power generation fleet and expects its emissions to continue to decline over the long-term due to the retirement of some coal-fired certain fossil fuel generation units and increased energy efficiency, where there is regulatory support for such activities. 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 as well as load growth on the system. AEP's ability to achieve these its GHG emission goals, is and the modification of such goals in the future, are dependent upon a number of factors including continuing to provide the most cost-efficient and reliable power to customers, having regulatory support to execute on changes in load growth across our service territory, IRPs submitted in various jurisdictions and the preferences of state regulators and policymakers for dispatchable or renewable resource plans, generation resources, evolving RTO requirements, the advancement of carbon-free generation technologies, customer demand for carbon-free energy, potential tariffs, carbon policy and regulation, operational performance of renewable generation, load growth and supply chain costs and constraints.

Excessive costs constraints, and ability to comply with environmental regulations have led to the announcement of early plant closures across the country. The Federal EPA's new GHG rules, and suite of other new rules issued simultaneously which are discussed below, are directed at the fossil-fuel fired electric utility industry and could force use carbon offsets. Based on AEP's most recent analysis, AEP to close additional coal-fired generation facilities earlier than their estimated useful life. If AEP is unable to recover the costs currently projects that achievement of its investments, it net-zero Scope 1 and Scope 2 emissions by 2045 long-term goal would reduce require the development of new carbon-free generation technologies, a decline in forecasted customer load, use of carbon offsets or other future net income and cash flows and impact financial condition. changes.

MATS Rule

In April 2024, the Federal EPA issued a revised MATS rule for power plants. The 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 rule also requires the installation and operation of continuous emissions monitors for PM. Several states and other parties have challenged the rule in the United States Court of Appeals for the District of Columbia Circuit, but it is too soon to management cannot predict the outcome of the litigation. Management is evaluating the impacts of the rule, but does not anticipate any significant challenges complying with the 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 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 provided 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 had filed several applications for additional time to develop alternative disposal capacity at the various plants. AEP has since ceased receiving ash in the ponds subject to the extension requests, completed construction of new CCR Rule compliant facilities and has withdrawn those applications as moot.

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 Gavin Denial, discussed above). The Federal EPA's allegations of noncompliance rely on what AEP and others believe are new interpretations of the CCR Rule requirements. The new interpretations in the January

Actions of the Federal EPA and the Gavin Denial were 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. In June 2024, the United States Court of Appeals for the District of Columbia Circuit held that the Federal EPA's

January actions and statements made in the Gavin Denial did not constitute new agency rules subject to review by the court. The court dismissed the appeals for lack of jurisdiction.

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. To date, the Federal EPA has not taken any action on the pending extension request for the Welsh Plant.

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. Closure may be accomplished by applying an impermeable cover system over the CCR material ("closure in place") or the CCR material may be excavated and placed in a compliant landfill ("closure by removal"). Groundwater monitoring and other analysis over the next three years will provide additional information on the planned closure method. AEP evaluated the applicability of the rule to current and former plant sites and recorded incremental ARO in the second quarter of 2024, as shown in the table below, based on initial cost estimates primarily reflecting compliance with the rule through closure in place and future groundwater monitoring requirements pursuant to the CCR Rule.

Registrant	Increase in ARO	Increase in Generation Property (a)	Increase in Regulatory Assets (b)	Charged to Operating Expenses (c)
	(in millions)			
APCo	$ 312.2	$ 75.6	$ 236.6	$ —
I&M	85.7	—	72.3	13.4
OPCo	52.9	—	—	52.9
PSO	33.7	33.7	—	—
SWEPCo	23.8	23.8	—	—
Non-Registrants	166.1	43.8	46.1	76.2
Total	$ 674.4	$ 176.9	$ 355.0	$ 142.5

(a) ARO is related to a legacy CCR surface impoundment or CCR management unit at an operating generation facility.

(b) ARO is related to a legacy CCR surface impoundment or CCR management unit at a retired generation facility and recognition of a regulatory asset in accordance with the accounting guidance for "Regulated Operations" is supported.

(c) ARO is related to a legacy CCR surface impoundment or CCR management unit and recognition of a regulatory asset in accordance with the accounting guidance for "Regulated Operations" is not yet supported.

As further groundwater monitoring and other analysis is performed, management expects to refine the assumptions and underlying cost estimates used in recording the ARO. These refinements may include, but are not limited to, changes in the expected method of closure, changes in estimated quantities of CCR at each site, the identification of new CCR management units, among other items. These future changes could have a material impact on the ARO and materially reduce future net income and cash flows and further impact financial condition.

AEP will seek cost recovery through regulated rates, including proposal of new regulatory mechanisms for cost recovery where existing mechanisms are not applicable. The rule could have an additional, material adverse impact on net income, cash flows and financial condition if AEP cannot ultimately recover these additional costs of compliance. In June 2024, a third-party Several parties, including AEP and one of its trade associations, have filed a petition petitions for review of the rule with the U.S. Court of Appeals for the D.C. Circuit. One of the parties also filed a motion to stay the rule pending the outcome of the litigation. In November 2024, the court denied the stay motion. Management is also evaluating potential legal challenges to cannot predict the revised rule. outcome of the litigation.

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 required to 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 April 2024, the Federal EPA finalized further revisions to the ELG rule that establish a zero liquid discharge standard for FGD wastewater, 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 by December 31, 2025 to retire by 2034. Management is evaluating the compliance alternatives in the rule, taking into consideration the requirements of the other new rules and their combined impacts to operations. Several appeals have been filed with various federal courts challenging the 2024 ELG rule. SWEPCo has also challenged the rule, by filing a joint appeal with a utility trade association in which AEP participates. The various appeals have been consolidated before the United States Court of Appeals for the Eighth Circuit. SWEPCo and the utility trade association have also moved the court filed a motion to stay the rule during the litigation. litigation, but in October 2024, the court denied the motion. Management cannot predict the outcome of the litigation.

The definition of "waters of the United States" has been subject to rule-making and litigation which has led to inconsistent scope among the 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 June 30, 2024 September 30, 2024, of generating facilities retired or planned for early retirement in advance of the retirement date currently authorized for ratemaking purposes:

Company		(in millions)
Company		(in millions)
Company		(in millions)
PSO		
PSO		
PSO		
SWEPCo		
SWEPCo		
SWEPCo		
SWEPCo		
SWEPCo		
SWEPCo		

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

(b) These amounts represent the amount of annual depreciation that has been collected from customers over the prior 12-month period.

(c) Northeastern Plant, Unit 3 is currently being recovered through 2040.

(d) Represents Arkansas and Texas jurisdictional share.

(e) 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. The Texas share of the Pirkey Plant will be addressed in SWEPCo's next base rate case. See the "Regulated Generating Units" section of Note 4 for additional information.

(f) In November 2020, management announced it will cease using coal at the Welsh Plant in 2028. Management is evaluating a potential conversion to natural gas after 2028 for both units.

(g) Welsh Plant, Unit 1 is being recovered through 2027 in the Louisiana jurisdiction and through 2037 in the Arkansas and Texas jurisdictions. Welsh Plant, Unit 3 is being recovered through 2032 in the Louisiana jurisdiction and through 2042 in the Arkansas and Texas jurisdictions.

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 materially reduce future net income, cash flows and impact financial condition.

RESULTS OF OPERATIONS

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 are as follows:

- Vertically Integrated Utilities
- Transmission and Distribution Utilities
- AEP Transmission Holdco
- Generation & Marketing

The remainder of AEP's activities are presented as Corporate and Other, which is not considered a reportable 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 provides a comparison of Earnings Attributable to AEP Common Shareholders for the three months ended and six nine months ended June 30, 2024 September 30, 2024 as compared to the three months ended and six nine months ended June 30, 2023 September 30, 2023. For AEP's Vertically Integrated Utilities and Transmission and Distribution Utilities segments and subsidiary registrants within these segments, the results include revenues from rate rider mechanisms designed to recover fuel, purchased power and other recoverable expenses such that the revenues and expenses associated with these items generally offset and do not affect Earnings Attributable to AEP Common Shareholders. For additional information regarding the financial results for the three and six nine months ended June 30, 2024 September 30, 2024 and 2023, see the discussions of Results of Operations by Subsidiary Registrant.

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

	Three Months Ended		Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended
		June 30,			September 30,			
	2024	2023		2024	2023	2024	2023	2024	2023

	(in millions)	(in millions)
Vertically Integrated Utilities		
Transmission and Distribution Utilities		
AEP Transmission Holdco		
Generation & Marketing		
Corporate and Other		
Earnings Attributable to AEP Common Shareholders		

	Three Months Ended June 30, 2024	Three Months Ended September 30, 2024							
	Vertically Integrated Utilities	**Vertically Integrated Utilities**	**Transmission and Distribution Utilities**	**AEP Transmission Holdco**	**Generation & Marketing**	**Vertically Integrated Utilities**	**Transmission and Distribution Utilities**	**AEP Transmission Holdco**	**Generation & Marketing**
		(in millions)							
Revenues									
Fuel, Purchased Electricity and Other									
Other Operation and Maintenance									
Other Operation and Maintenance									
Other Operation and Maintenance									
Asset Impairments and Other Related Charges									
Depreciation and Amortization									
Depreciation and Amortization									
Depreciation and Amortization									
Taxes Other Than Income Taxes									
Operating Income (Loss)									
Operating Income									
Other Income									
Other Income									
Other Income									
Allowance for Equity Funds Used During Construction									
Non-Service Cost Components of Net Periodic Benefit Cost									
Interest Expense									
Income (Loss) Before Income Tax Expense (Benefit) and Equity Earnings (Loss)									
Income Before Income Tax Expense (Benefit) and Equity Earnings									
Income Tax Expense (Benefit)									
Equity Earnings (Loss) of Unconsolidated Subsidiary									
Net Income (Loss)									
Net Income (Loss) Attributable to Noncontrolling Interests									
Earnings (Loss) Attributable to AEP Common Shareholders									
Equity Earnings of Unconsolidated Subsidiary									
Net Income									
Net Income Attributable to Noncontrolling Interests									

Earnings Attributable to AEP Common Shareholders

	Three Months Ended June 30, 2023					Three Months Ended September 30, 2023			
	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
		(in millions)				(in millions)			
Revenues									
Fuel, Purchased Electricity and Other									
Other Operation and Maintenance									
Other Operation and Maintenance									
Other Operation and Maintenance									
Depreciation and Amortization									
Depreciation and Amortization									
Depreciation and Amortization									
Taxes Other Than Income Taxes									
Operating Income (Loss)									
Operating Income									
Other Income									
Other Income									
Other Income									
Allowance for Equity Funds Used During Construction									
Non-Service Cost Components of Net Periodic Benefit Cost									
Interest Expense									
Income (Loss) Before Income Tax Expense (Benefit) and Equity Earnings (Loss)									
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)									
Income Tax Expense (Benefit)									
Equity Earnings (Loss) of Unconsolidated Subsidiary									
Net Income (Loss)									
Net Income (Loss) Attributable to Noncontrolling Interests									
Earnings (Loss) Attributable to AEP Common Shareholders									
Net Income									
Net Income Attributable to Noncontrolling Interests									
Earnings Attributable to AEP Common Shareholders									

	Six Months Ended June 30, 2024			
	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	$ 5,566.9	$ 2,926.1	$ 987.2	$ 1,031.0
Fuel, Purchased Electricity and Other	1,869.9	515.8	—	737.4

Other Operation and Maintenance	1,838.5	1,039.9	82.8	73.9
Asset Impairments and Other Related Charges	13.4	52.9	—	76.2
Depreciation and Amortization	939.8	449.4	217.0	13.3
Taxes Other Than Income Taxes	272.6	368.8	152.2	0.7
Operating Income	632.7	499.3	535.2	129.5
Other Income	11.3	3.5	6.9	20.4
Allowance for Equity Funds Used During Construction	24.5	33.9	40.4	—
Non-Service Cost Components of Net Periodic Benefit Cost	47.3	20.1	1.1	11.7
Interest Expense	(347.4)	(192.0)	(110.2)	(10.9)
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	368.4	364.8	473.4	150.7
Income Tax Expense (Benefit)	(259.9)	66.9	111.3	18.8
Equity Earnings (Loss) of Unconsolidated Subsidiary	0.7	(0.8)	49.6	0.9
Net Income	629.0	297.1	411.7	132.8
Net Income Attributable to Noncontrolling Interests	2.5	—	2.3	—
Earnings Attributable to AEP Common Shareholders	$ 626.5	$ 297.1	$ 409.4	$ 132.8

Six Months Ended June 30, 2023

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	$ 5,532.3	$ 2,804.4	$ 914.1	$ 658.4
Fuel, Purchased Electricity and Other	1,851.5	671.7	—	709.4
Other Operation and Maintenance	1,651.3	931.6	70.6	99.2
Loss on the Sale of the Competitive Contracted Renewable Portfolio	—	—	—	112.0
Depreciation and Amortization	930.6	369.3	196.0	26.4
Taxes Other Than Income Taxes	258.9	337.8	146.5	4.5
Operating Income (Loss)	840.0	494.0	501.0	(293.1)
Other Income	14.3	1.3	4.9	20.7
Allowance for Equity Funds Used During Construction	15.5	17.3	39.5	—
Non-Service Cost Components of Net Periodic Benefit Cost	63.3	28.0	3.1	13.1
Interest Expense	(368.0)	(176.2)	(100.1)	(50.5)
Income (Loss) Before Income Tax Expense (Benefit) and Equity Earnings	565.1	364.4	448.4	(309.8)
Income Tax Expense (Benefit)	25.2	62.0	107.6	(111.1)
Equity Earnings of Unconsolidated Subsidiary	0.7	—	38.9	3.7
Net Income (Loss)	540.6	302.4	379.7	(195.0)
Net Income (Loss) Attributable to Noncontrolling Interests	1.5	—	1.8	(5.0)
Earnings (Loss) Attributable to AEP Common Shareholders	$ 539.1	$ 302.4	$ 377.9	$ (190.0)

Nine Months Ended September 30, 2024

	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing
	(in millions)			
Revenues	$ 8,869.9	$ 4,501.5	$ 1,499.7	$ 1,530.1
Fuel, Purchased Electricity and Other	2,970.3	729.0	—	1,151.0
Other Operation and Maintenance	2,720.1	1,639.0	122.8	94.5
Asset Impairments and Other Related Charges	13.4	52.9	—	76.2
Depreciation and Amortization	1,470.4	662.2	327.5	17.3
Taxes Other Than Income Taxes	410.7	550.4	233.4	1.5
Operating Income	1,285.0	868.0	816.0	189.6
Other Income	17.0	7.5	10.3	28.6

Allowance for Equity Funds Used During Construction	37.4	50.9	64.7	—
Non-Service Cost Components of Net Periodic Benefit Cost	73.8	31.4	2.5	17.6
Interest Expense	(537.3)	(298.4)	(166.4)	(14.9)
Income Before Income Tax Expense (Benefit) and Equity Earnings (Loss)	875.9	659.4	727.1	220.9
Income Tax Expense (Benefit)	(324.5)	116.3	172.2	(4.3)
Equity Earnings (Loss) of Unconsolidated Subsidiary	1.1	(0.8)	72.6	0.9
Net Income	1,201.5	542.3	627.5	226.1
Net Income Attributable to Noncontrolling Interests	3.5	—	3.4	—
Earnings Attributable to AEP Common Shareholders	$ 1,198.0	$ 542.3	$ 624.1	$ 226.1

	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
Other Operation and Maintenance	2,480.7	1,472.7	109.9	130.4
Loss on the Sale of the Competitive Contracted Renewable 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)

VERTICALLY INTEGRATED UTILITIES

Summary of KWh Energy Sales for Vertically Integrated Utilities

	Three Months Ended		**Three Months Ended**		**Six Months Ended**	**Three Months Ended**		**Nine Months Ended**	
	June 30,		**June 30,**						
	September 30,		**September 30,**						
	2024	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	(in millions of KWhs)				**(in millions of KWhs)**				
Retail:	Retail:			Retail:					
Residential									
Commercial									
Industrial									
Miscellaneous									
Total Retail									
Wholesale (a)									
Wholesale (a)									
Wholesale (a)									
Total KWhs									

Total KWhs
Total KWhs

(a) Includes Off-system Sales, municipalities and cooperatives, unit power and other wholesale customers.

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 Vertically Integrated Utilities

	Three Months Ended		Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended	
	June 30, September 30,		June 30, September 30,						
	2024	2024	2023	2024	2023	2024	2023	2024	2023
		(in degree days)			(in degree days)				
Eastern Region	Eastern Region		Eastern Region						
Actual – Heating (a)									
Normal – Heating (b)									
Actual – Cooling (c)									
Actual – Cooling (c)									
Actual – Cooling (c)									
Normal – Cooling (b)									
Western Region									
Western Region									
Western Region									
Actual – Heating (a)									
Normal – Heating (b)									
Actual – Cooling (c)									
Actual – Cooling (c)									
Actual – Cooling (c)									
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.

Vertically Integrated Utilities
Vertically Integrated Utilities
Vertically Integrated Utilities

Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders

(in millions)
(in millions)
(in millions)

	Three Months Ended June 30,
	Three Months Ended June 30,

	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	Nine Months Ended September 30,
2023 Earnings Attributable to AEP Common Shareholders		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues		
Retail Revenues		
Retail Revenues		
Off-system Sales		
Transmission Revenues		
Other Revenues		
Total Change in Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
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 and Maintenance		
Asset Impairments and Other Related Charges		
Depreciation and Amortization		
Depreciation and Amortization		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Other Income		
Other Income		
Other Income		
Allowance for Equity Funds Used During Construction		
Non-Service Cost Components of Net Periodic Pension Cost		
Interest Expense		
Total Change in Expenses and Other		
Income Tax Expense		
Income Tax Expense		
Income Tax Expense		
Income Tax Benefit		
Income Tax Benefit		
Income Tax Benefit		
Equity Earnings of Unconsolidated Subsidiary		
Net Income Attributable to Noncontrolling Interests		
2024 Earnings Attributable to AEP Common Shareholders		
2024 Earnings Attributable to AEP Common Shareholders		
2024 Earnings Attributable to AEP Common Shareholders		

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

The major components of the decrease increase in Revenues were as follows:

- **Retail Revenues** decreased $62 million increased $43 million primarily due to the following:
  - A $148 million $30 million increase in rider revenues at APCo and WPCo.
  - A $23 million increase in rates due to the 2020-2022 Virginia Triennial Review at APCo.
  - A $19 million increase in rider revenues at KPCo.
  - A $15 million increase in rider revenues at I&M.
  - A $10 million increase in weather-normalized revenues primarily in the residential and commercial classes, partially offset by a decrease in the industrial class.

  These increases were partially offset by:
  - A $50 million decrease in fuel revenues primarily due to lower authorized fuel rates at PSO.
  - A $12 million decrease due to regulatory provisions for refund at I&M.
- **Off-system Sales** increased $25 million primarily due to economic hedging activity and Rockport Plant, Unit 2 merchant sales at I&M.
- **Transmission Revenues** increased $24 million primarily due to continued investment in transmission assets.
- **Other Revenues** increased $6 million primarily due to an increase in sales of renewable energy credits and pole attachment revenue.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** decreased $37 million primarily due to decreases at PSO, SWEPCo and I&M, partially offset by an increase at APCo.
- **Other Operation and Maintenance expenses** increased $52 million primarily due to the following:
  - A $37 million increase in PJM and SPP transmission services.
  - A $20 million increase due to prior year proceeds for insurance policy settlements.
- **Depreciation and Amortization** increased $50 million primarily due to a higher depreciable base at APCo, PSO and SWEPCo, an increase in regulatory reserves related to the recognition of Nuclear PTCs at I&M and an increase in amortization of regulatory assets at PSO and SWEPCo.
- **Taxes Other Than Income Taxes** increased $6 million primarily due to increased property taxes at APCo, KPCo and PSO.
- **Non-Service Cost Components of Net Periodic Pension Cost** increased $5 million primarily due to the expiration of prior service credit amortization from previous plan changes, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and lower interest costs due to lower discount rates.
- **Interest Expense** decreased $7 million primarily due to the prior year amortization of carrying charges on storm-related regulatory assets at SWEPCo.
- **Income Tax Benefit** increased $32 million primarily due to the following:
  - A $61 million increase due to estimated Nuclear PTCs at I&M.

  This increase was partially offset by:
  - A $22 million decrease due to a decrease in amortization of Excess ADIT.
  - A $6 million decrease due to a decrease in pretax book income.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

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

- **Retail Revenues** increased $37 million primarily due to the following:
  - A $91 million increase in rider revenues at APCo and WPCo.
  - A $91 million increase in weather-related usage primarily in the residential class driven by a 12% increase in cooling degree days.
  - A $60 million increase in rates at APCo due to the 2020-2022 Virginia Triennial Review.
  - A $49 million increase in rider revenues at KPCo.
  - A $32 million increase in base rate and rider revenues at PSO.
  - A $12 million increase at I&M due to the implementation of new base rates in Indiana and Michigan.
  - A $9 million increase in rider revenues at I&M.

  These increases were partially offset by:
  - A $176 million decrease at SWEPCo primarily due to the recognition of a $160 million probable revenue refund associated with the Turk Plant and SWEPCo's 2012 Texas Base Rate Case.
  - A $27 million $106 million decrease in weather-normalized fuel revenues primarily in the residential class.

  These decreases were partially offset by:
  - A $64 million increase in weather-related usage primarily in the residential class driven by a 46% increase in cooling degree days. due to lower authorized fuel rates at PSO.
  - A $50 million increase $34 million decrease due to regulatory provisions for refund at I&M.
- **Off-system Sales** increased $28 million primarily due to economic hedging activity and Rockport Plant, Unit 2 merchant sales at I&M.
- **Transmission Revenues** increased $39 million primarily due to continued investment in rider transmission assets.
- **Other Revenues** increased $28 million primarily due to associated business development revenues at PSO and SWEPCo and pole attachment revenue at APCo.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased $19 million primarily due to decreases at PSO and SWEPCo, partially offset by increases at APCo and I&M.

- **Other Operation and Maintenance expenses**expenses increased $134 million $239 million primarily due to: to the following:
  - A $111 million increase in PJM and SPP transmission services.
  - A $76 million increase in employee-related expenses due to the voluntary severance program.
  - A $22 million $20 million increase in recoverable PJM expenses. due to prior year proceeds for insurance policy settlements.
  - A $9 million $14 million increase 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 recoverable SPP expenses. April 2024.

- **Asset Impairments and Other Related Charges** increased $13 million due to the Federal EPA's revised CCR rules.
- **Depreciation and Amortization** increased $29 million primarily due to a higher depreciable base at APCo, I&M and SWEPCo and an increase in amortization of regulatory assets at SWEPCo.
- **Taxes Other Than Income Taxes** increased $6 million primarily due to increased property taxes at PSO and I&M, partially offset by a decrease in property taxes at SWEPCo.
- **Non-Service Cost Components of Net Periodic Pension Cost** increased $10 million primarily due to the expiration of prior service credit amortization from previous plan changes and settlements in excess of the plan's settlement threshold, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and lower interest costs due to lower discount rates.
- **Income Tax Benefit** increased $25 million primarily due to the following:
  - A $50 million increase due to a decrease in pretax book income.

This increase was partially offset by:
  - A $15 million decrease due to a decrease in amortization of Excess ADIT.
  - A $10 million decrease due to a decrease in flow-through depreciation expense.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

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

- **Retail Revenues** decreased $6 million primarily due to the following:
  - A $149 million decrease at SWEPCo primarily due to a $160 million probable revenue refund associated with the Turk Plant and SWEPCo's 2012 Texas Base Rate Case.
  - A $63 million decrease in fuel revenues primarily due to lower authorized fuel rates at PSO.
  - A $25 million decrease in weather-normalized revenues primarily in the residential and industrial classes partially offset by an increase in the commercial class.

  These decreases were partially offset by:
  - A $96 million increase in rider revenues at APCo.
  - An $88 million increase in weather-related usage primarily in the residential class driven by a 42% increase in cooling degree days.
  - A $34 million increase in base rate and rider revenues at PSO.
  - A $30 million increase in rider revenues at KPCo.
- **Transmission Revenues** increased $15 million primarily due to the following:
  - A $17 million increase due to continued investment in transmission assets.
  - An $8 million increase primarily due to lower PJM rates in 2023 for certain point-to-point transmission service resulting from a December 2022 FERC approved settlement agreement.

  These increases were partially offset by:
  - A $9 million decrease due to transmission formula rate true-up activity.
- **Other Revenues** increased $22 million primarily due to the following:
  - A $13 million increase at PSO primarily due to associated business development revenues driven by costs associated with a third-party construction project.
  - A $10 million increase at APCo 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 $18 million primarily due to increases at APCo and I&M, partially offset by decreases at PSO and SWEPCo.
- **Other Operation and Maintenance** expenses increased $187 million primarily due to the following:
  - A $76 million increase in employee-related expenses due to the voluntary severance program.
  - A $62 million increase in recoverable PJM expenses.
  - A $10 million increase in recoverable SPP expenses.
- **Asset Impairments and Other Related Charges** increased $13 million due to the Federal EPA's revised CCR rules.
- **Depreciation and Amortization** expenses increased $9 million $59 million primarily due to the following:
  - A $14 million increase at APCo primarily due to a higher depreciable base.
  - A $14 million $31 million increase at SWEPCo primarily due to an increase in amortization of regulatory assets and a higher depreciable base, partially offset by the recognition of a regulatory asset related to NOLCs.

  These increases were partially offset by:• A $20 million increase at APCo primarily due to a higher depreciable base.
  - A $17 million decrease $14 million increase at I&M PSO primarily due to the deferral a higher depreciable base, implementation of Excess ADIT as a result of the PLR received regarding the treatment of stand-alone NOLCs new rates and the timing amortization of refunds regulatory assets related to customers under rate rider mechanisms. NCWF.

- **Taxes Other Than Income Taxes** increased $14 million $20 million primarily due to increased property taxes at PSO, I&M and I&M KPCo and an increase in Virginia state minimum taxes at APCo, partially offset by a decrease in property taxes at SWEPCo.
- **Allowance for Equity Funds Used During Construction** increased $9 million $7 million primarily due to higher CWIP and AFUDC equity rates.
- **Non-Service Cost Components of Net Periodic Benefit Cost** increased $16 million $21 million primarily due to the expiration of prior service credit amortization from previous plan changes, and settlements in excess of the plan's settlement threshold, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and lower interest costs due to lower discount rates.
- **Interest Expense** decreased $21 million $28 million primarily due to the following:
  - A $54 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 $27 million increase due to higher long-term debt balances and interest rates.
- **Income Tax Expense Benefit** decreased $285 million increased $317 million primarily due to the following:
  - A $212 million decrease increase due to a reduction in Excess ADIT regulatory liabilities at I&M, PSO, and SWEPCo as a result of the IRS PLR received regarding the treatment of stand-alone NOLCs.
  - A $36 million decrease $61 million increase due to a decrease in pretax book income. estimated Nuclear PTCs at I&M.
  - A $32 million decrease increase 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.

TRANSMISSION AND DISTRIBUTION UTILITIES

Summary of KWh Energy Sales for Transmission and Distribution Utilities

	Three Months Ended June 30, September 30,		Three Months Ended June 30, September 30,		Six Months Ended	Three Months Ended		Nine Months Ended	
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)				(in millions of KWhs)				
Retail:	Retail:			Retail:					
Residential									
Commercial									
Industrial									
Miscellaneous									
Total Retail (a)									
Wholesale (b)									
Wholesale (b)									
Wholesale (b)									
Total KWhs									
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 June 30, September 30,		Three Months Ended June 30, September 30,		Six Months Ended	Three Months Ended		Nine Months Ended	
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in degree days)				(in degree days)				
Eastern Region	Eastern Region			Eastern Region					

Actual – Heating (a)

Normal – Heating (b)

Actual – Cooling (c)

Actual – Cooling (c)

Actual – Cooling (c)

Normal – Cooling (b)

Western Region

Western Region

Western Region

Actual – Heating (a)

Normal – Heating (b)

Actual – Cooling (d)

Actual – Cooling (d)

Actual – Cooling (d)

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.

Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders (in millions)

Transmission and Distribution Utilities

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**
2023 Earnings Attributable to AEP Common Shareholders		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues		
Retail Revenues		
Retail Revenues		

Off-system Sales
Transmission Revenues
Other Revenues
Total Change in Revenues
Changes in Expenses and Other:
Changes in Expenses and Other:
Changes in Expenses and Other:
Purchased Electricity for Resale
Purchased Electricity for Resale
Purchased Electricity for Resale
Purchased Electricity from AEP Affiliates
Other Operation and Maintenance
Asset Impairments and Other Related Charges
Depreciation and Amortization
Taxes Other Than Income Taxes
Taxes Other Than Income Taxes
Taxes Other Than Income Taxes
Other Income
Other Income
Other Income
Allowance for Equity Funds Used During Construction
Non-Service Cost Components of Net Periodic Benefit Cost
Interest Expense
Total Change in Expenses and Other
Income Tax Expense
Income Tax Expense
Income Tax Expense
Equity Earnings of Unconsolidated Subsidiary
Equity Earnings (Loss) of Unconsolidated Subsidiary
2024 Earnings Attributable to AEP Common Shareholders
2024 Earnings Attributable to AEP Common Shareholders
2024 Earnings Attributable to AEP Common Shareholders

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Retail Revenues** increased $79 million $9 million primarily due to the following:
  - A $118 million $130 million increase in revenue from rate riders.
- A $24 million This increase in weather-related usage driven by a 129% and 25% increase in cooling degree days in Ohio and Texas, respectively, partially offset by a 38% decrease in heating degree days in Ohio.
  - A $15 million increase in weather-normalized revenues in all classes in Texas and in the residential class in Ohio, partially offset by a decrease in the industrial class.

  These increases were was partially offset by:
  - A $76 million $104 million decrease due to lower customer participation in OPCo's SSO, partially offset by higher prices.
  - Off-system Sales decreased $6 million primarily due to:
  - A $4 million $20 million decrease in sales at OVEC driven by lower volume.
  - A $2 million decrease due to 2023 PJM settlements related to winter storm Elliott. weather-normalized revenues in the industrial class in Ohio and in the residential class in Texas.
- **Transmission Revenues** increased $18 million $17 million primarily due to the following:

- A $12 million increase due to increased load in Texas.
- A $10 million increase in interim rates driven by increased transmission investment investments in Texas.

- A $6 million increase due to increased load in Texas.
- **Other Revenues** increased $5 million $8 million primarily due to the following:
  - A $13 million increase primarily due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.
  - A $3 million This increase primarily due to increased load in Texas.
  - A $3 million increase due to an increase in pole attachment revenue in Texas.

  These increases were was partially offset by:
  - A $17 million $5 million decrease in recoverable sales of renewable energy credits. securitization revenue in Texas.

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

- **Purchased Electricity for Resale** expenses decreased $83 million $62 million primarily due to the following:
  - A $90 million An $80 million decrease in recoverable auction purchases primarily due to lower volumes driven by lower customer participation in OPCo's SSO.
  - A $19 million This decrease in recoverable alternative energy rider expenses in Ohio.

  These decreases were was partially offset by:
  - A $27 million $19 million increase in recoverable OVEC costs.
- **Purchased Electricity from AEP Affiliates** expenses increased $14 million decreased $24 million primarily due to increased decreased recoverable auction purchases in OPCo's SSO auction. SSO.
- **Other Operation and Maintenance** expenses increased $81 million $58 million primarily due to the following:
  - A $35 million increase in employee-related expenses due to the voluntary severance program.
  - A $29 million increase due to a prior year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
  - A $17 million $31 million increase in transmission expenses primarily due to:
    - An $11 million to an increase in recoverable PJM expenses.
  - A $7 million $12 million increase in vegetation management distribution-related expenses in Ohio and Texas.
  - A $10 million An $11 million increase in distribution expenses primarily related to recoverable storm restoration costs and recoverable vegetation management energy assistance program expenses in Ohio.
- **Asset Impairments and Other Related Charges** increased $53 million due to the Federal EPA's Revised CCR Rules. for qualified Ohio customers.
- **Depreciation and Amortization** expenses increased $44 million $6 million primarily due to a higher depreciable base and an increase in recoverable rider depreciable assets in Ohio.
- **Taxes Other Than Income Taxes** increased $19 million primarily due to higher property taxes driven by additional investments in transmission and distribution assets and higher tax rates in Ohio.
- **Allowance for Equity Funds Used During Construction** increased $12 million primarily due to capitalization of AFUDC on prepaid pension and OPEB in Texas.
- **Non-Service Cost Components of Net Periodic Benefit Cost** increased $5 million primarily due to the expiration of prior service credit amortization from previous plan changes and settlements in excess of the plan's settlement threshold, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and lower interest costs due to lower discount rates.
- **Interest Expense** increased $8 million $13 million primarily due to the following:
  - A $13 million increase due to higher debt balances and interest rates.

This increase was partially offset by:
  - **A Income Tax Expense** increased $5 million decrease primarily due to an increase of capitalization of AFUDC on prepaid pension and OPEB in Texas. pretax book income.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

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

- **Retail Revenues** increased $82 million $91 million primarily due to the following:
  - A $223 million $352 million increase in revenue from rate riders.
  - A $30 million $44 million increase in weather-related usage in Ohio driven by a 129% 56% increase in cooling degree days in Ohio.
  - A $29 million increase in weather-normalized revenues primarily in the residential and commercial classes in Texas. days.

  These increases were partially offset by:
  - A $202 million $306 million decrease due to lower customer participation in OPCo's SSO, partially offset by higher prices in Ohio.
- **Off-system Sales** decreased $10 million $12 million primarily due to 2023 PJM settlements related to winter storm Elliott.
- **Transmission Revenues** increased $31 million $48 million primarily due to the following:
  - A $20 million $29 million increase in interim rates driven by increased transmission investment in Texas.
  - An $11 million $18 million increase due to increased load in Texas.

- **Other Revenues** increased $18 million $26 million primarily due to the following:
  - A $23 million $33 million increase due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.

This increase was partially offset by:

- An $11 million A $9 million decrease in recoverable sales of renewable energy credits in Ohio.

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

- **Purchased Electricity for Resale** expenses decreased $217 million $278 million primarily due to the following:
  - A $262 million $342 million decrease in recoverable auction purchases primarily due to lower volumes driven by lower customer participation in OPCo's SSO, partially offset by higher prices.
  - A $16 million decrease in recoverable alternative energy rider expenses in Ohio.

  These decreases were partially offset by:
  - A $62 million An $81 million increase in recoverable OVEC costs.
- **Purchased Electricity from AEP Affiliates** expenses increased $61 million $37 million primarily due to increased decreased recoverable auction purchases in OPCo's SSO auction. SSO.
- **Other Operation and Maintenance** expenses increased $108 million $166 million primarily due to the following:
  - A $44 million $73 million increase in transmission expenses primarily due to:
  - A $37 million to an increase in recoverable PJM expenses.
  - A $10 million increase in vegetation management expenses in Ohio.
  - A $35 million increase in employee-related expenses due to the voluntary severance program.
  - A $28 million increase due to a prior year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
  - A $26 million $19 million increase in distribution expenses in Ohio primarily related to recoverable storm restoration costs and recoverable vegetation management expenses in Ohio. expenses.

  These increases were partially offset by:
  - A $7 million decrease in distribution-related $16 million increase related to recoverable energy assistance program expenses in Texas. for qualified Ohio customers.
- **Asset Impairments and Other Related Charges** increased $53 million due to the Federal EPA's Revised CCR Rules. rules.
- **Depreciation and Amortization** expenses increased $80 million $86 million primarily due to a higher depreciable base in Ohio and Texas and an increase in recoverable rider depreciable assets in Ohio.

- **Taxes Other Than Income Taxes** increased $31 million primarily due to the following:
  - A $39 million $35 million increase due to higher property taxes driven by additional investments in transmission and distribution assets and higher tax rates rate changes in Ohio.

  This • An $8 million increase was in state excise taxes due to increased billed KWh in 2024.

  These increases were partially offset by:
  - An $8 million A $12 million decrease primarily due to reduced lower property taxes as a result of a decrease in driven by decreased tax rates in Texas.
- **Allowance for Equity Funds Used During Construction** increased $17 million primarily due to the following:
  - An $8 million increase $20 million primarily due to capitalization of AFUDC on prepaid pension and OPEB in Texas.
  - A $5 million increase due to a higher AFUDC base bases in Ohio and Texas.
- **Non-Service Cost Components of Net Periodic Benefit Cost** increased $8 million $11 million primarily due to the expiration of prior service credit amortization from previous plan changes and settlements in excess of the plan's settlement threshold, partially offset by lower loss amortization resulting from favorable asset returns during 2023 and lower interest costs due to lower discount rates.
- **Interest Expense** increased $16 million $28 million primarily due to:
  - A $22 million $34 million increase primarily due to higher debt balances and interest rates.

  This increase was partially offset by:
  - A $5 million $6 million decrease due to an increase of capitalization of AFUDC on prepaid pension and OPEB.
- **Income Tax Expense** increased $10 million primarily due to:
  - A $9 million increase due to an increase in pretax book income.
  - A $6 million increase due to a decrease in amortization of Excess ADIT in Texas.

  These increases were partially offset by:
  - A $4 million decrease due to a decrease in AFUDC equity.

AEP TRANSMISSION HOLDCO

Summary of Investment in Transmission Assets for AEP Transmission Holdco

		June 30,		September 30,	
	2024	**2024**	**2023**	**2024**	**2023**
		(in millions)			
Plant in Service					
Construction Work in Progress					
Accumulated Depreciation and Amortization					
Total Transmission Property, Net					

AEP Transmission Holdco
AEP Transmission Holdco
AEP Transmission Holdco
Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders
(in millions)
(in millions)
(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	Nine Months Ended September 30,
2023 Earnings Attributable to AEP Common Shareholders		
Changes in Transmission Revenues:		
Changes in Transmission Revenues:		
Changes in Transmission Revenues:		
Transmission Revenues		
Transmission Revenues		
Transmission Revenues		
Total Change in Transmission Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Other Operation and Maintenance		
Other Operation and Maintenance		
Other Operation and Maintenance		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Interest and Investment Income		
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 Pension Cost		
Interest Expense		
Total Change in Expenses and Other		
Income Tax Expense		
Income Tax Expense		
Income Tax Expense		
Equity Earnings of Unconsolidated Subsidiary		
Net Income Attributable to Noncontrolling Interests		
2024 Earnings Attributable to AEP Common Shareholders		
2024 Earnings Attributable to AEP Common Shareholders		
2024 Earnings Attributable to AEP Common Shareholders		

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Transmission Revenues** increased $31 million $36 million primarily due to continued investment in transmission assets.

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

- **Other Operation and Maintenance** expenses increased $12 million primarily due to an $11 million increase in employee-related expenses due to the voluntary severance program.
- **Depreciation and Amortization** expenses increased $10 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $8 million primarily due to higher property taxes driven by increased transmission investment.
- **Equity Earnings of Unconsolidated Subsidiary** increased $6 million primarily due to higher pretax equity earnings for ETT.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

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

- **Transmission Revenues** increased $73 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 increased $12 million primarily due to an $11 million increase in employee-related expenses due to the voluntary severance program.
- **Depreciation and Amortization** expenses increased $21 million $9 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $6 million primarily due to higher property taxes driven by increased transmission investment.
- **Income Tax Expense** increased $10 million primarily due to an increase in pretax book income and an increase in state income taxes.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

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

- **Transmission Revenues** increased $109 million primarily due to continued investment in transmission assets.

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

- **Other Operation and Maintenance** expenses increased $13 million primarily due to an $11 million increase in employee-related expenses due to the voluntary severance program.
- **Depreciation and Amortization** expenses increased $30 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $11 million primarily due to higher property taxes driven by increased transmission investment.
- **Interest Expense** increased $10 million $13 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Expense** increased $14 million primarily due to an increase in pretax book income.
- **Equity Earnings of Unconsolidated Subsidiary** increased $11 million primarily due to higher pretax equity earnings for at ETT.

GENERATION & MARKETING

Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders

Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders

Reconciliation of 2023 to 2024 Earnings Attributable to AEP Common Shareholders

(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**
2023 Earnings Attributable to AEP Common Shareholders		
Changes in Revenues:		
Changes in Revenues:		

Changes in Revenues:
Merchant Generation
Merchant Generation
Merchant Generation
Renewable Generation
Retail, Trading and Marketing
Total Change in Revenues
Changes in Expenses and Other:
Changes in Expenses and Other:
Changes in Expenses and Other:
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 and Maintenance
Asset Impairments and Other Related Charges
Loss on the Sale of the Competitive Contracted Renewables Portfolio
Depreciation and Amortization
Taxes Other Than Income Taxes
Other Income
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
Interest Expense
Total Change in Expenses and Other
Income Tax Expense
Income Tax Expense
Income Tax Expense
Equity Earnings of Unconsolidated Subsidiaries
Net Loss Attributable to Noncontrolling Interests
Income Tax Benefit
Income Tax Benefit
Income Tax Benefit
Equity Earnings (Loss) of Unconsolidated Subsidiaries
Net Income (Loss) Attributable to Noncontrolling Interests
2024 Earnings Attributable to AEP Common Shareholders
2024 Earnings Attributable to AEP Common Shareholders
2024 Earnings Attributable to AEP Common Shareholders

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

The major components of the increase decrease in Revenues were as follows:

- **Merchant Generation** decreased $6 million primarily due to lower realized prices in 2024.
- **Renewable Generation** decreased $28 million $13 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Retail, Trading and Marketing** increased $166 million decreased $48 million primarily due to a $124 million $48 million unrealized gain on economic hedging activity in 2023 and a $7 million unrealized loss on economic hedge hedging activity in 2023 and $5 million unrealized hedging gains in 2024 driven by changes in commodity prices.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased $38 million $7 million primarily due to an increase in energy costs in 2024.
- **Other Operation and Maintenance** expenses decreased $14 million $11 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Interest Expense** decreased $15 million primarily due to lower advances from affiliates.
- **Income Tax Benefit** increased $7 million primarily due to the following:

- A $10 million increase due to an increase in amortization of deferred ITCs.
- A $10 million increase due to a decrease in pretax book income.

These increases were partially offset by:

- A $9 million decrease due to a decrease in PTCs.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

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

- **Merchant Generation** decreased $13 million primarily due to lower realized prices in 2024.
- **Renewable Generation** decreased $62 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Retail, Trading and Marketing** increased $380 million primarily due to a $221 million unrealized loss on economic hedging activity in 2023 and a $89 million unrealized gain on economic hedging activity in 2024 driven by changes in commodity prices.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased $35 million primarily due to an increase in energy costs in 2024.
- **Other Operation and Maintenance** expenses decreased $36 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Asset Impairments and Other Related Charges** increased $76 million due to the Federal EPA's revised CCR rules.
- **Interest Expense** decreased $21 million primarily due to lower advances from affiliates.
- **Income Tax Benefit** decreased $27 million primarily due to:
  - A $16 million decrease in PTC and ITC amortization.
  - A $13 million decrease due to an increase in pretax book income.
- **Net Loss Attributable to Noncontrolling Interests** decreased $6 millionprimarily due to the sale of the competitive contracted renewables portfolio in August 2023.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

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

- **Merchant Generation** decreased $7 million primarily due to lower market prices in 2024.
- **Renewable Generation** decreased $49 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Retail, Trading and Marketing** increased $428 million primarily due to a $269 million unrealized loss on economic hedge activity in 2023 and $96 million unrealized hedging gains in 2024 driven by changes in commodity prices.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased $28 million primarily due to an increase in energy costs in 2024.
- **Other Operation and Maintenance** expenses decreased $25 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Asset Impairments and Other Related Charges** increased $76 million due to the Federal EPA's revised CCR rules. Rules.
- **Loss on the Sale of the Competitive Contracted Renewables Portfolio** increased decreased $112 million due to the pretax loss on the sale in August 2023.
- **Depreciation and Amortization** expenses decreased $13 million $17 million primarily due to the sale of the competitive contracted renewables portfolio in August 2023.
- **Interest Expense** decreased $40 million $54 million due to lower advances from affiliates.
- **Income Tax Expense Benefit** increased $130 million decreased $123 million primarily due to:
  - A $96 million increase An $86 million decrease due to an increase in pretax book income.
  - A $35 million increase $45 million decrease due to a decrease in PTC and ITC amortization. PTCs.

  These decreases were partially offset by:
  - Net Loss Attributable to Noncontrolling Interestsdecreased $5 million primarily A $10 million increase due to the sale an increase in amortization of the competitive contracted renewables portfolio in August 2023. deferred ITCs.

CORPORATE AND OTHER

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

Earnings Attributable to AEP Common Shareholders from Corporate and Other increased from a loss of $98 million in 2023 to a loss of $68 million in 2024 primarily due to:

- A $27 million decrease in corporate expenses.
- A $23 million decrease in Income Tax Expense primarily due to:
  - A $17 million decrease due to amortization of Excess ADIT.
  - A $6 million decrease due to an increase in PTC and ITC amortization.
- A $7 million increase at EIS primarily due to higher returns on investments.

These increases in earnings were partially offset by:

- A $25 million decrease in interest income primarily due to lower advances to affiliates.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Earnings Attributable to AEP Common Shareholders from Corporate and Other decreased from a loss of $111 million $98 million in 2023 to a loss of $122 million $165 million in 2024 primarily due to:

- A $49 million $19 million loss contingency recorded in 2024 associated with the SEC investigation.
- A $17 million increase in Interest Expense due to higher interest rates and the cancellation of an interest rate swap.
- A $17 million increase in insurance reserves.
- A $12 million decrease in interest income primarily due to lower advances to affiliates.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Earnings Attributable to AEP Common Shareholders from Corporate and Other decreased from a loss of $210 million in 2023 to a loss of $288 million in 2024 primarily due to:

- A $61 million decrease in interest income primarily due to lower advances to affiliates.
- A $31 million increase in interest expense due to higher interest rates and the cancellation of an interest rate swap.
- A $28 million decrease due to a prior-year adjustment driven by the termination of the sale of the Kentucky operations.
- A $14 million $19 million loss contingency recorded in 2024 associated with the SEC investigation.
- A $17 million increase in interest expense due to higher interest rates. insurance reserves.

These decreases in earnings were partially offset by:

- A $45 million $46 million decrease in corporate expenses.
- A $28 million $30 million decrease in Income Tax Expense primarily due to:
  - A $17 million decrease due to an increase in PTC and ITC amortization.
  - A $14 million decrease due to a decrease in pretax book income.

AEP CONSOLIDATED INCOME TAXES

Third Quarter of 2024 Compared to Third Quarter of 2023

Income Tax Expense decreased $27 million primarily due to:

- A $13 million $51 million decrease due to amortization of Excess ADIT. estimated Nuclear PTCs.
- A $9 million decrease due to a decrease in state income tax expense.

These decreases were partially offset by:

- A $12 million $30 million increase due to the impact a decrease in amortization of the termination of the sale of the Kentucky operations in 2023. Excess ADIT.
- A $5 million increase at EIS primarily due to higher returns on investments.

AEP CONSOLIDATED INCOME TAXES

Second Quarter of 2024 Nine Months Ended September 30, 2024 Compared to Second Quarter of 2023 Nine Months Ended September 30, 2023

Income Tax Expense decreased $22 million primarily due to:

- A $41 million decrease due to a decrease in pretax book income.

This decrease was partially offset by:

- A $15 million increase due to a decrease in PTC and ITC amortization.
- A $7 million increase due to a decrease in Excess ADIT amortization.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Income Tax Expense decreased $174 million $201 million primarily due to:

- A $212 million decrease due to a reduction in Excess ADIT regulatory liabilities at I&M, PSO and SWEPCo as a result of the PLRs IRS PLR received regarding the treatment of stand-alone NOLCs in retail rate making.
- A $51 million decrease due to estimated Nuclear PTCs.
- A $32 million decrease 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 $54 million $49 million increase due to an increase in pretax book income.
- An $8 million A $29 million increase due to a decrease in PTC and ITC amortization. unprotected amortization of Excess ADIT.

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

		June 30, 2024			December 31, 2023				September 30, 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	$42,062.3	60.2	60.2 %	$40,143.2	58.8	58.8 %	Long-term Debt, including amounts due within one year	$41,974.4	59.7	59.7 %	$40,143.2	58.8	58.8 %
Short-term Debt														
Total Debt														
AEP Common Equity														
Noncontrolling Interests														
Total Debt and Equity Capitalization	**Total Debt and Equity Capitalization**	$69,919.7	100.0	100.0 %	$68,259.3	100.0	100.0 %	**Total Debt and Equity Capitalization**	$70,292.8	100.0	100.0 %	$68,259.3	100.0	100.0 %

AEP's ratio of debt-to-total capital decreased slightly from 63.0% to 62.6% 62.1% as of December 31, 2023 and June 30, 2024 September 30, 2024, respectively, primarily due to an increase in earnings and equity issued under the ATM program in 2024, partially offset by an increase in long-term debt to support distribution transmission and renewable transmission 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 June 30, 2024 September 30, 2024, AEP had $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 there is an increase in interest rates, 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 continues monitoring the current bank environment and any impacts thereof. AEP was not materially impacted by these conditions during the six nine months ended June 30, 2024 September 30, 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 June 30, 2024 September 30, 2024, available liquidity was approximately $5.4 billion $5.5 billion as illustrated in the table below:

		Amount	Maturity (a)
Commercial Paper Backup:		(in millions)	
	Revolving Credit Facility	$ 5,000.0	March 2029
	Revolving Credit Facility	1,000.0	March 2027
Cash and Cash Equivalents		202.5 245.8	
Total Liquidity Sources		6,202.5 6,245.8	
Less:	AEP Commercial Paper Outstanding	776.0 755.0	
Net Available Liquidity		$ 5,426.5 5,490.8	

(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 six nine months of 2024 was $2.9 billion. The weighted-average interest rate for AEP's commercial paper during 2024 was 5.58% 5.55%.

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 June 30, 2024 September 30, 2024 was $245 million $236 million with maturities ranging from July October 2024 to July 2025.

Securitized Accounts Receivables

AEP Credit's receivables securitization agreement provides a commitment of $900 million from bank conduits to purchase receivables and expires in September 2025. 2026. As of June 30, 2024 September 30, 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 June 30, 2024 September 30, 2024, this contractually-defined percentage was 58.6% 58.8%. 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 $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 $1.7 billion shares of its common stock, including shares of common stock that may be sold pursuant to an equity forward sales agreement. As of June 30, 2024 September 30, 2024, approximately $1.3 billion of equity is available for issuance under the ATM offering program. See Note 12 - Financing Activities for additional information.

Dividend Policy and Restrictions

The Board of Directors declared a quarterly dividend of $0.88 $0.93 per share in July October 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, issuances of common stock under the ATM program 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 and bank term loans, 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.

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
	(in millions)		**(in millions)**	
Cash, Cash Equivalents and Restricted Cash at Beginning of Period				
Net Cash Flows from Operating Activities				
Net Cash Flows Used for Investing Activities				
Net Cash Flows from Financing Activities				

Net Cash Flows from (Used for) Financing Activities
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash, Cash Equivalents and Restricted Cash
Net Decrease in Cash, Cash Equivalents and Restricted Cash
Net Decrease in Cash, Cash Equivalents and Restricted Cash
Cash, Cash Equivalents and Restricted Cash at End of Period

Operating Activities

	Six Months Ended June 30,			Nine Months Ended September 30,	
	2024	**2024**	**2023**	**2024**	**2023**
		(in millions)			
Net Income					
Non-Cash Adjustments to Net Income (a)					
Mark-to-Market of Risk Management Contracts					
Property Taxes					
Property Taxes					
Property Taxes					
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 Liabilities					
Change in Certain Components of Working Capital					
Net Cash Flows from Operating Activities					

(a) Non-Cash Adjustments to Net Income includes Depreciation and Amortization, Deferred Income Taxes, Loss on the Sale of the Competitive Contracted Renewables Portfolio, Asset Impairments and Other Related Charges and AFUDC.

Net Cash Flows from Operating Activities increased by $1 billion $1.4 billion primarily due to the following:

- A $490 million increase in cash from Change in Other Noncurrent Assets and Change in Other Noncurrent Liabilities. This 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 $359 $758 million increase in cash from the Change in Certain Components of Working Capital. The increase is primarily due to a decrease in fuel, material and supplies driven by lower coal inventory on hand, employee-related benefits and proceeds received from the sale of transferable tax credits. These increases were partially offset by the timing of accounts receivable collections.
- A $336 million $506 million increase in cash from Net Income, after non-cash adjustments. See Results of Operations for further detail.
- A $368 million increase in cash from Change in Other Noncurrent Assets and Change in Other Noncurrent Liabilities. This 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.

These increases in cash were partially offset by:

- A $223 $238 million decrease in cash primarily due to the timing of fuel and purchase power related revenues and expenses.

Investing Activities

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
	(in millions)		**(in millions)**	
Construction Expenditures				
Acquisitions of Nuclear Fuel				
Acquisitions of Renewable Energy Facilities				
Proceeds from Sale of Equity Method Investment				
Proceeds from Sales of Assets				
Proceeds from Sale of Equity Method Investment				

Proceeds from Sale of Equity Method Investment
Proceeds from Sale of Equity Method Investment
Other
Other
Other
Net Cash Flows Used for Investing Activities

Net Cash Flows Used for Investing Activities decreased increased by $1 billion $126 million primarily due to the following:

- A $731 $971 million decrease 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 AEP Onsite Partners in 2024. See "Dispositions" section of Note 6 for additional information.

This decrease in cash was partially offset by:

- A $599 million decrease in Construction Expenditures primarily due to decreases in Vertically Integrated Utilities of $243 million, Transmission and Distribution Utilities of $261 million, Vertically Integrated Utilities of $234 million $213 million and AEP Transmission Holdco of $201 million $128 million.
- A $146 million decrease increase in cash 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

	Six Months Ended June 30,		Nine Months Ended September 30,
	2024	2023	2024	2023
	(in millions)		(in millions)	
Issuance of Common Stock				
Issuance/Retirement of Debt, Net				
Dividends Paid on Common Stock				
Dividends Paid on Common Stock				
Dividends Paid on Common Stock				
Other				
Net Cash Flows from Financing Activities				
Net Cash Flows from (Used for) Financing Activities				

Net Cash Flows from (Used for) Financing Activities decreased by $2 billion $1.2 billion primarily due to the following:

- A $1.1 billion $616 million increase in retirements of long-term debt. See Note 12 - Financing Activities for additional information.
- A $904 $446 million decrease in issuances of common stock primarily due to changes the settlement of equity units in short-term debt. 2023 partially offset by issuances under the ATM program in 2024. See Note 12 - Financing Activities for additional information.
- A $296 $269 million decrease in issuances of long-term debt. See Note 12 - Financing Activities for additional information.

These decreases in cash were partially offset by:

- A $398 $211 million increase due to changes in issuances of common stock primarily under AEP's ATM offering program . 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 June 30, 2024 September 30, 2024 through July 30, 2024 November 6, 2024, the date that the second third quarter 10-Q was filed.

BUDGETED CAPITAL EXPENDITURES

Management forecasts approximately $8.1 8.5 billionbillion of capital expenditures in 2024 2024. For the five year period, 2025 through 2029, management forecasts capital expenditures of $54.4 billion. Management's forecasted capital expenditures for 2025 to 2029 reflect planned increases in investments for transmission infrastructure and new generation resources to support forecasted large load increases and continued improvements in distribution system reliability.$43 billion through 2028.

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

The 2025-2029 estimated capital expenditures see "Budgeted Capital Expenditures" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2023 Annual Report. by Business Segment are as follows:

Segment		2025-2029 Budgeted Capital Expenditures
		(in millions)
Vertically Integrated Utilities	$	30,972
Transmission and Distribution Utilities		14,162
AEP Transmission Holdco		8,590
Generation & Marketing		112
Corporate and Other		553
Total	$	54,389

SIGNIFICANT CASH REQUIREMENTS

A summary of significant cash requirements is included in the 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 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 and SEC rulemaking activity.

AROs

AROs are recognized for legal obligations associated with the retirement of property, plant and equipment. When recording an ARO, the present value of the projected liability is recognized in the period in which the legal obligation is incurred or enacted, if a reasonable estimate of fair value can be made. The liability is accreted over time. For operating facilities, the present value of the liability is added to the cost of the associated asset and depreciated over the remaining life of the asset. For retired facilities, the present value of the liability is expensed, and where future recovery through rates is probable, the present value of the liability is subsequently deferred as a regulatory asset. The present value of the initial ARO and subsequent updates are based on discounted cash flows, which include estimates regarding timing of future cash flows, discount rates and cost escalation rates. These estimates are subject to change. Depreciation expense is adjusted prospectively for any changes to the carrying amount of the associated asset.

ACCOUNTING STANDARDS

See Note 2 - New Accounting Standards for information related to accounting standards 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, Regulatory and Chief Administrative Officer, Executive Vice President Grid Solutions & Government Affairs, Senior Vice President of Regulated Commercial Operations and Senior Vice President of Treasury and Risk and Chief Risk Officer. Risk. The Competitive Risk Committee consists of AEPSC's Chief Financial Officer, Chief Commercial Officer, Senior Vice President of Treasury and Risk and Senior Vice President of Competitive Commercial Operations and Chief Risk Officer. Operations. 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, 2023:

MTM Derivative Contract Net Assets (Liabilities)

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

	Vertically Integrated Utilities Vertically Integrated Utilities Vertically Integrated Utilities	Transmission and Distribution Utilities	Generation & Marketing	Total	Transmission and Distribution Utilities	Generation & Marketing	Total
		(in millions)			(in millions)		
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							
Loss from Contracts Realized/Settled During the Period and Entered in a Prior Period							
Fair Value of New Contracts at Inception When Entered During the Period (a)							
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 Due to Market Fluctuations During the Period (b)							
Changes in Fair Value Allocated to Regulated Jurisdictions (c)							
Total MTM Risk Management Contracts - Commodity Net Assets (Liabilities) as of June 30, 2024							
Total MTM Risk Management Contracts - Commodity Net Assets (Liabilities) as of September 30, 2024							
Interest Rate MTM Contracts							
Commodity Cash Flow Hedge Contracts							
Interest Rate Cash Flow Hedge Contracts							
Fair Value Hedge Contracts							
Collateral Deposits							
Total MTM Derivative Contract Net Assets as of June 30, 2024							
Total MTM Derivative Contract Net Assets as of June 30, 2024							
Total MTM Derivative Contract Net Assets as of June 30, 2024							
Total MTM Derivative Contract Net Assets as of September 30, 2024							
Total MTM Derivative Contract Net Assets as of September 30, 2024							
Total MTM Derivative Contract Net Assets as of September 30, 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 June 30, 2024 September 30, 2024, credit exposure net of collateral to sub investment grade counterparties was approximately 10.6% 6.4%, 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 June 30, 2024 September 30, 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 Exposure of Counterparties >10%
		(in millions, except number of counterparties)				(in millions, except number of counterparties)						
Investment Grade												
Split Rating												
No External Ratings:												
No External Ratings:												
Noninvestment Grade												
No External Ratings:							No External Ratings:					
Internal Investment Grade												
Internal Noninvestment Grade												
Total as of June 30, 2024												
Total as of September 30, 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 June 30, 2024 September 30, 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

	Six Months Ended June 30, 2024				Twelve Months Ended December 31, 2023											
	Nine Months Ended September 30, 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)						
$																

VaR Model
Non-Trading Portfolio

Six Months Ended June 30, 2024				Twelve Months Ended December 31, 2023			
Nine Months Ended September 30, 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)			
$																

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. During 2022 and 2023, the Federal Reserve approved 11 rate increases for a cumulative total of 5.25% increase. In light of the progress on inflation and the balance of risks, in September 2024, the Federal Reserve lowered interest rates by 0.50%. 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 six nine months ended June 30, 2024 September 30, 2024 and 2023, a 100 basis point change in the benchmark rate on AEP's variable rate debt would impact pretax interest expense annually by $25 million $21 million and $53 million $45 million, respectively.

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

	Three Months Ended		Three Months Ended		Six Months Ended		Three Months Ended	Nine Months Ended
		June 30,		June 30,				
		September 30,		September 30,				
	2024							
	2024							
	2024	2023	2024	2023	2023	2024	2023	
REVENUES								
Vertically Integrated Utilities								
Vertically Integrated Utilities								
Vertically Integrated Utilities								
Transmission and Distribution Utilities								
Generation & Marketing								
Other Revenues								
TOTAL REVENUES								
EXPENSES								
EXPENSES								
EXPENSES								
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation								
Other Operation								
Other Operation								
Other Operation								
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
Asset Impairments and Other Related Charges
Depreciation and Amortization
Depreciation and Amortization
Depreciation and Amortization
Taxes Other Than Income Taxes
TOTAL EXPENSES
OPERATING INCOME
OPERATING INCOME
OPERATING INCOME
Other Income (Expense):
Other Income (Expense):
Other Income (Expense):
Other Income
Other Income
Other Income
Allowance for Equity Funds Used During Construction
Non-Service Cost Components of Net Periodic Benefit Cost
Interest Expense
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)
Income Tax Expense (Benefit)
Equity Earnings of Unconsolidated Subsidiaries
NET INCOME
NET INCOME
NET INCOME
Net Income (Loss) Attributable to Noncontrolling Interests
Net Income (Loss) Attributable to Noncontrolling Interests
Net Income (Loss) Attributable to Noncontrolling Interests
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
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
TOTAL BASIC EARNINGS PER SHARE ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS
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 AVERAGE NUMBER OF DILUTED AEP COMMON SHARES OUTSTANDING

TOTAL DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS

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 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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

	Three Months Ended		Three Months Ended		Six Months Ended	Three Months Ended		Nine Months Ended	
		June 30, September 30,		June 30, September 30,					
	2024	2024	2023	2024	2023	2024	2023	2024	2023
Net Income									
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 $5.9 and $9.3 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $4.3 and $(31.2) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Cash Flow Hedges, Net of Tax of $(12.3) and $(0.3) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(8.0) and $(31.5) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.8) for the Three Months Ended June 30, 2024 and 2023, Respectively, and $(0.2) and $(5.1) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.8) for the Three Months Ended June 30, 2024 and 2023, Respectively, and $(0.2) and $(5.1) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.8) for the Three Months Ended June 30, 2024 and 2023, Respectively, and $(0.2) and $(5.1) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Reclassifications of KPCo Pension and OPEB Regulatory Assets, Net of Tax of $0 and $0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $0 and $4.4 for the Six Months Ended June 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $(0.1) and $(0.8) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.3) and $(5.9) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $(0.1) and $(0.8) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.3) and $(5.9) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $(0.1) and $(0.8) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.3) and $(5.9) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
Reclassifications of KPCo Pension and OPEB Regulatory Assets, Net of Tax of $0 and $0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and $0 and $4.4 for the Nine Months Ended September 30, 2024 and 2023, Respectively									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL OTHER COMPREHENSIVE LOSS									
TOTAL OTHER COMPREHENSIVE LOSS									

TOTAL OTHER COMPREHENSIVE LOSS

TOTAL COMPREHENSIVE INCOME

TOTAL COMPREHENSIVE INCOME

TOTAL COMPREHENSIVE INCOME

Total Comprehensive Income (Loss) Attributable To Noncontrolling Interests

Total Comprehensive Income (Loss) Attributable To Noncontrolling Interests

Total Comprehensive Income (Loss) Attributable To Noncontrolling Interests

Total Comprehensive Income Attributable To Noncontrolling Interests

Total Comprehensive Income Attributable To Noncontrolling Interests

Total Comprehensive Income Attributable To Noncontrolling Interests

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO AEP COMMON SHAREHOLDERS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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

	AEP Common Shareholders										
	Common Stock										
	Common Stock										
	Common Stock										
	Shares										
	Shares										
	Shares	Amount	Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total	Amount	Paid-in Capital	Retained Earnings	Noncontrolling Interests	Total
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											
Issuance of Common Stock											
Issuance of Common Stock											
Issuance of Common Stock											
Common Stock Dividends											
Other Changes in Equity											
Net Income (Loss)											
Net Income (Loss)											
Net Income (Loss)											
Other Comprehensive Income											
TOTAL EQUITY – JUNE 30, 2023											
Issuance of Common Stock											
Issuance of Common Stock											
Issuance of Common Stock											
Common Stock Dividends											

Other Changes in Equity
Disposition of Competitive Contracted Renewables Portfolio
Net Income
Other Comprehensive Loss
TOTAL EQUITY – SEPTEMBER 30, 2023
TOTAL EQUITY – DECEMBER 31, 2023
TOTAL EQUITY – DECEMBER 31, 2023
TOTAL EQUITY – DECEMBER 31, 2023
Issuance of Common Stock
Issuance of Common Stock
Issuance of Common Stock
Common Stock Dividends
Other Changes in Equity
Net Income
Net Income
Net Income
Other Comprehensive Loss
TOTAL EQUITY – MARCH 31, 2024
Issuance of Common Stock
Issuance of Common Stock
Issuance of Common Stock
Common Stock Dividends
Other Changes in Equity
Net Income
Net Income
Net Income
Other Comprehensive Income
TOTAL EQUITY – JUNE 30, 2024
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 – SEPTEMBER 30, 2024

(a) Cash dividends declared per AEP common share were $0.83.
(b) Cash dividends declared per AEP common share were $0.88.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

		June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
CURRENT ASSETS	**CURRENT ASSETS**		**CURRENT ASSETS**		
Cash and Cash Equivalents					

Restricted Cash (June 30, 2024 and December 31, 2023 Amounts Include $45.4 and $48.9, Respectively, Related to Transition Funding, Restoration Funding and Appalachian Consumer Rate Relief Funding)		
Other Temporary Investments (June 30, 2024 and December 31, 2023 Amounts Include $208.5 and $205, Respectively, Related to EIS and Transource Energy)		
Restricted Cash (September 30, 2024 and December 31, 2023 Amounts Include $53.4 and $48.9, Respectively, Related to Transition Funding, Restoration Funding and Appalachian Consumer Rate Relief Funding)		
Other Temporary Investments (September 30, 2024 and December 31, 2023 Amounts Include $216.3 and $205, Respectively, Related to EIS and Transource Energy)		
Accounts Receivable:	Accounts Receivable:	Accounts Receivable:
Customers		
Accrued Unbilled Revenues		
Pledged Accounts Receivable – AEP Credit		
Miscellaneous		
Allowance for Uncollectible Accounts		
Total Accounts Receivable		
Fuel		
Materials and Supplies		
Risk Management Assets		
Accrued Tax Benefits		
Regulatory Asset for Under-Recovered Fuel Costs		
Assets Held for Sale		
Assets Held for Sale		
Assets Held for Sale		
Prepayments and Other Current Assets		
Prepayments and Other Current Assets		
Prepayments and Other Current Assets		
TOTAL CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT		
Electric:	Electric:	Electric:
Generation		
Transmission		
Distribution		
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)		
Construction Work in Progress		
Total Property, Plant and Equipment		
Accumulated Depreciation and Amortization		
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
Regulatory Assets		
Securitized Assets		
Spent Nuclear Fuel and Decommissioning Trusts		
Goodwill		
Long-term Risk Management Assets		
Operating Lease Assets		
Deferred Charges and Other Noncurrent Assets		
TOTAL OTHER NONCURRENT ASSETS		
TOTAL ASSETS		
TOTAL ASSETS		

TOTAL ASSETS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June September 30, 2024 and December 31, 2023
(in millions, except per-share and share amounts)
(Unaudited)

		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2024
CURRENT LIABILITIES	**CURRENT LIABILITIES**			**CURRENT LIABILITIES**		
Accounts Payable						
Short-term Debt:	Short-term Debt:			Short-term Debt:		
Securitized Debt for Receivables – AEP Credit						
Other Short-term Debt						
Total Short-term Debt						
Long-term Debt Due Within One Year (June 30, 2024 and December 31, 2023 Amounts Include $194 and $207.2, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)						
Long-term Debt Due Within One Year (September 30, 2024 and December 31, 2023 Amounts Include $190.7 and $207.2, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)						
Risk Management Liabilities						
Customer Deposits						

Accrued Taxes
Accrued Interest
Obligations Under Operating Leases
Liabilities Held for Sale
Liabilities Held for Sale
Liabilities Held for Sale
Other Current Liabilities
Other Current Liabilities
Other Current Liabilities
TOTAL CURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
Long-term Debt (June 30, 2024 and December 31, 2023 Amounts Include $575.9 and $556.3, Respectively, Related to Sabine, DCC Fuel, Transition Funding, Restoration Funding, Appalachian Consumer Rate Relief Funding and Transource Energy)
Long-term Debt (September 30, 2024 and December 31, 2023 Amounts Include $545.9 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
Deferred Income Taxes

Regulatory Liabilities and Deferred Investment Tax Credits								
Asset Retirement Obligations								
Employee Benefits and Pension Obligations								
Obligations Under Operating Leases								
Deferred Credits and Other Noncurrent Liabilities								
TOTAL NONCURRENT LIABILITIES								
TOTAL LIABILITIES								
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)				Commitments and Contingencies (Note 5)			
	MEZZANINE EQUITY							
	MEZZANINE EQUITY							
	MEZZANINE EQUITY							
Contingently Redeemable Performance Share Awards								
Contingently Redeemable Performance Share Awards								
Contingently Redeemable Performance Share Awards								
TOTAL MEZZANINE 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:			
	2024		**2024**	**2023**			**2024**	**2023**
Shares Authorized	Shares Authorized		600,000,000		Shares Authorized		600,000,000	
Shares Issued	Shares Issued	533,144,747		527,369,157	Shares Issued	533,652,728		527,369,157

(1,184,572 Shares were Held in Treasury as of June 30, 2024 and December 31, 2023, Respectively)

(1,184,572 Shares were Held in Treasury as of September 30, 2024 and December 31, 2023, Respectively)

Paid-in Capital

Retained Earnings

Accumulated Other Comprehensive Income (Loss)

TOTAL AEP COMMON SHAREHOLDERS' EQUITY

Noncontrolling Interests

Noncontrolling Interests

Noncontrolling Interests

TOTAL EQUITY

TOTAL EQUITY

TOTAL EQUITY

TOTAL LIABILITIES, MEZZANINE EQUITY AND TOTAL EQUITY

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 108.

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

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024		2023	2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**			**OPERATING ACTIVITIES**		
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:						
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:						
Depreciation and Amortization						
Deferred Income Taxes						
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						
Loss on the Sale of the Competitive Contracted Renewables Portfolio						

Asset Impairments and Other Related Charges
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
Property Taxes
Property Taxes
Property Taxes
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 Liabilities

Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**	**Changes in Certain Components of Working Capital:**
Accounts Receivable, Net		
Fuel, Materials and Supplies		
Accounts Payable		
Accrued Taxes, Net		
Other Current Assets		
Other Current Liabilities		
Net Cash Flows from Operating Activities		

INVESTING ACTIVITIES
INVESTING ACTIVITIES
INVESTING ACTIVITIES
Construction Expenditures
Purchases of Investment Securities
Purchases of Investment Securities
Purchases of Investment Securities
Sales of Investment Securities
Acquisitions of Nuclear Fuel
Acquisitions of Renewable Energy Facilities
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 Sales of Assets
Proceeds from Sale of Equity Method Investment
Other Investing Activities
Net Cash Flows Used for Investing Activities

FINANCING ACTIVITIES
FINANCING ACTIVITIES
FINANCING ACTIVITIES
Issuance of Common Stock
Issuance of Long-term Debt
Issuance of Short-term Debt with Original Maturities greater than 90 Days
Change in Short-term Debt with Original Maturities less than 90 Days, Net
Retirement of Long-term Debt
Redemption of Short-term Debt with Original Maturities Greater than 90 Days
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
Dividends Paid on Common Stock
Other Financing Activities
Other Financing Activities
Other Financing Activities
Net Cash Flows from Financing Activities
Net Cash Flows from (Used for) Financing Activities
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash, Cash Equivalents and Restricted Cash
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash, Cash Equivalents and Restricted Cash
Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash, Cash Equivalents and Restricted Cash
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 Paid (Received) for Transferable Tax Credits
Noncash Acquisitions Under Finance Leases
Construction Expenditures Included in Current Liabilities as of June 30,
Acquisition of Nuclear Fuel Included in Current Liabilities as of June 30,

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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		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,				September 30,			
	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)				(in millions of KWhs)			
Retail:								
Residential								
Residential								
Residential								
Commercial								
Industrial								
Miscellaneous								
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		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,				September 30,			
	2024	2023	2024	2023	2024	2023	2024	2023
	(in degree days)				(in degree days)			
Actual – Heating (a)								
Normal – Heating (b)								
Actual – Cooling (c)								
Actual – Cooling (c)								
Actual – Cooling (c)								
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 2023 to 2024 Net Income
(in millions)

	Three Months Ended September 30,	Nine Months Ended September 30,
2023 Net Income	$ 125.5	$ 282.2
Changes in Revenues:		
Retail Revenues	5.2	84.9
Transmission Revenues	16.1	47.3
Other Revenues	(4.7)	(0.3)
Total Change in Revenues	16.6	131.9
Changes in Expenses and Other:		
Other Operation and Maintenance	(7.8)	(48.7)
Depreciation and Amortization	(1.1)	(16.8)
Taxes Other Than Income Taxes	3.8	11.5
Interest Income	2.6	4.2

Allowance for Equity Funds Used During Construction	2.7	15.2
Non-Service Cost Components of Net Periodic Benefit Cost	(1.1)	(3.6)
Interest Expense	(7.8)	(15.4)
Total Change in Expenses and Other	(8.7)	(53.6)
Income Tax Expense	(0.9)	(19.9)
2024 Net Income	$ 132.5	$ 340.6

AEP Texas Inc. and Subsidiaries
Reconciliation of 2023 to 2024 Net Income
(in millions)

	Three Months Ended June 30,	***Six Months Ended June 30,***
2023 Net Income	*$ 109.1*	*$ 156.7*
Changes in Revenues:		
Retail Revenues	*50.9*	*79.7*
Transmission Revenues	*21.6*	*31.2*
Other Revenues	*5.9*	*4.4*
Total Change in Revenues	*78.4*	*115.3*
Changes in Expenses and Other:		
Other Operation and Maintenance	*(49.3)*	*(40.9)*
Depreciation and Amortization	*(10.0)*	*(15.7)*
Taxes Other Than Income Taxes	*4.2*	*7.7*
Interest Income	*1.5*	*1.6*
Allowance for Equity Funds Used During Construction	*10.2*	*12.5*
Non-Service Cost Components of Net Periodic Benefit Cost	*(1.4)*	*(2.5)*
Interest Expense	*(3.0)*	*(7.6)*
Total Change in Expenses and Other	*(47.8)*	*(44.9)*
Income Tax Expense	*(11.3)*	*(19.0)*
2024 Net Income	*$ 128.4*	*$ 208.1*

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Retail Revenues** increased $51 million $5 million primarily due to the following:
  - A $33 million $25 million increase in revenue from rate riders.

  This increase was partially offset by:
  - A $10 million increase $12 million decrease in weather-related usage primarily due to a 25% increase 15% decrease in cooling degree days.
  - A $9 million increase An $8 million decrease in weather-normalized revenues primarily in all retail classes. the residential class.
- **Transmission Revenues** increased $22 million $16 million due to the following:
  - A $12 million increase due to increased load.
  - A $10 million increase in interim rates driven by increased transmission investments.
  - Other Revenues increased A $6 million due to the following:
  - A $3 million increase primarily due to increased load.
- A $3 million increase due to an increase in pole attachment revenue.

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

- **Other Operation and Maintenance** expenses increased $49 million $8 million primarily due to the following:

- A $29 million $4 million increase due to a prior year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered. distribution-related expenses.
- A $20 million $4 million increase in employee-related expenses due to the voluntary severance program. expenses.

- **Depreciation and Amortization** expenses increased $10 million primarily due to a higher depreciable base.
- **Allowance for Equity Funds Used During Construction** increased $10 million primarily due to capitalization of AFUDC on prepaid pension and OPEB.

- **Interest Expense** increased $3 million $8 million primarily due to the following:
  - An $8 million increase due to higher debt balances and interest rates.

  This increase was partially offset by:
  - A $5 million decrease due to an increase of capitalization of AFUDC on prepaid pension and OPEB.
- **Income Tax Expense** increased $11 million primarily due to the following:
  - A $6 million increase due to an increase in pretax book income.
  - A $6 million decrease in amortization of Excess ADIT.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

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

- **Retail Revenues** increased $80 million $85 million primarily due to the following:
  - A $49 million $73 million increase in revenue from rate riders.
  - A $29 million $21 million increase in weather-normalized revenues primarily in the commercial and residential and commercial classes.

  These increases were partially offset by:
  - A $10 million decrease in weather-related usage primarily due to a 5% decrease in cooling degree days.
- **Transmission Revenues** increased $31 million $47 million due to the following:
  - A $20 million $29 million increase in interim rates driven by increased transmission investments.
  - An $11 million $18 million increase due to increased load.

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

- **Other Operation and Maintenance** expenses increased $41 million $49 million primarily due to the following:
  - A $28 million increase due to a prior year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.
  - A $20 million increase in employee-related expenses due to the voluntary severance program.

  These increases were partially offset by:
  - A $7 million decrease in distribution-related expenses.
- **Depreciation and Amortization** expenses increased $16 million $17 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** decreased $8 million $12 million primarily due to lower property taxes driven by decreased tax rates.
- **Allowance for Equity Funds Used During Construction** increased $13 15 million primarily due to the following:

  •An $8 million increase primarily due to capitalization of AFUDC on prepaid pension and OPEB.
  - A $5 increase due to a higher AFUDC base.
- **Interest Expense** increased $8 million $15 million primarily due to the following:
  - A $14 million $21 million increase due to higher debt balances and interest rates.

  This increase was partially offset by:
  - A $5 million $6 million decrease due to an increase of capitalization of AFUDC on prepaid pension and OPEB.
- **Income Tax Expense** increased $19 million $20 million primarily due to the following:
  - A $15 million $16 million increase due to an increase in pretax book income.
  - A $6 million increase due to a decrease in amortization of Excess ADIT.

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

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,					
	September 30,		September 30,					
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUES								
Electric Transmission and Distribution								
Electric Transmission and Distribution								
Electric Transmission and Distribution								

Sales to AEP Affiliates

Other Revenues

TOTAL REVENUES

EXPENSES

EXPENSES

EXPENSES

Other Operation

Other Operation

Other Operation

Maintenance

Depreciation and Amortization

Taxes Other Than Income Taxes

TOTAL EXPENSES

OPERATING INCOME

OPERATING INCOME

OPERATING INCOME

Other Income (Expense):

Other Income (Expense):

Other Income (Expense):

Interest Income

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

Interest Expense

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

Income Tax Expense

Income Tax Expense

Income Tax Expense

NET INCOME

NET INCOME

NET INCOME

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

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

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

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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

	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
	June 30,	June 30,		

		September 30,		September 30,					
	2024	2024	2023	2024	2023	2024	2023	2024	2023
Net Income									
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 \$0.6 and \$0.8 for the Three Months Ended June 30, 2024 and 2023, Respectively, and \$1.6 and \$0.8 for the Six Months Ended June 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and \$0 and \$(0.1) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Cash Flow Hedges, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and \$1.6 and \$0.8 for the Nine Months Ended September 30, 2024 and 2023, Respectively									
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$0 and \$0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and \$0 and \$(0.1) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
TOTAL OTHER COMPREHENSIVE INCOME									
TOTAL OTHER COMPREHENSIVE INCOME									
TOTAL OTHER COMPREHENSIVE INCOME									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)									
TOTAL COMPREHENSIVE INCOME									
TOTAL COMPREHENSIVE INCOME									
TOTAL COMPREHENSIVE INCOME									

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022								
Capital Contribution from Parent								
Capital Contribution from Parent								
Capital Contribution from Parent								
Net Income								
Net Income								
Net Income								
Other Comprehensive Loss								
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023								
Capital Contribution from Parent								
Capital Contribution from Parent								
Capital Contribution from Parent								
Return of Capital to Parent								
Net Income								
Other Comprehensive Income								

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023

Capital Contribution from Parent

Capital Contribution from Parent

Capital Contribution from Parent

Net Income

Other Comprehensive Loss

TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023

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

Other Comprehensive Income

TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2024

Capital Contribution from Parent

Capital Contribution from Parent

Capital Contribution from Parent

Net Income

Net Income

Net Income

Other Comprehensive Income

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2024

Return of Capital to Parent

Return of Capital to Parent

Return of Capital to Parent

Common Stock Dividends

Net Income

Other Comprehensive Loss

TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2024

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AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

	June 30, 2024	2023	December 31,	September 30, 2024	December 31, 2023
CURRENT ASSETS	**CURRENT ASSETS**		**CURRENT ASSETS**		
Cash and Cash Equivalents					
Restricted Cash (June 30, 2024 and December 31, 2023 Amounts Include $29.4 and $34, Respectively, Related to Transition Funding and Restoration Funding)					
Restricted Cash (September 30, 2024 and December 31, 2023 Amounts Include $45.1 and $34, Respectively, Related to Transition Funding and Restoration Funding)					
Advances to Affiliates					
Accounts Receivable:	Accounts Receivable:			Accounts Receivable:	

Customers			
Affiliated Companies			
Accrued Unbilled Revenues			
Miscellaneous			
Allowance for Uncollectible Accounts			
Total Accounts Receivable			
Materials and Supplies			
Materials and Supplies			
Materials and Supplies			
Prepayments and Other Current Assets			
Insurance Receivable			
Prepayments and Other Current Assets			
Insurance Receivable			
Insurance Receivable			
Prepayments and Other Current Assets			
TOTAL CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			
PROPERTY, PLANT AND EQUIPMENT			
Electric:	Electric:		Electric:
Transmission			
Transmission			
Transmission			
Distribution			
Other Property, Plant and Equipment			
Construction Work in Progress			
Total Property, Plant and Equipment			
Accumulated Depreciation and Amortization			
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET			
OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS			
OTHER NONCURRENT ASSETS			
Regulatory Assets			
Securitized Assets (June 30, 2024 and December 31, 2023 Amounts Include \$163.3 and \$202.9, Respectively, Related to Transition Funding and Restoration Funding)			
Securitized Assets (September 30, 2024 and December 31, 2023 Amounts Include \$140.4 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			
TOTAL OTHER NONCURRENT ASSETS			
TOTAL ASSETS			
TOTAL ASSETS			
TOTAL ASSETS			

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

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

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
CURRENT LIABILITIES				
Advances from Affiliates				
Advances from Affiliates				
Advances from Affiliates				
Accounts Payable:				
General				
General				
General				
Affiliated Companies				
Long-term Debt Due Within One Year – Nonaffiliated (June 30, 2024 and December 31, 2023 Amounts Include $63.6 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Long-term Debt Due Within One Year – Nonaffiliated (June 30, 2024 and December 31, 2023 Amounts Include $63.6 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Long-term Debt Due Within One Year – Nonaffiliated (June 30, 2024 and December 31, 2023 Amounts Include $63.6 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2024 and December 31, 2023 Amounts Include $63.9 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2024 and December 31, 2023 Amounts Include $63.9 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2024 and December 31, 2023 Amounts Include $63.9 and $95.9, Respectively, Related to Transition Funding and Restoration Funding)				
Accrued Taxes				
Accrued Taxes				
Accrued Taxes				
Accrued Interest (June 30, 2024 and December 31, 2023 Amounts Include $1.9 and $2, Respectively, Related to Transition Funding and Restoration Funding)				
Accrued Interest (September 30, 2024 and December 31, 2023 Amounts Include $1.4 and $2, Respectively, Related to Transition Funding and Restoration Funding)				
Obligations Under Operating Leases				
Obligations Under Operating Leases				
Obligations Under Operating Leases				
Accrued Litigation Settlement				
Other Current Liabilities				
Other Current Liabilities				
Other Current Liabilities				
TOTAL CURRENT LIABILITIES				
NONCURRENT LIABILITIES				
NONCURRENT LIABILITIES				
NONCURRENT LIABILITIES				
Long-term Debt – Nonaffiliated (June 30, 2024 and December 31, 2023 Amounts Include $114.2 and $125.9, Respectively, Related to Transition Funding and Restoration Funding)				

Long-term Debt – Nonaffiliated
(September 30, 2024 and December 31, 2023 Amounts Include $102.1 and $125.9, Respectively, Related to Transition Funding and Restoration Funding)

Deferred Income Taxes
Deferred Income Taxes
Deferred Income Taxes

Regulatory Liabilities and Deferred Investment Tax Credits

Obligations Under Operating Leases
Obligations Under Operating Leases
Obligations Under Operating Leases

Deferred Credits and Other Noncurrent Liabilities

TOTAL NONCURRENT LIABILITIES

TOTAL LIABILITIES
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)	Commitments and Contingencies (Note 5)

COMMON SHAREHOLDER'S EQUITY
COMMON SHAREHOLDER'S EQUITY
COMMON SHAREHOLDER'S EQUITY

Paid-in Capital

Retained Earnings

Accumulated Other Comprehensive Income (Loss)

TOTAL COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

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AEP TEXAS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024	2023		2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**			**OPERATING ACTIVITIES**		
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:**			**Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:**		
Depreciation and Amortization						
Deferred Income Taxes						
Allowance for Equity Funds Used During Construction						

Mark-to-Market of Risk Management Contracts
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 Liabilities
Changes in Certain Components of Working Capital:
Accounts Receivable, Net
Accounts Receivable, Net
Accounts Receivable, Net
Materials and Supplies
Accounts Payable
Accrued Taxes, Net
Accrued Taxes, Net
Accrued Taxes, Net
Other Current Assets
Other Current Assets
Other Current Assets
Other Current Liabilities
Net Cash Flows from Operating Activities
INVESTING ACTIVITIES
INVESTING ACTIVITIES
INVESTING ACTIVITIES
Construction Expenditures
Change in Advances to Affiliates, Net
Other Investing Activities
Other Investing Activities
Other Investing Activities
Net Cash Flows Used for Investing Activities
FINANCING ACTIVITIES
FINANCING ACTIVITIES
FINANCING ACTIVITIES
Capital Contribution from Parent
Return of Capital to Parent
Issuance of Long-term Debt – Nonaffiliated
Change in Advances from Affiliates, Net
Change in Advances from Affiliates, Net
Change in Advances from Affiliates, Net
Retirement of Long-term Debt – Nonaffiliated
Principal Payments for Finance Lease Obligations
Other Financing Activities
Other Financing Activities
Dividends Paid on Common Stock
Other Financing Activities
Net Cash Flows from Financing Activities
Net Decrease in Cash, Cash Equivalents and Restricted Cash

Net Decrease in Cash, Cash Equivalents and Restricted Cash

Net Decrease in Cash, Cash Equivalents and Restricted Cash

Net Increase in Cash, Cash Equivalents and Restricted Cash

Net Increase in Cash, Cash Equivalents and Restricted Cash

Net Increase in Cash, Cash Equivalents and Restricted Cash

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

Net Cash Paid (Received) for Income Taxes

Noncash Acquisitions Under Finance Leases

Construction Expenditures Included in Current Liabilities as of June 30,

Construction Expenditures Included in Current Liabilities as of September 30,

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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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 June 30,			As of September 30,	
	2024	2024	2023	2024	2023
	(in millions)				
Plant In Service					
Construction Work in Progress					
Accumulated Depreciation and Amortization					
Total Transmission Property, Net					

AEP Transmission Company, LLC and Subsidiaries

Reconciliation of 2023 to 2024 Net Income

(in millions)

(in millions)

(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**

2023 Net Income
Changes in Transmission Revenues:
Changes in Transmission Revenues:
Changes in Transmission Revenues:
Transmission Revenues
Transmission Revenues
Transmission Revenues
Total Change in Transmission Revenues
Changes in Expenses and Other:
Changes in Expenses and Other:
Changes in Expenses and Other:
Other Operation and Maintenance
Other Operation and Maintenance
Other Operation and Maintenance
Depreciation and Amortization
Taxes Other Than Income Taxes
Interest Income
Allowance for Equity Funds Used During Construction
Interest Expense
Total Change in Expenses and Other
Income Tax Expense
Income Tax Expense
Income Tax Expense
2024 Net Income
2024 Net Income
2024 Net Income

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Transmission Revenues** increased $30 million $35 million primarily due to continued investment in transmission assets.

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

- **Other Operation and Maintenance** expenses increased $14 million primarily due to an $11 million increase in employee-related expenses due to the voluntary severance program.
- **Depreciation and Amortization** expenses increased $10 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $8 million primarily due to higher property taxes driven by increased transmission investment.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

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

- **Transmission Revenues** increased $71 million primarily due to continued investment in transmission assets.

Expenses and Other changed between years as follows:

- **Other Operation and Maintenance** expenses increased $16 million primarily due to the following:
  - An $11 million increase in employee-related expenses due to the voluntary severance program.
  - A $3 million increase in other employee-related expenses.
- **Depreciation and Amortization** expenses increased $21 million $9 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $6 million primarily due to higher property taxes driven by increased transmission investment.
- **Income Tax Expense** increased $8 million primarily due to an increase in pretax book income and an increase in state income taxes.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

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

- **Transmission Revenues** increased $106 million primarily due to continued investment in transmission assets.

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

- **Other Operation and Maintenance** expenses increased $16 million primarily due to a $12 million increase in employee-related expenses driven by an $11 million increase associated with the voluntary severance program.
- **Depreciation and Amortization** expenses increased $30 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $12 million primarily due to higher property taxes driven by increased transmission investment.
- **Interest Expense** increased $10 million $13 million primarily due to higher long-term debt balances and interest rates.
- **Income Tax Expense** increased $11 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 Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Three Months Ended			**Three Months Ended**		**Six Months Ended**		**Three Months Ended**	**Nine Months Ended**
		June 30,			**June 30,**				
		September 30,			**September 30,**				
	2024	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
REVENUES									
Transmission Revenues									
Transmission Revenues									
Transmission Revenues									
Sales to AEP Affiliates									
Provision for Refund – Affiliated									
Provision for Refund – Nonaffiliated									
Other Revenues									
TOTAL REVENUES									
EXPENSES									
EXPENSES									
EXPENSES									
Other Operation									
Maintenance									
Depreciation and Amortization									
Taxes Other Than Income Taxes									
TOTAL EXPENSES									
OPERATING INCOME									
OPERATING INCOME									
OPERATING INCOME									
Other Income (Expense):									
Other Income (Expense):									
Other Income (Expense):									
Interest Income – Affiliated									
Allowance for Equity Funds Used During Construction									
Interest Expense									
Interest Expense									
Interest Expense									
INCOME BEFORE INCOME TAX EXPENSE									

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

Income Tax Expense

Income Tax Expense

Income Tax Expense

NET INCOME

NET INCOME

NET INCOME

AEPTCo is wholly-owned by AEP Transmission Holdco.

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 108.

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

	Paid-in Capital	Retained Earnings	Total	Paid-in Capital	Retained Earnings	Total
TOTAL MEMBER'S EQUITY – DECEMBER 31, 2022						
Capital Contribution from Member						
Capital Contribution from Member						
Capital Contribution from Member						
Dividends Paid to Member						
Net Income						
TOTAL MEMBER'S EQUITY – MARCH 31, 2023						
Return of Capital to Member						
Return of Capital to Member						
Return of Capital to Member						
Dividends Paid to Member						
Net Income						
TOTAL MEMBER'S EQUITY – JUNE 30, 2023						
Capital Contribution from Member						
Capital Contribution from Member						
Capital Contribution from Member						
Dividends Paid to Member						
Net Income						
TOTAL MEMBER'S EQUITY – SEPTEMBER 30, 2023						
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						
Net Income						
TOTAL MEMBER'S EQUITY – MARCH 31, 2024						

Capital Contribution from Member
Capital Contribution from Member
Capital Contribution from Member
Dividends Paid to Member
Dividends Paid to Member
Dividends Paid to Member
Net Income
TOTAL MEMBER'S EQUITY – JUNE 30, 2024
Return of Capital to Member
Return of Capital to Member
Return of Capital to Member
Dividends Paid to Member
Net Income
TOTAL MEMBER'S EQUITY – SEPTEMBER 30, 2024

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
CURRENT ASSETS	**CURRENT ASSETS**			**CURRENT ASSETS**		
Advances to Affiliates						
Accounts Receivable:						
Customers						
Customers						
Customers						
Affiliated Companies						
Total Accounts Receivable						
Total Accounts Receivable						
Total Accounts Receivable						
Prepayments and Other Current Assets						
Prepayments and Other Current Assets						
Prepayments and Other Current Assets						
TOTAL CURRENT ASSETS						
TRANSMISSION PROPERTY						
TRANSMISSION PROPERTY						
TRANSMISSION PROPERTY						
Transmission Property						
Other Property, Plant and Equipment						
Construction Work in Progress						
Total Transmission Property						
Accumulated Depreciation and Amortization						
TOTAL TRANSMISSION PROPERTY – NET						
OTHER NONCURRENT ASSETS						
OTHER NONCURRENT ASSETS						
OTHER NONCURRENT ASSETS						

Regulatory Assets

Regulatory Assets

Regulatory Assets

Deferred Property Taxes

Deferred Charges and Other Noncurrent Assets

TOTAL OTHER NONCURRENT ASSETS

TOTAL ASSETS

TOTAL ASSETS

TOTAL ASSETS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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AEP TRANSMISSION COMPANY, LLC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND MEMBER'S EQUITY
June September 30, 2024 and December 31, 2023
(Unaudited)

		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
					(in millions)	
CURRENT LIABILITIES	**CURRENT LIABILITIES**			**CURRENT LIABILITIES**		
Advances from Affiliates						
Accounts Payable:	Accounts Payable:				Accounts Payable:	
General						
Affiliated Companies						
Long-term Debt Due Within One Year – Nonaffiliated						
Long-term Debt Due Within One Year – Nonaffiliated						
Long-term Debt Due Within One Year – Nonaffiliated						
Accrued Taxes						
Accrued Interest						
Obligations Under Operating Leases						
Other Current Liabilities						
Other Current Liabilities						
Other Current Liabilities						
TOTAL CURRENT LIABILITIES						
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
Long-term Debt – Nonaffiliated						
Deferred Income Taxes						
Regulatory Liabilities						
Obligations Under Operating Leases						
Deferred Credits and Other Noncurrent Liabilities						
TOTAL NONCURRENT LIABILITIES						
TOTAL LIABILITIES						
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)
Commitments and Contingencies (Note 5)

MEMBER'S EQUITY

MEMBER'S EQUITY
MEMBER'S EQUITY

Paid-in Capital

Retained Earnings

TOTAL MEMBER'S EQUITY

TOTAL LIABILITIES AND MEMBER'S EQUITY

TOTAL LIABILITIES AND MEMBER'S EQUITY
TOTAL LIABILITIES AND MEMBER'S EQUITY

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

	Six Months Ended June 30, 2024	2023	Nine Months Ended September 30, 2024	2023
OPERATING ACTIVITIES				
Net Income				
Net Income				
Net Income				
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:				
Depreciation and Amortization				
Depreciation and Amortization				
Depreciation and Amortization				
Deferred Income Taxes				
Allowance for Equity Funds Used During Construction				
Property Taxes				
Change in Other Noncurrent Assets				
Change in Other Noncurrent Assets				
Change in Other Noncurrent Assets				
Change in Other Noncurrent Liabilities				
Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**		**Changes in Certain Components of Working Capital:**	
Accounts Receivable, Net				
Materials and Supplies				
Accounts Payable				
Accrued Taxes, Net				
Other Current Assets				
Other Current Assets				

Other Current Assets	
Other Current Liabilities	
Net Cash Flows from Operating Activities	
INVESTING ACTIVITIES	
INVESTING ACTIVITIES	
INVESTING ACTIVITIES	
Construction Expenditures	
Change in Advances to Affiliates, Net	
Other Investing Activities	
Other Investing Activities	
Other Investing Activities	
Net Cash Flows Used for Investing Activities	
FINANCING ACTIVITIES	
FINANCING ACTIVITIES	
FINANCING ACTIVITIES	
Capital Contribution from Member	
Return of Capital to Member	
Issuance of Long-term Debt – Nonaffiliated	
Change in Advances from Affiliates, Net	
Dividends Paid to Member	
Net Cash Flows from Financing Activities	
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 Cash and Cash Equivalents	
Cash and Cash Equivalents at Beginning of Period	
Cash and Cash Equivalents at End of Period	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
Cash Paid for Interest, Net of Capitalized Amounts	
Net Cash Paid (Received) for Income Taxes	
Construction Expenditures Included in Current Liabilities as of June 30,	
Net Cash Paid for Income Taxes	
Construction Expenditures Included in Current Liabilities as of September 30,	

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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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 June 30,	Six Months Ended June 30,	Three Months Ended September 30,	Nine Months Ended September 30,

	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)				(in millions of KWhs)				
Retail:	Retail:				Retail:				
Residential									
Commercial									
Industrial									
Miscellaneous									
Total Retail									
Wholesale (a)									
Wholesale (a)									
Wholesale (a)									
Total KWhs									
Total KWhs									
Total KWhs									

(a) Includes Off-system Sales, municipalities and cooperatives, unit power and other wholesale customers.

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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in degree days)				(in degree days)				
Actual – Heating (a)									
Normal – Heating (b)									
Actual – Cooling (c)									
Actual – Cooling (c)									
Actual – Cooling (c)									
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.

Appalachian Power Company and Subsidiaries

Reconciliation of 2023 to 2024 Net Income

(in millions)

(in millions)

(in millions)

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

Three Months Ended June 30,

	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	Nine Months Ended September 30,
2023 Net Income		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues		
Retail Revenues		
Retail Revenues		
Off-system Sales		
Transmission Revenues		
Other Revenues		
Total Change in Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
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 and Maintenance		
Depreciation and Amortization		
Depreciation and Amortization		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Interest Income		
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		
Interest Expense		
Total Change in Expenses and Other		
Income Tax Expense		
Income Tax Expense		
Income Tax Expense		

2024 Net Income

2024 Net Income

2024 Net Income

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Retail Revenues** increased $88 million $66 million primarily due to the following:
  - A $50 million $28 million increase in rider revenues.
  - A $24 million $23 million increase in fuel revenues. rates due to the 2020-2022 Virginia Triennial Review.
  - A $23 million $7 million increase in weather-related usage driven by a 138% 10% increase in cooling degree days.
  - Transmission Revenues decreased $5 million primarily due to transmission formula rate true-up activity. A $6 million increase in fuel 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 $27 million $15 million primarily due to a decrease in expensing of past under-recovered fuel deferrals in West Virginia driven by an increase to correspond with recovery of those deferrals in ENEC rates in September 2023. rates.
- **Other Operation and Maintenance** expenses increased $25 million $28 million primarily due to the following:
  - A $26 million $13 million increase in employee-related expenses due to the voluntary severance program. prior year proceeds received for insurance policy settlements.
  - A $12 million An $11 million increase in transmission expenses primarily due to an increase in recoverable PJM expenses.
  - A $7 million increase in distribution expenses primarily due to an increase in vegetation management costs.

  These increases were partially offset by:
  - A $7 million decrease due to the January 2024 completion of regulatory asset amortization related to under-earnings during the 2017-2019 Triennial Review.
- **Depreciation and Amortization** expenses increased $8 million $5 million primarily due to a higher depreciable base.
- **Income Tax Expense** increased $7 million primarily due to an increase in pretax book income.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

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

- **Retail Revenues** increased $178 million $244 million primarily due to the following:
  - A $96 million An $88 million increase in rider revenues.
  - A $51 million $60 million increase in rates due to the 2020-2022 Virginia Triennial Review.
  - A $57 million increase in fuel revenues.
  - A $40 million $47 million increase in weather-related usage driven by a 130% 36% increase in cooling degree days and an 11% increase in heating degree days.
- **Other Revenues** increased $10 million $11 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 $84 million $99 million primarily due to a decrease in expensing of past under-recovered fuel deferrals in West Virginia driven by an increase to correspond with recovery of those deferrals in ENEC rates, in September 2023 increased non-recoverable wind purchases and the amortization of Excess ADIT through the ENEC.
- **Other Operation and Maintenance** expenses increased $53 million $81 million primarily due to the following:
  - A $35 million $49 million increase in transmission expenses primarily due to an increase in recoverable PJM expenses.
  - A $26 million increase in employee-related expenses due to the voluntary severance program.
  - A $16 million increase in distribution expenses primarily due to an increase in vegetation management costs.
  - A $13 million increase due to prior year proceeds received for insurance policy settlements.

  These increases were partially offset by:
  - A $12 million $19 million decrease due to the January 2024 completion of regulatory asset amortization related to under-earnings during the 2017-2019 Triennial Review.
- **Depreciation and Amortization** expenses increased $14 million $20 million primarily due to a higher depreciable base.
- **Taxes Other Than Income Taxes** increased $5 million $6 million due to an increase in Virginia state minimum taxes.
- **Income Tax Expense** decreased $11 million $10 million primarily due to the following:
  - A $14 million decrease driven by an increase in amortization of Excess ADIT.

  This decrease was partially offset by:
  - A $6 million increase driven by an increase in pretax book income.

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

	Three Months Ended	June 30,		Six Months Ended		September 30,		Three Months Ended		Nine Months Ended		
	2024	2023		2024		2023		2024		2023	2024	2023
REVENUES	**REVENUES**					**REVENUES**						
Electric Generation, Transmission and Distribution												
Sales to AEP Affiliates												
Other Revenues												
TOTAL REVENUES												
EXPENSES												
EXPENSES												
EXPENSES												
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation												
Other Operation												
Other Operation												
Other Operation												
Maintenance												
Depreciation and Amortization												
Depreciation and Amortization												
Depreciation and Amortization												
Taxes Other Than Income Taxes												
TOTAL EXPENSES												
OPERATING INCOME												
OPERATING INCOME												
OPERATING INCOME												
Other Income (Expense):												
Other Income (Expense):												
Other Income (Expense):												
Interest Income												
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												
Interest Expense												
INCOME BEFORE INCOME TAX EXPENSE												
INCOME BEFORE INCOME TAX EXPENSE												
INCOME BEFORE INCOME TAX EXPENSE												
Income Tax Expense												
Income Tax Expense												
Income Tax Expense												
NET INCOME												
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.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024 2024 2024	2023	2024	2023	2023	2024	2023	
Net Income								
OTHER COMPREHENSIVE LOSS, NET OF TAXES								
OTHER COMPREHENSIVE LOSS, NET OF TAXES								
OTHER COMPREHENSIVE LOSS, NET OF TAXES								
Cash Flow Hedges, Net of Tax of $0 and $0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $(0.1) and $(0.1) for the Six Months Ended June 30, 2024 and 2023, Respectively								
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.2) for the Three Months Ended June 30, 2024 and 2023, Respectively, and $(0.1) and $(0.4) for the Six Months Ended June 30, 2024 and 2023, Respectively								
Cash Flow Hedges, Net of Tax of $(0.1) and $(0.1) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.2) and $(0.2) for the Nine Months Ended September 30, 2024 and 2023, Respectively								
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $(0.1) and $(0.2) for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.2) and $(0.6) for the Nine Months Ended September 30, 2024 and 2023, Respectively								
TOTAL OTHER COMPREHENSIVE LOSS								
TOTAL OTHER COMPREHENSIVE LOSS								
TOTAL OTHER COMPREHENSIVE LOSS								
TOTAL COMPREHENSIVE INCOME								
TOTAL COMPREHENSIVE INCOME								
TOTAL COMPREHENSIVE INCOME								

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

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

Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2023
Capital Contribution from Parent
Capital Contribution from Parent
Capital Contribution from Parent
Net Income
Net Income
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2023
Capital Contribution from Parent
Capital Contribution from Parent
Capital Contribution from Parent
Net Income
Net Income
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 2023
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
Capital Contribution from Parent
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - MARCH 31, 2024
Capital Contribution from Parent
Capital Contribution from Parent
Capital Contribution from Parent
Net Income
Net Income
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2024
Return of Capital to Parent
Return of Capital to Parent
Return of Capital to Parent
Common Stock Dividends
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 2024

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APPALACHIAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

	June 30,	December 31,		
	September 30,	December 31,		
	2024	2024	2023	2024	2023
CURRENT ASSETS	**CURRENT ASSETS**	**CURRENT ASSETS**		
Cash and Cash Equivalents				
Restricted Cash for Securitized Funding				
Advances to Affiliates				
Accounts Receivable:	Accounts Receivable:	Accounts Receivable:		
Customers				
Affiliated Companies				
Accrued Unbilled Revenues				
Miscellaneous				
Allowance for Uncollectible Accounts				
Total Accounts Receivable				
Fuel				
Materials and Supplies				
Risk Management Assets				
Regulatory Asset for Under-Recovered Fuel Costs				
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				
TOTAL CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT				
PROPERTY, PLANT AND EQUIPMENT				
PROPERTY, PLANT AND EQUIPMENT				
Electric:	Electric:	Electric:		
Generation				
Transmission				
Distribution				
Other Property, Plant and Equipment				
Construction Work in Progress				
Total Property, Plant and Equipment				
Accumulated Depreciation and Amortization				
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET				
OTHER NONCURRENT ASSETS				
OTHER NONCURRENT ASSETS				
OTHER NONCURRENT ASSETS				
Regulatory Assets				
Securitized Assets				
Employee Benefits and Pension Assets				

Operating Lease Assets			
Operating Lease Assets			
Operating Lease Assets			
Deferred Charges and Other Noncurrent Assets			
TOTAL OTHER NONCURRENT ASSETS			
TOTAL ASSETS			
TOTAL ASSETS			
TOTAL ASSETS			

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

		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
		(in millions)			(in millions)	
CURRENT LIABILITIES	**CURRENT LIABILITIES**		**CURRENT LIABILITIES**			
Advances from Affiliates						
Accounts Payable:	Accounts Payable:		Accounts Payable:			
General						
Affiliated Companies						
Long-term Debt Due Within One Year – Nonaffiliated						
Risk Management Liabilities						
Risk Management Liabilities						
Risk Management Liabilities						
Customer Deposits						
Accrued Taxes						
Accrued Taxes						
Accrued Taxes						
Accrued Interest						
Obligations Under Operating Leases						
Other Current Liabilities						
Other Current Liabilities						
Other Current Liabilities						
TOTAL CURRENT LIABILITIES						
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
NONCURRENT LIABILITIES						
Long-term Debt – Nonaffiliated						
Deferred Income Taxes						
Deferred Income Taxes						
Deferred Income Taxes						
Regulatory Liabilities and Deferred Investment Tax Credits						
Asset Retirement Obligations						
Employee Benefits and Pension Obligations						

Obligations Under Operating Leases		
Deferred Credits and Other Noncurrent Liabilities		
TOTAL NONCURRENT LIABILITIES		
TOTAL LIABILITIES		
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)	Commitments and Contingencies (Note 5)
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 – 30,000,000 Shares	Authorized – 30,000,000 Shares	Authorized – 30,000,000 Shares
Outstanding – 13,499,500 Shares		
Paid-in Capital		
Retained Earnings		
Accumulated Other Comprehensive Income (Loss)		
TOTAL COMMON SHAREHOLDER'S EQUITY		
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY		
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 Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024		2023	2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**		**OPERATING ACTIVITIES**			
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:**		**Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:**			
Depreciation and Amortization						
Deferred Income Taxes						
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						
Deferred Fuel Over/Under-Recovery, Net						

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 Liabilities

Changes in Certain Components of Working Capital:
Changes in Certain Components of Working Capital:
Changes in Certain Components of Working Capital:

Accounts Receivable, Net
Fuel, Materials and Supplies
Margin Deposits
Accounts Payable
Accounts Payable
Accounts Payable
Accrued Taxes, Net
Other Current Assets
Other Current Liabilities

Net Cash Flows from Operating Activities

INVESTING ACTIVITIES
INVESTING ACTIVITIES
INVESTING ACTIVITIES

Construction Expenditures
Change in Advances to Affiliates, Net
Change in Advances to Affiliates, Net
Change in Advances to Affiliates, Net
Other Investing Activities
Other Investing Activities
Other Investing Activities

Net Cash Flows Used for Investing Activities

FINANCING ACTIVITIES
FINANCING ACTIVITIES
FINANCING ACTIVITIES

Capital Contribution from Parent
Return of Capital to Parent
Issuance of Long-term Debt – Nonaffiliated
Change in Advances from Affiliates, Net
Retirement of Long-term Debt – Nonaffiliated
Principal Payments for Finance Lease Obligations
Principal Payments for Finance Lease Obligations
Principal Payments for Finance Lease Obligations
Other Financing Activities
Other Financing Activities
Dividends Paid on Common Stock
Other Financing Activities

Net Cash Flows from (Used for) Financing Activities

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

Cash, Cash Equivalents and Restricted Cash for Securitized Funding at Beginning of Period	
Cash, Cash Equivalents and Restricted Cash for Securitized Funding at End of Period	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
Cash Paid for Interest, Net of Capitalized Amounts	
Net Cash Paid for Income Taxes	
Cash Paid (Received) for Transferable Tax Credits	
Noncash Acquisitions Under Finance Leases	
Construction Expenditures Included in Current Liabilities as of June 30,	
Construction Expenditures Included in Current Liabilities as of September 30,	

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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 June 30,		**Six Months Ended June 30,**		**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	(in millions of KWhs)				**(in millions of KWhs)**			
Retail:	Retail:				Retail:			
Residential								
Commercial								
Industrial								
Miscellaneous								
Total Retail								
Wholesale (a)								
Wholesale (a)								
Wholesale (a)								
Total KWhs								
Total KWhs								
Total KWhs								

(a) Includes Off-system Sales, municipalities and cooperatives, unit power and other wholesale customers.

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 June 30,		**Six Months Ended June 30,**		**Three Months Ended September 30,**		**Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	(in degree days)				**(in degree days)**			
Actual – Heating (a)								

Normal – Heating (b)
Actual – Cooling (c)
Actual – Cooling (c)
Actual – Cooling (c)
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 2023 to 2024 Net Income

Indiana Michigan Power Company and Subsidiaries

(in millions)
(in millions)
(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**
2023 Net Income		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues		
Retail Revenues		
Retail Revenues		
Off-system Sales		
Transmission Revenues		
Other Revenues		
Total Change in Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
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 from AEP Affiliates		
Other Operation and Maintenance		
Asset Impairments and Other Related Charges		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Other Income		
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

Interest Expense

Total Change in Expenses and Other

Income Tax Expense

Income Tax Expense

Income Tax Expense

2024 Net Income

2024 Net Income

2024 Net Income

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

The major components of the decrease increase in Revenues were as follows:

- **Retail Revenues** decreased $9 million increased $32 million primarily due to the following:
  - A $13 million $31 million increase in weather-normalized margins in all customer classes.
  - A $15 million increase in rider revenues.
  - A $9 million increase in weather-related usage primarily due to an 18% increase in cooling degree days.
  - A $7 million increase due to the implementation of new base rates in Indiana and Michigan.

  These increases were partially offset by:
  - A $12 million decrease due to regulatory provisions for refund.
  - A $12 million decrease in fuel revenues primarily driven by lower fuel rates in Indiana.
- **A $5 million decrease in rider revenues.**

  These decreases were partially offset by:
  - Off-system Sales An $11 million increase in weather-related usage increased $25 million primarily due to a 73% increase in cooling degree days. economic hedging activity and Rockport Plant, Unit 2 merchant sales.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased $8 million $11 million primarily due to decreased recoverable fuel costs and purchased power costs driven by decreased fuel revenues, a decrease due to a regulatory true-up associated with a final commission order, partially offset by an increase in merchant generation at Rockport Plant. Plant and an increase in recoverable purchased power costs.
- **Purchased Electricity from AEP Affiliates** increased $7 million $6 million primarily due to an increase in purchased electricity from Rockport Plant.

- **Other Operation and Maintenance** expenses increased $26 million $12 million primarily due to the following:
  - A $15 million increase in employee-related expenses due to the voluntary severance program.
  - A $7 million increase in non-utility operation expenses due to an increase in River Transportation Division (RTD) expenses and merchant operation expenses.
  - A $5 million increase in transmission expenses primarily due to an increase in recoverable PJM expenses.
- **Asset Impairments and Other Related Charges** increased $13 million due to the Federal EPA's revised CCR rules.

- **Depreciation and Amortization** expenses increased $7 million $16 million primarily due to a higher depreciable base an increase in addition regulatory reserves related to a prior year change in the amortization period of certain assets. Nuclear PTCs.
- **Income Tax Expense** decreased $18 million $55 million primarily due to the following:
  - A $12 million reduction in the Excess ADIT regulatory liability at I&M as a result of I&M's Michigan base case treatment of stand-alone NOLCs.
  - A $12 million $61 million decrease due related to a decrease in pretax book income. estimated Nuclear PTCs.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

The major components of the decrease increase in Revenues were as follows:

- **Retail Revenues** decreased $11 million increased $21 million primarily due to the following:
  - A $13 million decrease $22 million increase in weather-related usage primarily due to a regulatory provision for refund. 34% increase in cooling degree days.
  - An $18 million increase in weather-normalized margins in the residential and commercial classes.
  - A $12 million decrease increase due to the implementation of new base rates in weather-normalized margins primarily in the residential Indiana and industrial classes, partially offset by an Michigan.
  - A $9 million increase in the commercial class. rider revenues.

  These decreases increases were partially offset by:
  - A $14 million increase $34 million decrease due to regulatory provisions for refund.
  - A $10 million decrease in weather-related usage fuel revenues primarily driven by lower fuel rates in Indiana.

- **Off-system Sales** increased $26 million primarily due to a 73% increase in cooling degree days. economic hedging activity and Rockport Plant, Unit 2 merchant sales.
- **Transmission Revenues** increased $8 million $10 million primarily due to continued investment in transmission assets.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses increased $16 million $5 million primarily due to an increase in merchant generation at Rockport Plant, and a Michigan PSCR disallowance, partially offset by decreased recoverable fuel and purchased power costs driven by a decrease in fuel revenues. costs.
- **Purchased Electricity from AEP Affiliates** increased $24 million $30 million primarily due to an increase in purchased electricity from Rockport Plant.
- **Other Operation and Maintenance** expenses increased $29 million $41 million primarily due to the following:
  - A $16 million $23 million increase in transmission expenses primarily due to an increase in recoverable PJM expenses.
  - A $15 million increase in employee-related expenses due to the voluntary severance program.
  - A $7 million increase in demand side management expenses.
  - A $7 million An $8 million increase in non-utility operation expenses due to an increase in RTD expenses and merchant operation expenses at Rockport Plant.

  These increases were partially offset by:
  - A $4 million decrease in distribution expenses primarily due to a decrease in vegetation management costs.
  - A $4 million decrease in nuclear expenses at Cook Plant primarily due to lower refueling outage expenses.
  - A $3 million decrease due to an increased Nuclear Electric Insurance Limited distribution in 2024.
- **A $3 million decrease in vegetation management expenses.**
- **Asset Impairments and Other Related Charges** increased $13 million due to the Federal EPA's revised CCR rules.
- **Depreciation and Amortization** expenses decreased $10 million increased $6 million primarily due to the following:
  - A $17 million $13 million increase in regulatory reserves related to Nuclear PTCs.
  - A $9 million increase due to a higher depreciable base.

  These increases were partially offset by:
  - An $18 million decrease primarily due to the deferral of Excess ADIT as a result of the PLR received regarding the treatment of stand-alone NOLCs and the timing of refunds to customers under rate rider mechanisms.

This decrease was partially offset by:
  - An $8 million increase due to a higher depreciable base in addition to a prior year change in the amortization period of certain assets.
- **Taxes Other Than Income Taxes** increased $8 million $7 million primarily due to an increase in property taxes resulting from additional capital expenditures.
- **Interest Expense** decreased $6 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 Expense** decreased $77 million $132 million primarily due to the following:
  - A $67 million decrease due to a reduction in Excess ADIT as a result of the IRS PLR and I&M's &M Michigan base case jurisdictional treatment of stand-alone NOLCs.
  - A $16 million $61 million decrease due to a decrease in pretax book income. estimated Nuclear PTCs.

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

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,				September 30,			
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUES	**REVENUES**			**REVENUES**				
Electric Generation, Transmission and Distribution								
Sales to AEP Affiliates								
Other Revenues – Affiliated								
Other Revenues – Nonaffiliated								
TOTAL REVENUES								
EXPENSES								
EXPENSES								
EXPENSES								
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation								
Purchased Electricity from AEP Affiliates								
Purchased Electricity from AEP Affiliates								
Purchased Electricity from AEP Affiliates								

Other Operation
Maintenance
Asset Impairments and Other Related Charges
Depreciation and Amortization
Taxes Other Than Income Taxes
TOTAL EXPENSES
OPERATING INCOME
OPERATING INCOME
OPERATING INCOME
Other Income (Expense):
Other Income (Expense):
Other Income (Expense):
Other Income
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
Interest Expense
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)
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
The common stock of I&M is wholly-owned by Parent.
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 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended		Three Months Ended September 30,		Nine Months Ended	
	2024	2024	2023	2024	2023	2024	2023	2024	2023
Net Income									
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 $0.1 and $0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $0.1 and $(0.2) for the Six Months Ended June 30, 2024 and 2023, Respectively									

Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.1) for Three Months Ended June 30, 2024 and 2023, Respectively, and $0 and $(0.6) for the Six Months Ended June 30, 2024 and 2023, Respectively
Cash Flow Hedges, Net of Tax of $0 and $0.1 for the Three Months Ended September 30, 2024 and 2023, Respectively, and $0.1 and $(0.1) for the Nine Months Ended September 30, 2024 and 2023, Respectively
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and $0 and $(0.6) for the Nine Months Ended September 30, 2024 and 2023, Respectively
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)
TOTAL COMPREHENSIVE INCOME
TOTAL COMPREHENSIVE INCOME
TOTAL COMPREHENSIVE INCOME

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Common Stock	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
TOTAL COMMON SHAREHOLDER'S EQUITY - DECEMBER 31, 2022											
Common Stock Dividends											
Common Stock Dividends											
Common Stock Dividends											
Net Income											
Other Comprehensive Loss											
TOTAL COMMON SHAREHOLDER'S EQUITY -MARCH 31, 2023											
Capital Contribution from Parent											
Capital Contribution from Parent											
Capital Contribution from Parent											
Common Stock Dividends											
Net Income											
Other Comprehensive Loss											
TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 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											
Capital Contribution from Parent											
Common Stock Dividends											
Net Income											
Other Comprehensive Loss											

TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 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, 2024

Capital Contribution from Parent

Capital Contribution from Parent

Capital Contribution from Parent

Common Stock Dividends

Net Income

TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2024

TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2024

TOTAL COMMON SHAREHOLDER'S EQUITY - JUNE 30, 2024

Return of Capital to Parent

Return of Capital to Parent

Return of Capital to Parent

Common Stock Dividends

Net Income

Other Comprehensive Income

TOTAL COMMON SHAREHOLDER'S EQUITY - SEPTEMBER 30, 2024

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

	June 30,		December 31,	
	September 30,		December 31,	
	2024	2023	2024	2023
CURRENT ASSETS	**CURRENT ASSETS**	**CURRENT ASSETS**		
Cash and Cash Equivalents				
Accounts Receivable:				
Accounts Receivable:				
Accounts Receivable:				
Customers				
Affiliated Companies				

Accrued Unbilled Revenues		
Miscellaneous		
Total Accounts Receivable		
Total Accounts Receivable		
Total Accounts Receivable		
Fuel		
Materials and Supplies		
Risk Management Assets		
Regulatory Asset for Under-Recovered Fuel Costs		
Regulatory Asset for Under-Recovered Fuel Costs		
Accrued Tax Benefits		
Regulatory Asset for Under-Recovered Fuel Costs		
Prepayments and Other Current Assets		
Prepayments and Other Current Assets		
Prepayments and Other Current Assets		
TOTAL CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT		
Electric:	Electric:	Electric:
Generation		
Transmission		
Distribution		
Other Property, Plant and Equipment (Including Coal Mining and Nuclear Fuel)		
Construction Work in Progress		
Total Property, Plant and Equipment		
Accumulated Depreciation, Depletion and Amortization		
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
Regulatory Assets		
Spent Nuclear Fuel and Decommissioning Trusts		
Operating Lease Assets		
Operating Lease Assets		
Operating Lease Assets		
Deferred Charges and Other Noncurrent Assets		
TOTAL OTHER NONCURRENT ASSETS		
TOTAL ASSETS		
TOTAL ASSETS		
TOTAL ASSETS		

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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INDIANA MICHIGAN POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
June September 30, 2024 and December 31, 2023
(dollars in millions)
(Unaudited)

	June 30,	December 31,	September 30,	December 31,

CURRENT LIABILITIES	CURRENT LIABILITIES 2024	CURRENT LIABILITIES 2023	2024	2023
Advances from Affiliates				
Accounts Payable:	Accounts Payable:	Accounts Payable:		
General				
Affiliated Companies				
Long-term Debt Due Within One Year – Nonaffiliated (June 30, 2024 and December 31, 2023 Amounts Include $99.9 and $81.4, Respectively, Related to DCC Fuel)				
Long-term Debt Due Within One Year – Nonaffiliated (September 30, 2024 and December 31, 2023 Amounts Include $93.2 and $81.4, Respectively, Related to DCC Fuel)				
Customer Deposits				
Customer Deposits				
Customer Deposits				
Accrued Taxes				
Accrued Interest				
Obligations Under Operating Leases				
Obligations Under Operating Leases				
Obligations Under Operating Leases				
Regulatory Liability for Over-Recovered Fuel Costs				
Other Current Liabilities				
TOTAL CURRENT LIABILITIES				
NONCURRENT LIABILITIES				
NONCURRENT LIABILITIES				
NONCURRENT LIABILITIES				
Long-term Debt – Nonaffiliated				
Deferred Income Taxes				
Deferred Income Taxes				
Deferred Income Taxes				
Regulatory Liabilities and Deferred Investment Tax Credits				
Asset Retirement Obligations				
Obligations Under Operating Leases				
Deferred Credits and Other Noncurrent Liabilities				
TOTAL NONCURRENT LIABILITIES				
TOTAL LIABILITIES				
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)	Commitments and Contingencies (Note 5)		
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				
Paid-in Capital				
Retained Earnings				

Accumulated Other Comprehensive Income (Loss)

TOTAL COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY

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 108.

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

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024		2023	2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**			**OPERATING ACTIVITIES**		
Net Income						
Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:						
Depreciation and Amortization						
Depreciation and Amortization						
Depreciation and Amortization						
Deferred Income Taxes						
Deferred Income Taxes						
Deferred Income Taxes						
Amortization (Deferral) of Incremental Nuclear Refueling Outage Expenses, Net						
Asset Impairments and Other Related Charges						
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						
Amortization of Nuclear Fuel						
Deferred Fuel Over/Under-Recovery, Net						
Deferred Fuel Over/Under-Recovery, Net						
Deferred Fuel Over/Under-Recovery, Net						
Change in Other Noncurrent Assets						
Change in Other Noncurrent Liabilities						
Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**			**Changes in Certain Components of Working Capital:**		
Accounts Receivable, Net						
Fuel, Materials and Supplies						
Accounts Payable						
Accounts Payable						
Accounts Payable						
Accrued Taxes, Net						
Accrued Taxes, Net						
Accrued Taxes, Net						
Other Current Assets						
Other Current Assets						
Other Current Assets						

Other Current Liabilities	
Net Cash Flows from Operating Activities	
INVESTING ACTIVITIES	
INVESTING ACTIVITIES	
INVESTING ACTIVITIES	
Construction Expenditures	
Change in Advances to Affiliates, Net	
Purchases of Investment Securities	
Sales of Investment Securities	
Acquisitions of Nuclear Fuel	
Other Investing Activities	
Other Investing Activities	
Other Investing Activities	
Net Cash Flows Used for Investing Activities	
FINANCING ACTIVITIES	
FINANCING ACTIVITIES	
FINANCING ACTIVITIES	
Capital Contribution from Parent	
Capital Contribution from Parent	
Capital Contribution from Parent	
Return of Capital to Parent	
Issuance of Long-term Debt – Nonaffiliated	
Change in Advances from Affiliates, Net	
Retirement of Long-term Debt – Nonaffiliated	
Principal Payments for Finance Lease Obligations	
Dividends Paid on Common Stock	
Other Financing Activities	
Net Cash Flows Used for 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	
Cash and Cash Equivalents at Beginning of Period	
Cash and Cash Equivalents at End of Period	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
SUPPLEMENTARY INFORMATION	
Cash Paid for Interest, Net of Capitalized Amounts	
Net Cash Paid (Received) for Income Taxes	
Noncash Acquisitions Under Finance Leases	
Construction Expenditures Included in Current Liabilities as of June 30,	
Acquisition of Nuclear Fuel Included in Current Liabilities as of June 30,	
Construction Expenditures Included in Current Liabilities as of September 30,	
Acquisition of Nuclear Fuel Included in Current Liabilities as of September 30,	

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OHIO POWER COMPANY AND SUBSIDIARIES

RESULTS OF OPERATIONS

KWh Sales/Degree Days

Summary of KWh Energy Sales

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)				(in millions of KWhs)				
Retail:	Retail:				Retail:				
Residential									
Commercial									
Industrial									
Miscellaneous									
Total Retail (a)									
Wholesale (b)									
Wholesale (b)									
Wholesale (b)									
Total KWhs									
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.

Summary of Heating and Cooling Degree Days

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in degree days)				(in degree days)				
Actual – Heating (a)									
Normal – Heating (b)									
Actual – Cooling (c)									
Actual – Cooling (c)									
Actual – Cooling (c)									
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 2023 to 2024 Net Income

(in millions)

(in millions)

(in millions)

Three Months Ended June 30,

Three Months Ended June 30,

	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	Nine Months Ended September 30,
2023 Net Income		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues		
Retail Revenues		
Retail Revenues		
Off-system Sales		
Transmission Revenues		
Other Revenues		
Total Change in Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Purchased Electricity for Resale		
Purchased Electricity for Resale		
Purchased Electricity for Resale		
Purchased Electricity from AEP Affiliates		
Other Operation and Maintenance		
Asset Impairments and Other Related Charges		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Other Income		
Other Income		
Other Income		
Allowance for Equity Funds Used During Construction		
Non-Service Cost Components of Net Periodic Benefit Cost		
Interest Expense		
Total Change in Expenses and Other		
Income Tax Expense (Benefit)		
Income Tax Expense (Benefit)		
Income Tax Expense (Benefit)		
Income Tax Expense		
Income Tax Expense		
Income Tax Expense		
2024 Net Income		
2024 Net Income		
2024 Net Income		

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

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

- **Retail Revenues** increased $28 million $4 million primarily due to: to the following:

- An $85 million A $105 million increase in rider revenues. revenue from rate riders.
- A $14 million increase in weather-related usage driven by a 129% 35% increase in cooling degree days offset by a 38% decrease in heating degree days.
- A $6 million increase in weather-normalized revenues in the residential class, partially offset by the industrial class.

These increases were partially offset by:

- A $76 million $104 million decrease due to lower customer participation in OPCo's SSO, partially offset by higher prices.
- Off-system Sales decreased $6 million primarily due to:
- A $4 million $12 million decrease in sales at OVEC driven by lower volume.
- A $2 million decrease due to 2023 PJM settlements related to winter storm Elliott. weather-normalized revenues in the industrial class.

- **Other Revenues** decreased $1 million due to the following:
  - A $17 million decrease in recoverable sales of renewable energy credits.

  This decrease was partially offset by:

  - A increased $13 million increase primarily due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.

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

- **Purchased Electricity for Resale** expenses decreased $83 million $62 million primarily due to the following:
  - A $90 million An $80 million decrease in recoverable auction purchases primarily due to lower volumes driven by lower customer participation in OPCo's SSO.
  - A $19 million This decrease in recoverable alternative energy rider expenses.

  These decreases were was partially offset by:

  - A $27 million $19 million increase in recoverable OVEC costs.

- **Purchased Electricity from AEP Affiliates** expenses increased $14 million decreased $24 million primarily due to increased decreased recoverable auction purchases in OPCo's SSO auction. SSO.
- **Other Operation and Maintenance** expenses increased $34 million $50 million primarily due to the following:
  - A $17 million $31 million increase in transmission expenses primarily due to:
    - An $11 million to an increase in recoverable PJM expenses.
  - A $7 million An $11 million increase in vegetation management expenses. related to recoverable energy assistance program expenses for qualified Ohio customers.
  - A $15 million increase in employee-related expenses due to the voluntary severance program.
  - A $10 million An $8 million increase in distribution expenses primarily related to recoverable storm restoration costs and recoverable vegetation management expenses.
- **Asset Impairments and Other Related Charges** increased $53 million primarily due to Federal EPA revised CCR rules.
- **Depreciation and Amortization** expenses increased $34 million primarily due to a higher depreciable base and an increase in recoverable rider depreciable assets.
- **Taxes Other Than Income Taxes** increased $23 million primarily due to higher property taxes driven by additional investments in transmission and distribution assets and higher tax rates.
- **Income Tax Expense** decreased $14 million primarily due to a decrease in pretax book income.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

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

- **Retail Revenues** increased $3 million $6 million primarily due to: to the following:
  - A $174 million $279 million increase in rider revenues. revenue from rate riders.
  - A $30 million $44 million increase in weather-related usage driven by a 129% 56% increase in cooling degree days.

  These increases were partially offset by:

  - A $202 million $306 million decrease due to lower customer participation in OPCo's SSO, partially offset by higher prices.
  - A $15 million decrease in weather-normalized revenues in the industrial class, partially offset by residential and commercial classes.
- **Off-system Sales** decreased $10 million $12 million primarily due to 2023 PJM settlements related to winter storm Elliott.
- **Other Revenues** increased $14 million $26 million due to the following:
  - A $23 million $33 million increase due to third-party Legacy Generation Resource Rider revenue related to the recovery of OVEC costs.

  This increase was partially offset by:

  - An $11 million A $9 million decrease in recoverable sales of renewable energy credits.

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

- **Purchased Electricity for Resale** expenses decreased $217 million $278 million primarily due to the following:
  - A $262 million $342 million decrease in recoverable auction purchases primarily due to lower volumes driven by lower customer participation in OPCo's SSO, partially offset by higher prices.
  - A $16 million decrease in recoverable alternative energy rider expenses.

  These decreases were partially offset by:

  - A $62 million An $81 million increase in recoverable OVEC costs.
- **Purchased Electricity from AEP Affiliates** expenses increased $61 million $37 million primarily due to increased recoverable purchases in OPCo's SSO auction.
- **Other Operation and Maintenance** expenses increased $71 million $121 million primarily due to the following:
  - A $44 million $73 million increase in transmission expenses primarily due to:

- A $37 million to an increase in recoverable PJM expenses.
- A $10 million increase in vegetation management expenses.
- A $26 million $19 million increase in distribution expenses primarily due to recoverable storm restoration costs and recoverable vegetation management expenses.
- A $16 million increase related to recoverable energy assistance program expenses for qualified Ohio customers.
- A $15 million increase in employee-related expenses due to the voluntary severance program.

- **Asset Impairments and Other Related Charges** increased $53 million primarily due to Federal EPA revised CCR rules.
- **Depreciation and Amortization** expenses increased $64 million $69 million primarily due to a higher depreciable base and an increase in recoverable rider depreciable assets.

- **Taxes Other Than Income Taxes** increased $39 million $43 million primarily due to the following:
  - A $35 million increase due to higher property taxes driven by additional investments in transmission and distribution assets and tax rate changes.
  - An $8 million increase in state excise taxes due to increased billed KWh in 2024 resulting in a higher tax rates. burden.
- **Interest Expense** increased $8 million $13 million primarily due to higher debt balances and interest rates.
- **Income Tax Expense** decreased $14 million $10 million primarily due to a decrease in pretax book income.

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

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,					
	September 30,		September 30,					
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUES	REVENUES			REVENUES				
Electricity, Transmission and Distribution								
Sales to AEP Affiliates								
Other Revenues								
TOTAL REVENUES								
EXPENSES								
EXPENSES								
EXPENSES								
Purchased Electricity for Resale								
Purchased Electricity from AEP Affiliates								
Other Operation								
Other Operation								
Other Operation								
Maintenance								
Asset Impairments and Other Related Charges								
Depreciation and Amortization								
Taxes Other Than Income Taxes								
TOTAL EXPENSES								
OPERATING INCOME								
OPERATING INCOME								
OPERATING INCOME								
Other Income (Expense):								
Other Income (Expense):								
Other Income (Expense):								
Other Income								
Other Income								
Other Income								
Allowance for Equity Funds Used During Construction								

Non-Service Cost Components of Net Periodic Benefit Cost

Interest Expense

INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)

INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)

INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

INCOME BEFORE INCOME TAX EXPENSE

Income Tax Expense (Benefit)

Income Tax Expense (Benefit)

Income Tax Expense (Benefit)

Income Tax Expense

Income Tax Expense

Income Tax Expense

NET INCOME

NET INCOME

NET INCOME

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 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Common Stock	Paid-in Capital	Retained Earnings	Total	Paid-in Capital	Retained Earnings	Total
TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022							
Capital Contribution from Parent							
Capital Contribution from Parent							
Capital Contribution from Parent							
Net Income							
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023							
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023							
TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023							
Capital Contribution from Parent							
Capital Contribution from Parent							
Capital Contribution from Parent							
Net Income							
Net Income							
Net Income							

TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2023
TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2023
TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2023

Net Income
Net Income

Net Income

TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2023
TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2023
TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2023

TOTAL COMMON SHAREHOLDER’S EQUITY – DECEMBER 31, 2023

Net Income
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

Net Income
Net Income
Net Income

TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2024
TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2024
TOTAL COMMON SHAREHOLDER’S EQUITY – JUNE 30, 2024

Capital Contribution from Parent
Capital Contribution from Parent
Capital Contribution from Parent

Net Income
Net Income
Net Income

TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2024
TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2024
TOTAL COMMON SHAREHOLDER’S EQUITY – SEPTEMBER 30, 2024

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
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OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
CURRENT ASSETS	**CURRENT ASSETS**		**CURRENT ASSETS**	
Cash and Cash Equivalents				
Advances to Affiliates				
Accounts Receivable:	Accounts Receivable:		Accounts Receivable:	
Customers				
Affiliated Companies				
Miscellaneous				
Miscellaneous				
Miscellaneous				

Total Accounts Receivable

Total Accounts Receivable

Total Accounts Receivable

Materials and Supplies

Prepayments and Other Current Assets

Prepayments and Other Current Assets

Prepayments and Other Current Assets

TOTAL CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

Electric:	Electric:	Electric:

Transmission

Distribution

Other Property, Plant and Equipment

Construction Work in Progress

Total Property, Plant and Equipment

Accumulated Depreciation and Amortization

TOTAL PROPERTY, PLANT AND EQUIPMENT – NET

OTHER NONCURRENT ASSETS

OTHER NONCURRENT ASSETS

OTHER NONCURRENT ASSETS

Regulatory Assets

Operating Lease Assets

Operating Lease Assets

Operating Lease Assets

Deferred Charges and Other Noncurrent Assets

TOTAL OTHER NONCURRENT ASSETS

TOTAL ASSETS

TOTAL ASSETS

TOTAL ASSETS

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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

		June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
			(in millions)		
CURRENT LIABILITIES	**CURRENT LIABILITIES**		**CURRENT LIABILITIES**		
Advances from Affiliates					
Accounts Payable:	Accounts Payable:		Accounts Payable:		
General					
Affiliated Companies					
Risk Management Liabilities					
Risk Management Liabilities					
Risk Management Liabilities					
Customer Deposits					

Accrued Taxes
Accrued Interest
Obligations Under Operating Leases
Obligations Under Operating Leases
Obligations Under Operating Leases
Other Current Liabilities
TOTAL CURRENT LIABILITIES

NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES

Long-term Debt – Nonaffiliated
Long-term Risk Management Liabilities
Deferred Income Taxes
Regulatory Liabilities and Deferred Investment Tax Credits
Obligations Under Operating Leases
Obligations Under Operating Leases
Obligations Under Operating Leases
Deferred Credits and Other Noncurrent Liabilities
TOTAL NONCURRENT LIABILITIES
TOTAL LIABILITIES
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)	Commitments and Contingencies (Note 5)

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 – 40,000,000 Shares	Authorized – 40,000,000 Shares	Authorized – 40,000,000 Shares

Outstanding – 27,952,473 Shares
Paid-in Capital
Retained Earnings
TOTAL COMMON SHAREHOLDER’S EQUITY
TOTAL COMMON SHAREHOLDER’S EQUITY
TOTAL COMMON SHAREHOLDER’S EQUITY
TOTAL LIABILITIES AND COMMON SHAREHOLDER’S EQUITY
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 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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OHIO POWER COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023

(in millions)
(Unaudited)

		Six Months Ended June 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**		**OPERATING ACTIVITIES**		
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:**		**Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:**		
Depreciation and Amortization					
Deferred Income Taxes					
Asset Impairments and Other Related Charges					
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					
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 Liabilities					
Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**		**Changes in Certain Components of Working Capital:**		
Accounts Receivable, Net					
Materials and Supplies					
Accounts Payable					
Customer Deposits					
Accrued Taxes, Net					
Other Current Assets					
Other Current Liabilities					
Net Cash Flows from Operating Activities					
INVESTING ACTIVITIES					
INVESTING ACTIVITIES					
INVESTING ACTIVITIES					
Construction Expenditures					
Change in Advances to Affiliates, Net					
Other Investing Activities					
Net Cash Flows Used for Investing Activities					
FINANCING ACTIVITIES					
FINANCING ACTIVITIES					
FINANCING ACTIVITIES					
Capital Contribution from Parent					
Issuance of Long-term Debt – Nonaffiliated					
Change in Advances from Affiliates, Net					
Retirement of Long-term Debt – Nonaffiliated					
Principal Payments for Finance Lease Obligations					
Other Financing Activities					
Other Financing Activities					
Other Financing Activities					
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

Cash and Cash Equivalents at Beginning of Period

Cash and Cash Equivalents at End of Period

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts

Net Cash Paid (Received) for Income Taxes

Noncash Acquisitions Under Finance Leases

Construction Expenditures Included in Current Liabilities as of June 30,

Construction Expenditures Included in Current Liabilities as of September 30,

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)				(in millions of KWhs)				
Retail:	Retail:				Retail:				
Residential									
Commercial									
Industrial									
Miscellaneous									
Total Retail									
Wholesale (a)									
Wholesale (a)									
Wholesale (a)									
Total KWhs									
Total KWhs									
Total KWhs									

(a) Includes municipalities and cooperatives, unit power and other wholesale customers.

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 June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,		
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(in degree days)				(in degree days)				
Actual – Heating (a)									

Normal – Heating (b)
Actual – Cooling (c)
Actual – Cooling (c)
Actual – Cooling (c)
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 2023 to 2024 Net Income**

(in millions)
(in millions)
(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**
2023 Net Income		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues (a)		
Retail Revenues (a)		
Retail Revenues (a)		
Transmission Revenues		
Transmission Revenues		
Transmission Revenues		
Other Revenues		
Total Change in Revenues		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
Changes in Expenses and Other:		
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 and Maintenance		
Depreciation and Amortization		
Taxes Other Than Income Taxes		
Interest Income		
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
Interest Expense
Total Change in Expenses and Other
Income Tax Benefit
Income Tax Benefit
Income Tax Benefit
2024 Net Income
2024 Net Income
2024 Net Income

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

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

The major components of the decrease in Revenues were as follows:

- **Retail Revenues** decreased $22 million $30 million primarily due to the following:
  - A $40 million $39 million decrease in fuel revenue primarily due to lower authorized fuel rates.
  - A $9 million decrease in weather-normalized margins weather-related usage primarily due to an 8% decrease in the residential class. cooling degree days.

  These decreases were partially offset by:
  - A $14 million An $11 million increase in base rate and rider revenues.
  - A $10 million increase weather-normalized margins primarily in weather-related usage primarily due to a 27% increase in cooling degree days.
- **Other Revenues** increased $6 million primarily due to associated business development revenues driven by costs associated with a third-party construction project. the residential class.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased $43 million $33 million primarily due to the lower current year amortization of under-recovered fuel regulatory assets driven by lower authorized fuel rates.

- **Other Operation and Maintenance** expenses increased $28 million $12 million primarily due to the following:
  - A $10 million increase in employee-related expenses due to the voluntary severance program.
  - A $9 million $7 million increase in transmission expenses primarily due to an increase in filed transmission revenue requirements. SPP expenses.
  - A $3 million increase in overhead line maintenance expenses.
- **Depreciation and Amortization** expenses increased $9 million primarily due to a higher depreciable base, implementation of new rates and the amortization of regulatory assets related to NCWF.
- **Income Tax Benefit** decreased $5 million primarily due to the following:
  - A $9 million increase in associated business development expenses primarily $13 million decrease due to a decrease in amortization of Excess ADIT.

  This decrease was partially reimbursable development costs associated with offset by:
  - A $4 million increase due to a third-party construction project. decrease in pretax book income.
  - Taxes Other Than Income Taxes increased $9 million primarily A $3 million increase due to an increase a decrease in property taxes. state income tax.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

The major components of the decrease in Revenues were as follows:

- **Retail Revenues** decreased $58 million $88 million primarily due to the following:
  - A $97 million $137 million decrease in fuel revenue primarily due to lower authorized fuel rates.

  This decrease was partially offset by:
  - A $34 million $32 million increase in base rate and rider revenues.
- **Other Revenues** increased $13 million $14 million primarily due to associated business development revenues driven by costs associated with a third-party construction project.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased $94 million $128 million primarily due to the lower current year amortization of under-recovered fuel regulatory assets driven by lower authorized fuel rates.
- **Other Operation and Maintenance** expenses increased $32 million $44 million primarily due to the following:
  - A $16 million increase in transmission expenses primarily due to an increase in SPP expenses.

- A $13 million increase in associated business development expenses primarily due to partially reimbursable development costs associated with a third-party construction project.
- A $10 million increase in employee-related expenses due to the voluntary severance program.

- **A $9 million increase in transmission expenses primarily due to an increase in filed transmission revenue requirements.**
- **Depreciation and Amortization** expenses increased $6 million $14 million primarily due to an increase in a higher depreciable base, implementation of new rates and the amortization of regulatory assets related to NCWF.
- **Taxes Other Than Income Taxes** increased $9 million $11 million primarily due to an increase in property taxes.
- **Interest Expense** decreased $8 million $7 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 $50 million $45 million primarily due to the following:
  - A $44 million increase due to a reduction in Excess ADIT regulatory liabilities as a result of the IRS PLR received regarding the treatment of stand-alone NOLCs in retail rate making.
- An $8 million increase in PTCs.

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

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,	Nine Months Ended September 30,		
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUES	**REVENUES**			**REVENUES**				
Electric Generation, Transmission and Distribution								
Sales to AEP Affiliates								
Other Revenues								
TOTAL REVENUES								
EXPENSES								
EXPENSES								
EXPENSES								
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation								
Other Operation								
Other Operation								
Other Operation								
Maintenance								
Depreciation and Amortization								
Taxes Other Than Income Taxes								
TOTAL EXPENSES								
OPERATING INCOME								
OPERATING INCOME								
OPERATING INCOME								
Other Income (Expense):								
Other Income (Expense):								
Other Income (Expense):								
Interest Income								
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								
Interest Expense								

INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)

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

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

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 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,					
	September 30,		September 30,					
	2024	2024	2023	2024	2023	2024	2023	2024	2023
Net Income									
OTHER COMPREHENSIVE LOSS, NET OF TAXES									
OTHER COMPREHENSIVE LOSS, NET OF TAXES									
OTHER COMPREHENSIVE LOSS, NET OF TAXES									
Cash Flow Hedges, Net of Tax of $0 and $0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $0 and $(0.4) for the Six Months Ended June 30, 2024 and 2023, Respectively									
Cash Flow Hedges, Net of Tax of $(2.3) and $0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(2.3) and $(0.4) for the Nine Months Ended September 30, 2024 and 2023, Respectively									
TOTAL COMPREHENSIVE INCOME									

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF CHANGES IN
COMMON SHAREHOLDER'S EQUITY
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

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

TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2022

Common Stock Dividends

Common Stock Dividends

Common Stock Dividends

Net Loss

Net Loss

Net Loss

Other Comprehensive Loss

TOTAL COMMON SHAREHOLDER'S EQUITY – MARCH 31, 2023

Return of Capital to Parent

Return of Capital to Parent

Return of Capital to Parent

Net Income

Net Income

Net Income

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2023

Capital Contribution from Parent

Capital Contribution from Parent

Capital Contribution from Parent

Common Stock Dividends

Net Income

TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023

TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2023

Common Stock Dividends

Common Stock Dividends

Common Stock Dividends

Net Income

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

Capital Contribution from Parent

Capital Contribution from Parent

Capital Contribution from Parent
Common Stock Dividends
Net Income
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2024
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2024
TOTAL COMMON SHAREHOLDER'S EQUITY – JUNE 30, 2024
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends
Net Income
Other Comprehensive Loss
TOTAL COMMON SHAREHOLDER'S EQUITY – SEPTEMBER 30, 2024

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

		June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
CURRENT ASSETS	**CURRENT ASSETS**		**CURRENT ASSETS**		
Cash and Cash Equivalents					
Accounts Receivable:					
Accounts Receivable:					
Accounts Receivable:					
Customers					
Affiliated Companies					
Miscellaneous					
Total Accounts Receivable					
Total Accounts Receivable					
Total Accounts Receivable					
Fuel					
Materials and Supplies					
Risk Management Assets					
Accrued Tax Benefits					
Accrued Tax Benefits					
Accrued Tax Benefits					
Regulatory Asset for Under-Recovered Fuel Costs					
Prepayments and Other Current Assets					
TOTAL CURRENT ASSETS					
PROPERTY, PLANT AND EQUIPMENT					

PROPERTY, PLANT AND EQUIPMENT		
PROPERTY, PLANT AND EQUIPMENT		
Electric:	Electric:	Electric:
Generation		
Transmission		
Distribution		
Other Property, Plant and Equipment		
Construction Work in Progress		
Total Property, Plant and Equipment		
Accumulated Depreciation and Amortization		
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
OTHER NONCURRENT ASSETS		
Regulatory Assets		
Employee Benefits and Pension Assets		
Employee Benefits and Pension Assets		
Employee Benefits and Pension Assets		
Operating Lease Assets		
Deferred Charges and Other Noncurrent Assets		
TOTAL OTHER NONCURRENT ASSETS		
TOTAL ASSETS		
TOTAL ASSETS		
TOTAL ASSETS		

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED BALANCE SHEETS
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
June September 30, 2024 and December 31, 2023
(Unaudited)

		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
		(in millions)			(in millions)	
CURRENT LIABILITIES	**CURRENT LIABILITIES**		**CURRENT LIABILITIES**			
Advances from Affiliates						
Accounts Payable:	Accounts Payable:		Accounts Payable:			
General						
Affiliated Companies						
Long-term Debt Due Within One Year – Nonaffiliated						
Risk Management Liabilities						
Customer Deposits						
Accrued Taxes						
Accrued Interest						
Obligations Under Operating Leases						
Other Current Liabilities						

Other Current Liabilities
Other Current Liabilities

TOTAL CURRENT LIABILITIES

NONCURRENT LIABILITIES
NONCURRENT LIABILITIES
NONCURRENT LIABILITIES

Long-term Debt – Nonaffiliated

Deferred Income Taxes
Deferred Income Taxes
Deferred Income Taxes

Regulatory Liabilities and Deferred Investment Tax Credits

Asset Retirement Obligations

Obligations Under Operating Leases
Obligations Under Operating Leases
Obligations Under Operating Leases

Deferred Credits and Other Noncurrent Liabilities

TOTAL NONCURRENT LIABILITIES

TOTAL LIABILITIES
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)
Commitments and Contingencies (Note 5)

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

Paid-in Capital

Retained Earnings

Accumulated Other Comprehensive Income (Loss)

TOTAL COMMON SHAREHOLDER'S EQUITY

TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY
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 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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PUBLIC SERVICE COMPANY OF OKLAHOMA
CONDENSED STATEMENTS OF CASH FLOWS
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

		Six Months Ended June 30, 2024	2023	Nine Months Ended September 30, 2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**		**OPERATING ACTIVITIES**		
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:**		**Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:**		
Depreciation and Amortization					
Deferred Income Taxes					
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					
Property Taxes					
Property Taxes					
Property Taxes					
Deferred Fuel Over/Under-Recovery, Net					
Change in Other Regulatory Assets					
Change in Other Regulatory Assets					
Change in Other Regulatory Assets					
Change in Other Noncurrent Assets					
Change in Other Noncurrent Liabilities					
Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**		**Changes in Certain Components of Working Capital:**		
Accounts Receivable, Net					
Fuel, Materials and Supplies					
Accounts Payable					
Accrued Taxes, Net					
Other Current Assets					
Other Current Liabilities					
Net Cash Flows from Operating Activities					
INVESTING ACTIVITIES					
INVESTING ACTIVITIES					
INVESTING ACTIVITIES					
Construction Expenditures					
Acquisitions of Renewable Energy Facilities					
Acquisitions of Renewable Energy Facilities					
Change in Advances to Affiliates, Net					
Acquisitions of Renewable Energy Facilities					
Other Investing Activities					
Net Cash Flows Used for Investing Activities					
FINANCING ACTIVITIES					
FINANCING ACTIVITIES					
FINANCING ACTIVITIES					
Capital Contribution from Parent					
Return of Capital to Parent					
Issuance of Long-term Debt – Nonaffiliated					

Change in Advances from Affiliates, Net
Retirement of Long-term Debt – Nonaffiliated
Principal Payments for Finance Lease Obligations
Principal Payments for Finance Lease Obligations
Principal Payments for Finance Lease Obligations
Dividends Paid on Common Stock
Other Financing Activities
Net Cash Flows from Financing Activities
Net Cash Flows from (Used for) Financing Activities
Net Increase in Cash and Cash Equivalents
Net Increase in Cash and Cash Equivalents
Net Increase 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
Cash and Cash Equivalents at Beginning of Period
Cash and Cash Equivalents at End of Period

SUPPLEMENTARY INFORMATION
SUPPLEMENTARY INFORMATION
SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts
Net Cash Paid (Received) for Income Taxes
Cash Paid (Received) for Transferable Tax Credits
Noncash Acquisitions Under Finance Leases
Construction Expenditures Included in Current Liabilities as of June 30,
Construction Expenditures Included in Current Liabilities as of September 30,

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See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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		Three Months Ended	Six Months Ended		Three Months Ended		Nine Months Ended
	June 30,		June 30,	September 30,		September 30,		
	2024	2023	2024	2023	2024	2023	2024	2023
	(in millions of KWhs)			(in millions of KWhs)				
Retail:	Retail:			Retail:				
Residential								
Commercial								
Industrial								
Miscellaneous								

Total Retail	
Wholesale (a)	
Wholesale (a)	
Wholesale (a)	
Total KWhs	
Total KWhs	
Total KWhs	

(a) Includes Off-system Sales, municipalities and cooperatives, unit power and other wholesale customers.

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	**Three Months Ended**		**Six Months Ended**	**Three Months Ended**		**Nine Months Ended**	
	June 30,		**June 30,**	**September 30,**	**September 30,**			
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	(in degree days)				**(in degree days)**			
Actual – Heating (a)								
Normal – Heating (b)								
Actual – Cooling (c)								
Actual – Cooling (c)								
Actual – Cooling (c)								
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.

Southwestern Electric Power Company

Reconciliation of 2023 to 2024

Reconciliation of 2023 to 2024

Reconciliation of 2023 to 2024

Earnings Attributable to SWEPCo Common Shareholder

(in millions)

	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	**Six Months Ended June 30,**
	Three Months Ended September 30,	
	Three Months Ended September 30,	
	Three Months Ended September 30,	**Nine Months Ended September 30,**
2023 Earnings Attributable to Common Shareholder		
Changes in Revenues:		
Changes in Revenues:		
Changes in Revenues:		
Retail Revenues (a)		
Retail Revenues (a)		
Retail Revenues (a)		
Off-system Sales		
Transmission Revenues		
Other Revenues		

Total Change in Revenues	
Changes in Expenses and Other:	
Changes in Expenses and Other:	
Changes in Expenses and Other:	
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 and Maintenance	
Depreciation and Amortization	
Depreciation and Amortization	
Depreciation and Amortization	
Taxes Other Than Income Taxes	
Interest Income	
Allowance for Equity Funds Used During Construction	
Non-Service Cost Components of Net Periodic Benefit Cost	
Interest Expense	
Interest Expense	
Interest Expense	
Total Change in Expenses and Other	
Income Tax Benefit	
Income Tax Benefit	
Income Tax Benefit	
Equity of Unconsolidated Subsidiary	
Equity Earnings of Unconsolidated Subsidiary	
Net Income Attributable to Noncontrolling Interest	
2024 Earnings (Loss) Attributable to Common Shareholder	
2024 Earnings (Loss) Attributable to Common Shareholder	
2024 Earnings (Loss) Attributable to Common Shareholder	
2024 Earnings Attributable to Common Shareholder	
2024 Earnings Attributable to Common Shareholder	
2024 Earnings Attributable to Common Shareholder	

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

Second Third Quarter of 2024 Compared to Second Third Quarter of 2023

The major components of the decrease in Revenues were as follows:

- **Retail Revenues** decreased $148 million $27 million primarily due to the following:
  - A $13 million decrease in fuel revenue.
  - A $12 million decrease in weather-normalized margins primarily in the residential and industrial classes.
  - A $10 million decrease in weather-related usage primarily due to a $160 million probable revenue refund associated with the Turk Plant and SWEPCo's 2012 Texas Base Rate Case. 7% decrease in cooling degree days.

  These decreases were partially offset by:
  - An $8 million increase primarily due to formula rate increases in Arkansas.
- **Transmission Revenues** increased $6 7 million primarily due to an increase in transmission investment.

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 increased $40 million decreased $11 million primarily due to the following:
  - A $17 million increase in employee-related expenses due to the voluntary severance program.
  - A $10 million increase in distribution-related expenses primarily driven by storm costs in Arkansas.
  - A $6 million increase due to the prior year capitalization of previously expensed renewable generation pre-construction charges.
  - A $6 million increase due to a prior current year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered. amortization of under-recovered fuel regulatory assets.

- **Depreciation and Amortization** expenses increased $15 million $17 million primarily due to an increase in amortization of regulatory assets and a higher depreciable base.
- **Taxes Other Than Income Taxes** decreased $7 million primarily due to a decrease in property taxes.
- **Interest Expense** decreased $10 million primarily due to the following:
  - An $8 million decrease in due to the prior year amortization of carrying charges on storm-related regulatory assets due to a prior year settlement agreement in Louisiana. assets.
  - A $3 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.
- **Income Tax Benefit** increased $34 million decreased $11 million primarily due to the following:
  - A $5 million decrease due to a decrease in pretax book income. PTCs.
  - A $4 million decrease due to a decrease in amortization of Excess ADIT.

Six Nine Months Ended June 30, 2024 September 30, 2024 Compared to Six Nine Months Ended June 30, 2023 September 30, 2023

The major components of the decrease in Revenues were as follows:

- **Retail Revenues** decreased $149 million $176 million primarily due to the recognition of a $160 million probable revenue refund associated with the Turk Plant and SWEPCo's 2012 Texas Base Rate Case.
- **Transmission Revenues** increased $10 million primarily due to a $15 million increase in continued investment in transmission assets and load, partially offset by a $4 million reversal of a prior period provision for refund in 2023.
- **Other Revenues** increased $5 million primarily due to associated business development revenues driven by costs associated with a third-party construction project.

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

- **Purchased Electricity, Fuel and Other Consumables Used for Electric Generation** expenses decreased $21 million $33 million primarily due to a current year decrease in amortization of under-recovered fuel regulatory assets.
- **Other Operation and Maintenance** expenses increased $53 million $48 million primarily due to the following:
  - A $17 million increase in employee-related expenses primarily due to the voluntary severance program.
  - A $14 million increase 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.
  - A $9 million An $11 million increase in distribution-related expenses primarily driven by storm costs in Arkansas. SPP transmission expenses.
  - A $5 million increase due to the prior year capitalization of previously expensed renewable generation pre-construction charges.
- **A $5 million increase due to a prior year decrease in expenses driven by legislation passed in Texas in May 2023 allowing employee financially based incentives to be recovered.**
- **Depreciation and Amortization** expenses increased $14 million $31 million primarily due to an increase in amortization of regulatory assets and a higher depreciable base, partially offset by the recognition of a regulatory asset related to NOLCs.
- **Taxes Other Than Income Taxes** decreased $9 million $11 million primarily due to a decrease in property taxes.
- **Interest Expense** decreased $22 million $32 million primarily due to the following:
  - A $31 million decrease due to in 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 $7 million increase in carrying charges on storm-related regulatory assets due to a prior year settlement agreement in Louisiana.
- **Income Tax Benefit** increased $174 million $163 million primarily due to the following:
  - A $109 million increase due to a reduction in Excess ADIT regulatory liabilities as a result of the IRS PLR received regarding the treatment of stand-alone NOLCs in retail rate making.
  - A $33 million $34 million increase due to a decrease in pretax book income.
  - A $32 million increase 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.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INCOME
For the Three and Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

Three Months Ended				
Three Months Ended				
Three Months Ended		**Six Months Ended**		**Nine Months Ended**

		June 30,		September 30,					
	2024	2023	2024	2023	2024	2023	2024	2023	
REVENUES	REVENUES			REVENUES					
Electric Generation, Transmission and Distribution									
Sales to AEP Affiliates									
Provision for Refund									
Provision for Refund									
Provision for Refund									
Other Revenues									
TOTAL REVENUES									
EXPENSES									
EXPENSES									
EXPENSES									
Purchased Electricity, Fuel and Other Consumables Used for Electric Generation									
Other Operation									
Other Operation									
Other Operation									
Maintenance									
Depreciation and Amortization									
Depreciation and Amortization									
Depreciation and Amortization									
Taxes Other Than Income Taxes									
TOTAL EXPENSES									
OPERATING INCOME (LOSS)									
OPERATING INCOME (LOSS)									
OPERATING INCOME (LOSS)									
OPERATING INCOME									
OPERATING INCOME									
OPERATING INCOME									
Other Income (Expense):									
Other Income (Expense):									
Other Income (Expense):									
Interest Income									
Allowance for Equity Funds Used During Construction									
Non-Service Cost Components of Net Periodic Benefit Cost									
Interest Expense									
Interest Expense									
Interest Expense									
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT) AND EQUITY EARNINGS									
INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT) AND EQUITY EARNINGS									
INCOME (LOSS) 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 BEFORE INCOME TAX EXPENSE (BENEFIT) AND EQUITY EARNINGS									

Income Tax Expense (Benefit)
Income Tax Expense (Benefit)
Income Tax Expense (Benefit)
Equity Earnings of Unconsolidated Subsidiary
NET INCOME (LOSS)
NET INCOME (LOSS)
NET INCOME (LOSS)
NET INCOME
NET INCOME
NET INCOME
Net Income Attributable to Noncontrolling Interest
Net Income Attributable to Noncontrolling Interest
Net Income Attributable to Noncontrolling Interest
EARNINGS (LOSS) ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER
EARNINGS (LOSS) ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER
EARNINGS (LOSS) ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER
EARNINGS ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER
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.

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

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (Loss)	$ (69.1)	$ 81.3	$ 140.5	$ 123.1
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Cash Flow Hedges, Net of Tax of $0 and $0 for the Three Months Ended June 30, 2024 and 2023, Respectively, and $0 and $0.1 for the Six Months Ended June 30, 2024 and 2023, Respectively	—	(0.1)	(0.1)	0.3
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $0 and $(0.1) for the Three Months Ended June 30, 2024 and 2023, Respectively, and $0 and $(0.2) for the Six Months Ended June 30, 2024 and 2023, Respectively	—	(0.3)	(0.1)	(0.6)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	—	(0.4)	(0.2)	(0.3)
TOTAL COMPREHENSIVE INCOME (LOSS)	(69.1)	80.9	140.3	122.8
Total Comprehensive Income Attributable to Noncontrolling Interest	1.0	0.3	2.5	1.5
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	$ (70.1)	$ 80.6	$ 137.8	$ 121.3

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net Income	$ 140.1	$ 159.0	$ 280.6	$ 282.1
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Cash Flow Hedges, Net of Tax of $(0.1) and $0 for the Three Months Ended September 30, 2024 and 2023, Respectively, and $(0.1) and $0.1 for the Nine Months Ended September 30, 2024 and 2023, Respectively	(0.1)	—	(0.2)	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, 2024 and 2023, Respectively, and $(0.1) and $(0.3) for the Nine Months Ended September 30, 2024 and 2023, Respectively	(0.1)	(0.4)	(0.2)	(1.0)
TOTAL OTHER COMPREHENSIVE LOSS	(0.2)	(0.4)	(0.4)	(0.7)
TOTAL COMPREHENSIVE INCOME	139.9	158.6	280.2	281.4
Total Comprehensive Income Attributable to Noncontrolling Interest	1.0	1.5	3.5	3.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SWEPCo COMMON SHAREHOLDER	$ 138.9	$ 157.1	$ 276.7	$ 278.4

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

	SWEPCo Common Shareholder			SWEPCo Common Shareholder					SWEPCo Common Shareholder					
	Common Stock	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
TOTAL EQUITY – DECEMBER 31, 2022													
Capital Contribution from Parent													
Capital Contribution from Parent													
Capital Contribution from Parent													
Common Stock Dividends – Nonaffiliated													
Common Stock Dividends – Nonaffiliated													
Common Stock Dividends – Nonaffiliated													
Net Income													
Net Income													
Net Income													
Other Comprehensive Income													
TOTAL EQUITY – MARCH 31, 2023													
Common Stock Dividends													
Common Stock Dividends													
Common Stock Dividends													
Common Stock Dividends – Nonaffiliated													
Net Income													

Other Comprehensive Loss
TOTAL EQUITY – JUNE 30, 2023
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends – Nonaffiliated
Net Income
Other Comprehensive Loss
TOTAL EQUITY – SEPTEMBER 30, 2023
TOTAL EQUITY – DECEMBER 31, 2023
TOTAL EQUITY – DECEMBER 31, 2023
TOTAL EQUITY – DECEMBER 31, 2023
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends – Nonaffiliated
Net Income
Net Income
Net Income
Other Comprehensive Loss
TOTAL EQUITY – MARCH 31, 2024
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends
Common Stock Dividends – Nonaffiliated
Net Income (Loss)
TOTAL EQUITY – JUNE 30, 2024
TOTAL EQUITY – JUNE 30, 2024
TOTAL EQUITY – JUNE 30, 2024
Return of Capital to Parent
Return of Capital to Parent
Return of Capital to Parent
Common Stock Dividends
Common Stock Dividends – Nonaffiliated
Net Income
Other Comprehensive Loss
TOTAL EQUITY – SEPTEMBER 30, 2024

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
June September 30, 2024 and December 31, 2023
(in millions)
(Unaudited)

		June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
CURRENT ASSETS	CURRENT ASSETS		CURRENT ASSETS		
Cash and Cash Equivalents					
Advances to Affiliates					
Accounts Receivable:	Accounts Receivable:		Accounts Receivable:		
Customers					
Affiliated Companies					
Miscellaneous					
Total Accounts Receivable					
Total Accounts Receivable					
Total Accounts Receivable					
Fuel					
Materials and Supplies (June 30, 2024 and December 31, 2023 Amounts Include $2.9 and $3.9, Respectively, Related to Sabine)					
Materials and Supplies (September 30, 2024 and December 31, 2023 Amounts Include $2.7 and $3.9, Respectively, Related to Sabine)					
Risk Management Assets					
Accrued Tax Benefits					
Accrued Tax Benefits					
Accrued Tax Benefits					
Regulatory Asset for Under-Recovered Fuel Costs					
Prepayments and Other Current Assets					
TOTAL CURRENT ASSETS					
PROPERTY, PLANT AND EQUIPMENT					
PROPERTY, PLANT AND EQUIPMENT					
PROPERTY, PLANT AND EQUIPMENT					
Electric:	Electric:		Electric:		
Generation					
Transmission					
Distribution					
Other Property, Plant and Equipment (June 30, 2024 and December 31, 2023 Amounts Include $179.8 and $182.7, Respectively, Related to Sabine)					
Other Property, Plant and Equipment (September 30, 2024 and December 31, 2023 Amounts Include $166.8 and $182.7, Respectively, Related to Sabine)					
Construction Work in Progress					
Total Property, Plant and Equipment					
Accumulated Depreciation and Amortization (June 30, 2024 and December 31, 2023 Amounts Include $179.8 and $182.7, Respectively, Related to Sabine)					
Accumulated Depreciation and Amortization (September 30, 2024 and December 31, 2023 Amounts Include $166.8 and $182.7, Respectively, Related to Sabine)					
TOTAL PROPERTY, PLANT AND EQUIPMENT – NET					
OTHER NONCURRENT ASSETS					
OTHER NONCURRENT ASSETS					
OTHER NONCURRENT ASSETS					
Regulatory Assets					

Deferred Charges and Other Noncurrent Assets
Deferred Charges and Other Noncurrent Assets
Deferred Charges and Other Noncurrent Assets
TOTAL OTHER NONCURRENT ASSETS
TOTAL ASSETS
TOTAL ASSETS
TOTAL ASSETS

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SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June September 30, 2024 and December 31, 2023
(Unaudited)

		June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
		(in millions)		(in millions)	
CURRENT LIABILITIES	**CURRENT LIABILITIES**		**CURRENT LIABILITIES**		
Advances from Affiliates					
Accounts Payable:	Accounts Payable:		Accounts Payable:		
General					
Affiliated Companies					
Short-term Debt – Nonaffiliated					
Customer Deposits					
Customer Deposits					
Customer Deposits					
Accrued Taxes					
Accrued Interest					
Obligations Under Operating Leases					
Obligations Under Operating Leases					
Obligations Under Operating Leases					
Provision for Refund					
Provision for Refund					
Provision for Refund					
Other Current Liabilities					
Other Current Liabilities					
Other Current Liabilities					
TOTAL CURRENT LIABILITIES					
NONCURRENT LIABILITIES					
NONCURRENT LIABILITIES					
NONCURRENT LIABILITIES					
Long-term Debt – Nonaffiliated					
Deferred Income Taxes					
Deferred Income Taxes					
Deferred Income Taxes					
Regulatory Liabilities and Deferred Investment Tax Credits					
Asset Retirement Obligations					
Employee Benefits and Pension Obligations					

Obligations Under Operating Leases
Obligations Under Operating Leases
Obligations Under Operating Leases
Deferred Credits and Other Noncurrent Liabilities
TOTAL NONCURRENT LIABILITIES
TOTAL LIABILITIES
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)	Commitments and Contingencies (Note 5)

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
Paid-in Capital
Retained Earnings
Accumulated Other Comprehensive Income (Loss)
TOTAL COMMON SHAREHOLDER'S EQUITY
Noncontrolling Interest
Noncontrolling Interest
Noncontrolling Interest
TOTAL EQUITY
TOTAL EQUITY
TOTAL EQUITY
TOTAL LIABILITIES AND EQUITY
TOTAL LIABILITIES AND EQUITY
TOTAL LIABILITIES AND EQUITY

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.
See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

SOUTHWESTERN ELECTRIC POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Nine Months Ended June 30, 2024 September 30, 2024 and 2023
(in millions)
(Unaudited)

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024		2023	2024	2023
OPERATING ACTIVITIES	**OPERATING ACTIVITIES**			**OPERATING ACTIVITIES**		
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:**			**Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:**		
Depreciation and Amortization						
Deferred Income Taxes						
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
Property Taxes
Property Taxes
Property Taxes
Deferred Fuel Over/Under-Recovery, Net
Provision for Refund – Turk Plant
Provision for Refund – Turk Plant
Provision for Refund – Turk Plant
Change in Other Noncurrent Assets
Change in Other Noncurrent Liabilities

Changes in Certain Components of Working Capital:	**Changes in Certain Components of Working Capital:**	**Changes in Certain Components of Working Capital:**

Accounts Receivable, Net
Fuel, Materials and Supplies
Accounts Payable
Accrued Taxes, Net
Provision for Refund – Turk Plant
Provision for Refund – Turk Plant
Provision for Refund – Turk Plant
Other Current Assets
Other Current Liabilities

Net Cash Flows from Operating Activities

INVESTING ACTIVITIES
INVESTING ACTIVITIES
INVESTING ACTIVITIES

Construction Expenditures
Change in Advances to Affiliates, Net
Other Investing Activities
Other Investing Activities
Other Investing Activities

Net Cash Flows Used for Investing Activities

FINANCING ACTIVITIES
FINANCING ACTIVITIES
FINANCING ACTIVITIES

Capital Contribution from Parent
Return of Capital to Parent
Issuance of Long-term Debt – Nonaffiliated
Change in Short-term Debt – Nonaffiliated
Change in Short-term Debt – Nonaffiliated
Change in Short-term Debt – Nonaffiliated
Change in Advances from Affiliates, Net
Retirement of Long-term Debt – Nonaffiliated
Principal Payments for Finance Lease Obligations
Dividends Paid on Common Stock
Dividends Paid on Common Stock – Nonaffiliated
Other Financing Activities

Net Cash Flows from (Used for) Financing Activities

Net Cash Flows Used for Financing Activities

Net Decrease in Cash and Cash Equivalents
Net Decrease in Cash and Cash Equivalents

Net 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

Cash and Cash Equivalents at Beginning of Period

Cash and Cash Equivalents at End of Period

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts

Net Cash Paid (Received) for Income Taxes

Cash Paid (Received) for Transferable Tax Credits

Noncash Acquisitions Under Finance Leases

Construction Expenditures Included in Current Liabilities as of June 30,

Construction Expenditures Included in Current Liabilities as of September 30,

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

See Condensed Notes to Condensed Financial Statements of Registrants beginning on page 108.

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:

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 six nine months ended June 30, 2024 September 30, 2024 is not necessarily indicative of results that may be expected for the year ending December 31, 2024. The condensed financial statements are unaudited and should be read in conjunction with the audited 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 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 June 30,			Three Months Ended September 30,			
	2024	2024		2023	2024		2023
	(in millions, except per share data)						
		$/share		$/share		$/share	$/share
Earnings Attributable to AEP Common Shareholders							
Earnings Attributable to AEP Common Shareholders							
Earnings Attributable to AEP Common Shareholders	$340.3		$ 521.2	$ 959.6		$953.7	
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 Dilutive Effect of Stock-Based Awards							
Weighted-Average Number of Diluted AEP Common Shares Outstanding							

	Six Months Ended June 30, / Nine Months Ended September 30,						
	Six Months Ended June 30,						
	Six Months Ended June 30,						
	Six Months Ended June 30,						
	Nine Months Ended September 30,						
	Nine Months Ended September 30,						
	Nine Months Ended September 30,						
	2024	2024		2023	2024		2023
	(in millions, except per share data)						
		$/share		$/share	$/share		$/share
Earnings Attributable to AEP Common Shareholders							
Earnings Attributable to AEP Common Shareholders							
Earnings Attributable to AEP Common Shareholders	$ 1,343.4		$ 918.2	$ 2,303.0		$1,871.9	
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 Dilutive Effect of Stock-Based Awards							
Weighted-Average Number of Diluted AEP Common Shares Outstanding							

There were no antidilutive shares outstanding as of June 30, 2024 September 30, 2024 and 2023, respectively.

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:

	June 30, 2024				September 30, 2024		
	AEP	AEP	AEP Texas	APCo	AEP	AEP Texas	APCo
	(in millions)						
Cash and Cash Equivalents							
Restricted Cash							
Total Cash, Cash Equivalents and Restricted Cash							

	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

Revision of Previously Presented Supplementary Cash Flow Amounts Information (Applies to I&M) AEP)

In the second quarter of 2024, management identified and corrected an error in I&M's previously issued second quarter 2023 10-Q Condensed Consolidated Statements of Cash Flows. Specifically, management did not appropriately eliminate the acquisition of nuclear fuel which remained in accounts payable as of June 30, 2023. The error resulted in an overstatement of cash flows from Operating Activities and an offsetting overstatement of cash flows used for the Acquisitions of Nuclear Fuel in the Investing Activities section of the Statements of Cash Flows. The error also resulted in an understatement of the supplemental disclosure Acquisition of Nuclear Fuel Included in Current Liabilities. Management concluded the error was not material to I&M's previously issued second quarter 2023 financial statements. However, management determined the previously issued financial statements should be revised. The impact of the error is reflected in the table below:

	Six Months Ended June 30, 2023		
	As Reported	Adjustments	As Revised
	(in millions)		
OPERATING ACTIVITIES			
Accounts Payable	$ 46.8	$ (72.0)	$ (25.2)
Net Cash Flows from Operating Activities	$ 501.7	$ (72.0)	$ 429.7
INVESTING ACTIVITIES			
Acquisitions of Nuclear Fuel	$ (73.9)	$ 72.0	$ (1.9)
Net Cash Flows Used for Investing Activities	$ (382.2)	$ 72.0	$ (310.2)
SUPPLEMENTARY INFORMATION			
Acquisition of Nuclear Fuel Included in Current Liabilities	$ (36.0)	$ 72.0	$ 36.0

	Nine Months Ended September 30,	
Cash Flow Information	2024	2023
	(in millions)	
Cash Paid (Received) for:		
Interest, Net of Capitalized Amounts	$ 1,247.3	$ 1,148.7
Income Taxes	87.9	26.7
Sale of Transferable Tax Credits	(163.7)	—
Noncash Investing and Financing Activities:		

Acquisitions Under Finance Leases	24.5	38.5
Construction Expenditures Included in Current Liabilities as of September 30,	1,015.1	975.0
Acquisition of Nuclear Fuel Included in Current Liabilities as of September 30,	8.2	9.5
Noncash Increase in Noncurrent Assets from the Sale of the Competitive Contracted Renewables Portfolio	—	74.7

2. <u>NEW ACCOUNTING STANDARDS</u>

The disclosures in this note apply to all Registrants unless indicated otherwise.

Management reviews the FASB's standard-setting process and the SEC's rulemaking activity to determine the relevance, if any, to the Registrants' business. The following standards/rules will impact the Registrants' financial statements.

SEC Climate Disclosure Rule

On March 6, 2024, the SEC adopted final rules that require Registrants registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require Registrants registrants to disclose, among other things, material climate-related risks, activities to mitigate such risks and information about Registrant's a registrant's board of directors oversight and management's role in managing material climate-related risks. The final rules also require the Registrants registrants to provide information related to any climate-related targets or goals that are material to Registrant's a 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 GHG 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.

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 2024-03 “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures” (ASU 2024-03)

In November 2024, the FASB issued ASU 2024-03, the intent of which is to improve financial reporting and respond to investor input by requiring public business entities to disclose additional information about certain expenses in the notes to financial statements in interim and annual reporting periods. Among other provisions, the new standard requires disclosure of disaggregated amounts for expenses such as employee compensation, depreciation, and intangible asset amortization included in each expense caption presented on the face of the income statement. Public business entities are required to include certain amounts that are already required to be disclosed under GAAP in the same disclosure as the other disaggregation requirements as well as a qualitative description of any amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. The new standard also requires disclosure of the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. An entity is not precluded from providing additional voluntary disclosures that may provide investors with additional decision-useful information.

The amendments in the new standard are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments in the new standard should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. Management is evaluating the new standard and has not yet determined when, or the method by which, the Registrants will adopt its amendments.

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		Cash Flow Hedges	Pension
Three Months Ended June 30, 2024	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
Three Months Ended September 30, 2024	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
		(in millions)			**(in millions)**	
Balance in AOCI as of March 31, 2024						
Balance in AOCI as of June 30, 2024						
Change in Fair Value Recognized in AOCI, Net of Tax						
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)						
Interest Expense (a)						
Amortization of Prior Service Cost (Credit)						
Amortization of Actuarial (Gains) Losses						
Reclassifications from AOCI, before Income Tax (Expense) Benefit						
Income Tax (Expense) Benefit						
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit						
Net Current Period Other Comprehensive Income (Loss)						
Balance in AOCI as of June 30, 2024						

Net Current Period Other Comprehensive Loss							
Balance in AOCI as of September 30, 2024							

	Cash Flow Hedges		**Pension**		**Cash Flow Hedges**	**Pension**
Three Months Ended June 30, 2023	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
Three Months Ended September 30, 2023	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
		(in millions)			**(in millions)**	
Balance in AOCI as of March 31, 2023						
Balance in AOCI as of June 30, 2023						
Change in Fair Value Recognized in AOCI, Net of Tax						
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)						
Interest Expense (a)						
Amortization of Prior Service Cost (Credit)						
Amortization of Actuarial (Gains) Losses						
Reclassifications from AOCI, before Income Tax (Expense) Benefit						
Income Tax (Expense) Benefit						
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit						
Net Current Period Other Comprehensive Income (Loss)						
Balance in AOCI as of June 30, 2023						
Balance in AOCI as of September 30, 2023						

	Cash Flow Hedges		**Pension**		**Cash Flow Hedges**	**Pension**
Six Months Ended June 30, 2024	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
Nine Months Ended September 30, 2024	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		
		(in millions)			**(in millions)**	
Balance in AOCI as of December 31, 2023						
Change in Fair Value Recognized in AOCI, Net of Tax						
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)						
Interest Expense (a)						
Amortization of Prior Service Cost (Credit)						
Amortization of Actuarial (Gains) Losses						
Reclassifications from AOCI, before Income Tax Expense						
Income Tax Expense						
Reclassifications from AOCI, Net of Income Tax Expense						
Net Current Period Other Comprehensive Income (Loss)						
Balance in AOCI as of June 30, 2024						
Reclassifications from AOCI, before Income Tax (Expense) Benefit						
Income Tax (Expense) Benefit						
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit						
Net Current Period Other Comprehensive Loss						
Balance in AOCI as of September 30, 2024						

	Cash Flow Hedges		**Pension**		**Cash Flow Hedges**	**Pension**
Six Months Ended June 30, 2023	**Commodity**	**Interest Rate**	**and OPEB**	**Total**		

Nine Months Ended September 30, 2023	Commodity	Interest Rate	and OPEB	Total	
		(in millions)			(in millions)
Balance in AOCI as of December 31, 2022					
Change in Fair Value Recognized in AOCI, Net of Tax					
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)					
Interest Expense (a)					
Amortization of Prior Service Cost (Credit)					
Amortization of Actuarial (Gains) Losses					
Reclassifications from AOCI, before Income Tax (Expense) Benefit					
Income Tax (Expense) Benefit					
Reclassifications from AOCI, Net of Income Tax (Expense) Benefit					
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, before Income Tax Benefit					
Income Tax Benefit					
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, Net of Income Tax Benefit					
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, before Income Tax (Expense) Benefit					
Income Tax (Expense) Benefit					
Reclassifications of KPCo Pension and OPEB Regulatory Assets from AOCI, Net of Income Tax (Expense) Benefit					
Net Current Period Other Comprehensive Income (Loss)					
Balance in AOCI as of June 30, 2023					
Balance in AOCI as of September 30, 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.

As discussed in the 2023 Annual Report, the Registrants are involved in rate and regulatory proceedings at the FERC and their state commissions. The Rate Matters note within the 2023 Annual Report should be read in conjunction with this report to gain a complete understanding of material rate matters still pending that could impact net income, cash flows and possibly financial condition. The following discusses ratemaking developments in 2024 and updates the 2023 Annual Report.

Regulated Generating Units (Applies to AEP, PSO and SWEPCo)

Compliance with extensive environmental regulations requires significant capital investment in environmental monitoring, installation of pollution control equipment, emission fees, disposal costs and permits. Management continuously evaluates cost estimates of complying with these regulations in balance with reliability and other factors, which has resulted in, and in the future may result in, a proposal to retire generating facilities earlier than their currently estimated useful lives.

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 December 2021, the Dolet Hills Power Station was retired. As part of the 2020 Texas Base Rate Case, the PUCT authorized recovery of SWEPCo's Texas jurisdictional share of the Dolet Hills Power Station through 2046, but denied SWEPCo the ability to earn a return on this investment resulting in a disallowance of $12 million in 2021. See the "2020 Texas Base Rate Case" section below for additional information. As part of the 2021 Arkansas Base Rate Case, the APSC authorized recovery of SWEPCo's Arkansas jurisdictional share of the Dolet Hills Power Station through 2027, but denied SWEPCo the ability to earn a return on this investment resulting in a disallowance of $2 million in the second quarter of 2022. Also, the APSC did not rule on the prudency of the early retirement of the Dolet Hills Power Station, which will be addressed in a future proceeding. As part of the 2020 Louisiana Base Rate Case, the LPSC authorized the recovery of SWEPCo's Louisiana share of the Dolet Hills Power Station, through a separate rider, through 2032, but did not rule on the prudency of the early retirement of the plant, which is being addressed in a separate proceeding. In April 2024, the LPSC approved a unanimous settlement agreement filed by SWEPCo, LPSC staff and certain intervenors that resolved the prudency of the retirement of the Dolet Hills Power Station and resulted in a disallowance of $14 million in the first quarter of 2024.

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. In the 2024 SWEPCo Arkansas formula rate filing, the Arkansas staff recommended that the APSC provide a return of, but not a return on, the Arkansas jurisdictional share of the Pirkey Plant. 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 PFD 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. July 2023 PFD. 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 June 30, 2024 September 30, 2024, the Texas jurisdictional share of the net book value of the Pirkey Plant was $68 $69 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

In 2014, PSO received final approval from the Federal EPA to close Northeastern Plant, Unit 3, in 2026. The plant was originally scheduled to close in 2040. As a result of the early retirement date, PSO revised the useful life of Northeastern Plant, Unit 3, to the projected retirement date of 2026 and the incremental depreciation is being deferred as a regulatory asset. As ordered by the OCC, as part of the 2022 Oklahoma Base Rate Case, PSO will continue to recover Northeastern Plant, Unit 3 through 2040.

SWEPCo

In November 2020, management announced that it will cease using coal at the Welsh Plant in 2028. As a result of the announcement, SWEPCo began recording a regulatory asset for accelerated depreciation.

The table below summarizes the net book value including CWIP, before cost of removal and materials and supplies, as of June 30, 2024 September 30, 2024, of generating facilities planned for early retirement:

Plant

Plant

Plant	Net Book Value	Accelerated Depreciation Regulatory Asset	Cost of Removal Regulatory Liability	Projected Retirement Date	Current Authorized Recovery Period	Annual Depreciation (a)	Net Book Value	Accelerated Depreciation Regulatory Asset	Cost of Removal Regulatory Liability	Projected Retirement Date	Current Authorized Recovery Period	Annual Depreciation (a)
				(dollars in millions)								
Northeastern Plant, Unit 3												
Welsh Plant, Units 1 and 3												
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 June 30, 2024 September 30, 2024, SWEPCo's share of the net investment in the Dolet Hills Power Station was $80 $76 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 prudency 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 June 30, 2024 September 30, 2024, SWEPCo had a net under-recovered fuel balance of $39 $23 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 up to $55 million, including denial of recovery of the $35 million deferral, with refunds to customers over five years. In 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 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 and certain intervenors that resolved the fuel recovery dispute and resulted in a 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 September 2023, the PUCT approved an unopposed settlement agreement that provides recovery of $48 million of Oxbow mine related 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.

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 June 30, 2024September 30, 2024, SWEPCo's share of the net investment in the Pirkey Plant was $184$187 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 prudency 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 June 30, 2024September 30, 2024, SWEPCo had a net under-recovered fuel balance of $39$23 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 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)

	AEP			
	June 30,		December 31,	
	September 30,		December 31,	
	2024	2024	2023	2024 2023
Noncurrent Regulatory Assets	**Noncurrent Regulatory Assets**	**(in millions)**	**Noncurrent Regulatory Assets**	**(in millions)**
Regulatory Assets Currently Earning a Return	Regulatory Assets Currently Earning a Return		Regulatory Assets Currently Earning a Return	
Welsh Plant, Units 1 and 3 Accelerated Depreciation				
Pirkey Plant Accelerated Depreciation				
Unrecovered Winter Storm Fuel Costs (a)				
Other Regulatory Assets Pending Final Regulatory Approval				
Storm-Related Costs				
Other Regulatory Assets Pending Final Regulatory Approval				
Storm-Related Costs				
Storm-Related Costs				
Other Regulatory Assets Pending Final Regulatory Approval				
Regulatory Assets Currently Not Earning a Return	Regulatory Assets Currently Not Earning a Return		Regulatory Assets Currently Not Earning a Return	
Storm-Related Costs				

Plant Retirement Costs – Asset Retirement Obligation Costs (b)
Plant Retirement Costs – Asset Retirement Obligation Costs (b)
Plant Retirement Costs – Asset Retirement Obligation Costs (b)
NOLC Costs
NOLC Costs (c)
2024-2025 Virginia Biennial Under-Earnings
Other Regulatory Assets Pending Final Regulatory Approval
Total Regulatory Assets Pending Final Regulatory Approval

(a) Includes $37 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively. See the "February 2021 Severe Winter Weather Impacts in SPP" section below for additional information.

(b) See "Federal EPA's Revised CCR Rule" section of Note 5 for additional information.

(c) In the second quarter of 2024, requests seeking to establish a recovery mechanism for these regulatory assets were filed in Indiana, Oklahoma and Texas. In Indiana and Oklahoma, certain intervenors have challenged the recovery, or have proposed ratemaking treatment that would offset the recovery, of the regulatory assets. In the third quarter of 2024, PUCT Staff and certain intervenors in Texas requested a hearing and direct testimony was filed by SWEPCo in October 2024.

	AEP Texas					
	June 30,		December 31,			
	September 30,		December 31,			
	2024	2024	2023	2024	2023	
Noncurrent Regulatory Assets	**Noncurrent Regulatory Assets**	**(in millions)**	**Noncurrent Regulatory Assets**	**(in millions)**		
Regulatory Assets Currently Earning a Return						
Regulatory Assets Currently Earning a Return						
Regulatory Assets Currently Earning a Return						
Storm-Related Costs						
Storm-Related Costs						
Storm-Related Costs						
Regulatory Assets Currently Not Earning a Return						
Regulatory Assets Currently Not Earning a Return						
Regulatory Assets Currently Not Earning a Return						
Storm-Related Costs						
Line Inspection Costs						
Vegetation Management Program						
Texas Retail Electric Provider Bad Debt Expense						
Other Regulatory Assets Pending Final Regulatory Approval						
Total Regulatory Assets Pending Final Regulatory Approval						

	APCo					
	June 30,		December 31,			
	September 30,		December 31,			
	2024	2024	2023	2024	2023	
Noncurrent Regulatory Assets	**Noncurrent Regulatory Assets**	**(in millions)**	**Noncurrent Regulatory Assets**	**(in millions)**		
Regulatory Assets Currently Earning a Return						
Regulatory Assets Currently Earning a Return						

Regulatory Assets Currently Earning a Return			
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			
Regulatory Assets Currently Not Earning a Return	Regulatory Assets Currently Not Earning a Return		Regulatory Assets Currently Not Earning a Return
Plant Retirement Costs – Asset Retirement Obligation Costs (a)			
Storm-Related Costs - West Virginia			
Other Regulatory Assets Pending Final Regulatory Approval			
Other Regulatory Assets Pending Final Regulatory Approval			
Storm-Related Costs – West Virginia			
2024-2025 Virginia Biennial Under-Earnings			
Other Regulatory Assets Pending Final Regulatory Approval			
Total Regulatory Assets Pending Final Regulatory Approval			

(a) See “Federal EPA’s Revised CCR Rule” section of Note 5 for additional information.

Noncurrent Regulatory Assets	Noncurrent Regulatory Assets	I&M June 30, / September 30, 2024	Noncurrent Regulatory Assets	I&M December 31, 2023	2024	2023
		(in millions)		(in millions)		
Regulatory Assets Currently Earning a Return						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Regulatory Assets Currently Not Earning a Return	Regulatory Assets Currently Not Earning a Return		Regulatory Assets Currently Not Earning a Return			
Plant Retirement Costs – Asset Retirement Obligation Costs (a)						
NOLC Costs - Indiana						
Storm-Related Costs - Indiana						
NOLC Costs – Indiana (b)						
Storm-Related Costs – Indiana						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Total Regulatory Assets Pending Final Regulatory Approval						

(a) See “Federal EPA’s Revised CCR Rule” section of Note 5 for additional information.

Noncurrent Regulatory Assets	OPCo June 30, 2024	OPCo December 31, 2023
	(in millions)	
Regulatory Assets Currently Not Earning a Return		

Storm-Related Costs	$ 23.6	$ 23.6
Total Regulatory Assets Pending Final Regulatory Approval	$ 23.6	$ 23.6

(b) In the second quarter of 2024, a request seeking to establish a recovery mechanism for these regulatory assets were filed in Indiana. Certain intervenors have challenged the recovery, or have proposed ratemaking treatment that would offset the recovery, of the regulatory assets.

		PSO			OPCo	
		June 30,		December 31,		
		September 30,		December 31,		
	2024		2024	2023	2024	2023
Noncurrent Regulatory Assets	**Noncurrent Regulatory Assets**	(in millions)	**Noncurrent Regulatory Assets**		(in millions)	
Regulatory Assets Currently Earning a Return						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Regulatory Assets Currently Not Earning a Return	Regulatory Assets Currently Not Earning a Return					
Regulatory Assets Currently Not Earning a Return						
Regulatory Assets Currently Not Earning a Return						
Storm-Related Costs						
Storm-Related Costs						
Storm-Related Costs						
NOLC Costs						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Other Regulatory Assets Pending Final Regulatory Approval						
Total Regulatory Assets Pending Final Regulatory Approval						

	PSO	
	September 30, 2024	December 31, 2023
Noncurrent Regulatory Assets	(in millions)	
Regulatory Assets Currently Not Earning a Return		
Storm-Related Costs	$ 94.2	$ 88.5
NOLC Costs (a)	14.2	—
Other Regulatory Assets Pending Final Regulatory Approval	3.2	0.2
Total Regulatory Assets Pending Final Regulatory Approval	$ 111.6	$ 88.7

	SWEPCo	
	June 30, 2024	December 31, 2023
Noncurrent Regulatory Assets	(in millions)	
Regulatory Assets Currently Earning a Return		
Welsh Plant, Units 1 and 3 Accelerated Depreciation	$ 145.4	$ 125.6

Pirkey Plant Accelerated Depreciation	117.9	114.4
Unrecovered Winter Storm Fuel Costs (a)	83.8	97.2
Dolet Hills Power Station Accelerated Depreciation (b)	11.8	12.0
Other Regulatory Assets Pending Final Regulatory Approval	1.2	26.0
Regulatory Assets Currently Not Earning a Return		
NOLC Costs	39.7	—
Storm-Related Costs - Louisiana, Texas	30.5	56.0
Other Regulatory Assets Pending Final Regulatory Approval	18.2	13.7
Total Regulatory Assets Pending Final Regulatory Approval	$ 448.5	$ 444.9

(a) In the second quarter of 2024, a request seeking to establish a recovery mechanism for these regulatory assets were filed in Oklahoma. Certain intervenors have challenged the recovery, or have proposed ratemaking treatment that would offset the recovery, of the regulatory assets.

	SWEPCo	
	September 30, 2024	December 31, 2023
Noncurrent Regulatory Assets	(in millions)	
Regulatory Assets Currently Earning a Return		
Welsh Plant, Units 1 and 3 Accelerated Depreciation	$ 156.7	$ 125.6
Pirkey Plant Accelerated Depreciation	120.8	114.4
Unrecovered Winter Storm Fuel Costs (a)	75.9	97.2
Dolet Hills Power Station Accelerated Depreciation (b)	11.8	12.0
Other Regulatory Assets Pending Final Regulatory Approval	1.0	26.0
Regulatory Assets Currently Not Earning a Return		
Storm-Related Costs - Louisiana, Texas	49.0	56.0
NOLC Costs (c)	44.1	—
Other Regulatory Assets Pending Final Regulatory Approval	18.5	13.7
Total Regulatory Assets Pending Final Regulatory Approval	$ 477.8	$ 444.9

(a) Includes $37 million of unrecovered winter storm fuel costs recorded as a current regulatory asset as of June 30, 2024 September 30, 2024 and December 31, 2023December 31, 2023, , respectively. See the “February 2021 Severe Winter Weather Impacts in SPP” section below for additional information.

(b) Amounts include the FERC jurisdiction.

(c) In the second quarter of 2024, a request seeking to establish a recovery mechanism for the Texas jurisdictional share of these regulatory assets were filed in Texas. In the third quarter of 2024, PUCT Staff and certain intervenors in Texas requested a hearing and direct testimony was filed by SWEPCo in October 2024.

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 June 30, 2024, AEP Texas’s cumulative revenues from interim base rate increases that are subject to a prudency review is approximately $1.2 billion. The 2024 AEP Texas base rate 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 Base Rate Case

In February 2024, AEP Texas filed a request with the PUCT for a $164 million annual base rate 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 placed in service during the period January 1, 2019 through September 30, 2023. As of September 30, 2024, AEP Texas’ cumulative revenues from transmission and distribution interim rate increases are estimated to be approximately $1.3 billion and are subject to reconciliation in this base rate case. In July 2024, AEP Texas filed an unopposed settlement agreement with the PUCT. The settlement agreement includes included a proposed annual revenue increase of $70 million based upon a 9.76% ROE with a capital structure of 57.5% debt and 42.5% common equity. In addition, the settlement agreement approves approved the prudency of capital investments placed in service for the period January 1, 2019 through September 30, 2023 and the associated $1.2 billion of interim revenues collected on those capital investments. An In October

2024, the PUCT issued a final order is expected in the second half of 2024. If any costs in approving the settlement agreement are not approved for recovery, it could reduce future net income and cash flows and impact financial condition. without modification.

APCo and WPCo Rate Matters (Applies to AEP and APCo)

ENEC (Expanded Net Energy Cost) Filings

In January 2024, the WVPSC issued an order resolving APCo's and WPCo's (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% debt 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 In September 2024, oral arguments were held at the West Virginia Supreme Court will hear oral arguments Court. A final ruling is expected in September 2024 and will issue a future decision on the appeal. fourth quarter of 2024.

In April 2024, the Companies submitted their annual ENEC update filing with the WVPSC proposing a $58 million annual increase in ENEC rates when compared to existing ENEC rates. The Companies proposed that this ENEC rate change would would: (a) become effective September 1, 2024, (b) include a $20 million annual increase in ENEC rates related to the period ending February 29, 2024 and would the forecast period September 2024 through August 2025 and (c) include a $38 million annual increase in ENEC rates for the recovery of $321 million of ENEC under-recovered costs as of February 28, 2023 over a ten-year period. period, plus a 4% debt carrying charge rate. In July 2024, intervenors and staff filed testimony with the WVPSC, which did not recommend any disallowances.

In August 2024, the WVPSC issued an order approving the requested $38 million annual increase effective September 1, 2024. The WVPSC will address the proposed additional $20 million annual increase in ENEC rates in a future order. If any costs included in this the future filing are not approved for recovery, it could reduce future net income and cash flows and impact financial condition.

Virginia Fuel Adjustment Clause (FAC) Review

In 2023, APCo submitted its annual fuel cost filing with the Virginia SCC. Interim Virginia FAC rates were implemented in November 2023. In APCo's 2022 Virginia fuel update filing, the Virginia staff ordered the Virginia Staff to commence an audit of APCo's fuel costs for the years ended December 31, 2019, 2020, 2021 and 2022. The Virginia staff analyzed APCo's 2019 through 2022 fuel procurement activities and concluded the procurement practices were reasonable and prudent and recommended no disallowances. In May 2024, the Virginia SCC issued an order approving the audit of APCo's 2019 and 2020 fuel costs but concluded that the review of APCo fuel costs for 2021 and 2022 remains open for further evaluation. As of September 30, 2024, APCo had a Virginia jurisdictional under-recovered fuel balance of $164 million. If any fuel costs are not recoverable or refunds are ordered, it could reduce future net income and cash flows and impact financial condition.

2024 Virginia Base Rate Case

In March 2024, APCo filed a request with the Virginia SCC for a $95 million annual increase in base rates based upon a proposed 10.8% ROE and a proposed capital structure of 51% debt and 49% common equity. The requested increase in base rates is primarily due to incremental rate base, proposed capital structure changes including an increase in ROE and proposed increases in distribution and generation operation and maintenance expenses. In June September 2024, a hearing was held where APCo submitted an amendment to updated its Virginia base case filing with an updated request to requested increase annual base rates by $78 million. In July 2024, intervenors submitted testimony recommending a $14 million decrease in base rates based upon a 9.5% ROE. Staff testimony is due in August 2024 and a hearing is scheduled for September 2024. to $64 million consistent with its rebuttal positions or, alternatively, an increase of $45 million if annual environmental compliance consumable expenses are moved from base rates to recovery through APCo's environmental rate adjustment clause. An order will be issued in the fourth 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.

2024 West Virginia Base Rate Case

In November 2024, APCo and WPCo (the Companies) filed a request with the WVPSC for a net $251 million annual increase in base rates based upon a proposed 10.8% ROE and a proposed capital structure of 52% debt and 48% common equity. The requested net annual increase in base rates excludes the Companies' proposed $94 million annual Modified Rate Base Cost (MRBC) surcharge update proposed to be effective in a separate proceeding and the existing $21 million annual Mitchell Base Rate Surcharge that are both proposed to be rolled into base rates upon the Companies' anticipated 2025 change in base rates. The Companies' proposed base rate increase includes recovery of approximately $118 million in previously deferred major storm expense over a three-year period, capital structure changes including an increase in ROE, an increase in depreciation expense related to proposed changes in depreciation rates and increased capital investments and increases in distribution and generation operation and maintenance expenses.

The Companies' November 2024 West Virginia base rate filing also included two sets of alternative frameworks to simplify rates and customer bills and provide predictable future rate increases. The Companies' first framework includes: (a) securitization, (b) approval of a major storm expense recovery and tracking mechanism and (c) freezing of OATT revenues in the ENEC. This framework includes securitization in a concurrent proceeding of approximately $2.4 billion of West Virginia jurisdictional assets including: (a) the Companies' remaining combined unrecovered ENEC balance related to costs incurred through February 28, 2023, (b) undepreciated West Virginia jurisdictional plant balances as of December 31, 2022 for the Amos, Mitchell and Mountaineer Plants, (c) environmental costs previously approved for recovery through a separate West Virginia surcharge and (d) deferred major storm operation and maintenance costs. Securitization of those items could reduce the Companies' combined requested increase in annual base rates to $37 million.

The Companies also included an alternative ratemaking proposal that includes: (a) a separate surcharge that would allow the Companies up to a 3% annual increase in overall West Virginia rates for four consecutive years on April 1st of each year after the implementation of base rates in this case, (b) the elimination of all of the Companies' existing West Virginia jurisdictional surcharges except for the ENEC, with the revenues of these eliminated riders rolled into base rates and (c) the creation of a new West Virginia jurisdictional environmental and new generation surcharge. This alternative proposal would allow the Companies to submit a base rate case filing in advance of and in lieu of the annual April 1st 3% increase and would require the Companies to submit a base rate case filing at the end of the proposed four-year period.

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.

West Virginia Modified Rate Base Cost (MRBC) Surcharge Update Filing

In March 2024, APCo and WPCo (the Companies) submitted an annual MRBC surcharge update filing with the WVPSC requesting a $32 million annual increase in the Companies' combined MRBC rates. The MRBC is an infrastructure investment tracker that allows limited cost recovery related to capital investments between the Companies' West Virginia jurisdictional base rate cases. WVPSC staff and an intervening party recommended revenue requirement disallowances in written and verbal testimony and briefs for certain ratemaking issues used to develop the Companies' proposed MRBC rates, including the West Virginia jurisdictional effect of state deferred income taxes, NOLC and AROs. If any refund liabilities are imposed by the WVPSC, it could reduce future net income and cash flows and impact financial condition.

Hurricane Helene

In late September 2024, the remnants of Hurricane Helene significantly impacted APCo's Virginia and West Virginia service territories leading to approximately 260,000 customer outages and damages to APCo's power grid. Storm restoration efforts continued into early October and APCo completed restoration efforts for all customers who lost power by October 6th, 2024. As of September 30, 2024, APCo incurred approximately $19 million ($13 million related to the Virginia jurisdiction and $6 million related to the West Virginia jurisdiction) of incremental other operation and maintenance expenses and approximately $8 million of capital expenditures. APCo deferred $16 million of the incremental other operation and maintenance expenses as regulatory assets as the costs are deemed probable of future recovery. Based on the information currently available, APCo estimates total storm restoration costs to be approximately $140 million, of which 70% is expected to be deferred as regulatory assets and the remaining 30% of the costs are expected to be capital expenditures. If any costs related to Hurricane Helene 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 June 30, 2024 September 30, 2024, AEP's share of ETT's cumulative revenues that are subject to a prudency review is approximately $1.8 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 $1.8 billion of cumulative revenues above will be subject to review.

I&M Rate Matters (Applies to AEP and I&M)

2023 Michigan Power Supply Cost Recovery (PSCR)

2020 PSCR Reconciliation

In February March 2024, I&M submitted its 2023 the MPSC issued an order in I&M's 2020 PSCR Reconciliation determining that to the Michigan Code of Conduct pricing provisions apply to both MPSC. In October 2024, MPSC staff and intervenors submitted testimony recommending PSCR cost disallowances associated with the OVEC Inter-Company Power Agreement (ICPA) and I&M's Rockport Plant UPA with AEGCo. The MPSC's decision included a $1 million disallowance of 2020 purchase power costs associated with the OVEC ICPA with no disallowance related to I&M's Rockport UPA with AEGCo. I&M appealed the MPSC's decision as it relates AEGCo ranging from $3 million to the OVEC ICPA disallowance to the Michigan Supreme Court. In July 2024, the Michigan Supreme Court declined to hear I&M's appeal.

2021 PSCR Reconciliation

In April 2023, I&M received intervenor testimony in I&M's 2021 PSCR Reconciliation $15 million. A hearing is scheduled for the 12-month period ending December 31, 2021 recommending disallowances of purchased power costs of $18 million associated with the OVEC 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 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.

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. In May 2024, I&M filed a petition with the MPSC requesting a rehearing of the 2021 PSCR Reconciliation to: (a) address the method in which the disallowance of the purchased power costs under the Rockport Plant UPA with AEGCo was calculated, (b) explain why the disallowance was not appropriate and (c) explain how the MPSC-ordered disallowance was inconsistent with the previous MPSC orders approving Rockport Plant costs.

2022 PSCR Reconciliation

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 June 2024, an ALJ issued a Proposal for Decision (PFD) on I&M's 2022 PSCR Reconciliation that recommended: (a) a $2 million disallowance of purchased power costs associated with the OVEC ICPA and (b) a disallowance of PSCR costs due to I&M's shortfall in achieving Michigan's one percent energy waste reduction savings level in 2022 consistent with the manner of the 2021 PSCR Reconciliation disallowance. An MPSC order on I&M's 2022 PSCR Reconciliation is expected in the fourth quarter of December 2024. If any PSCR costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

2023 PSCR Reconciliation

In March 2024, I&M submitted its 2023 PSCR Reconciliation to the MPSC. The MPSC issued a procedural schedule with intervenor testimony due in October 2024. 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, but is not limited to, 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 requested recovery of certain historical period regulatory asset balances and proposed deferral accounting for certain future investments and tax related issues, including CAMT expense and PTCs related to the Cook Plant.

In December 2023, I&M and intervenors reached a settlement agreement that was submitted to the IURC recommending a phased-in 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 subject to I&M's level of electric plant in service as of December 31, 2024 in comparison to I&M's 2024 forecasted test year. The recommended revenue increase includes: (a) a 9.85% ROE, (b) a two-step update of I&M's Indiana capital structure with a capital structure of 50% for both debt and common equity effective upon an IURC order and a January 2025 update based on I&M's actual capital structure as of December 31, 2024 with common equity not to exceed 51.2%, (c) a $25 million increase related to depreciation expense and (d) an $11 million increase related to storm expenses. In addition, I&M also agreed to withdraw its proposal to defer CAMT and Cook Plant PTCs. PTCs and to instead include the Indiana jurisdictional impact of Cook Plant PTCs in I&M's Indiana earnings test evaluations. See "Indiana Earnings Test" below for additional information.

In May 2024, the IURC issued an order approving the settlement agreement with minor modifications.

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 CAMT expense and PTCs related to the Cook Plant.

In July 2024, the MPSC issued a final order approving an annual base rate increase of $17 million based on a 9.86% ROE and a capital structure of 52% debt and 48% common equity. The MPSC also ordered that Michigan jurisdictional Cook Plant PTCs will be reflected as a deferral in I&M's PSCR reconciliation and rejected I&M's request to defer Michigan jurisdictional CAMT.

Indiana Earnings Test

I&M is required by Indiana law to submit an earnings test evaluation for the most recent one-year and five-year periods as part of I&M's semi-annual Indiana FAC filings. These earnings test evaluations require I&M to include a credit in the FAC factor computation for periods in which I&M earned above its authorized return for both the one-year and five-year periods. The credit is determined as 50% of the lower of the one-year or five-year earnings above the authorized level. In July 2024, I&M submitted its FAC filing and earnings test evaluation for the period ended May 2024. In September 2024, an intervenor submitted testimony suggesting that I&M failed to prorate calculations of I&M's operating income and I&M's earnings test ceiling to reflect the impact of I&M's updated Indiana base rates that became effective in May 2024. The IURC is expected to issue an order in November 2024. As of September 30, 2024, I&M's financial statements adequately reflect the estimated impact of upcoming Indiana earnings test filings, including Indiana's jurisdictional share of PTCs that have been recognized in 2024. If the IURC issues orders on I&M's Indiana earnings test(s) that result in refunds to customers, it could reduce future net income and cash flows and impact financial condition.

KPCo Rate Matters (Applies to AEP)

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. The June 2024 A hearing with the KPSC was previously scheduled to occur in June 2024. The hearing was postponed and has not yet been rescheduled. 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. 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 June 30, 2024 September 30, 2024, the net book value of KPCo's share of the Mitchell Plant, before cost of removal including CWIP and inventory, was $565 $552 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 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 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 first half of 2024, 2025, subject to market conditions. As of June 30, 2024 September 30, 2024, regulatory asset balances expected to be recovered through securitization total $481 $485 million and include: (a) $293 $297 million of plant retirement costs, (b) $79 million of deferred storm costs related to 2020, 2021, 2022 and 2023 major storms, (c) $48 $49 million of deferred purchased power expenses, (d) $60 $58 million of under-recovered purchased power rider costs and (e) $1 $2 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.

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 the KPSC may issue its order is expected in the second half fourth quarter of 2024 or early 2025. 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 In August 2024, KPCo filed an application with the KPSC to extend the recovery of the remaining balance through September 2025. The KPSC may issue its order is expected in the second half fourth quarter of 2024. 2024 or early 2025. Through the second third 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.

<u>OPCo Rate Matters</u> (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 was held in November 2023.

In August 2024, the first quarter of 2024, post-hearing briefs were filed by PUCO issued orders pertaining to the parties and the case currently awaits a decision OVEC cost recovery audits that: (a) denied intervenors' application for rehearing on the merits.

Management disagrees with 2016-2017 audit period, (b) determined costs incurred by OPCo during the 2018-2019 audit period were prudent, (c) determined costs incurred by OPCo during the 2020 audit period were prudent and (d) recommended no disallowances for any mentioned audit period in question. In September 2024, intervenors filed for rehearing on the 2018-2019 and 2020 OVEC cost recovery audit periods claiming the PUCO's August 2024 orders to adopt the findings of the audit reports were unjust, unlawful and unreasonable for multiple reasons, including the position that OPCo recovered imprudently incurred costs. In October 2024, the PUCO denied the intervenors' claims applications for rehearing of the 2018-2019 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. 2020 audit periods.

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. In April 2024, the PUCO issued an order approving the settlement agreement. In May 2024, intervenors filed an application for rehearing with the PUCO on the approved settlement agreement and in response OPCo filed an opposition to rehearing. In June 2024, the PUCO denied the intervenors' application for rehearing. rehearing in June 2024.

PSO Rate Matters (Applies to AEP and PSO)

2024 Oklahoma Base Rate Case

In January 2024, PSO filed a request with the OCC for a $218 million annual base rate increase based upon a 10.8% ROE with a capital structure of 48.9% debt and 51.1% common equity. PSO requested an expanded transmission cost recovery rider and a mechanism to recover generation costs necessary to comply with SPP's 2023 increased capacity planning reserve margin requirements. PSO's request includes the 155 MW Rock Falls Wind Facility and reflects recovery of Northeastern Plant, Unit 3 through 2040.

In July 2024, OCC staff and various intervenors filed testimony. The OCC staff recommended a $115 million annual base rate increase based upon a 9.3% ROE while intervenors recommended an annual base rate increase ranging from $19 million to $113 million based on an ROE ranging from 9.0% to 9.6%. The OCC staff also recommended a $62 million disallowance of certain capital investments. In addition, a certain intervenor recommended the OCC reject PSO's request to recover the Rock Falls Wind Facility through base rates, but allow PSO to retain PTCs and energy revenues up to the Rock Falls Wind Facility annual revenue requirement. A hearing is scheduled for In September 2024, the OCC staff withdrew its recommendation for a $62 million disallowance of certain capital investments.

In October 2024, PSO, the OCC and certain intervenors filed a joint stipulation and settlement agreement with the OCC that included a net annual revenue increase of $120 million based upon a 9.5% ROE with a capital structure of 48.9% debt and 51.1% common equity. The agreement also allows for Rock Falls Wind Facility to be included in base rates and the deferral of certain generation-related costs necessary to comply with SPP's 2023 increased capacity reserve margin requirements. One intervenor opposed the joint stipulation and settlement agreement. In October 2024, a hearing was held at the OCC, and PSO implemented an interim annual base rate increase of $120 million, subject to refund pending a final order by the OCC. An order is expected in the fourth quarter of 2024. 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.

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.

On December 14, 2023, In December 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. 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 in the PUCT for reconsideration fourth quarter of the preliminary order. In January 2024, the PUCT denied the motion for reconsideration of the preliminary order. 2023.

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 the ALJ granted portions of the motion, which included removal of testimony supporting SWEPCo's position that refunds were not appropriate. On March 28, 2024, SWEPCo filed an appeal of the ALJ decision with the PUCT. 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. In May 2024, the PUCT denied SWEPCo's appeal of the ALJ's March 2024 decision. In the second quarter of 2024, based on the PUCT's decision, SWEPCo recorded a one-time, probable revenue refund provision of $160 million, including interest, associated with revenue collected from February 2013 through December 2023. The $160 million revenue refund provision represents management's best estimate based on the range of probable refunds between $104 million and $197 million, including interest. In June 2024, SWEPCo and parties to the remand proceeding reached an agreement in principle that would resolve all issues in the case. In October 2024, SWEPCo filed the settlement agreement with the PUCT. Under the settlement agreement, SWEPCo will refund over a two-year period $148 million, including interest, associated with revenue collected from February 2013 through December 2023 and remove AFUDC in excess of the Texas jurisdictional capital cost cap from rate base. The settlement is expected to be filed and considered by the PUCT in the third fourth quarter of 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 9.6% ROE, 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 judicial review of the several errors challenged in the PUCT's final order.

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 prudency of $150 million of deferred incremental storm restoration expenses. The agreement also authorized an interim carrying charge at a rate of 3.125% 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 prudency 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. In July 2024, the LPSC issued an order approving the joint uncontested stipulation and settlement agreement, including approval to securitize $343 million, which includes $180 million for storm costs and a $150 million storm reserve. Securitization bonds are expected to be issued in the fourth quarter of 2024, subject to market conditions.

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:

Jurisdiction

Jurisdiction

Jurisdiction	**June 30, 2024**		**December 31, 2023**		**Approved Recovery Period**		**Approved Carrying Charge**		**September 30, 2024**		**December 31, 2023**		**Approved Recovery Period**		**Appr Carr Cha**

	(in millions)														
Arkansas															
Arkansas															
Arkansas		$	45.0	$	$	54.2	6 years	6 years	(a)	$	40.4	$	$ 54.2	6 years	6 years
Louisiana	Louisiana		83.8	97.2		97.2	(b)	(b)	Louisiana		75.9	97.2	97.2	(b)	
Texas	Texas		87.9	101.9		101.9	5 years	5 years	1.65%	Texas	79.3	101.9	101.9	5 years	5 years
Total															

(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 In August 2024, the APSC will conclude issued an audit of order that found SWEPCo had prudently incurred these costs in 2024. A hearing was held in June 2024. costs.

(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 related to defects covered by the manufacturer's warranty. These performance issues have prompted PSO and SWEPCo to file a lawsuit against the manufacturer in an attempt to find a resolution on the matter. 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

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 as to state law claims. In December 2023, the United States District Court for the Middle District of Pennsylvania granted summary judgment in favor of Transource Energy, finding that the PAPUC decision violated federal law and the United States Constitution. In January 2024, the PAPUC filed an appeal of the district court's grant of summary judgment with the United States Court of Appeals for the Third Circuit. Additional regulatory proceedings before the PAPUC are expected to resume in the fourth quarter of 2024 or in 2025.

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 June 30, 2024 September 30, 2024, AEP's share of IEC capital expenditures was approximately $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.

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. In August 2023, AEGCo reached a settlement agreement with the FERC trial staff that resolved all issues set for hearing. In September 2023, the settlement agreement was certified to the FERC as uncontested. In March 2024, the FERC issued an order approving the uncontested settlement agreement. The results of the order 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)

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 $61 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. Accordingly, in the third quarter of 2024, the AEP transmission owning subsidiaries within SPP provided a portion of the 2021 rate year refunds, with the remainder of the refunds expected to be provided in 2025. The AEP transmission owning subsidiaries within PJM are expected to provide their respective refunds for the 2021 rate year in 2025. 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, AEPSC 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. In May 2024, AEPSC filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit seeking review of the FERC's January 2024 and March 2024 decisions. In July 2024, the FERC issued orders approving AEPSC's request to reopen the record for the limited purpose of accepting into the record the IRS PLRs and establish additional briefing procedures. In August 2024, AEPSC is required to file filed briefs with the FERC in requesting the third quarter of 2024. commission modify or overturn their initial orders.

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 Registrants have not yet been directed to make cash refunds related to the 2024, 2023 or 2022 rate years. 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 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 and AEP Texas and APCo) Texas)

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 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 facility from March 2025 to March 2027. AEP may issue up to $1.2 billion as letters of credit under these revolving credit facilities on behalf of subsidiaries. As of June 30, 2024 September 30, 2024, no letters of credit were issued under 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 June 30, 2024 September 30, 2024 were as follows:

Company	Amount		Maturity
	(in millions)		
AEP	$	244.5 236.3	July October 2024 to July 2025
AEP Texas		1.8	July 2025
6.3			

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 June 30, 2024 September 30, 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 June 30, 2024 September 30, 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	$	44.6 42.8
AEP Texas		10.6 9.9
APCo		5.9 5.5
I&M		4.2 4.0
OPCo		7.0 6.9
PSO		4.4 4.1
SWEPCo		5.1 4.9

ENVIRONMENTAL CONTINGENCIES (Applies to all Registrants except AEPTCo)

Federal EPA's Revised 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. Closure may be accomplished by applying an impermeable cover system over the CCR material ("closure in place") or the CCR material may be excavated and placed in a compliant landfill ("closure by removal"). Groundwater monitoring and other analysis over the next three years will provide additional information on the planned closure method. AEP evaluated the applicability of the rule to current and former plant sites and recorded incremental ARO in the second quarter of 2024, as shown in the table below, based on initial cost estimates primarily reflecting compliance with the rule through closure in place and future groundwater monitoring requirements pursuant to the CCR Rule.

Registrant		Increase in ARO		Increase in Generation Property (a)		Increase in Regulatory Assets (b)		Charged to Operating Expenses (c)
				(in millions)				
APCo	$	312.2	$	75.6	$	236.6	$	—

I&M	85.7	—	72.3	13.4
OPCo	52.9	—	—	52.9
PSO	33.7	33.7	—	—
SWEPCo	23.8	23.8	—	—
Non-Registrants	166.1	43.8	46.1	76.2
Total	$ 674.4	$ 176.9	$ 355.0	$ 142.5

(a) ARO is related to a legacy CCR surface impoundment or CCR management unit at an operating generation facility.

(b) ARO is related to a legacy CCR surface impoundment or CCR management unit at a retired generation facility and recognition of a regulatory asset in accordance with the accounting guidance for “Regulated Operations” is supported.

(c) ARO is related to a legacy CCR surface impoundment or CCR management unit and recognition of a regulatory asset in accordance with the accounting guidance for “Regulated Operations” is not yet supported.

As further groundwater monitoring and other analysis is performed, management expects to refine the assumptions and underlying cost estimates used in recording the ARO. These refinements may include, but are not limited to, changes in the expected method of closure, changes in estimated quantities of CCR at each site, the identification of new CCR management units, among other items. These future changes could have a material impact on the ARO and materially reduce future net income and cash flows and further impact financial condition.

AEP will seek cost recovery through regulated rates, including proposal of new regulatory mechanisms for cost recovery where existing mechanisms are not applicable. The rule could have an additional, material adverse impact on net income, cash flows and financial condition if AEP cannot ultimately recover these additional costs of compliance. In June 2024, a third-party Several parties, including AEP and one of its trade associations, have filed a petition petitions for review of the rule with the U.S. Court of Appeals for the D.C. Circuit. One of the parties also filed a motion to stay the rule pending the outcome of the litigation. In November 2024, the court denied the stay motion. Management is also evaluating potential legal challenges to cannot predict the revised rule. outcome of the litigation.

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

Insurance and Potential Losses

The Registrants maintain insurance coverage normal and customary for electric utilities, subject to various deductibles. The Registrants also maintain property and casualty insurance that may cover certain physical damage or third-party injuries caused by cybersecurity incidents. Insurance coverage includes all risks of physical loss or damage to nonnuclear assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third-parties and are in excess of retentions absorbed by the Registrants. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Insurance coverage for certain claims made by third-parties is structured to reimburse the Registrants for the amounts they are legally obligated to pay in excess of the Registrants’ retentions. Such claims, when deemed probable of occurring and reasonably estimable, are reflected as liabilities on the financial statements of the Registrants. Also, when it is deemed probable that these claims, or any portion thereof, will be covered by insurance or otherwise reimbursable to the Registrant, an asset is recognized on the balance sheet. As of September 30, 2024, AEP Texas recorded an Accrued Litigation Settlement within current liabilities and a corresponding Insurance Receivable within current assets on the balance sheet related to an injured contractor claim.

In July 2024, the Registrants renewed insurance programs including coverage for wildfire liability. Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cybersecurity incident, extreme weather or wildfire related liabilities or damage to the Cook Plant and costs of replacement power in the event of an incident at the Cook Plant. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, through rate-making process, could reduce future net income and cash flows and impact financial condition.

Litigation Related to Ohio House Bill 6 (HB 6) (Applies to AEP and OPCo)

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. 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 (collectively, the "Derivative Actions") 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 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. 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. 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. 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.

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 letter from counsel representing the purported AEP shareholder who had 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") (Litigation Demand). The Litigation Demand is directed to the AEP Board and contains factual allegations involving HB 6 that are generally consistent with those in the Derivative Actions. The Litigation Demand requested, 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 asserting claims similar to the claims asserted in the Derivative Actions. The AEP Board considered the Litigation Demand and formed a committee of the Board (the "Demand Demand Review Committee") Committee) to investigate, review, monitor and analyze the Litigation Demand and make a recommendation to the AEP Board regarding a reasonable and appropriate response to the same.

In April 2024, AEP reached an agreement with the four shareholders to fully and finally resolve the Derivative Actions and the Litigation Demand, and all claims asserted or that could have been asserted by any AEP shareholder based on the facts alleged, in the manner and upon the terms and conditions set forth in the settlement documents (the "Settlement") Settlement). In July 2024, the U.S. District Court preliminarily approved the Settlement. Subject to final approval by the Court, the The Settlement includes a payment of $450 thousand for attorneys' fees and the implementation of certain corporate governance changes outlined in the Settlement, many of which have already been put in place. The Settlement does not include any admission of liability. In October 2024, the event District Court issued an Order and

Judgment approving the Settlement is not approved by and granted an Order of Dismissal with Prejudice. Under the Court or the Settlement, all Derivative Actions and have been or will be dismissed, the Litigation Demand are not otherwise settled or dismissed, the defendants will continue to defend against the Derivative Actions has been withdrawn, and the AEP Board will continue to act in response those matters and claims have been resolved pursuant to the Litigation Demand as appropriate. Management does not believe terms of the range of potential losses that is reasonably possible of occurring as a result of either the Derivative Actions or the Litigation Demand will have a material impact on results of operations, cash flows or financial condition. Settlement.

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 Based on these discussions, in the third quarter of 2024, AEP recorded a loss contingency of $19 million in Other Operation expenses on AEP's statements of income and accrued a corresponding liability in Other Current Liabilities on AEP's balance sheets. A resolution of the investigation or filed claims the outcome of which cannot be predicted, may subject AEP to civil penalties and other remedial measures. Discussions are continuing and in an amount that could differ from the amount recorded; however, management does not believe the range of potential losses that is reasonably possible of occurring as a result of this investigation, or possible any such resolution thereof, will have a material impact on results of operations, cash flows or financial condition. would be material.

Claims for Indemnification Made by Owners of the Gavin Power Station (Applies to AEP)

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 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 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 any determinations of noncompliance by the Federal EPA with various aspects of the CCR Rule 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, which in June 2024, were dismissed for lack of jurisdiction. 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. Management is unable to determine a range of potential losses that is reasonably possible of occurring.

Litigation Regarding Justice Thermal Coal Contract (Applies to AEP and APCo)

In December 2023, 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 in April 2024, APCo filed an amended complaint seeking a 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 validity of the contract termination and asserting counterclaims. Justice Thermal's counterclaims allege that APCo breached The parties entered into a Settlement Agreement and Release pursuant to which the litigation was dismissed with prejudice in September 2024 and each party released the other from all claims relating to the contract assert or the litigation, and as 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 counterclaims. Management is unable to determine a range of potential losses that is reasonably possible of occurring. result this matter has been resolved.

6. ACQUISITIONS ASSETS AND LIABILITIES HELD FOR SALE AND DISPOSITIONS

The disclosures in this note apply to AEP unless indicated otherwise.

ACQUISITIONS

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 lease obligations related to Rock Falls were not material as at the time of acquisition.

ASSETS AND LIABILITIES HELD FOR SALE

Planned Disposition of AEP OnSite Partners (Generation & Marketing Segment) (Applies to AEP)

In April 2023, AEP initiated a sales process for its ownership in AEP OnSite 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 June 30, 2024, AEP OnSite Partners owned projects located in 21 states, including approximately 103 MWs of installed solar capacity and two solar projects under construction totaling approximately 8 MWs. As of June 30, 2024, the net book value of the assets and liabilities of AEP OnSite Partners was $341 million.

In May 2024, AEP signed an agreement to sell AEP OnSite Partners to a nonaffiliated third party. AEP has received clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The sale remains subject to FERC approval under Section 203 of the Federal Power Act and is expected to close in the third quarter of 2024. AEP expects to receive cash proceeds of approximately $315 million, net of taxes and transaction costs.

Management concluded the assets in AEP OnSite Partners met the accounting requirements to be presented as Held for Sale in the second quarter of 2024 based on the signing the sale agreement. Any changes to the book value or carrying value of these assets, or the anticipated sale price, could further reduce future net income and impact financial condition.

In May 2024, AEP ceased recognition of depreciation on the AEP OnSite Partners assets due to their classification as Held for Sale on the balance sheets. The major classes of the assets and liabilities presented in Assets Held for Sale and Liabilities Held for Sale on the balance sheets of AEP are shown in the following table:

		June 30, 2024
		(in millions)
ASSETS		
Property, Plant and Equipment, Net	$	309.2
Other Classes of Assets that are not Major		54.4
Total Major Classes of Assets Held for Sale		363.6
Loss on the Expected Sale of AEP OnSite Partners (net of $2.8 million of Income Tax Benefit)		(10.4)
Assets Held for Sale	$	353.2
LIABILITIES		
Other Classes of Liabilities that are not Major	$	12.5
Liabilities Held for Sale	$	12.5

DISPOSITIONS

Disposition of AEP OnSite Partners (Generation & Marketing Segment) (Applies to AEP)

In April 2023, AEP initiated a sales process for its ownership in AEP OnSite 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. In May 2024, AEP signed an agreement to sell AEP OnSite Partners to a nonaffiliated third-party. In September 2024, AEP completed the sale to a nonaffiliated third-party and received cash proceeds of approximately $318 million, net of taxes and transaction costs. The proceeds were used to pay down short-term debt.

Disposition of the Competitive Contracted Renewables Portfolio (Generation & Marketing Segment) (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 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 NMRD (Generation & Marketing Segment) (Applies to AEP)

In December 2023, AEP and the joint owner signed an agreement to sell NMRD to a nonaffiliated third party and the 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.

7. BENEFIT PLANS

The disclosures in this note apply to all Registrants except AEPTCo.

AEPSC sponsors a qualified pension plan and two unfunded non-qualified pension plans. Substantially all AEP subsidiary employees are covered by the qualified plan or both the qualified and a non-qualified pension plan. 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 June 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2024	**AEP**	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
			(in millions)				
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Cost (Credit) (a)							

Three Months Ended June 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)			
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Cost (Credit)							

Six Months Ended June 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Nine Months Ended September 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)			
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Cost (Credit) (a)							

Six Months Ended June 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Nine Months Ended September 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)			
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Cost (Credit)							

(a) Excludes an immaterial one-time settlement cost amount to a non-qualified pension plan in the second quarter of 2024 for AEP. Management continues to monitor settlements under the qualified pension plan as a result of the voluntary severance program announced in the second quarter of 2024. See Note 13 - Voluntary Severance Program for additional information.

OPEB

Three Months Ended June 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)			
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Prior Service Credit							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Credit (a)							

Three Months Ended June 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)			
Service Cost							

Interest Cost	
Expected Return on Plan Assets	
Amortization of Prior Service Credit	
Amortization of Net Actuarial Loss	
Net Periodic Benefit Credit	

Six Months Ended June 30, 2024	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Nine Months Ended September 30, 2024	**AEP**	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
			(in millions)				
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Prior Service Credit							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Credit (a)							

Six Months Ended June 30, 2023	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Nine Months Ended September 30, 2023	**AEP**	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
			(in millions)				
Service Cost							
Interest Cost							
Expected Return on Plan Assets							
Amortization of Prior Service Credit							
Amortization of Net Actuarial Loss							
Net Periodic Benefit Credit							

(a) Excludes an immaterial one-time cost amount related to special termination benefits resulting from the voluntary severance program announced in the second quarter of 2024. See Note 13 - Voluntary Severance Program for additional information.

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 six nine months ended June 30, 2024 September 30, 2024 and 2023 and reportable segment balance sheet information as of June 30, 2024 September 30, 2024 and December 31, 2023.

	Three Months Ended June 30, 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	$ 2,572.0	$ 1,428.8	$ 108.7	$ 442.5	$ 27.2	$ —	$ 4,579.2
Other Operating Segments	47.0	7.1	381.2	25.0	30.5	(490.8) (b)	—
Total Revenues	$ 2,619.0	$ 1,435.9	$ 489.9	$ 467.5	$ 57.7	$ (490.8)	$ 4,579.2
Net Income (Loss)	$ 66.7	$ 146.8	$ 201.9	$ (4.8)	$ (68.1)	$ —	$ 342.5

	Three Months Ended June 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	$ 2,629.0	$ 1,330.8	$ 88.3	$ 318.2	$ 6.2	$ —	$ 4,372.5
Other Operating Segments	45.5	9.4	370.3	13.2	25.8	(464.2) (b)	—
Total Revenues	$ 2,674.5	$ 1,340.2	$ 458.6	$ 331.4	$ 32.0	$ (464.2)	$ 4,372.5
Net Income (Loss)	$ 278.4	$ 176.7	$ 197.3	$ (38.6)	$ (97.7)	$ —	$ 516.1

	Six Months Ended June 30, 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	$ 5,473.2	$ 2,912.0	$ 219.2	$ 958.4	$ 42.1	$ —	$ 9,604.9
Other Operating Segments	93.7	14.1	768.0	72.6	68.4	(1,016.8) (b)	—
Total Revenues	$ 5,566.9	$ 2,926.1	$ 987.2	$ 1,031.0	$ 110.5	$ (1,016.8)	$ 9,604.9
Net Income (Loss)	$ 629.0	$ 297.1	$ 411.7	$ 132.8	$ (122.4)	$ —	$ 1,348.2

	Six Months Ended June 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	$ 5,445.3	$ 2,786.1	$ 178.4	$ 645.1	$ 8.5	$ —	$ 9,063.4
Other Operating Segments	87.0	18.3	735.7	13.3	53.6	(907.9) (b)	—
Total Revenues	$ 5,532.3	$ 2,804.4	$ 914.1	$ 658.4	$ 62.1	$ (907.9)	$ 9,063.4
Net Income (Loss)	$ 540.6	$ 302.4	$ 379.7	$ (195.0)	$ (111.2)	$ —	$ 916.5

	Three Months Ended September 30, 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	$ 3,248.8	$ 1,568.5	$ 113.1	$ 483.7	$ 6.0	$ —	$ 5,420.1
Other Operating Segments	54.2	6.9	399.4	15.4	32.1	(508.0) (b)	—
Total Revenues	$ 3,303.0	$ 1,575.4	$ 512.5	$ 499.1	$ 38.1	$ (508.0)	$ 5,420.1
Net Income (Loss)	$ 572.5	$ 245.2	$ 215.8	$ 93.3	$ (165.1)	$ —	$ 961.7

	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) (b)	—
Total Revenues	$ 3,205.4	$ 1,544.1	$ 476.7	$ 566.7	$ 57.2	$ (508.4)	$ 5,341.7
Net Income (Loss)	$ 514.0	$ 206.0	$ 203.9	$ 132.8	$ (98.4)	$ —	$ 958.3

	Nine Months Ended September 30, 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	$ 8,722.0	$ 4,480.5	$ 332.3	$ 1,442.1	$ 48.1	$ —	$ 15,025.0
Other Operating Segments	147.9	21.0	1,167.4	88.0	100.5	(1,524.8) (b)	—
Total Revenues	$ 8,869.9	$ 4,501.5	$ 1,499.7	$ 1,530.1	$ 148.6	$ (1,524.8)	$ 15,025.0
Net Income (Loss)	$ 1,201.5	$ 542.3	$ 627.5	$ 226.1	$ (287.5)	$ —	$ 2,309.9

	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) (b)	—
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

June 30, 2024

June 30, 2024

June 30, 2024

September 30, 2024

September 30, 2024

September 30, 2024

	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
			(in millions)						(in millions)						
Total Assets (c)															
Total Assets (c)															
Total Assets (c)															

December 31, 2023

December 31, 2023

December 31, 2023

	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other (a)	Reconciling Adjustments	Consolidated
			(in millions)						(in millions)						
Total Assets															
Total Assets															
Total Assets															

(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 and interest expense, income tax expense and other nonallocated costs.

(b) Represents inter-segment revenues.

(c) Amount includes Assets Held for Sale on the balance sheet. See "Planned Disposition of AEP OnSite Partners" section of Note 6 for additional information.

(d) Includes elimination of Parent's investments in wholly-owned subsidiary companies.

(e) (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 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 six nine months ended June 30, 2024 September 30, 2024 and 2023 and reportable segment balance sheet information as of June 30, 2024 September 30, 2024 and December 31, 2023.

	Three Months Ended June 30, 2024				Three Months Ended September 30, 2024				
	State Transcos	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
			(in millions)						
Revenues from:									
External Customers									
External Customers									
External Customers									
Sales to AEP Affiliates									
Other Revenues									
Total Revenues									
Net Income									
Net Income									
Net Income									

	Three Months Ended June 30, 2023								
	Three Months Ended June 30, 2023								
	Three Months Ended June 30, 2023								
	Three Months Ended September 30, 2023								
	Three Months Ended September 30, 2023								
	Three Months Ended September 30, 2023								
	State Transcos	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
			(in millions)						
Revenues from:									
External Customers									
External Customers									
External Customers									
Sales to AEP Affiliates									
Total Revenues									
Total Revenues									
Total Revenues									
Net Income									
Net Income									
Net Income									

	Six Months Ended June 30, 2024				Nine Months Ended September 30, 2024				
	State Transcos	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated	State Transcos	AEPTCo Parent	Reconciling Adjustments	AEPTCo Consolidated
			(in millions)						
Revenues from:									
External Customers									
External Customers									
External Customers									
Sales to AEP Affiliates									
Other Revenues									
Total Revenues									
Net Income									

Net Income

Net Income

	Six Months Ended June 30, 2023								
	Six Months Ended June 30, 2023								
	Six Months Ended June 30, 2023								
	Nine Months Ended September 30, 2023								
	Nine Months Ended September 30, 2023								
	Nine Months Ended September 30, 2023								
	State Transcos	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**
				(in millions)					
Revenues from:									
External Customers									
External Customers									
External Customers									
Sales to AEP Affiliates									
Total Revenues									
Net Income									
Net Income									
Net Income									

	June 30, 2024								
	September 30, 2024								
	June 30, 2024								
	September 30, 2024								
	June 30, 2024								
	September 30, 2024								
State Transcos	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**	
			(in millions)						
Total Assets									
Total Assets									
Total Assets									

	December 31, 2023								
	December 31, 2023								
	December 31, 2023								
State Transcos	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**	**State Transcos**	**AEPTCo Parent**	**Reconciling Adjustments**	**AEPTCo Consolidated**	
			(in millions)						
Total Assets									
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

June 30, 2024

June 30, 2024

June 30, 2024 **December 31, 2023**

September 30, 2024

September 30, 2024

September 30, 2024 **December 31, 2023**

Primary Risk Exposure	Primary Risk Exposure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	Primary Risk Exposure	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	AEP	AEP Texas	APCo	I&M	OPCo	P
							(in millions)																						
Commodity:																													
Power (MWhs)																													
Power (MWhs)																													
Power (MWhs)																													
Natural Gas (MMBtus)																													
Natural Gas (MMBtus)																													
Natural Gas (MMBtus)																													
Heating Oil and Gasoline (Gallons)																													
Interest Rate (USD)																													
Interest Rate on Long-term Debt (USD)																													
Interest Rate on Long-term Debt (USD)																													
Interest Rate on Long-term Debt (USD)																													

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 $155 $44 million and $46 million as of June 30, 2024 September 30, 2024 and 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 June 30, 2024 September 30, 2024 and December 31, 2023. The amount of cash collateral paid to third-parties netted against short-term and long-term risk management liabilities was immaterial not material for the Registrants as of June 30, 2024 September 30, 2024 and 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.

				June 30, 2024							September 30, 2024						
		AEP	AEP	AEP Texas	APCo	I&M		OPCo	PSO	SWEPCo	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Assets:	**Assets:**			**(in millions)**			**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																	
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																	

Total Assets

Total Assets

Total Assets

Liabilities:

Liabilities:

Liabilities:

Current Risk Management Liabilities

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 Management Liabilities

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 MTM Derivative Contract Net Assets (Liabilities) Recognized

Total MTM Derivative Contract Net Assets (Liabilities) Recognized

Total MTM Derivative Contract Net Assets (Liabilities) Recognized

	December 31, 2023						
	AEP	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
Assets:				**(in millions)**			
Current Risk Management Assets							
Risk Management Contracts - Commodity	$ 555.1	$ —	$ 24.6	$ 30.1	$ —	$ 19.7	$ 12.0
Hedging Contracts - Commodity	56.7	—	—	—	—	—	—
Hedging Contracts - Interest Rate	—	—	—	—	—	—	—
Total Current Risk Management Assets	611.8	—	24.6	30.1	—	19.7	12.0
Long-term Risk Management Assets							
Risk Management Contracts - Commodity	468.8	—	0.3	12.0	—	—	0.5
Hedging Contracts - Commodity	86.8	—	—	—	—	—	—
Hedging Contracts - Interest Rate	—	—	—	—	—	—	—
Total Long-term Risk Management Assets	555.6	—	0.3	12.0	—	—	0.5
Total Assets	$ 1,167.4	$ —	$ 24.9	$ 42.1	$ —	$ 19.7	$ 12.5
Liabilities:							
Current Risk Management Liabilities							
Risk Management Contracts - Commodity	$ 588.0	$ 0.2	$ 18.5	$ 5.4	$ 6.9	$ 29.7	$ 14.9
Hedging Contracts - Commodity	8.2	—	—	—	—	—	—

Hedging Contracts - Interest Rate	50.5	2.7	—	—	—	—	—
Total Current Risk Management Liabilities	646.7	2.9	18.5	5.4	6.9	29.7	14.9
Long-term Risk Management Liabilities							
Risk Management Contracts - Commodity	377.6	—	6.9	0.2	43.9	1.0	1.7
Hedging Contracts - Commodity	2.2	—	—	—	—	—	—
Hedging Contracts - Interest Rate	56.9	—	—	—	—	—	—
Total Long-term Risk Management Liabilities	436.7	—	6.9	0.2	43.9	1.0	1.7
Total Liabilities	$ 1,083.4	$ 2.9	$ 25.4	$ 5.6	$ 50.8	$ 30.7	$ 16.6
Total MTM Derivative Contract Net Assets (Liabilities) Recognized	$ 84.0	$ (2.9)	$ (0.5)	$ 36.5	$ (50.8)	$ (11.0)	$ (4.1)

Offsetting Assets and Liabilities

The following tables show the net amounts of assets and liabilities presented on the balance sheets. The gross amounts offset include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with accounting guidance for "Derivatives and Hedging." All derivative contracts subject to a master netting arrangement or similar agreement are offset on the balance sheets.

		June 30, 2024								September 30, 2024						
	AEP	AEP	AEP Texas	APCo	I&M	OPCo		PSO	SWEPCo	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
Assets:	**Assets:**		(in millions)			**Assets:**				(in millions)						
Current Risk Management Assets																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Offset																
Net Amounts Presented																
Long-term Risk Management Assets																
Long-term Risk Management Assets																
Long-term Risk Management Assets																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Offset																
Net Amounts Presented																
Total Assets																
Total Assets																
Total Assets																
Liabilities:																
Liabilities:																
Liabilities:																
Current Risk Management Liabilities																
Current Risk Management Liabilities																
Current Risk Management Liabilities																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Recognized																
Gross Amounts Offset																
Net Amounts Presented																
Long-term Risk Management Liabilities																
Long-term Risk Management Liabilities																

Long-term Risk Management Liabilities
Gross Amounts Recognized
Gross Amounts Recognized
Gross Amounts Recognized
Gross Amounts Offset
Net Amounts Presented
Total Liabilities
Total Liabilities
Total Liabilities
Total MTM Derivative Contract Net Assets (Liabilities)
Total MTM Derivative Contract Net Assets (Liabilities)
Total MTM Derivative Contract Net Assets (Liabilities)

	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

		Three Months Ended June 30, 2024							Three Months Ended September 30, 2024						
Location of Gain (Loss)	**Location of Gain (Loss)**	**AEP**	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**	**Location of Gain (Loss)**	**AEP**	**AEP Texas**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
		(in millions)														
Vertically Integrated Utilities Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																

Generation & Marketing Revenues
Electric Generation, Transmission and Distribution Revenues
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
Maintenance
Regulatory Assets (a)
Regulatory Liabilities (a)
Total Gain (Loss) on Risk Management Contracts

Three Months Ended June 30, 2023

Three Months Ended June 30, 2023

Three Months Ended June 30, 2023

Three Months Ended September 30, 2023

Three Months Ended September 30, 2023

Three Months Ended September 30, 2023

Location of Gain (Loss)	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)														
Vertically Integrated Utilities Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Electric Generation, Transmission and Distribution Revenues																
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																
Maintenance																
Maintenance																
Maintenance																
Regulatory Assets (a)																
Regulatory Liabilities (a)																
Total Gain (Loss) on Risk Management Contracts																

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

Location of Gain (Loss)	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)												
Vertically Integrated Utilities Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Electric Generation, Transmission and Distribution Revenues																
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																
Maintenance																
Maintenance																
Maintenance																
Regulatory Assets (a)																
Regulatory Liabilities (a)																
Total Gain (Loss) on Risk Management Contracts																

Six Months Ended June 30, 2023

Six Months Ended June 30, 2023

Six Months Ended June 30, 2023

Nine Months Ended September 30, 2023

Nine Months Ended September 30, 2023

Nine Months Ended September 30, 2023

Location of Gain (Loss)	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo	Location of Gain (Loss)	AEP	AEP Texas	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)												
Vertically Integrated Utilities Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Generation & Marketing Revenues																
Electric Generation, Transmission and Distribution Revenues																

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
Maintenance
Regulatory Assets (a)
Regulatory Liabilities (a)
Total Gain (Loss) on Risk Management Contracts

(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	**Carrying Amount of the Hedged Liabilities**	**Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liabilities**	**Carrying Amount of the Hedged Liabilities**	**Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Liabilities**
	June 30, 2024	**December 31, 2023**	**June 30, 2024**	**December 31, 2023**	
	September 30, 2024	**December 31, 2023**	**September 30, 2024**	**December 31, 2023**	
		(in millions)			
Long-term Debt (a) (b)					

(a) Amounts included within Noncurrent Liabilities line item Long-term Debt on the Balance Sheet.

(b) Amounts include $(26) $(24) million and $(30) million as of June 30, 2024 September 30, 2024 and 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 June 30,		**Six Months Ended June 30,**					
	Three Months Ended September 30,		**Nine Months Ended September 30,**					
2024	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**

	(in millions)
Gain (Loss) on Interest Rate Contracts:	
Fair Value Hedging Instruments (a)	
Fair Value Hedging Instruments (a)	
Fair Value Hedging Instruments (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 six nine months ended June 30, 2024 September 30, 2024 and 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 June 30, 2024 and 2023, September 30, 2024, AEP and AEP Texas PSO applied cash flow hedging to outstanding interest rate derivatives and the other Registrant Subsidiaries did not. During the six three months ended June 30, 2024 September 30, 2023, the Registrants did not apply cash flow hedging to outstanding interest rate derivatives. During the nine months ended September 30, 2024, AEP, and AEP Texas and PSO applied cash flow hedging to outstanding interest rate derivatives and the other Registrant Subsidiaries did not. During the six nine months ended June 30, 2023 September 30, 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.

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 the Registrants' Balance Sheets

	June 30, 2024		December 31, 2023					
	June 30, 2024							
	June 30, 2024		December 31, 2023					
	September 30, 2024							
	September 30, 2024							
	September 30, 2024		December 31, 2023					
	AOCI Gain (Loss) Net of Tax		Portion Expected to be Reclassified to Net Income During the Next Twelve Months		AOCI Gain (Loss) Net of Tax		Portion Expected to be Reclassified to Net Income During the Next Twelve Months	
	Commodity	Interest Rate	Commodity	Interest Rate	Commodity	Interest Rate	Commodity	Interest Rate
	(in millions)							
AEP								
AEP Texas								

APCo
I&M
PSO
PSO
PSO
SWEPCo

As of June 30, 2024 September 30, 2024 the maximum length of time that AEP is hedging its exposure to variability in future cash flows related to forecasted transactions is 81 months. approximately 10 years.

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) AEP)

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. The total exposure of AEP's derivative contracts with collateral triggering events in a net liability position was immaterial as of June 30, 2024 September 30, 2024 and December 31, 2023. The Registrant Subsidiaries had no derivative contracts with collateral triggering events in a net liability position as of June 30, 2024 September 30, 2024 and December 31, 2023.

Cross-Acceleration Triggers (Applies to AEP & PSO)

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 $97 $102 million and $107 million and no cash collateral posted as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively. PSO had derivative contracts with cross-acceleration provisions in a net liability position of $11 million and $0 and no cash collateral posted as of September 30, 2024 and December 31, 2023, respectively. If a cross-acceleration provision would have been triggered, settlement at fair value would have been required. The other Registrant Subsidiaries' derivative contracts with cross-acceleration provisions outstanding as of June 30, 2024 September 30, 2024 and December 31, 2023 were not material. immaterial.

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 with cross-default provisions in a net liability position of $233 $174 million and $242 million and no cash collateral posted as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively, after considering contractual netting arrangements. 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 $13 $14 million, $23 $11 million and $10 $5 million, respectively, and no cash collateral posted as of June 30, 2024 September 30, 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. If a cross-default provision would have been triggered, settlement at fair value would have been required. The other Registrant Subsidiaries had no derivative contracts with cross-default provisions outstanding as of June 30, 2024 September 30, 2024 and December 31, 2023.

10. <u>FAIR VALUE MEASUREMENTS</u>

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 and 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:

			June 30, 2024	December 31, 2023						
			September 30, 2024	December 31, 2023						
Company	Company	Book Value	Fair Value	Book Value	Fair Value	Company	Book Value	Fair Value	Book Value	Fair Value
				(in millions)						
AEP										
AEP Texas										
AEPTCo										
APCo										
I&M										
OPCo										
PSO										
SWEPCo										

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:

	June 30, 2024	September 30, 2024
Gross Unrealized		

Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash	Cost	Unrealized Unrealized Gains	Unrealized Losses	Fair Value	Unrealized Other Temporary Investments and Restricted Cash	Fair Cost	Gains	Losses	Value
				(in millions)						
Restricted Cash (a)										
Other Cash Deposits (b)										
Fixed Income Securities – Mutual Funds (c) (b)										
Equity Securities – Mutual Funds										
Total Other Temporary Investments and Restricted Cash										

				December 31, 2023						
Other Temporary Investments and Restricted Cash	Other Temporary Investments and Restricted Cash	Cost	Gross Unrealized Unrealized Unrealized Gains	Unrealized Losses	Fair Value	Unrealized Other Temporary Investments and Restricted Cash	Fair Cost	Gains	Losses	Value
				(in millions)						
Restricted Cash (a)										
Other Cash Deposits										
Fixed Income Securities – Mutual Funds (c) (b)										
Equity Securities – Mutual Funds										
Total Other Temporary Investments and Restricted Cash										

(a) Primarily represents amounts held for the repayment of debt.

(b) Excludes Other Cash Deposits of $0.3 million classified as Assets Held for Sale on the balance sheets. See "Planned Disposition of AEP OnSite Partners" section of Note 6 for additional information.

(c) 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 June 30, 2024	2023	Six Months Ended June 30, 2024	2023	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2023	2024	2023
			(in millions)					
Proceeds from Investment Sales								
Purchases of Investments								
Gross Realized Gains 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:

	June 30, 2024				December 31, 2023				September 30, 2024				December 31, 2023			
	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-Than-Temporary Impairments
	(in millions)															
Cash and Cash Equivalents																
Fixed Income Securities:																
United States Government																
United States Government																
United States Government																
Corporate Debt																
State and Local Government																
Subtotal Fixed Income Securities																
Equity Securities - Domestic																
Spent Nuclear Fuel and Decommissioning Trusts																

The following table provides the securities activity within the decommissioning and SNF trusts:

	Three Months Ended June 30,		Six Months Ended June 30,	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Proceeds from Investment Sales				
Purchases of Investments				
Gross Realized Gains on Investment Sales				
Gross Realized Losses on Investment Sales				

The base cost of fixed income securities was $1.4 billion $1.5 billion and $1.4 billion as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively. The base cost of equity securities was $587 million $541 million and $568 million as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

The fair value of fixed income securities held in the nuclear trust funds, summarized by contractual maturities, as of June 30, 2024 September 30, 2024 was as follows:

	Fair Value of Fixed Income Securities
	(in millions)
Within 1 year	$ 340.2 401.2
After 1 year through 5 years	574.2 600.8
After 5 years through 10 years	213.2 249.7
After 10 years	264.9 336.1
Total	$ 1,392.5 1,587.8

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
June September 30, 2024

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Other Temporary Investments and Restricted Cash					
Restricted Cash	$ 45.4	$ —	$ —	$ —	$ 45.4
Other Cash Deposits (a) (g)	—	—	—	21.9	21.9
Fixed Income Securities – Mutual Funds	159.0	—	—	—	159.0
Equity Securities – Mutual Funds (b)	44.8	—	—	—	44.8
Total Other Temporary Investments and Restricted Cash	249.2	—	—	21.9	271.1
Risk Management Assets					
Risk Management Commodity Contracts (c) (d)	—	115.8	327.0	(7.6)	435.2
Cash Flow Hedges:					
Commodity Hedges (c)	—	115.2	20.3	(2.9)	132.6
Interest Rate Hedges	—	10.3	—	—	10.3
Total Risk Management Assets	—	241.3	347.3	(10.5)	578.1
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	10.2	—	—	12.6	22.8
Fixed Income Securities:					
United States Government	—	1,267.8	—	—	1,267.8
Corporate Debt	—	123.0	—	—	123.0
State and Local Government	—	1.7	—	—	1.7
Subtotal Fixed Income Securities	—	1,392.5	—	—	1,392.5
Equity Securities – Domestic (b)	2,798.7	—	—	—	2,798.7
Total Spent Nuclear Fuel and Decommissioning Trusts	2,808.9	1,392.5	—	12.6	4,214.0
Total Assets	$ 3,058.1	$ 1,633.8	$ 347.3	$ 24.0	$ 5,063.2
Liabilities:					
Risk Management Liabilities					

	Level 1	Level 2	Level 3	Other	Total
Risk Management Commodity Contracts (c) (d)	$ 7.2	$ 107.4	$ 59.1	$ 145.0	$ 318.7
Cash Flow Hedges:					
Commodity Hedges (c)	—	3.9	—	(2.9)	1.0
Interest Rate Hedges	—	0.2	—	—	0.2
Fair Value Hedges	—	96.5	—	—	96.5
Total Risk Management Liabilities	$ 7.2	$ 208.0	$ 59.1	$ 142.1	$ 416.4

AEP

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Other Temporary Investments and Restricted Cash					
Restricted Cash	$ 53.4	$ —	$ —	$ —	$ 53.4
Other Cash Deposits (a)	—	—	—	17.0	17.0
Fixed Income Securities – Mutual Funds	164.6	—	—	—	164.6
Equity Securities – Mutual Funds (b)	47.0	—	—	—	47.0
Total Other Temporary Investments and Restricted Cash	265.0	—	—	17.0	282.0
Risk Management Assets					
Risk Management Commodity Contracts (c) (d)	3.9	571.5	307.2	(484.1)	398.5
Cash Flow Hedges:					
Commodity Hedges (c)	—	83.9	20.1	(7.5)	96.5
Interest Rate Hedges	—	—	—	—	—
Total Risk Management Assets	3.9	655.4	327.3	(491.6)	495.0
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	15.6	—	—	10.6	26.2
Fixed Income Securities:					
United States Government	—	1,370.5	—	—	1,370.5
Corporate Debt	—	215.6	—	—	215.6
State and Local Government	—	1.7	—	—	1.7
Subtotal Fixed Income Securities	—	1,587.8	—	—	1,587.8
Equity Securities – Domestic (b)	2,811.8	—	—	—	2,811.8
Total Spent Nuclear Fuel and Decommissioning Trusts	2,827.4	1,587.8	—	10.6	4,425.8
Total Assets	$ 3,096.3	$ 2,243.2	$ 327.3	$ (464.0)	$ 5,202.8
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (d)	$ 7.5	$ 574.8	$ 133.6	$ (456.5)	$ 259.4
Cash Flow Hedges:					
Commodity Hedges (c)	—	8.5	0.6	(7.5)	1.6
Interest Rate Hedges	—	10.9	—	—	10.9
Fair Value Hedges	—	81.7	—	—	81.7
Total Risk Management Liabilities	$ 7.5	$ 675.9	$ 134.2	$ (464.0)	$ 353.6

Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2023

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Other Temporary Investments and Restricted Cash					
Restricted Cash	$ 48.9	$ —	$ —	$ —	$ 48.9
Other Cash Deposits (a)	—	—	—	13.9	13.9

Fixed Income Securities – Mutual Funds	159.7	—	—	—	159.7
Equity Securities – Mutual Funds (b)	40.7	—	—	—	40.7
Total Other Temporary Investments and Restricted Cash	249.3	—	—	13.9	263.2
Risk Management Assets					
Risk Management Commodity Contracts (c) (f)	9.7	736.9	274.3	(617.0)	403.9
Cash Flow Hedges:					
Commodity Hedges (c)	—	123.5	19.8	(8.5)	134.8
Total Risk Management Assets	9.7	860.4	294.1	(625.5)	538.7
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	7.8	—	—	9.0	16.8
Fixed Income Securities:					
United States Government	—	1,273.0	—	—	1,273.0
Corporate Debt	—	132.1	—	—	132.1
State and Local Government	—	1.7	—	—	1.7
Subtotal Fixed Income Securities	—	1,406.8	—	—	1,406.8
Equity Securities – Domestic (b)	2,436.6	—	—	—	2,436.6
Total Spent Nuclear Fuel and Decommissioning Trusts	2,444.4	1,406.8	—	9.0	3,860.2
Total Assets	$ 2,703.4	$ 2,267.2	$ 294.1	$ (602.6)	$ 4,662.1
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c) (f)	$ 24.7	$ 783.8	$ 154.1	$ (600.3)	$ 362.3
Cash Flow Hedges:					
Commodity Hedges (c)	—	9.6	0.6	(8.5)	1.7
Interest Rate Hedges	—	9.0	—	—	9.0
Fair Value Hedges	—	98.4	—	—	98.4
Total Risk Management Liabilities	$ 24.7	$ 900.8	$ 154.7	$ (608.8)	$ 471.4

AEP Texas

Assets and Liabilities Measured at Fair Value on a Recurring Basis

June September 30, 2024

	Level 1	Level 1	Level 2	Level 3		Other	Total	Level 1	Level 2	Level 3	Other	Total
Assets:	**Assets:**	(in millions)		**Assets:**			(in millions)					
Restricted Cash for Securitized Funding												
Restricted Cash for Securitized Funding												
Restricted Cash for Securitized Funding												
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)												

December 31, 2023

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		

Restricted Cash for Securitized Funding	$ 34.0	$ —	$ —	$ —	$ 34.0
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	$ —	$ 0.2	$ —	$ (0.2)	$ —
Cash Flow Hedges:					
Interest Rate Hedges	—	2.7	—	—	2.7
Total Risk Management Liabilities	$ —	$ 2.9	$ —	$ (0.2)	$ 2.7

APCo

Assets and Liabilities Measured at Fair Value on a Recurring Basis

June September 30, 2024

	Level 1	Level 1	Level 2	Level 3		Other	Total	Level 1	Level 2	Level 3	Other	Total
Assets:	**Assets:**	**(in millions)**	**Assets:**	**(in millions)**								
Restricted Cash for Securitized Funding												
Restricted Cash for Securitized Funding												
Restricted Cash for Securitized Funding												
Risk Management Assets												
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												
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)												

December 31, 2023

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Restricted Cash for Securitized Funding	$ 14.9	$ —	$ —	$ —	$ 14.9
Risk Management Assets					
Risk Management Commodity Contracts (c)	—	1.1	23.5	(2.2)	22.4
Total Assets	$ 14.9	$ 1.1	$ 23.5	$ (2.2)	$ 37.3
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	$ —	$ 24.0	$ 1.1	$ (2.6)	$ 22.5

I&M

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	June September 30, 2024											
	Level 1	Level 1	Level 2	Level 3		Other	Total	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 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												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)												
Cash and Cash Equivalents (e)												
Fixed Income Securities:												
United States Government												
United States Government												
United States Government												
Corporate Debt												
State and Local Government												
Subtotal Fixed Income Securities												
Equity Securities - Domestic (b)												
Total Spent Nuclear Fuel and Decommissioning Trusts												
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)												

	December 31, 2023				
	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Risk Management Assets					
Risk Management Commodity Contracts (c)	$ —	$ 37.4	$ 4.5	$ (2.3)	$ 39.6
Spent Nuclear Fuel and Decommissioning Trusts					
Cash and Cash Equivalents (e)	7.8	—	—	9.0	16.8
Fixed Income Securities:					
United States Government	—	1,273.0	—	—	1,273.0
Corporate Debt	—	132.1	—	—	132.1
State and Local Government	—	1.7	—	—	1.7
Subtotal Fixed Income Securities	—	1,406.8	—	—	1,406.8
Equity Securities - Domestic (b)	2,436.6	—	—	—	2,436.6

Total Spent Nuclear Fuel and Decommissioning Trusts	2,444.4	1,406.8	—	9.0	3,860.2
Total Assets	$ 2,444.4	$ 1,444.2	$ 4.5	$ 6.7	$ 3,899.8
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	$ —	$ 3.7	$ 1.7	$ (3.4)	$ 2.0

OPCo

Assets and Liabilities Measured at Fair Value on a Recurring Basis
June September 30, 2024

	Level 1	Level 1	Level 2	Level 3	Other	Total	Level 1	Level 2	Level 3	Other	Total
Liabilities:											
Liabilities:											
Liabilities:		(in millions)			(in millions)						
Risk Management Liabilities											
Risk Management Liabilities											
Risk Management Liabilities											
Risk Management Commodity Contracts (c)											
Risk Management Commodity Contracts (c)											
Risk Management Commodity Contracts (c)											

December 31, 2023

	Level 1	Level 2	Level 3	Other	Total
Liabilities:			(in millions)		
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	$ —	$ 0.2	$ 50.6	$ (0.1)	$ 50.7

PSO

Assets and Liabilities Measured at Fair Value on a Recurring Basis
June September 30, 2024

		Level 1	Level 1	Level 2	Level 3		Other	Total	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 Commodity Contracts (c)													
Risk Management Commodity Contracts (c)													
Risk Management Commodity Contracts (c)													
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:													
Commodity Hedges (c)													
Commodity Hedges (c)													
Commodity Hedges (c)													

Interest Rate Hedges					
Total Risk Management Liabilities					

December 31, 2023

	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

June September 30, 2024

		Level 1	Level 1	Level 2	Level 3		Other	Total	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 Commodity Contracts (c)													
Risk Management Commodity Contracts (c)													
Risk Management Commodity Contracts (c)													
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)													

December 31, 2023

	Level 1	Level 2	Level 3	Other	Total
Assets:			(in millions)		
Risk Management Assets					
Risk Management Commodity Contracts (c)	$ —	$ 0.5	$ 12.0	$ (0.9)	$ 11.6
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (c)	$ —	$ 15.7	$ 0.9	$ (1.0)	$ 15.6

(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 June 30, 2024 September 30, 2024 maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures $(3) $(1) million in 2024 and $(4) $(2) million in periods 2025-2027; Level 2 matures $(22) $(23) million in 2024, $24 million $15 million in periods 2025-2027 and $6 million $5 million in periods 2028-2029; Level 3 matures $116 million $45 million in 2024, $142 million $129 million in periods 2025-2027, $22 million $17 million in periods 2028-2029 and $(12) $(18) million in periods 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, 2023 maturities of the net fair value of risk management contracts prior to cash collateral, assets/(liabilities), were as follows: Level 1 matures $(11) million in 2024 and $(4) million in 2025-2027; Level 2 matures $(99) million in 2024, $(44) million in periods 2025-2027, $7 million in periods 2028-2029 and $2 million in periods 2030-2033; Level 3 matures $74 million in 2024, $43 million in periods 2025-2027, $18 million in periods 2028-2029 and $(16) million in periods 2030-2033. Risk management commodity contracts are substantially comprised of power contracts.

(g) Excludes Other Cash Deposits of $0.3 million classified as Assets Held for Sale on the balance sheets. See "Planned Disposition of AEP OnSite Partners" section of Note 6 for additional information.

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 June 30, 2024	AEP	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2024	AEP	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)				(in millions)
Balance as of March 31, 2024						
Balance as of June 30, 2024						
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)						
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)						
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)						
Settlements						
Transfers into Level 3 (d) (e)						
Transfers out of Level 3 (e)						
Changes in Fair Value Allocated to Regulated Jurisdictions (f)						
Balance as of June 30, 2024						
Balance as of June 30, 2024						
Balance as of June 30, 2024						
Balance as of September 30, 2024						
Balance as of September 30, 2024						
Balance as of September 30, 2024						

Three Months Ended June 30, 2023	AEP	APCo	I&M	OPCo	PSO	SWEPCo
Three Months Ended September 30, 2023	AEP	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)				(in millions)
Balance as of March 31, 2023						
Balance as of June 30, 2023						
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)						
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)						
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)						
Settlements						
Transfers out of Level 3 (e)						
Transfers out of Level 3 (e)						
Transfers out of Level 3 (e)						
Changes in Fair Value Allocated to Regulated Jurisdictions (f)						
Balance as of June 30, 2023						
Balance as of June 30, 2023						
Balance as of June 30, 2023						
Balance as of September 30, 2023						
Balance as of September 30, 2023						
Balance as of September 30, 2023						
Six Months Ended June 30, 2024						
Six Months Ended June 30, 2024						
Six Months Ended June 30, 2024	AEP	APCo	I&M	OPCo	PSO	SWEPCo

Nine Months Ended September 30, 2024 Nine Months Ended September 30, 2024 Nine Months Ended September 30, 2024	AEP	APCo	I&M	OPCo	PSO	SWEPCo
		(in millions)				(in millions)
Balance as of December 31, 2023						
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)						
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)						
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)						
Settlements						
Transfers into Level 3 (d) (e)						
Transfers out of Level 3 (e)						
Changes in Fair Value Allocated to Regulated Jurisdictions (f)						
Balance as of June 30, 2024						
Balance as of June 30, 2024						
Balance as of June 30, 2024						
Balance as of September 30, 2024						
Balance as of September 30, 2024						
Balance as of September 30, 2024						

Six Months Ended June 30, 2023 Six Months Ended June 30, 2023 Six Months Ended June 30, 2023	AEP	APCo	I&M	OPCo	PSO	SWEPCo
Nine Months Ended September 30, 2023 **Nine Months Ended September 30, 2023** **Nine Months Ended September 30, 2023**	**AEP**	**APCo**	**I&M**	**OPCo**	**PSO**	**SWEPCo**
		(in millions)				(in millions)
Balance as of December 31, 2022						
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)						
Unrealized Gain (Loss) Included in Net Income (or Changes in Net Assets) Relating to Assets Still Held at the Reporting Date (a)						
Realized and Unrealized Gains (Losses) Included in Other Comprehensive Income (c)						
Settlements						
Transfers into Level 3 (d) (e)						
Transfers out of Level 3 (e)						
Changes in Fair Value Allocated to Regulated Jurisdictions (f)						
Balance as of June 30, 2023						
Balance as of June 30, 2023						
Balance as of June 30, 2023						
Balance as of September 30, 2023						
Balance as of September 30, 2023						
Balance as of September 30, 2023						

(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
June September 30, 2024

Significant		**Significant**	**Input/Range**

Company	Company	Type of Input	Type of Assets	Fair Value Liabilities	Valuation Technique	Unobservable Input	Low	High	Weighted Average (a)	Company	Weighted Input	Type of Assets	Fair Value Liabilities	Valua Techniq
			(in millions)											
AEP														
AEP														
AEP														
AEP														
AEP														
AEP														
APCo														
APCo														
APCo														
I&M														
I&M														
I&M														
OPCo														
PSO														
SWEPCo														
SWEPCo														
SWEPCo														

December 31, 2023

Company	Company	Type of Input	Type of Assets	Significant Fair Value Liabilities	Valuation Technique	Unobservable Input	Low	High	Weighted Average (a)	Company	Significant Weighted Input	Input/Range Type of Assets	Fair Value Liabilities	Valua Techniq
			(in millions)											
AEP														
AEP														
AEP														
AEP														
AEP														
APCo														
APCo														
APCo														
I&M														
OPCo														
PSO														
SWEPCo														
SWEPCo														

(a) 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 June 30, 2024 September 30, 2024 and 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 2024 and 2023, adjusted for tax expense associated with certain discrete items. In the first quarter of 2024, I&M, PSO, and SWEPCo recorded tax benefits of $61 million, $49 million and $114 million, respectively, related to the reduction of a regulatory liability associated with the IRS PLRs received driving from the IRS. In the third quarter of 2024, I&M recorded a reduction $61 million tax benefit related to Nuclear PTCs. The actual Nuclear PTC realized by AEP and I&M in 2024 could vary significantly based on annual generation, and/or the U.S. Treasury guidance, particularly computational guidance on gross receipts. These items are the primary drivers of the interim ETR resulting in AEP's year to date tax rate of (11.2) (4.4)% as shown below.

The ETR for each of the Registrants are included in the following tables:

		Three Months Ended June 30, 2024								Three Months Ended September 30, 2024				
		AEP	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO		SWEPCo	AEP	AEP Texas	AEPTC
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.
Increase (decrease) due to:														
State and Local Income Taxes, Net														
State and Local Income Taxes, Net														
State and Local Income Taxes, Net		0.9 %	0.5 %	2.3 %	3.0 %	(3.7)%	(1.2)%	(2.9)%	(0.1)%		0.6 %	0.3 %	2.5 %	1.4 %
Tax Reform Excess ADIT Reversal	Tax Reform Excess ADIT Reversal	(6.0)%	(1.2)%	0.2 %	(2.9)%	(15.2)%	(34.9)%	(3.4)%	2.0 %	Tax Reform Excess ADIT Reversal	(2.8)%	(1.0)%	0.2 %	(2.
Remeasurement of Excess ADIT		(1.7)%	3.9 %	— %	— %	(46.2)%	— %	— %	— %					
Production and Investment Tax Credits														
Production and Investment Tax Credits														
Production and Investment Tax Credits	Production and Investment Tax Credits	(11.0)%	(0.2)%	— %	(0.1)%	1.8 %	— %	(70.6)%	15.9 %		(9.9) %	— %	— %	(0.1) %
Reversal of Origination Flow-Through	Reversal of Origination Flow-Through	1.1 %	0.1 %	0.3 %	(1.0)%	12.0 %	2.7 %	0.3 %	(0.4)%	Reversal of Origination Flow-Through	0.1 %	0.1 %	0.3 %	(1.
AFUDC Equity		(1.5)%	(2.3)%	(1.9)%	(1.5)%	(1.2)%	(1.2)%	(1.3)%	(0.5)%					
Other														
Other														
Discrete Tax Adjustments														
Discrete Tax Adjustments														
Discrete Tax Adjustments		(3.7)%	— %	— %	— %	— %	— %	— %	— %					
Other		(2.4)%	(1.3)%	(2.4)%	(2.1)%	(2.0)%	(4.1)%	(1.5)%	0.5 %	Other	— %	0.2 %	(0.2)%	(0.

Effective Income Tax Rate	1.9 %	22.8 %	21.4 %	17.9 %	(32.3)%	(16.5)%	(57.1)%	38.9 %	3.8 %	18.3 %	21.9 %	17.

	Three Months Ended June 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 and Local Income Taxes, Net	2.1 %	0.6 %	2.6 %	3.2 %	0.7 %	0.8 %	2.0 %	(1.6)%
Tax Reform Excess ADIT Reversal	(6.2)%	(1.3)%	0.1 %	(4.5)%	(6.1)%	(8.5)%	(17.2)%	(4.2)%
Production and Investment Tax Credits	(9.9)%	(0.2)%	— %	(0.1)%	0.1 %	— %	(55.1)%	(29.2)%
Reversal of Origination Flow-Through	(1.0)%	0.1 %	0.2 %	(5.1)%	(4.4)%	1.2 %	0.3 %	(0.8)%
Other	(0.8)%	(0.6)%	(2.1)%	(1.9)%	— %	(0.6)%	(1.4)%	0.7 %
Effective Income Tax Rate	5.2 %	19.6 %	21.8 %	12.6 %	11.3 %	13.9 %	(50.4)%	(14.1)%

	Six Months Ended June 30, 2024							
	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 and Local Income Taxes, Net	1.8 %	0.4 %	2.5 %	2.6 %	2.3 %	0.6 %	— %	(2.4)%
Tax Reform Excess ADIT Reversal	(6.0)%	(1.2)%	0.2 %	(10.0)%	(3.4)%	(10.6)%	(2.8)%	(1.5)%
Remeasurement of Excess ADIT	(19.0)%	2.4 %	— %	— %	(55.8)%	— %	(116.8)%	303.0 %
Production and Investment Tax Credits	(7.0)%	(0.2)%	— %	(0.1)%	(0.5)%	— %	(61.3)%	69.3 %
Reversal of Origination Flow-Through	0.1 %	0.2 %	0.3 %	1.8 %	0.7 %	0.8 %	0.3 %	(0.2)%
AFUDC Equity	(1.4)%	(1.4)%	(2.4)%	(1.5)%	(0.5)%	(0.8)%	(1.6)%	(0.8)%
Discrete Tax Adjustments	(4.1)%	— %	— %	— %	— %	— %	— %	— %
Other	(2.0)%	(1.1)%	(1.8)%	(1.4)%	(0.7)%	(0.4)%	(0.4)%	(1.2)%
Effective Income Tax Rate	(11.2)%	21.3 %	21.9 %	12.1 %	(37.1)%	10.6 %	(160.3)%	388.2 %

	Three Months Ended September 30, 2023			
		AEP	AEP Texas	AEPT
U.S. Federal Statutory Rate	21.0 %	21.0 %	21.0 %	2
State and Local Income Taxes, Net	1.4 %	0.5 %	2.8 %	2.2
Tax Reform Excess ADIT Reversal	(5.7)%	(1.3)%	(0.2)%	(5
Production and Investment Tax Credits	(5.1)%	0.1 %	— %	(0
Other	0.1 %	(0.5)%	(1.0)%	(
Effective Income Tax Rate	6.3 %	18.6 %	20.5 %	18

Six Months Ended June 30, 2023

Nine Months Ended September 30, 2024

		AEP	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO		SWEPCo	AEP	AEP Texas	AEPTC
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.
Increase (decrease) due to:														
State and Local Income Taxes, Net														
State and Local Income Taxes, Net														
State and Local Income Taxes, Net		2.0 %	0.5 %	2.6 %	2.6 %	2.4 %	0.9 %	2.0 %	(1.2)%		1.2 %	0.4 %	2.5 %	2.1 %
Tax Reform Excess ADIT Reversal	Tax Reform Excess ADIT Reversal	(6.2)%	(1.4)%	0.2 %	(4.5)%	(7.2)%	(7.6)%	(17.1)%	(4.0)%	Tax Reform Excess ADIT Reversal	(3.1)%	(1.1)%	0.2 %	(7.
Remeasurement of Excess ADIT		(11.9)%	1.5 %	— %	— %	(27.5)%	— %	(40.5)%	(181.8)%					
Production and Investment Tax Credits	Production and Investment Tax Credits	(9.8)%	(0.2)%	— %	(0.1)%	(0.6)%	— %	(55.2)%	(28.2)%	Production and Investment Tax Credits	(8.3)%	(0.1)%	— %	(0.
Reversal of Origination Flow-Through		0.2 %	0.1 %	0.3 %	(0.8)%	0.3 %	0.8 %	0.3 %	2.1 %					
AFUDC Equity		(1.6)%	(1.7)%	(2.0)%	(1.1)%	(1.1)%	(1.3)%	(1.3)%	(2.3)%					
Other														
Other														
Discrete Tax Adjustments														
Discrete Tax Adjustments														
Discrete Tax Adjustments		(2.1)%	— %	— %	— %	— %	— %	1.2 %	1.1 %					
Other		(2.9)%	(0.7)%	(1.6)%	0.6 %	(2.1)%	0.1 %	(1.0)%	(0.5)%	Other	0.2 %	— %	(0.1)%	(0.
Effective Income Tax Rate	Effective Income Tax Rate	4.1 %	19.2 %	22.2 %	19.6 %	13.5 %	14.4 %	(50.3)%	(12.9)%	Effective Income Tax Rate	(4.4)%	20.1 %	21.9 %	13.

	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 and Local Income Taxes, Net	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)%
Reversal of Origination 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)%

Federal and State Income Tax Audit Status

The statute of limitations (SOL) (“SOL”) for the IRS to examine AEP and subsidiaries originally filed federal return has expired for tax years 2016 and earlier. In July 2024, AEP received notification that the Congressional Joint Committee on Taxation’s Taxation (“JCT”) completed its review of AEP’s the results of the 2017-2020 IRS Audit and agreed to them. AEP received the associated tax refund and interest payment in September 2024.

This IRS audit and associated refund claim and associated IRS audit was final, resulting in no change and resulted from a refund of approximately $50 million. The refund is expected net operating loss carryback to be received 2015 that originated in the second half of 2024. Following 2017 return. AEP agreed to extend the completion of this audit, SOL on the 2017-2020 tax returns to May 31, 2025, to allow the JCT adequate time to complete its review. However, AEP has IRS exam is closed through AEP's 2020 filed tax return. There are currently no other confirmation that tax years under IRS audit. 2017-2020 are now effectively closed as they only remain open for changes to other non-consolidated entities that AEP holds an interest in.

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 SOL 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 created a 15% minimum tax on adjusted financial statement income (CAMT), extended and increased the value of PTCs and ITCs, added a nuclear and clean hydrogen PTC, an energy storage ITC and allowed 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 September 2024, Treasury and the IRS issued proposed regulations on the application of CAMT. AEP and subsidiaries are applicable corporations for purposes of subject to the CAMT and are expected to incur a liability in 2024. However, any CAMT cash taxes incurred 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 April 2024, the IRS issued final regulations related to the transfer of tax credits. In 2023, AEP, on behalf of PSO, SWEPCo and AEP Energy Supply LLC, entered into transferability agreements with nonaffiliated parties to sell 2023 generated PTCs resulting in cash proceeds of approximately $174 million $174 million with $102 million $102 million received in 2023, $62 million received in the first quarter of 2024 and the remaining $10 million $10 million was received in the second quarter of 2024. In July the third quarter of 2024, AEP, on behalf of PSO, SWEPCo and SWEPCo, APCo, entered into another transferability agreement agreements with a nonaffiliated party parties to sell 2024 generated PTCs which will result in approximately $100 million $137 million of cash proceeds, of which approximately $90 million is expected by $91 million was received in the end third quarter of 2024 and the remainder remaining $46 million is expected to be received in the fourth quarter of 2024 and the first quarter of 2025. 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 In the third quarter of guidance and uncertainty surrounding the computation of gross receipts, 2024, AEP and I&M are unable to estimate have included $64 million of estimated Nuclear PTCs within their annualized ETR. Absent specific IRS guidance, AEP and I&M's estimated 2024 Nuclear PTC was calculated using estimated 2024 gross receipts and forecasted annual generation for the amount Cook Plant. If, and when, IRS guidance is eventually issued, the value of the estimated Nuclear PTCs earned as of June 30, 2024 and have not included any Nuclear PTCs in the annualized effective tax rate for the second quarter of 2024.

PTC will be updated to reflect such guidance, if necessary.

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 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 $1.7 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. For the six nine months ended June 30, 2024 September 30, 2024, AEP issued 4,437,136 shares of common stock and received net cash proceeds of $397 million under the ATM program. As of September 30, 2024, approximately $1.3 billion of equity is available for issuance under the ATM program.

Long-term Debt Outstanding (Applies to AEP)

The following table details long-term debt outstanding, net of issuance costs and premiums or discounts:

Type of Debt	Type of Debt	June 30, 2024	December 31, 2023	Type of Debt	September 30, 2024	December 31, 2023
		(in millions)			(in millions)	
Senior Unsecured Notes						
Pollution Control Bonds						
Notes Payable						
Securitization Bonds						
Spent Nuclear Fuel Obligation (a)						
Junior Subordinated Notes						

Other Long-term Debt	
Total Long-term Debt Outstanding	
Long-term Debt Due Within One Year	
Long-term Debt	

(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 $361 $366 million and $348 million as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively, and are included in Spent Nuclear Fuel and Decommissioning Trusts on the balance sheets.

Long-term Debt Activity

Long-term debt and other securities issued, retired and principal payments made during the first six nine months of 2024 are shown in the following tables:

Company		**Type of Debt**	**Principal Amount (a)**	**Rate**	**Rate**	**Due Date**	**Company**	**Type of Debt**	**Amount (a)**	**Rate**	**Rate**	**Due Date**
Company												
Company												
Issuances:												
AEP												
AEP												
AEP		Junior Subordinated Notes	$600.0	6.95	6.95	2054						
AEP	AEP	Junior Subordinated Notes	400.0	7.05	7.05	2054						
AEP		Junior Subordinated Notes	$600.0		6.95	2054						
AEP		Junior Subordinated Notes	400.0		7.05	2054						
AEPTCo												
AEPTCo												
AEPTCo		Senior Unsecured Notes	450.0	5.15	5.15	2034	AEPTCo	Senior Unsecured Notes	450.0	5.15	5.15	2034
AEP Texas	AEP Texas	Senior Unsecured Notes	500.0	5.45	5.45	2029	AEP Texas	Senior Unsecured Notes	500.0	5.45	5.45	2029
AEP Texas	AEP Texas	Senior Unsecured Notes	350.0	5.70	5.70	2034	AEP Texas	Senior Unsecured Notes	350.0	5.70	5.70	2034
APCo	APCo	Pollution Control Bonds	86.0	3.38	3.38	2028	APCo	Pollution Control Bonds	86.0	3.38	3.38	2028
APCo	APCo	Senior Unsecured Notes	400.0	5.65	5.65	2034	APCo	Senior Unsecured Notes	400.0	5.65	5.65	2034
I&M	I&M	Notes Payable	80.4	6.41	6.41	2028	I&M	Notes Payable	80.4	6.41	6.41	2028
OPCo	OPCo	Senior Unsecured Notes	350.0	5.65	5.65	2034	OPCo	Senior Unsecured Notes	350.0	5.65	5.65	2034
Non-Registrant:												
Non-Registrant:												

Non-Registrant:

Transource Energy

Transource Energy

Non-Registrant:

Non-Registrant:

AEGCo

AEGCo

AEGCo		Other Long-term Debt	70.0		Variable		2025					
Transource Energy		Other Long-term Debt	32.0	Variable	Variable		2025	Transource Energy	Other Long-term Debt	50.0	Variable	Variable	2025
WPCo	WPCo	Notes Payable	450.0	6.89	6.89		2034	WPCo	Notes Payable	450.0	6.89	6.89	2034

Total Issuances

Total Issuances

Total Issuances

(a) Amounts indicated on the statements of cash flows are net of issuance costs and premium or discount and will not tie to the issuance amounts.

		Principal								
Company										
Company										
Company		**Type of Debt**	**Amount Paid**		**Rate**	**Due Date**		**Type of Debt**	**Amount Paid**	
Retirements and Principal Payments:										
AEP										
AEP										
AEP		Junior Subordinated Notes	$ 805.0	2.03	2.03	2024		Junior Subordinated Debt	$ 805.0	2.03
AEP Texas	AEP Texas	Other Long-Term Debt	200.0	Variable	Variable	2025	AEP Texas	Other Long-term Debt	200.0	Vari
AEP Texas	AEP Texas	Securitization Bonds	32.6	2.85	2.85	2024	AEP Texas	Securitization Bonds	32.6	2.
AEP Texas	AEP Texas	Securitization Bonds	11.9	2.06	2.06	2025	AEP Texas	Securitization Bonds	23.9	2.
APCo	APCo	Other Long-Term Debt	300.0	Variable	Variable	2024				
APCo	APCo	Other Long-Term Debt	0.1	13.72	13.72	2026				
APCo	APCo	Pollution Control Bonds	86.0	2.55	2.55	2024		Other Long-term Debt	300.0	Variable
APCo	APCo	Securitization Bonds	13.4	3.77	3.77	2028	APCo	Other Long-term Debt	0.1	13.
I&M										
I&M										
I&M		Notes Payable	1.7		Variable	2024				

I&M			Notes Payable	6.1			0.93		2025					
I&M			Notes Payable	1.9			Variable		2025					
APCo			Pollution Control Bonds	86.0			2.55		2024					
APCo			Securitization Bonds	27.4			3.77		2028					
I&M		I&M	Notes Payable		1.7	Variable		Variable		2024				
I&M		I&M	Notes Payable		7.4	0.93		0.93		2025				
I&M			Notes Payable	10.1		3.44		3.44	2026		I&M	Notes Payable	2.9	Vari
I&M	I&M		Notes Payable	10.6		5.93		5.93	2027		I&M	Notes Payable	15.2	3.
I&M	I&M		Notes Payable	13.8		6.01		6.01	2028		I&M	Notes Payable	15.1	5.
I&M	I&M		Notes Payable	3.1		6.41		6.41	2028		I&M	Notes Payable	20.6	6.
I&M		I&M	Notes Payable		11.4	6.41		6.41		2028				
I&M		I&M	Other Long-term Debt		1.8	6.00		6.00		2025				
I&M			Other Long-Term Debt	1.3			6.00		2025					
PSO		PSO	Other Long-term Debt		0.4	3.00		3.00		2027				
PSO														
PSO			Other Long-Term Debt	0.3			3.00		2027					
Non-Registrant:														
Non-Registrant:														
Non-Registrant:														
AEGCo														
AEGCo														
AEGCo			Notes Payable	5.0		2.43		2.43	2028			Notes Payable	5.0	2.43
AEGCo			Other Long-term Debt	80.0			Variable		2024					
KPCo			Senior Unsecured Notes	65.0			3.13		2024					
Transource Energy			Senior Unsecured Notes	1.4			2.75		2050					
Transource Energy	Transource Energy		Senior Unsecured Notes	1.2		2.75		2.75	2050		Transource Energy	Senior Unsecured Notes	1.2	2.
WPCo	WPCo		Notes Payable	265.0		Variable		Variable	2024		WPCo	Notes Payable	265.0	Vari
Total Retirements and Principal Payments														

Long-term Debt Subsequent Events

In July October 2024, I&M retired $9 million of Notes Payable related to DCC Fuel.

In July October 2024, Transource Energy issued $2 million of variable rate Other Long-term Debt due in 2025.

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 0.3% of consolidated tangible net assets as of June 30, 2024 September 30, 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 (Applies to all Registrant Subsidiaries)

AEP subsidiaries use a corporate borrowing program to meet their short-term borrowing 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 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 June 30, 2024 September 30, 2024 and 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 six nine months ended June 30, 2024 September 30, 2024 are described in the following table:

Company Company Company	Maximum Borrowings Borrowings Borrowings from the from the from the Utility Utility Utility		
		(in millions)	(in millions)
AEP Texas			
AEPTCo			

AEPTCo																						
AEPTCo		313.3	332.0	332.0	102.2	102.2	161.2	161.2	258.9	258.9	820.0	820.0	(a)	(a)	313.3	332.0	332.0	75.7	75.7	159.2	159.2	152.6	152.6	820.0
APCo																						
I&M																						
I&M																						
I&M																						
OPCo																						
OPCo																						
OPCo																						
PSO																						
PSO																						
PSO																						
SWEPCo																						
SWEPCo																						
SWEPCo																						

(a) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions.

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 June 30, 2024 September 30, 2024 and December 31, 2023 are included in Advances to Affiliates on the subsidiaries' balance sheets. The Nonutility Money Pool participants' activity for the six nine months ended June 30, 2024 September 30, 2024 is described in the following table:

Company	Company	Maximum Loans to the Nonutility	Maximum Loans to the Nonutility Money Pool	Average Loans to the Nonutility	June 30, 2024	Loans to the Nonutility Money Pool as of Company	Maximum Loans to the Nonutility Money Pool	Average Loans to the Nonutility	Loans to the Nonutility Money Pool as of September 30, 2024
				(in millions)					
AEP Texas									
SWEPCo									

AEP has a direct financing relationship with AEPTCo to meet its short-term borrowing needs. The amounts of borrowings from AEP as of June 30, 2024 September 30, 2024 and December 31, 2023 are included in Advances from Affiliates on AEPTCo's balance sheets. AEPTCo's direct financing activities with AEP and corresponding authorized borrowing limit for the six nine months ended June 30, 2024 September 30, 2024 are described in the following table:

		Borrowings Borrowings Borrowings
	Maximum Maximum	
Maximum Borrowings Borrowings Borrowings from AEP from AEP from AEP Company Company Company		
	(in millions)	
	(in millions)	

(in millions)													
$	51.2	$	148.5	$	5.0	$	72.1	$	30.2	$	—	$	50.0 (a)
AEPTCo Parent													
AEP SWTCo													
AEP SWTCo													
AEP SWTCo													

(a) Amount represents the authorized short-term borrowing limit from FERC or state regulatory agencies not otherwise included in the utility money pool above.

The maximum and minimum interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

		Six Months Ended June 30,			Nine Months Ended September 30,	
		2024	2024	2023	2024	2023
Maximum Interest Rate	Maximum Interest Rate	5.79 %	5.69 %	Maximum Interest Rate	5.79 %	5.81 %
Minimum Interest Rate	Minimum Interest Rate	5.14 %	4.66 %	Minimum Interest Rate	5.14 %	4.66 %

The average interest rates for funds borrowed from and loaned to the Utility Money Pool are summarized in the following table:

		Average Interest Rate for Funds Borrowed from the Utility Money Pool		Average Interest Rate for Funds Borrowed from the Utility Money Pool	Average Interest Rate for Funds Loaned to the Utility Money Pool		Average Interest Rate for Funds Borrowed from the Utility Money Pool		Average Interest Rate for Funds Loaned to the Utility Money Pool	
		for Six Months Ended June 30,		for Six Months Ended June 30,						
		for Nine Months Ended September 30,		for Nine Months Ended September 30,						
Company	Company	2024	2023	2024	2023	Company	2024	2023	2024	2023
AEP Texas	AEP Texas	5.70 %	5.35 %	5.49 %	— %	AEP Texas	5.69 %	5.44 %	5.48 %	5.70 %
AEPTCo	AEPTCo	5.71 %	5.16 %	5.62 %	5.46 %	AEPTCo	5.68 %	5.29 %	5.58 %	5.52 %
APCo	APCo	5.73 %	5.36 %	5.64 %	5.35 %	APCo	5.72 %	5.47 %	5.51 %	5.47 %
I&M	I&M	5.67 %	5.13 %	5.68 %	5.42 %	I&M	5.64 %	5.13 %	5.44 %	5.54 %
OPCo	OPCo	5.70 %	5.30 %	5.52 %	5.60 %	OPCo	5.70 %	5.37 %	5.49 %	5.60 %
PSO	PSO	5.64 %	5.47 %	— %	5.11 %	PSO	5.59 %	5.48 %	— %	5.24 %
SWEPCo	SWEPCo	5.64 %	5.22 %	— %	— %	SWEPCo	5.58 %	5.25 %	— %	5.72 %

Maximum, minimum and average interest rates for funds loaned to the Nonutility Money Pool are summarized in the following table:

		Six Months Ended June 30, 2024			Six Months Ended June 30, 2023					
		Nine Months Ended September 30, 2024			Nine Months Ended September 30, 2023					
		Maximum Interest Rate for Funds	Minimum Interest Rate for Funds Loaned to the Nonutility	Average Interest Rate for Funds Loaned to the Nonutility	Maximum Interest Rate for Funds Loaned to the Nonutility	Minimum Interest Rate for Funds Loaned to the Nonutility	Average Interest Rate for Funds Loaned to the Nonutility		Maximum Interest Rate for Funds	Minimum Interest Rate for Funds Loaned to the Nonutilit
Company	Company	Money Pool	Money Pool	Money Pool	Money Pool	Money Pool	Money Pool	Company	Money Pool	Money Pool
AEP Texas	AEP Texas	5.79 %	5.56 %	5.69 %	5.69 %	4.66 %	5.35 %	AEP Texas		
SWEPCo	SWEPCo	5.79 %	5.56 %	5.68 %	5.69 %	4.66 %	5.35 %	SWEPCc		

AEPTCo's maximum, minimum and average interest rates for funds either borrowed from or loaned to AEP are summarized in the following table:

Six Months / Nine Months Ended June 30, / 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		
2024 2024	5.79 %	5.55	5.79 %	5.55 %	5.68 %	5.68 %	2024	5.79 %
2023 2023	5.69 %	4.53 %	5.69 %	4.53 %	5.27 %	5.35 %	2023	5.81 %

Short-term Debt (Applies to AEP and SWEPCo)

Outstanding short-term debt was as follows:

Company	Company	Type of Debt	June 30, 2024 Outstanding Amount	Interest Rate (a)		December 31, 2023 Outstanding Amount	Interest Rate (a)		Company	Type of Debt
			(dollars in millions)							
AEP	AEP	Securitized Debt for Receivables (b)	$ 900.0	5.51	5.51 %	$ 888.0	5.65	5.65 %	AEP	Securitized Debt for Receivables (b)
AEP	AEP	Commercial Paper	776.0	5.55	5.55 %	1,937.9	5.69	5.69 %	AEP	Commercial Paper
SWEPCo SWEPCo SWEPCo		Notes Payable	5.7	7.68	7.68 %	4.3	7.71	7.71 %		Notes Payable
	Total Short-term Debt		Total Short-term Debt	$1,681.7			$2,830.2			

(a) Weighted-average rate as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

(b) Amount of securitized debt for receivables as accounted for under the "Transfers and Servicing" accounting guidance.

Credit Facilities

For 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 and expires in September 2025. 2026. As of June 30, 2024 September 30, 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 June 30,		Six Months Ended June 30,						
	Three Months Ended September 30,		Nine Months Ended September 30,						
	2024	2024	2023	2024	2023	2024	2023	2024	2023
	(dollars in millions)								
Effective Interest Rates on Securitization of Accounts Receivable	5.51 %	5.25 %	5.56 %	5.06 %	5.50 %	5.55 %	5.54 %	5.23 %	
Net Uncollectible Accounts Receivable Written-Off									

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
		(in millions)
Accounts Receivable Retained Interest and Pledged as Collateral Less Uncollectible Accounts		
Short-term – Securitized Debt of Receivables		
Delinquent Securitized Accounts Receivable		
Bad Debt Reserves Related to Securitization		
Unbilled Receivables Related to Securitization		

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. 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:

Company	Company	June 30, 2024	December 31, 2023	Company	September 30, 2024	December 31, 2023
		(in millions)			(in millions)	
APCo						
I&M						
OPCo						
PSO						
SWEPCo						

The fees paid to AEP Credit for customer accounts receivable sold were:

Company	Company	Three Months Ended June 30, 2024	2023	Six Months Ended June 30, 2024	2023	Company	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2023	2024	2023
		(in millions)					(in millions)			
APCo										
I&M										
OPCo										
PSO										
SWEPCo										

The proceeds on the sale of receivables to AEP Credit were:

Company	Company	Three Months Ended June 30, 2024	2023	Six Months Ended June 30, 2024	2023	Company	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2023	2024	2023
				(in millions)						
APCo										
I&M										
OPCo										
PSO										
SWEPCo										

13. VOLUNTARY SEVERANCE PROGRAM

In April 2024, management announced a voluntary severance program designed to achieve a reduction in the size of AEP's workforce and help offset increasing operating expenses due to inflation and high interest costs in order to keep electricity costs affordable for customers. workforce. Approximately 7,400 of AEP's 16,800 employees were eligible to participate in the program. Approximately 1,000 employees have chosen chose to take the voluntary severance package and substantially all will terminate terminated employment in July 2024. The severance program provides two weeks of base pay for every year of service with a minimum of four weeks and a maximum of 52 weeks of base pay. Certain positions impacted by the voluntary severance program have been and will continue to be refilled to maintain safe, effective and efficient operations. Net savings from the program will help offset increasing operating expenses and high interest costs in order to keep electricity costs affordable for customers.

AEP recorded a charge to expense in the second quarter of 2024 related to this voluntary severance program: program.

	AEP	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
					(in millions)												
Severance Expense Incurred																	
Settled/Adjustments																	
Remaining Balance as of September 30, 2024																	

These expenses are were primarily included in Other Operation and Maintenance on the statements of income and Other Current Liabilities on the balance sheets. Severance payments to participants through June 30, 2024 were immaterial. The Registrants expect to pay substantially all of the severance benefits in the third quarter of 2024. The voluntary severance program did has not trigger triggered any material curtailment or settlement accounting considerations under the accounting guidance for "Compensation - Retirement Benefits".

AEP continues to monitor settlements under the qualified pension plan and will assess if the threshold of $306 million is reached in the fourth quarter of 2024. In the event the settlement threshold is reached during 2024, settlement accounting would result in a plan remeasurement and approximately $75 million to $100 million of the net actuarial loss to be recognized in AEP's Statement of Income. If the settlement threshold is reached, AEP expects to seek recovery for the portion of the loss related to regulated operations.

14. 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.

AEP holds ownership interests in businesses with varying ownership structures. Partnership interests and other variable interests are evaluated to determine if each entity is a VIE, and if so, whether or not the VIE should be consolidated into AEP's financial statements. AEP has not provided material financial or other support that was not previously contractually required to any of its consolidated VIEs. If an entity is determined not to be a VIE, or if the entity is determined to be a VIE and AEP is not deemed to be the primary beneficiary, the entity is accounted for under the equity method of accounting.

Consolidated Variable Interests Interest Entities

The Annual Report on Form 10-K for the year ended December 31, 2023 includes a detailed discussion of the Registrants' consolidated VIEs.

The balances below represent the assets and liabilities of consolidated VIEs. These balances include intercompany transactions that are eliminated upon consolidation.

June 30, 2024

September 30, 2024

June 30, 2024

September 30, 2024

June 30, 2024

September 30, 2024

Consolidated VIEs

Consolidated VIEs

Consolidated VIEs

	SWEPCo Sabine	SWEPCo Sabine	I&M DCC Fuel	AEP Texas Transition Funding	AEP Texas Restoration Funding	APCo Appalachian Consumer Rate Relief Funding	AEP Credit	Protected Cell of EIS	Transource Energy	SWEPCo Sabine	I&M DCC Fuel	AEP Texas Transition Funding	AEP Texas Restoration Funding	APCo Appalachian Consumer Rate Relief Funding	AEP Credit	Protected Cell of EIS	Transource Energy
					(in millions)												
ASSETS																	
Current Assets																	
Current Assets																	
Current Assets																	
Net Property, Plant and Equipment																	
Other Noncurrent Assets																	
Total Assets																	
LIABILITIES AND EQUITY																	
LIABILITIES AND EQUITY																	
LIABILITIES AND EQUITY																	
Current Liabilities																	
Current Liabilities																	
Current Liabilities																	
Noncurrent Liabilities																	
Equity																	
Total Liabilities and Equity																	

(a) Includes an intercompany item eliminated in consolidation of $4 million $2 million.

(b) Includes an intercompany item eliminated in consolidation of $6 $5 million.

(c) Includes an intercompany item eliminated in consolidation of $1 million.

December 31, 2023

Consolidated VIEs							
SWEPCo Sabine	I&M DCC Fuel	AEP Texas Transition Funding	AEP Texas Restoration Funding	APCo Appalachian Consumer Rate Relief Funding	AEP Credit	Protected Cell of EIS	Transource Energy

	(in millions)							
ASSETS								
Current Assets	$ 4.2	$ 81.9	$ 25.5	$ 27.5	$ 13.3	$ 1,208.8	$ 205.3	$ 36.9
Net Property, Plant and Equipment	—	153.8	—	—	—	—	—	533.4
Other Noncurrent Assets	150.7	81.7	71.4 (a)	145.6 (b)	138.2 (c)	9.6	—	5.1
Total Assets	$ 154.9	$ 317.4	$ 96.9	$ 173.1	$ 151.5	$ 1,218.4	$ 205.3	$ 575.4
LIABILITIES AND EQUITY								
Current Liabilities	$ 19.9	$ 81.7	$ 75.5	$ 36.8	$ 29.9	$ 1,155.0	$ 49.2	$ 45.3
Noncurrent Liabilities	134.8	235.7	17.0	135.1	119.7	0.9	91.7	241.5
Equity	0.2	—	4.4	1.2	1.9	62.5	64.4	288.6
Total Liabilities and Equity	$ 154.9	$ 317.4	$ 96.9	$ 173.1	$ 151.5	$ 1,218.4	$ 205.3	$ 575.4

(a) Includes an intercompany item eliminated in consolidation of $8 million.

(b) Includes an intercompany item eliminated in consolidation of $6 million.

(c) Includes an intercompany item eliminated in consolidation of $2 million.

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, 2023 includes a detailed discussion of significant variable interests in non-consolidated VIEs and other significant equity method investments.As of December 31, 2023, AEP no longer owns interests in four joint ventures 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.

15. PROPERTY, PLANT AND EQUIPMENT

The disclosures in this note apply to all Registrants except AEPTCo.

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 2024 and should be read in conjunction with the Property, Plant and Equipment note within the 2023 Annual Report.

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 as well as to establish requirements for currently exempt solid waste management units that involve the direct placement of CCR on the land. In the second quarter of 2024, AEP evaluated the applicability of the rule to current and former plant sites and incurred ARO liabilities of $602 million and revised cash flow estimates by an additional $72 million based on initial cost estimates. See the “Federal EPA’s Revised CCR Rule” section of Note 5 for additional information.

The following is a reconciliation of the aggregate carrying amounts of ARO by registrant:

Company	Company	ARO as of December 31, 2023	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates (a)	ARO as of June 30, 2024	Company	ARO as of December 31, 2023	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates (a)	ARO as of September 30, 2024
					(in millions)									
AEP(b)(c)(d)(e)(f)(g)														
AEP Texas (b)(e)														
APCo (b) (e)														
I&M (b)(c) (e)														
OPCo (b) (e)														
PSO (b)(e) (g)														

SWEPCo
(b)(d)(e)(g)

(a) Unless discussed above, primarily related to ash ponds, landfills and mine reclamation, generally due to changes in estimated closure area, volumes and/or unit costs.
(b) Includes ARO related to ash disposal facilities.
(c) Includes ARO related to nuclear decommissioning costs for the Cook Plant of $2.1 billion and $2.1 billion as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively.
(d) Includes ARO related to Sabine and DHLC.
(e) Includes ARO related to asbestos removal.
(f) Includes ARO related to solar farms.
(g) Includes ARO related to wind farms.

16. 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 and Registrant Subsidiary revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

		Three Months Ended June 30, 2024							Three Months Ended September 30, 2024						
	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolida
				(in millions)											
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues (a)															
Other Retail Revenues															
Total Retail Revenues															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Generation Revenues															
Generation Revenues															
Generation Revenues															

Transmission Revenues (b)
Renewable Generation Revenues (a)
Retail, Trading and Marketing Revenues (c)
Total Wholesale and Competitive Retail Revenues
Other Revenues from Contracts with Customers (d)
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
Other Revenues:
Other Revenues:
Other Revenues:
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)

Other Revenues (a) (f)
Total Other Revenues
Total Revenues
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 $393 $402 million. The affiliated revenue for Vertically Integrated Utilities was $41 $51 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was $24 $14 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was $30 $34 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 June 30, 2023								**Three Months Ended September 30, 2023**						
	Vertically Integrated Utilities	**Vertically Integrated Utilities**	**Transmission and Distribution Utilities**	**AEP Transmission Holdco**	**Generation & Marketing**	**Corporate and Other**	**Reconciling Adjustments**	**AEP Consolidated**	**Vertically Integrated Utilities**	**Transmission and Distribution Utilities**	**AEP Transmission Holdco**	**Generation & Marketing**	**Corporate and Other**	**Reconciling Adjustments**	**AEP Consolida**
				(in millions)											
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues															
Other Retail Revenues															
Total Retail Revenues															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Generation Revenues															
Generation Revenues															
Generation Revenues															
Transmission Revenues (a)															

Renewable Generation Revenues (b)
Retail, Trading and Marketing Revenues (b) (c)
Total Wholesale and Competitive Retail Revenues
Other Revenues from Contracts with Customers (c) (d)
Other Revenues from Contracts with Customers (c) (d)
Other Revenues from Contracts with Customers (c) (d)
Total Revenues from Contracts with Customers
Total Revenues from Contracts with Customers
Total Revenues from Contracts with Customers
Other Revenues:
Other Revenues:
Other Revenues:
Alternative Revenue Programs (b) (d) (e)
Alternative Revenue Programs (b) (d) (e)
Alternative Revenue Programs (b) (d) (e)

Other Revenues (b) (e) (f)
Total Other Revenues
Total Revenues
Total Revenues
Total Revenues

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was $360 $366 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 Generation & Marketing was $26 $37 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was $32 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.

(e) (f) Generation & Marketing includes economic hedge activity.

		Three Months Ended June 30, 2024							Three Months Ended September 30, 2024						
	AEP Texas	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)											
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues (a)															
Other Retail Revenues															
Total Retail Revenues															
Wholesale Revenues:															
Wholesale Revenues:															
Wholesale Revenues:															
Generation Revenues (b)															
Generation Revenues (b)															
Generation Revenues (b)															
Transmission Revenues (c)															
Total Wholesale Revenues															
Other Revenues from Contracts with Customers (d)															
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															
Other Revenues:															
Other Revenues:															
Other Revenues:															
Alternative Revenue Programs (a) (e)															
Alternative Revenue Programs (a) (e)															
Alternative Revenue Programs (a) (e)															
Other Revenues (a)															
Total Other Revenues															
Total Revenues															
Total Revenues															
Total Revenues															

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was $36 $41 million primarily related to the PPA with KGPCo.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was $389 $399 million, APCo was $22 million and SWEPCo was $15 $22 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was $23 $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 June 30, 2023							Three Months Ended September 30, 2023						
	AEP Texas	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
	(in millions)														
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues															
Other Retail Revenues															
Total Retail Revenues															
Wholesale Revenues:															
Wholesale Revenues:															
Wholesale Revenues:															
Generation Revenues (a)															
Generation Revenues (a)															
Generation Revenues (a)															
Transmission Revenues (b)															
Total Wholesale Revenues															
Other Revenues from Contracts with Customers (c)															
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															
Other Revenues:															
Other Revenues:															
Other Revenues:															
Alternative Revenue Programs (d) (e)															
Alternative Revenue Programs (d) (e)															
Alternative Revenue Programs (d) (e)															
Other Revenues (e)															
Total Other Revenues															
Total Revenues															
Total Revenues															
Total Revenues															

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was $38 $36 million primarily related to the PPA with KGPCo.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was $357 $363 million, APCo was $22 million and SWEPCo was $17 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was $17 $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.

Six Months Ended June 30, 2024	Nine Months Ended September 30, 2024

	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolida
				(in millions)											
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues (a)															
Other Retail Revenues															
Total Retail Revenues															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Generation Revenues															
Generation Revenues															
Generation Revenues															
Transmission Revenues (b)															
Renewable Generation Revenues (a)															
Retail, Trading and Marketing Revenues (c)															
Total Wholesale and Competitive Retail Revenues															

Other Revenues from Contracts with Customers (d)
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
Other Revenues:
Other Revenues:
Other Revenues:
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)
Other Revenues (a) (f)
Total Other Revenues
Total Other Revenues
Total Other Revenues
Total Revenues
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 $780 million. $1.2 billion. The affiliated revenue for Vertically Integrated Utilities was $83 $133 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was $70 $84 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was $79 $112 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.

	Six Months Ended June 30, 2023								Nine Months Ended September 30, 2023						
	Vertically Integrated Utilities	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolidated	Vertically Integrated Utilities	Transmission and Distribution Utilities	AEP Transmission Holdco	Generation & Marketing	Corporate and Other	Reconciling Adjustments	AEP Consolida
				(in millions)											
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues (a)															
Other Retail Revenues															
Total Retail Revenues															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Wholesale and Competitive Retail Revenues:															
Generation Revenues															
Generation Revenues															
Generation Revenues															
Transmission Revenues (b)															
Renewable Generation Revenues (a)															
Retail, Trading and Marketing Revenues (c)															
Total Wholesale and Competitive Retail Revenues															

Other Revenues from Contracts with Customers (d)
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
Other Revenues:
Other Revenues:
Other Revenues:
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)
Alternative Revenue Programs (a) (e)
Other Revenues (a) (f)
Total Other Revenues
Total Revenues
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 $712 million. $1.1 billion. The affiliated revenue for Vertically Integrated Utilities was $80 $125 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was $10 $47 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Corporate and Other was $55 $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.

		Six Months Ended June 30, 2024							Nine Months Ended September 30, 2024						
	AEP Texas	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
					(in millions)										
Retail Revenues:															
Residential Revenues															
Residential Revenues															
Residential Revenues															
Commercial Revenues															
Industrial Revenues (a)															
Other Retail Revenues															
Total Retail Revenues															
Wholesale Revenues:															
Wholesale Revenues:															
Wholesale Revenues:															
Generation Revenues (b)															
Generation Revenues (b)															
Generation Revenues (b)															
Transmission Revenues (c)															
Total Wholesale Revenues															
Other Revenues from Contracts with Customers (d)															
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															
Other Revenues:															
Other Revenues:															
Other Revenues:															
Alternative Revenue Program (a) (e)															
Alternative Revenue Program (a) (e)															
Alternative Revenue Program (a) (e)															
Other Revenues (a)															
Total Other Revenues															
Total Revenues															
Total Revenues															
Total Revenues															

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was $77 $118 million primarily related to the PPA with KGPCo. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was $773 million, $1.2 billion, APCo was $43 $65 million and SWEPCo was $28 $50 million. The remaining affiliated amounts were immaterial.

(d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was $41 $59 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.

		Six Months Ended June 30, 2023							Nine Months Ended September 30, 2023						
	AEP Texas	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
					(in millions)										
Retail Revenues:															
Residential Revenues															
Residential Revenues															

Residential Revenues
Commercial Revenues
Industrial Revenues (a)
Other Retail Revenues
Total Retail Revenues
Wholesale Revenues:
Wholesale Revenues:
Wholesale Revenues:
Generation Revenues (b)
Generation Revenues (b)
Generation Revenues (b)
Transmission Revenues (c)
Total Wholesale Revenues
Other Revenues from Contracts with Customers (d)
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
Other Revenues:
Other Revenues:
Other Revenues:
Alternative Revenue Program (a) (e)
Alternative Revenue Program (a) (e)
Alternative Revenue Program (a) (e)
Other Revenues (a)
Total Other Revenues
Total Revenues
Total Revenues
Total Revenues

(a) Amounts include affiliated and nonaffiliated revenues.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was $85 $121 million primarily related to the PPA with KGPCo. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was $706 $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 $35 $52 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.

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 June 30, 2024 September 30, 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	2024	2025-2026	2027-2028	After 2028	Total	Company	2024	2025-2026	2027-2028	After 2028	Total
				(in millions)								
AEP												
APCo												
APCo												
APCo												
I&M												

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 June 30, 2024 September 30, 2024 and 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 June 30, 2024 September 30, 2024 and 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 June 30, 2024 September 30, 2024 and 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:

	AEP Texas	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo	AEP Texas	AEPTCo	APCo	I&M	OPCo	PSO	SWEPCo
				(in millions)											
June 30, 2024															
September 30, 2024															
December 31, 2023															

<u>CONTROLS AND PROCEDURES</u>

During the second third quarter of 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 June 30, 2024 September 30, 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 second third quarter of 2024 that materially affected, or is reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. <u>Legal Proceedings</u>

For a discussion of material legal proceedings, see "Commitments, Guarantees and Contingencies," of Note 5 incorporated herein by reference.

Item 1A. <u>Risk Factors</u>

The Annual Report on Form 10-K for the year ended December 31, 2023 includes a detailed discussion of risk factors. As of June 30, 2024 September 30, 2024, the risk factors appearing in AEP's 2023 Annual Report are supplemented and updated as follows:

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 condition. (Applies to all Registrants)

More frequent and severe drought conditions, extreme swings in amount and timing of precipitation, changes in vegetation, unseasonably warm temperatures, very low humidity, stronger winds and other factors have increased the duration of the wildfire season and the potential impact of an event. AEP's infrastructure is aging and poses risks to safety and system reliability and 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, uninsured losses or losses in excess of current insurance coverage, increased costs of insurance, regulatory recovery risk, litigation risk, and the potential for a credit downgrade and subsequent additional costs to access capital markets.

Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2024 September 30, 2024, none of the Company's 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:
AEP‡ File No. 1-3525		
4(a)	Supplemental Indenture No. 6 between AEP and The Bank of New York Mellon Trust Company, N.A. as Trustee establishing terms of the $400,000,000 of 7.050% Fixed-to-Fixed Reset Rate Junior Subordinated Debentures, Series A, due 2054 and $600,000,000 of 6.950% Fixed-to-Fixed Reset Rate Junior Subordinated Debentures, Series B, due 2054.	Form 8-K dated June 20, 2024, Exhibit 4(a)
AEP TEXAS‡ File No. 333-221643		
4(b)	Company Order and Officers' Certificate between AEP Texas Inc. and The Bank of New York Mellon Trust Company, N.A. as Trustee dated May 22, 2024 establishing terms of the 5.45% Senior Notes, Series N, due 2029 and the 5.70% Senior Notes, Series O, due 2034.	Form 8-K dated May 22, 2024, Exhibit 4(a)
OPCo‡ File No. 1-6543		
4(c)	Company Order and Officers' Certificate between OPCo and The Bank of New York Mellon Trust Company, N.A. as Trustee dated May 6, 2024 establishing terms of the 5.65% Senior Notes, Series T, due 2034.	Form 8-K dated May 6, 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(a)	AEP Executive Severance Plan A/R effective July 15, 2024 Aircraft Time Sharing Agreement between AEPSC and William J. Fehrman	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
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
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
(Principal Accounting Officer and Authorized Signatory)

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
(Principal Accounting Officer and Authorized Signatory)

Date: July 30, 2024 November 6, 2024

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AMERICAN ELECTRIC POWER

EXECUTIVE SEVERANCE PLAN AIRCRAFT TIME SHARING AGREEMENT

(As AmendedThis Aircraft Time Sharing Agreement (the "**Agreement**") is made and Restated Effective July 15, 2024 entered into as of the 16th day of July, 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 William J. Fehrman, an individual ("**User**").

WITNESSETH:

ThisWHEREAS, 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 80 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 Executive Severance Plan (the "Plan" Company, Inc. ("AEP Inc."), as amended or, if such position exists and restated effective July 15, 2024. The Plan was initially adopted on January 15, 2014.

ARTICLE I
PURPOSE AND TERM OF PLAN

Section 1.1 Purpose is a separate person at such time, AEP Inc.'s Lead Director, provided however, that either may seek the approval of the Plan. The purpose of the Plan is full HRC at their discretion prior to provide Eligible Employees with certain severance benefits as described in this Plan in the event the Eligible Employee's employment with an AEP System Company is terminated due responding to an Involuntary Termination or a Good Reason Resignation. any such request.

Section 1.2 2. Characterization and Interpretation of the Plan Term. The Plan is intended to comply with the requirements term of Code section 409A and its related regulations and guidance. Notwithstanding anything in the Plan to the contrary, distributions may only be made under the Plan upon an event and in a manner permitted by Code section 409A or an applicable exemption. If a payment is not made by the designated payment date under the Plan, the payment this Agreement shall be made by December 31 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 calendar year in which the designated payment date occurs. To the extent that any provision expenses of the Plan would cause a conflict with the requirements of Code section 409A, or would cause the administration of the Plan to fail to satisfy the requirements of Code section 409A, such provision shall be deemed null and void operating each

specific flight to the extent permitted by applicable law. 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 upon a termination of employment under this Plan may only be made upon a "separation from service" (as that term is defined under Code section 409A and its related regulations and guidance). For purposes of Code section 409A, any right to receive a particular payment or a series of installment payments under this Plan AEP by User hereunder shall be treated as a right paid in the manner set forth in this Section 4. AEP will pay to receive separate (or a series suppliers, employees, contractors, and governmental entities all expenses related to the operation of separate) payments. Any right the Aircraft hereunder in the ordinary course. As to receive a reimbursement each flight operated hereunder, AEP shall provide or in-kind benefit cause to be provided under to User an invoice for the Plan shall be made or provided in accordance with the requirements of Code section 409A, including, where applicable, the requirement that: (i) any reimbursement shall be for expenses incurred during the Participant's lifetime (or during a shorter period of time charges specified in Section 3 of this Plan); (ii) 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 expenses eligible such invoices from amounts payable from AEP to User including payroll or similar payments. In the event AEP has not received supplier invoices for reimbursement, or in-kind benefits provided, during a calendar year reimbursable charges relating to such flight prior to such invoicing, AEP may not affect the expenses eligible issue supplemental invoice(s) for reimbursement, or in-kind benefits such charge(s) to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense will be

made on or before the last day User, and User shall pay such charge(s) within thirty (30) days of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. date of each supplemental invoice.

Section 1.3 5. Term Flight Requests. User will provide AEP with flight requests and Effect 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 Plan.

(a) The Plan, as restated by this document, generally 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 be effective as have sole and exclusive authority over the scheduling of July 15, 2024, and, except to the extent otherwise specified in the Plan, shall supersede any prior plan, program, policy, or agreement under which the Aircraft. AEP System Companies provided severance benefits prior to July 15, 2024, for the Eligible Employees whose employment has not terminated as of July 15, 2024. However, the Plan shall not be construed so as liable to supersede User or any prior other person for loss, injury, or existing plan, program, policy damage occasioned by the delay or agreement (or any portion of such prior arrangement) failure to furnish the Aircraft and crew pursuant to which an Eligible Employee accrued benefits other than severance benefits. 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) Notwithstanding the foregoing, the Plan shall not: (i) apply to any Employee who is subject to an existing employment or severance agreement pursuant to which the Company or any of the other AEP System Companies has arranged to provide severance benefits to the Employee until the term of such agreement expires (or, if earlier, such date as the Employee executes an acknowledgement that this Plan supersedes such agreement); or (ii) supersede any plan, program, policy or agreement pursuant to which the Company or any of the other AEP System Companies has arranged to provide severance benefits to an Employee in connection with the occurrence of a change in control.

destination;

(c) The Plan shall continue until terminated pursuant to Article VIII date and time of the Plan.

ARTICLE II
DEFINITIONS

Section 2.1 "AEP" shall mean American Electric Power Company, Inc., the Company's parent; and any successor to all or a major portion of the assets or business of American Electric Power Company, Inc.

Section 2.2 "AEP System Companies" shall mean all subsidiaries, affiliates, divisions, organizations and related entities of American Electric Power Company, Inc., and any successor or assigns of any of the foregoing while under the Control (as defined for purposes of Section 2.26, defining "Purchaser Employer") of AEP.

Section 2.3 "Annual Base Salary" shall mean the Participant's regular annual base salary immediately prior to the Participant's termination of employment, including compensation converted to other benefits under a flexible pay arrangement maintained by the Company or deferred pursuant to a written plan or agreement with the Company, but excluding sign-on bonuses, allowances, commissions and compensation paid or payable under any AEP System Company long-term or short-term incentive plan or any similar payments, and any salary lump sum amount paid in lieu of or in addition to a base wage or salary increase.

Section 2.4 "Board" shall mean the Board of Directors of AEP, or any successor thereto.

flight;

(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, which may include, for example, entertainment, visiting family, travel for business other than that of AEP, attending a funeral or seeking medical care; and
(h) any other information concerning the proposed flight that may be pertinent to or required by AEP or its flight crew.

Section 2.5 “Cause”6. Operational Authority and Control. AEP shall mean any one or more be responsible for the physical and technical operation of the following grounds for 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 termination use of Aircraft under this Agreement. In accordance with applicable FARs, the employment of an Employee: (i) failure or refusal to perform a substantial part of the Employee’s assigned qualified flight crew provided by AEP will exercise all required duties and responsibilities following notice and a reasonable opportunity in regard to cure (if such failure or refusal is capable the safety of cure); (ii) commission each flight conducted hereunder. The pilot-in-command shall have absolute discretion in all matters concerning the preparation of an act 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 willful misconduct, fraud, embezzlement an Aircraft under this Agreement. User specifically agrees that the flight crew shall have final and complete authority to delay, divert or dishonesty either cancel any flight for any reason or condition which in connection with the Employee's duties to any AEP System Company or which otherwise is injurious to the best interest or reputation of any AEP System Company; (iii) repeated failure to follow specific lawful directions sole judgment of the Board or any officer to whom pilot-in-command could compromise the Employee reports; (iv) a violation of any safety of the material terms flight, and conditions of to take any written agreement or agreements other action which in the Employee may from time to time have with an AEP System Company; (v) a material violation of any sole judgment of the rules pilot-in-command is necessitated by considerations of conduct safety. No such action of behavior of the pilot-in-command shall create or support any AEP System Company, such as may be provided in any employee handbook or as an AEP System Company may promulgate from time liability to time, following notice and a reasonable opportunity to cure (if such violation is capable of cure); (vi) conviction of, or plea of guilty or nolo contendere to, (A) a felony, (B) a misdemeanor involving an act of moral turpitude, or (C) a misdemeanor committed in connection with the Employee’s employment with any AEP System Company which is injurious to the best interest or reputation of any AEP System Company; or (vii) violation of any applicable confidentiality, non-solicitation, or non-disparagement covenants or obligations relating to any AEP System Company (including, without limitation, the covenants set forth in Article VI). The Committee, in its sole and absolute discretion, shall determine Cause.

Section 2.6 “Change in Control Termination” shall mean an Eligible Employee’s termination of employment that occurs in connection with a change in control and that results in the Employee receiving severance payments or other benefits under the American Electric Power Service Corporation Change In Control Agreement User or any other plan, program, agreement person for loss, injury, damage or arrangement on account of such change in control. For purposes of this Section, the term “change in control” shall have the meaning as defined in the American Electric Power Service Corporation Change In Control Agreement or such other plan, program, agreement or arrangement, as applicable.

Section 2.7 “Code” shall mean the Internal Revenue Code of 1986, as amended.

Section 2.8 “Committee” shall mean the Human Resources Committee of the Board or such other committee to which the Board has delegated the functions of its Human Resources Committee. delay. The Committee may delegate all or a portion of its authority under the Plan to an individual or another committee.

Section 2.9 “Company” shall mean American Electric Power Service Corporation and any successor to all or a major portion of the assets or business of American Electric Power Service Corporation.

Section 2.10 “Disability” or “Disabled” means parties further agree that the Eligible Employee has an illness or injury for which the Eligible Employee has been determined to be entitled to benefits under the terms of the LTD Plan. An Eligible Employee AEP shall not be considered Disabled liable for purposes 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 Plan effective 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 Eligible Employee is not entitled to benefits under the LTD parties may later conduct such flight(s), if at all.

Plan, under such circumstances that include (but are not limited to)8. Insurance. AEP will maintain or cause to be maintained in full force and effect throughout the termination term of this Agreement Aviation Liability insurance in respect of the LTD Plan 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 Employee not being in 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 classification eligible cross-liability clause to participate in the LTD Plan. 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:

Section 2.11 "Eligible Employee" shall mean an Employee (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 Company, an AEP System Company Aircraft for the purpose of providing transportation of passengers or AEP who is designated 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 Company, in its sole discretion, and approved by the Committee in its sole discretion (or by the Chief Executive Officer operation or use of the Company in their sole discretion to Aircraft.

(b) User's use shall include the extent so delegated use of the Aircraft by his or her family, friends and guests (including spouses, children, parents, employees, etc.) provided they accompany User on the Committee) as an employee entitled to benefits, if any, under flight and the terms of this Plan. the use by such other individuals is consistent with the FARs.

Section 2.12 "Employee" shall mean a person who receives salary, wages or commissions from the10. Limitation of Liability. NEITHER AEP System Companies that are subject to withholding for the purposes of federal income and employment taxes. The term Employee shall not include an independent contractor or any other person who the Committee or its designee determines is not subject to withholding for purposes of federal income and employment taxes, regardless of any contrary governmental or judicial determination relating to such employment or withholding tax status.

Section 2.13 "Employer" shall mean the Company or any of the AEP System Companies with respect to which this Plan has been adopted.

Section 2.14 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder.

Section 2.15 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

Section 2.16 "General Severance Plan" shall mean the American Electric Power Company, Inc. Severance Plan as amended from time to time.

Section 2.17 "Good Reason Resignation" shall mean an Eligible Employee's written resignation within 60 days of the occurrence of any reduction in the Eligible Employee's then-current Annual Base Salary without the Eligible Employee's consent, unless such events are fully corrected by the Employer within ten days following receipt of written notice from the Eligible Employee; provided, however, that a uniform percentage reduction of 10% or less in the Annual Base Salary of all Eligible Employees determined by the Committee to be similarly situated shall not constitute a basis for a Good Reason Resignation.

Section 2.18 "Involuntary Termination" shall mean an Eligible Employee's termination of employment initiated by the AEP System Companies for any reason other than Cause as provided under and subject to the conditions of Article III. Involuntary Termination does not include a termination of employment due to Mandatory Retirement, Disability or death. An Eligible Employee's employment also shall not be considered an Involuntary Termination if, within thirty (30) days before or after the termination, the Eligible Employee receives an offer of employment with a Purchaser Employer, a Successor or an AEP System Company that is at the same or higher Annual Base Salary and Target Annual Incentive Payment or comparable (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

opportunity, or if the Eligible Employee otherwise becomes employed by a Purchaser Employerwithin thirty (30) days after the Eligible Employee's termination.

Section 2.19 "LTD Plan" means the American Electric Power System Long Term Disability Plan, as amended from time to time, providing continuation of cash payments due to an Eligible Employee's illness or injury that may reasonably be expected to prevent the Eligible Employee from performing the duties of the Eligible Employee's occupation for a period longer than at least 6 months or any plan that is designated as a successor to that plan or as a replacement for that plan with respect to the Eligible Employee.

Section 2.20 "LTIP" shall mean the American Electric Power System Long-Term Incentive Plan, as amended from time to time, including any successor or replacement plan under which restricted stock units and performance shares are awarded.

Section 2.21 "Mandatory Retirement" means a Participant's termination, if all of the following conditions are satisfied: (i) the Participant is subject to mandatory retirement from the SHALL BE SUCH PROCEEDS TO WHICH USER IS ENTITLED FROM THE INSURANCE PROVIDED BY AEP System Companies at or after age 65, and (ii) the Participant's employment with the 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 System Companies terminates on the date the Participant attains age 65 or such later date specified by the Board (or such person or committee to whom the Board delegates the authority to make such determinations) adopted prior to the date the Participant attains age 65.

Section 2.22 "Participant" shall mean any Eligible Employee who meets the requirements of Article III and thereby becomes eligible for benefits under the Plan.

Section 2.23 "Performance Shares" shall have the meaning specified in any document issued by the Company as a Performance Share Award Agreement pursuant to the LTIP and that remain outstanding.

Section 2.24 "Plan" shall mean the American Electric Power Executive Severance Plan as set forth herein, and as the same may from time to time be amended.

Section 2.25 "Plan Administrator" shall mean the individual(s) appointed by the Committee to administer the terms of the Plan as set forth herein and if no individual is appointed by the Committee to serve as the Plan Administrator for the Plan, the Plan Administrator shall be the employee of the Company who heads up the Human Resources department. Notwithstanding the preceding sentence, in the event the Plan Administrator is entitled to Severance Benefits under the Plan, the Committee or its delegate shall act as the Plan Administrator for purposes of administering the terms of the Plan with respect to the Plan Administrator. The Plan Administrator may delegate all or any portion of its authority under the Plan to any other person(s).

Section 2.26 "Purchaser Employer" shall mean any other corporation or unincorporated entity or group of corporations or unincorporated entities that acquires (in one transaction or a series of transactions, whether by purchase, merger, consolidation, reorganization or otherwise) Control of the AEP System Company that employs the Eligible Employee or of an AEP System

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Company or business unit of an AEP System Company for which such Eligible Employee has significant work responsibility. Solely for purposes of this Section, the term "Control" shall mean

(i) ownership, directly or indirectly, of more than 50% of the then outstanding stock or of any class of equity interest or voting interest in such AEP System Company or business unit; or

(ii) ownership, directly or indirectly, of all or substantially all of the assets of such AEP System Company or business unit.

The term "Purchaser Employer" also shall include all entities that control, that are controlled by or that are under common control with any such acquiring corporation or entity.

Section 2.27 "Release" shall mean the Severance, Release of All Claims and Noncompetition Agreement in substantially the form attached as Exhibit A, whereby the Participant agrees (a) to waive and release the Company, AEP, all AEP System Companies and all affiliated persons and entities, including their respective officers, directors, employees, agents, and representatives of and from any and all claims, demands and causes of action; and (b) not to, during the 6-month period (for Tier 3 Employees), during the 12-month period (for Tier 2 Employees), or during the 24-month period (for Tier 1 Employees) following the Participant's Termination Date (the "Restricted Period"), without the Company's prior written consent, 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 Participant at any time during their employment with any AEP System 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 or any of the AEP System Companies 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 or any of the AEP System Companies is engaged at the termination of the Participant's employment with the AEP System Companies.

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 2.27(b) 10 shall be limited in scope and be effective only within one survive the termination or more expiration of the following geographical areas: (A) any state in the United States where the Company, including the AEP System Companies, has at least U.S. $25 million in capital deployed as of the Participant's Termination Date; or (B) any state or country with respect to which was conducted a business of any of the AEP System Companies, which business, or oversight of which business, constituted any part of the Participant's employment. The parties intend the above geographical areas to be completely severable and independent, and any invalidity or unenforceability of the Release with respect to any one area shall not render the

Release unenforceable as applied to any one or more of the other areas. Nothing in this Section 2.27(b) shall be construed to prohibit the Participant being retained during the Restricted Period in a capacity as an attorney licensed to practice law, or to restrict the Participant from providing advice and counsel in such capacity, in any jurisdiction where such prohibition or restriction is contrary to law.

Section 2.28 "Restricted Stock Unit" or "RSU" shall have the meaning set forth in the terms of each Restricted Stock Unit Award Agreement issued to the Participant under the LTIP.

Section 2.29 "Severance Benefits" shall mean the severance benefits that a Participant is eligible to receive pursuant to Article IV, subject to adjustment pursuant to Article X.

Section 2.30 "Successor" shall mean any other corporation or unincorporated entity or group of corporations or unincorporated entities which acquires ownership, directly or indirectly, through merger, consolidation, purchase or otherwise, of all or substantially all of the assets of the Company or AEP.

Section 2.31 "Target Annual Incentive Payment" shall mean the award that the Participant would have received under the annual incentive compensation plan applicable to such Participant for the year in which the Participant's termination occurs, if one hundred percent (100%) of the annual target award has been earned. Participants not participating in an annual incentive compensation plan that has predefined target levels will be treated as though they were participants in an annual incentive plan with a 40% of Annual Base Salary target.

Section 2.32 "Termination Date" shall mean the date on which the active employment of the Eligible Employee by the AEP System Companies is severed for any reason, provided that the Termination Date shall not include any date that would not be considered to be a separation from service, determined in a manner consistent with the written policies adopted by the Committee from time to time to the extent such policies are consistent with the requirements imposed under Code Section 409A(a)(2)(A)(i).

Section 2.33 "Tier 1 Employee" shall mean such Eligible Employees who are approved for such classification by the Committee in its sole discretion effective on or after January 1, 2023. An Employee may not concurrently hold more than one tier. Agreement.

Section 2.34 "Tier 2 Employee" shall mean such Eligible Employees who are approved for such classification by 11. Base of Operations. For purposes of this Agreement, the Committee or Chief Executive Officer base of operation of the Company in their sole discretion.An Employee Aircraft is John Glenn International Airport, Columbus, Ohio; provided, that such base may not concurrently hold more than one tier. be changed upon notice from AEP to User.

Section 2.35 "Tier 3 Employee" shall mean such Eligible Employees who are approved for such classification by any one of the Committee, the Chief Executive Officer of the Company or the employee of the Company who heads up the Human Resources department, each in their sole discretion on or after July 15, 2024.An Employee may not concurrently hold more than one tier.

ARTICLE III
PARTICIPATION AND ELIGIBILITY FOR BENEFITS

Section 3.1 12. Participation. Each Eligible Employee in the Plan who incurs an Involuntary Termination or a Good Reason Resignation (other than an Involuntary Termination or Good Reason Resignation that constitutes a Change in Control Termination) and who satisfies the conditions of Section 3.2 shall be eligible to receive the Severance Benefits described in the Plan. An Eligible Employee shall not be eligible to receive any other severance benefits from the AEP System Companies on account of an Involuntary Termination or a Good Reason Resignation, unless otherwise provided in the Plan; provided that if the facts and circumstances surrounding the termination of employment of such an Eligible Employee satisfies the requirements to receive the benefits under both this Plan and the General Severance Plan, such Eligible Employee shall not be precluded from receiving benefits under the General Severance Plan, provided that the benefits provided to such a Participant under this Plan shall be adjusted in the manner described in Article X.

Section 3.2 Conditions.

(a) Eligibility for any Severance Benefits is expressly conditioned on the satisfaction of all of the following conditions:

(i) an Eligible Employee's written acknowledgment and agreement to comply with the provisions in Article VI during and after the Eligible Employee's employment with the AEP System Companies within such period as may be requested by the Company;

(ii) to the extent requested by the Company, execution of a written acknowledgement and agreement that this Plan supersedes any existing arrangement that provides severance benefits to the Eligible Employee and/or that the Eligible Employee is no longer entitled to receive severance benefits pursuant to a prior arrangement that has expired;

(iii) execution and return to the Company of the Release (in the form then provided by the Company) by the Participant within 60 days following the Participant's Termination Date (or such shorter period of time specified in the Release); and

(iv) execution by the Participant of a written agreement that authorizes the deduction of amounts owed to the applicable AEP System Company prior to the payment of any Severance Benefits (or in accordance with any other schedule as the Committee may, in its sole discretion, determine to be appropriate); provided, that the Committee determines in its sole discretion that such deduction is not in violation of Code section 409A.

(b) If the Committee determines, in its sole discretion, that the Participant has not fully complied with any of the terms of the Release, the Committee may deny Severance Benefits not yet in pay status or discontinue the payment of the Participant's Severance Benefits and may require the Participant, by providing written notice of such repayment obligation to the Participant, to repay any portion of the Severance Benefits already received under the Plan. If the Committee notifies a Participant that repayment of all or any portion of the Severance Benefits received under the Plan is required, such amounts shall be repaid within 30 calendar days of the date the written notice is sent. Any remedy under this paragraph (b) shall be in addition to, and not in place of, any other remedy, including injunctive relief, that any AEP System Company may have.

(c) An Eligible Employee who experiences a termination of employment that is not an Involuntary Termination or a Good Reason Resignation shall not be eligible to receive Severance Benefits under the Plan. Specifically, and without limiting the foregoing, an Eligible Employee shall not be eligible to receive Severance Benefits upon the Eligible Employee's:

(i) voluntary resignation or retirement (other than a voluntary resignation or retirement that constitutes a Good Reason Resignation);

(ii) Change in Control Termination;

(iii) resignation of employment (other than a Good Reason Resignation) before the job-end date specified by the Employer or while the Employer still desires the Eligible Employee's services;

(iv) termination for Cause;

(v) termination due to death or Disability;

(vi) failure to return to work within six months of the onset of an approved leave of absence to the extent such failure to return to work itself constitutes a separation from service, determined in a manner consistent with the written policies adopted by the Committee from time to time to the extent such policies are consistent with the requirements imposed under Code Section 409A(a)(2)(A)(i); or

(vii) becoming employed by a Purchaser Employer within thirty (30) days after the Eligible Employee's end of employment with all companies that are then considered to be AEP System Companies.

Further, except under circumstances specified in this Plan, an Eligible Employee shall not be eligible to receive Severance Benefits upon their termination of employment if the Eligible Employee receives severance benefits pursuant to another plan, policy, program or arrangement providing benefits upon a termination of employment or other separation from service.

(d) Except as otherwise set forth herein, the Committee has the sole discretion to determine an Eligible Employee's eligibility to receive Severance Benefits.

ARTICLE IV
DETERMINATION OF SEVERANCE BENEFITS

Section 4.1 Amount of Severance Benefits Upon Involuntary Termination or Good Reason Resignation Subordination. The Severance Benefits parties acknowledge that AEP's possession of Aircraft used under this Agreement is pursuant to be provided to a Participant who incurs an Involuntary Termination one or a Good Reason Resignation more lease agreements between AEP and who satisfies the conditions Party(ies) listed in Appendix A ("**Lessors**") and that (A) any rights of Section 3.2 shall be as follows:

(a) *Salary User contained herein are and Bonus Severance.* Participants shall receive salary remain, subject and bonus severance as follows:

(i) Tier 1 Employees shall receive payment equal to 200% of the sum of (A) the Tier 1 Employee's Annual Base Salary, plus (B) the Tier 1 Employee's Target Annual Incentive Payment (with both Annual Base Salary and Target Annual Incentive Payment being determined without regard to any decrease in such Annual Base Salary that would constitute a basis for a Good Reason Resignation).

(ii) Tier 2 Employees shall receive payment equal to 100% of the sum of (A) the Tier 2 Employee's Annual Base Salary, plus (B) the Tier 2 Employee's Target Annual Incentive Payment (with both Annual Base Salary and Target Annual Incentive Payment being determined without regard to any decrease in such Annual Base Salary that would constitute a basis for a Good Reason Resignation).

(iii) Tier 3 Employees shall receive payment equal to 50% of the sum of (A) the Tier 3 Employee's Annual Base Salary, plus (B) the Tier 3 Employee's Target Annual Incentive Payment (with both Annual Base Salary and Target Annual Incentive Payment being determined without regard to any decrease in such Annual Base Salary that would constitute a basis for a Good Reason Resignation).

(b) *Restricted Stock Unit (RSU) Awards.* Participants shall be considered to have vested in a fractional portion of the Participant's RSUs (and related Dividend Equivalent RSUs) provided that the Participant's termination may not otherwise lead subordinate to the vesting of the same RSUs under the terms of the applicable Restricted Stock Unit Award Agreement issued to the Participant under the LTIP. Capitalized terms related to RSU awards Lessor's interest in this Section 4.1(b) and in Section 5.1(b, d) are defined in the applicable Restricted Stock Unit Award Agreement. The portion of Participant's Granted RSUs (and related Dividend Equivalent RSUs) that vest under this provision is determined as follows:

(i) The number of whole months from the "effective date" defined in the RSU Award Agreement through the Participant's Termination Date divided by the number of whole months from that effective date until the final Vesting Date specified in the Vesting Schedule set forth at the beginning of such RSU Award Agreement;

(ii) Reduced (but not below zero) by the cumulative Percentage of Granted Units for which the Vesting Date specified in the Vesting Schedule has passed as of the date the Participant's Termination Date.

(c) *Performance Share Awards.* A Participant shall be eligible to receive a pro-rated portion of any outstanding award of performance shares granted to a Participant in accordance with the terms of the LTIP, provided that the Participant's termination is not due to Termination of Employment Due to the Participant's Retirement or Triggering Event (as defined in the applicable Performance Share Award Agreement) and provided that the Participant's termination may not otherwise lead to vesting of the same performance shares under the terms of the applicable Performance Share Award Agreement issued to the Participant under the LTIP. Capitalized terms related to performance shares in this Section 4.1(c) are defined in the applicable Performance Share Award Agreement. This pro-rated share of any performance share award shall be calculated by multiplying: (i) the performance share award the Participant would have earned for the full performance period based on the performance of the AEP System Companies as determined at the end of the applicable performance period by (ii) a fraction, the numerator of which is the number of whole months of the Participant's participation from the Effective Date specified in the performance share award agreement until the Termination Date and the denominator of which is the total number of whole months in the applicable performance period for the performance share award.

(d) The provisions of this Plan may provide for payments to the Participant under certain compensation or bonus plans of the AEP System Companies under circumstances where such plans would not otherwise provide for payment thereof. It is the specific intention of the Company that the provisions of this Plan shall supersede any provisions to the contrary in such plans, to the extent permitted by applicable law and that such plans not provide benefits that the Company determines to be duplicative of those provided by this Plan, and such plans shall be deemed to have been amended to correspond with this Plan without further action by the Company, the Committee or the Board.

Section 4.2 Other Terminations. If the Eligible Employee's employment terminates on account of a reason other than an Involuntary Termination or a Good Reason Resignation or the Eligible Employee does not otherwise satisfy the conditions of Section 3.2, the Eligible Employee shall not be entitled to receive Severance Benefits under this Plan and shall be entitled only to those benefits (if any) as may be available under the Company's then-existing benefit plans and policies at the time of such termination.

Section 4.3 Termination for Cause. If any Eligible Employee's employment terminates on account of termination by the Company for Cause, the Eligible Employee shall not be entitled to receive Severance Benefits under this Plan and shall be entitled only to those benefits that are legally required to be provided to the Eligible Employee. Notwithstanding any other provision of the Plan to the contrary, if the Committee determines that an Eligible

Employee engaged in conduct that constituted Cause at any time prior to the Eligible Employee's Termination Date, any Severance Benefits payable to the Eligible Employee under Section 4.1 shall immediately cease, and the Eligible Employee shall be required to return any Severance Benefits paid to the Eligible Employee prior to such determination. If the Company has offset other payments owed to the Eligible Employee under any other plan or program, it may, in its sole discretion, waive its repayment right under this Plan solely with respect to the amount 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 offset already taken.

Section 4.4 Reduction of Severance Benefits. The Plan Administrator reserves the right to make deductions in accordance with applicable law for any monies owed to the AEP System Companies by the Participant or the value of the property of the AEP System Companies that the Participant has retained in their possession; provided, however, that no such deduction shall be made if the Company determines that such would be inconsistent with the requirements of Code section 409A.

ARTICLE V
METHOD AND DURATION OF PAYMENT OF SEVERANCE BENEFITS

Section 5.1 Method of Payment. Aircraft.

(a) 13. Payment of Cash Severance Benefits. The Severance Benefits described in Sections 4.1(a) to which a Participant is entitled shall be paid to the Participant 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 the Participant's Termination Date, a payment equal to 100% (for Tier 3 Employees); 50% (for Tier 2 Employees) or 25% (for Tier 1 Employees) of the amount of the Severance Benefits described in Section 4.1(a); Notices and

(ii) The balance of such benefits shall be paid in 13 (for Tier 2 Employees) or 39 (for Tier 1 Employees) equal bi-weekly installments as of such number of subsequent regular payroll dates of the Company.

Payment under this Section 5.1(a) shall be made by mailing to the last address provided by the Participant to the Company or such other reasonable method as determined by the Plan Administrator.

(b) *Payment of Restricted Stock Unit Award Severance Benefits.* The Restricted Stock Unit Award benefit described in Section 4.1(b) shall be satisfied by converting into a single share of AEP Common Stock each RSU (including each Granted RSU and each vested Dividend Equivalent RSU) that thereupon becomes vested. The shares of AEP Common Stock resulting from the conversion of the vested RSUs shall be delivered to the Participant or to an account set up for the Participant's benefit with a broker/dealer designated by the Company (the "Broker/

Dealer Account") as of the earlier of (i) six months after the Participant's Termination Date or (ii) the 15th day of the third month after the calendar year in which falls the Participant's Termination Date (or the immediately preceding business day of such broker-dealer, if that day is not such a business day). AEP Common Stock and all Participants remain subject to all applicable legal and regulatory restrictions such as insider trading restrictions and black-out periods.

(c) *Payment of Performance Share Award Severance Benefits.* Except to the extent required to be deferred, (such as pursuant to the terms of the American Electric Power System Stock Ownership Requirement Plan, the American Electric Power System Incentive Compensation Deferral Plan or any similar or successor plan), the Performance Share Award benefit described in Section 4.1(c) shall be paid following the completion of the applicable performance period for the Performance Award, but in no event later than two and one-half months thereafter.

(d) *Taxes.* All payments of Severance Benefits are subject to applicable federal, state and local taxes and withholdings. The Company, in its discretion, may reduce the number of shares of AEP Common Stock delivered to the Participant under Section 5.1(b) to satisfy such tax withholding obligation. The amount of such reduction shall be based upon the Fair Market Value (as defined in the LTIP) of AEP Common Stock at that time; provided, however, that any reduction to a Participant's vested RSUs for applicable tax withholding shall not exceed such limits as may be applicable to comply with the requirements of Code Section 409A.

(e) Participant's Death; No Interest. In the event of the Participant's death prior to payment being made, the amount of such payment shall be paid in accordance with the terms of an applicable award, or to the extent not specified by such award, to the Participant's estate. In no event will interest be credited on the unpaid balance for which a Participant may become eligible.

Section 5.2 Termination of Eligibility for Benefits. Eligible Employees shall cease to be eligible to participate in the Plan, and the payment of all Severance Benefits shall cease upon the occurrence of the earlier of: (i) subject to Article VIII, termination or modification of the Plan; or (ii) completion of payment to the Participant of the Severance Benefits for which the Participant is eligible under Article IV. Further, notwithstanding anything in the Plan to the contrary, the Committee shall have the right to cease the payment of all Severance Benefits and to recover payments previously made to the Participant should the Participant at any time breach the Participant's undertakings under the terms of the Plan (including, without limitation, a determination that the Participant engaged in conduct that constitutes Cause), the Release the Participant executed to obtain the Severance Benefits under the Plan, or the covenants set forth in Article VI.

ARTICLE VI
COVENANTS

Section 6.1 General. Upon the Eligible Employee's execution of the written acknowledgment and agreement referred to in Section 3.2, the Eligible Employee shall be subject to the covenants described in this Article VI during the Eligible Employee's period of employment with the AEP System Companies and at any time thereafter (except to the extent the duration of a covenant extending after an Eligible Employee's termination of employment is specifically limited as described below).

Section 6.2 Confidential Information.

(a) The Eligible Employee acknowledges that all Confidential Information (as defined below) shall at all times remain the property of the AEP System Companies. For purposes of this Plan, "Confidential Information" means all information including, but not limited to, proprietary information and/or trade secrets, and all information disclosed to the Eligible Employee or known by the Eligible Employee as a consequence of or through the Eligible Employee's employment, which is not generally known to the public or in the industry in which the AEP System Companies are or may become engaged, about the AEP System Companies' businesses, products, processes, and services, including, but not limited to, information relating to research, development, computer program designs, computer data, flow charts, source or object codes, products or services under development, pricing and pricing strategies, marketing and selling strategies, power generating, servicing, purchasing, accounting, engineering, costs and costing strategies, sources of supply, customer lists, customer requirements, business methods or practices, training and training programs, and the documentation thereof. It will be presumed that information supplied to the AEP System Companies from outside sources is Confidential Information unless and until it is designated otherwise.

(b) The Eligible Employee will safeguard, to the extent possible in the performance of their work for the AEP System Companies, all documents and things that contain or embody Confidential Information. Except in the course of the Eligible Employee's duties to the AEP System Companies or as may be compelled by law or appropriate legal process, the Eligible Employee will not, during their employment by the AEP System Companies, or permanently thereafter, directly or indirectly use, divulge, disseminate, disclose, lecture upon, or publish any Confidential Information, without having first obtained written permission from the AEP System Companies to do so; provided, however, that the foregoing shall not prohibit or impede the Eligible Employee from reporting an act or event, that the Eligible Employee in good faith believes is a violation of law, to a relevant law-enforcement agency (such as a federal, state or local law enforcement agency or official), or to a federal, state or local government agency, such as the Securities and Exchange Commission, the Internal Revenue Service, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration or the Department of Labor, or from cooperating in an investigation conducted by or communicating with such a government agency, or otherwise making disclosures to such an agency, in each case, that are protected under federal, state or local whistleblower laws

("Permissible Disclosures"). Specifically, pursuant to SEC Rule 21F-7, nothing herein or in any other agreement, policy, or directive impedes or restricts the Eligible Employee from communicating directly with the Securities and Exchange Commission, without prior notice to or approval from the AEP System Companies, concerning a violation or potential violation of a federal securities law or rule.

Moreover, pursuant to the federal Defend Trade Secrets Act of 2016 (“DTSA”), (i) no individual will be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and (ii) an individual who is pursuing a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose trade secret information to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document that contains or reflects the trade secret under seal; and (B) does not disclose any trade secret except as permitted by court order.

An Eligible Employee does not need the prior authorization of (or to give notice to) the AEP System Companies regarding any such Permissible Disclosures or disclosures protected by the DTSA. Notwithstanding the foregoing, no provision in this Plan or in any Release shall be construed or interpreted as authorization from the AEP System Companies for an Eligible Employee to disclose any information covered by the AEP System Companies’ attorney-client privilege or work product privilege or a waiver of either such privilege.

Section 6.3 Non-Solicitation. The Eligible Employee agrees that, during their employment with the AEP System Companies and for a period of two years following the termination of their employment, whether the termination is initiated by AEP, an AEP System Company or by the Eligible Employee, the Eligible Employee shall not, directly or indirectly,

(i) solicit or induce, or attempt to solicit or induce, any employee of the AEP System Companies to leave the AEP System Companies for any reason whatsoever,

(ii) solicit the services of any employee of the AEP System Companies, nor

(iii) induce or attempt to induce any customer, client, supplier, agent or independent contractor of the Company or any of the AEP System Companies to reduce, terminate, restrict or otherwise alter its business relationship with the Company or any other AEP System Company,

unless the Company provides the Eligible Employee with its prior, express written consent. Notwithstanding the foregoing, the Participant shall not be subject to the requirements of this Section 6.3 if the Company or any of the AEP System Companies materially breach their obligations under the Plan.

Section 6.4 Return of Confidential Information. Upon termination of the Eligible Employee’s employment, for whatever reason, whether the termination is initiated by AEP, an AEP System Companies or by the Eligible Employee, or upon request by the AEP System Companies, the Eligible Employee will deliver to the AEP System Companies all Confidential Information including, but not limited to, the originals and all copies of notes, sketches, drawings, specifications, memoranda, correspondence and documents, records, notebooks, computer systems, computer disks and computer tapes and other repositories of Confidential Information then in the Eligible Employee’s possession or under the Eligible Employee’s control, whether prepared by the Eligible Employee or by others.

Section 6.5 Cooperation. If the Eligible Employee’s employment with the AEP System Companies is terminated, following the Termination Date, the Eligible Employee agrees to reasonably cooperate with the AEP System Companies and their counsel in connection with any matter that arises from or relates to the Eligible Employee’s relationship with the AEP System Companies by providing information, reviewing documents, answering questions, or appearing as a witness in connection with any administrative proceeding, investigation, or litigation; provided, that such cooperation will not interfere with the Eligible Employee’s commitment and responsibilities with any subsequent employer. The AEP System Companies will pay the Eligible Employee’s reasonable expenses, including travel, incurred in connection with such cooperationif such cooperation is requested in writing and subject to AEP or the applicable AEP System Company’s bylaws where applicable.

Section 6.6 Non-Disparagement. Each of the Eligible Employees agrees not to make any statements that disparage the AEP System Companies, their respective affiliates, employees, officers, directors, products, or services. Notwithstanding the foregoing, statements made in the course of sworn testimony in administrative, judicial, or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) shall not be subject to this Section 6.6.

Section 6.7 Recoupment. Each of the Eligible Employees acknowledges and agrees that the Board's Policy on Recouping Incentive Compensation, as amended from time to time, shall survive the Eligible Employee's separation from employment. Nothing in this Plan or the Release alters the Company's right to recoup incentive compensation as outlined in that policy which is incorporated herein by reference.

Section 6.8 Equitable Relief.

(a) By participating in the Plan, the Eligible Employee acknowledges that the restrictions contained in this Article VI are reasonable and necessary to protect the legitimate interests of the AEP System Companies, that the Company would not have established this Plan in the absence of such restrictions, and that any violation of any provision of this Article VI will result in irreparable injury to the AEP System Companies. By agreeing to participate in the Plan, the Eligible Employee represents that their experience and capabilities are such that the restrictions contained in this Article VI will not prevent the Eligible Employee from obtaining employment or otherwise earning a living at the same general level of economic benefit as is currently the case.

(b) The Eligible Employee agrees that the AEP System Companies shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits, and other benefits arising from any violation of this Article VI, which rights shall be cumulative and in addition to any other rights or remedies to which the AEP System Companies may be entitled. It is the intention of the parties that the provisions of this Article VI shall be enforceable to the fullest extent permissible by law. If any of the provisions in this Article VI are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions in this Article VI or the enforceability therein in any other jurisdiction where such provisions shall be given full effect. If any provision of this Article VI shall be deemed unenforceable, in whole or in part, this Article VI shall be deemed to be amended to delete or modify the offending part so as to alter this Article VI to render it valid and enforceable.

(c) The Eligible Employee irrevocably and unconditionally: (i) agrees that any suit, action, or other legal proceeding arising out of this Article VI, including without limitation, any action commenced by the AEP System Companies for preliminary and permanent injunctive relief or other equitable relief, may be brought in the United States District Court for the Southern District of Ohio, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Ohio; (ii) consents to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding; (iii) waives any right to a jury trial; and (iv) waives any objection which the Eligible Employee may have to the laying of venue of any such suit, action or proceeding in any such court. Eligible Employees also irrevocably and unconditionally consent to the service of any process, pleadings, notices or other papers in a manner permitted by the notice provisions of Section 9.2.

(d) To the extent a Participant executes a Release as described in Section 2.27, the Eligible Employee's acknowledgements and agreements in this Section 6.8 apply equally to the noncompetition provisions in said Release. Additionally, AEP and the AEP System Companies shall have all of the rights outlined in this Section 6.8 as pertains to the enforcement of any noncompetition provisions contained in any such Release.

Section 6.9 Survival of Provisions. The obligations contained in this Article VI shall survive the termination of an Eligible Employee's employment with the AEP System Companies and shall be fully enforceable thereafter.

ARTICLE VII
PLAN ADMINISTRATION; DUTIES OF THE COMPANY, THE COMMITTEE AND THE PLAN ADMINISTRATOR; AND CLAIMS

Section 7.1 Authority and Duties. It shall be the duty of the Plan Administrator, on the basis of information supplied to it by the Company and the Committee, to properly administer the Plan. The Plan Administrator shall have the full power, authority, and discretion to construe, interpret, and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions. All decisions, actions, and interpretations of the Plan Administrator shall be final, binding, and conclusive upon the parties, subject only to determinations by the Plan Administrator, with respect to denied claims for Severance Benefits. The Plan Administrator may adopt such rules and regulations and may make such decisions as it deems necessary or desirable for the proper administration of the Plan. The Plan Administrator shall be a "named fiduciary" within the meaning of ERISA.

Section 7.2 Payment. Payments of Severance Benefits to Participants shall be made in such amount as determined by the Committee under Article IV (subject to adjustment as set forth in Article X), from the Company's general assets, in accordance with the terms of the Plan, as directed by the Committee.

Section 7.3 Discretion. Any decisions, actions or interpretations to be made under the Plan by the Board, the Committee and the Plan Administrator, acting on behalf of either, shall be made in each of their respective sole discretion, not in any fiduciary capacity and need not be uniformly applied to similarly situated individuals and such decisions, actions or interpretations shall be final, binding and conclusive upon all parties. As a condition of participating in the Plan, each Eligible Employee acknowledges that all decisions and determinations of the Board, the Committee, and the Plan Administrator shall be final and binding on the Eligible Employee, their beneficiaries, and any other person having or claiming an interest under the Plan on their behalf; provided, however, that the Eligible Employee shall have the right to challenge any such decisions and determinations in accordance with the claims and appeals procedures set forth in Section 7.4 and applicable law.

Section 7.4 Claims Administration.

(a) Each Participant under this Plan may make a claim for benefits under the Plan by completing and filing with the Plan Administrator a written request for review in the manner specified by the Plan Administrator. No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims procedures described in this Article VII are exhausted and a final determination is made by the Plan Administrator. If the terminated Participant or interested person challenges a decision by the Plan Administrator, a review by the

court of law will be limited to the facts, evidence and issues presented to the Plan Administrator during the claims procedure set forth in this Article VII. Facts and evidence that become known to the terminated Participant or other interested person after having exhausted the claims procedure must be brought to the attention of the Plan Administrator for reconsideration. Issues not raised with the Plan Administrator will be deemed waived.

(b) Before the date on which payment of Severance Benefits commence, each such application must be supported by such information as the Plan Administrator deems relevant and appropriate. In the event that any claim relating to the administration of Severance Benefits is denied in whole or in part, the terminated Participant or their beneficiary (the "Claimant") whose claim has been so denied shall be notified of such denial in writing by the Plan Administrator within 90 days after the receipt of the claim for benefits. This period may be extended an additional 90 days if the Plan Administrator determines such extension is necessary and the Plan Administrator provides notice of extension to the Claimant prior to the end of the initial 90-day period. The notice advising of the denial shall specify the following: (i) the reason or reasons for denial; (ii) make specific reference to the Plan provisions on which the determination was based; (iii) describe any additional material or information necessary for the Claimant to perfect the claim (explaining why such material or information is needed); and (iv) describe the Plan's review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

(c) A Claimant whose claim has been denied shall file with the Plan Administrator a notice of appeal of the denial. Such notice shall be filed within 60 calendar days of notification by the Plan Administrator of the denial of a claim, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred. The Plan Administrator shall consider the merits of the Claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Plan Administrator shall deem relevant.

(d) The Plan Administrator shall render a determination upon the appealed claim which determination shall be accompanied by a written statement as to the reasons therefore. The determination shall be communicated to the Claimant within 60 days of the Claimant's request for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing the claim. In such case, the Plan Administrator shall notify the Claimant of the need for an extension of time to render its decision prior to the end of the initial 60-day period, and the Plan Administrator shall have an additional 60-day period to make its determination. The determination so rendered shall be binding upon all parties. If the determination is adverse to the Claimant, the notice shall: (i) provide the reason or reasons for denial; (ii) make specific reference to the Plan provisions on which the determination was based; (iii) include a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and (iv) state that the Claimant has the right to bring an action under section 502(a) of ERISA.

ARTICLE VIII
AMENDMENT, TERMINATION AND DURATION

Section 8.1 Amendment, Suspension and Termination.

(a) Except as otherwise provided in paragraph (b) hereof, the Committee or its delegee shall have the right, at any time and from time to time, to amend, suspend, or terminate the Plan in whole or in part, for any reason or without reason, and without either the consent of or the prior notification to any Eligible Employee, by a formal written action. No such amendment shall give the Company the right to recover any amount paid to a Participant prior to the date of such amendment or to cause the cessation of Severance Benefits already approved for a Participant who has returned to the Company an executed Release as required under Section 3.2 (except as otherwise contemplated by the terms of the Plan).

(b) Any amendment, modification or termination of the Plan undertaken pursuant to paragraph (a) hereof that (i) reduces or eliminates Plan benefits, (ii) terminates the participation of one or more Eligible Employees, or (iii) modifies the notice provisions of this Section 8.1(b), shall be effective 12 months (or such longer period as determined by the Committee or its delegee) after the date that each affected Eligible Employee is provided written notice of such amendment, modification or termination.

Section 8.2 Duration. Unless terminated sooner by the Committee or its delegee, the Plan shall continue in full force and effect until termination of the Plan pursuant to Section 8.1; provided, however, that after the termination of the Plan, if any Participant terminated employment on account of an Involuntary Termination or a Good Reason Resignation prior to the termination of the Plan and is still receiving Severance Benefits under the Plan, the Plan shall remain in effect until all of the obligations of the Company are satisfied with respect to such Participant.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Nonalienation of Benefits. None of the payments, benefits or rights of any Participant shall be subject to any claim of any creditor of any Participant, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment (if permitted under applicable law), trustee's process, or any other legal or equitable process available to any creditor of such Participant. No Participant shall have the right to alienate, anticipate, commute, plead, encumber or assign any of the benefits or payments that they may expect to receive, continently or otherwise, under this Plan.

Section 9.2 Notices Communications. All notices and other communications required hereunder under this Agreement shall be in writing (except as permitted in Section 5) and shall be delivered personally given (and shall be deemed to have been duly given upon receipt or mailed refusal to accept receipt) by registered or certified mail, return receipt requested, personal delivery, by facsimile, or by a reputable overnight express courier service. In service, addressed as follows:

If to AEP: American Electric Power Service Corporation
1 Riverside Plaza, 01
Columbus, Ohio 43215
Attn: Vice President, Chief Security Officer

If to User: William J. Fehrman
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 case other party. Neither party shall object to the manner or timing of the Participant, mailed notice for any notice which was actually received by such party.

notices shall be addressed 14. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to them at the home address which they most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to the Plan Administrator. its subject matter, and there are no representations, warranties, rights, obligations, liabilities, conditions, covenants, or agreements other than as expressly set forth herein.

Section 9.3 15. Successors Further Acts. Any Successor 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 Company or AEP shall assume intent and purpose of this Agreement, and (ii) to establish, maintain and protect the obligations under this Plan respective rights and expressly agree to perform remedies of the obligations under this Plan. other party.

Section 9.4 16. Other Payments. Except as otherwise provided in this Plan, no Participant shall be entitled to any cash payments or other severance benefits under any of the Company's then current severance pay policies for a termination that is covered by this Plan for the Participant.

Section 9.5 No Mitigation. Except as otherwise set forth in the Plan, Participants shall not be required to mitigate the amount of any Severance Benefits provided for in this Plan by seeking other employment or otherwise, nor shall the amount of any Severance Benefits provided for herein be reduced by any compensation earned by other employment or otherwise, except if the Participant is re-employed by the AEP System Companies, in which case Severance Benefits shall cease.

Section 9.6 No Contract of Employment Successors and Assigns. Neither the establishment of the Plan, this Agreement nor any modification thereof, nor the creation of any fund, trust or account, nor the payment of any benefits party's interest herein shall be construed as giving assignable to any Eligible Employee or any person whosoever, the right to be retained in the service of the AEP System Companies, and all Eligible Employees other party. This Agreement shall remain subject to discharge inure to the same extent as if the Plan had never been adopted.

Section 9.7 Severability benefit of Provisions. If any provision of this Plan shall be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect any other provisions hereof, and this Plan shall be construed and enforced as if such provisions had not been included.

Section 9.8 Heirs, Assigns, and Personal Representatives. This Plan shall be binding upon the parties hereto, their heirs, executors, administrators, successors representatives and assigns of the parties, including each Participant, present and future. successors.

Section 9.9 17. Headings and Captions Termination. The headings and captions herein are provided Either party may terminate this Agreement for reference and convenience only, shall not be considered part any reason upon prior written notice to the other, such termination to become effective thirty (30) days from the date of the Plan, 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 shall not provided further, that this Agreement may be employed 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 construction 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 Plan. costs and expenses incurred during the term.

Section 9.10 18. Gender Governing Law and Number. Where the context admits: words in any gender shall include any other gender, and, except where otherwise clearly indicated by context, the singular shall include the plural, and vice-versa.

Section 9.11 Unfunded Plan. The Plan shall not be funded. No Participant shall have any right Consent to or interest in, any assets of the AEP System Companies that may be applied by the AEP System Companies to the payment of Severance Benefits.

Section 9.12 Payments to Incompetent Persons. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefore shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Company, the Committee and all other parties with respect thereto.

Section 9.13 Lost Payees. A benefit shall be deemed forfeited if the Plan Administrator is unable to locate a Participant to whom Severance Benefits are due. Such Severance Benefits shall be reinstated if application is made by the Participant for the forfeited Severance Benefits while this Plan is in operation.

Section 9.14 Controlling Law Jurisdiction. This Plan Agreement shall be construed under and enforced according to the legal relations between the parties shall be governed by the laws of the State of Ohio without regard Ohio. The parties hereby consent and agree to submit to the application exclusive jurisdiction and venue of choice of law rules to the extent not superseded by Federal law.

ARTICLE X
COORDINATION WITH GENERAL SEVERANCE PLAN

Section 10.1 Coordination Generally. If a Participant becomes entitled to receive the benefits under both this Plan and the General Severance Plan (a "Dual Participant"), the benefits provided under this Plan shall be adjusted in the manner described in this Article X.

Section 10.2 Salary and Bonus Severance. The amount of cash to be paid to the Dual Participant as Severance Benefits described in Section 4.1(a) shall be reduced (but not below $0) by an amount equal to the lump sum severance allowance calculated under the General Severance Plan (currently set forth in Sections 3.1 or 3.2, as appropriate, of the General Severance Plan), and that reduced amount shall be paid in the time and manner described in Section 5.1(a) of this Plan, notwithstanding any different payment schedule that may be specified in the General Severance Plan.

Section 10.3 Continuation of Medical and Dental Coverage. The provisions of this Plan shall not preclude a Dual Participant from receiving an option to continue medical coverage under the terms and conditions as may then be made available to such Dual Participant (or their surviving covered dependents) under the terms of the General Severance Plan (currently set forth in Section 3.3 of the General Severance Plan).

Section 10.4 Administration of Claims Involving Article X. All determinations of regarding entitlement to benefits described in the General Severance Plan shall be made in accordance with the terms set forth in the General Severance Plan. The Committee and the Plan Administrator under this Plan may, in their sole discretion, consult with any one or more individuals who are involved in the administration of the General Severance Plan in connection with making any determinations regarding the Severance Benefits to be provided under this Plan.

EXHIBIT A
to
American Electric Power Executive Severance Plan

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 **<<FULLNAME>>**, herein after referred to, together with their heirs, executors, administrators, successors, assigns and personal representatives, as "Employee", and American Electric Power 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".

2. **Severance Allowance**. Provided the Employee timely executes, returns, and does not revoke this Agreement and continues to provide services to the Company up to and including the Termination Date (also referred to in this Agreement as a "Separation Date"), the Company shall provide the following consideration:

(a) to Employee (or Employee's estate) a salary and bonus severance in the amount of $____________ (the "Severance Amount"). The Company shall pay the Severance Amount to Employee according to the following payment schedule:

> [*describe the amount and timing of payment of applicable Severance Benefits described in Sections 4.1 and 5.1 of the American Electric Power Executive Severance Plan, as amended*].

Payment under this Section 2(a) shall be made by direct 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 to such deductions as required by 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 [*COMPANY REPRESENTATIVE*] 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 they would not be entitled but for this Agreement.

4. **Release and Waiver of Claims**.

(A) Release and Waiver. Employee 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 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. 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 be construed as broadly as the law permits.

(B) Excluded. This release and waiver does not apply to (i) claims for unemployment or worker's compensation benefits; (ii) any vested rights under Company pension and savings plans (401k); (iii) claims for benefits or reimbursement under any health and welfare benefit plans (medical, dental and vision) under the terms of such plans; (iv) claims for vested balances and payments under non-qualified deferred compensation plans; (v) claims for potential indemnification pursuant to applicable Company By-Laws; (vi) any rights of the Employee under the Company's directors and officers liability insurance; and (vii) claims which controlling law clearly holds cannot be waived or released by private agreement.

5. **<u>Protected Activity</u>**. (A) Employee understands and acknowledges that nothing in this Agreement prohibits, penalizes, or otherwise discourages them from reporting, providing

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testimony regarding, or otherwise communicating any nuclear safety concern, workplace safety 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 their communication with, or full cooperation in, proceedings or investigations by any agency relating to nuclear regulatory or safety issues. Employee understands that nothing in the Agreement waives their right to file a claim with the DOL pursuant to Section 211 of the Energy Reorganization Act, but the Employee expressly waives 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) 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. Specifically, pursuant to SEC Rule 21F-7, nothing herein or in any other agreement, policy, or directive impedes or restricts Employee from communicating directly with the Securities and Exchange Commission, without prior notice to or approval from the AEP System Companies, concerning a violation or potential violation of a federal securities law or rule. 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.

6. **<u>Agreement Not to Compete</u>.** Without American Electric Power Service Corporation's prior written consent, Employee agrees not to, during the [*6, 12 or 24, as applicable*]-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 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 at the termination of the Employee's employment with the Company.

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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 Termination Date; or (B) any state or country with respect federal court in the State of Ohio in any proceedings hereunder, and each hereby waives any objection to which the Company conducted a business, which, any such proceedings based on improper venue or oversight of which, constituted any part of the Employee's employment. forum non-conveniens or similar principles. The parties intend hereto hereby further consent and agree to the above geographical areas to be completely severable and independent, and any invalidity or unenforceability exercise of this Agreement such personal jurisdiction over them by such courts with respect to any one area shall not render this Agreement unenforceable as applied such proceedings, waive any objection to any one the assertion or more exercise of the other areas. Nothing in this Section 6 shall be construed such jurisdiction and consent to prohibit the Employee process 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, served in any jurisdiction where such prohibition or restriction is contrary to law.

7. **Cessation proceedings in the manner provided for the giving 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. notices hereunder.

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 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/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 they will not seek re-employment with the Company, and that this Agreement shall act as a complete 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 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 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.

14.19. Severability. If any provision of this Agreement is determinedheld to be illegal, invalid, or unenforceable, the Companylegality, validity and Employee agree that such determinationenforceability of the remaining provisions 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. affected or impaired.

15.20. EMPLOYEE NOTICE: PLEASE READ CAREFULLY BEFORE SIGNING THIS AGREEMENT.

You have _________ (__) calendar days within which to consider this Agreement. You may not sign this Agreement until after your Separation Date. You may execute (accept) this Agreement at any time after your Separation Date and within the _______ (__) day review period by signing and dating this Agreement and then scanning and emailing it to [Amendment or ModificationCOMPANY REPRESENTATIVE] at [*EMAIL ADDRESS*]. Should you sign the Agreement, you have the right to revoke it, in writing, for a period of seven (7) calendar days [*or substitute such other period as may be required by applicable law*] (“revocation period”) after you sign it. Any such revocation should be provided to [*COMPANY REPRESENTATIVE*] at [*EMAIL ADDRESS*]. This Agreement shallconstitutes the entire agreement between the parties with respect to the subject matter hereof and is not become effectiveintended to confer upon any person or enforceable until the revocation period has expired. However, if you sign this Agreement and do not exercise the right to revoke, this Agreement will immediately become a binding and enforceable contract.

You are advised to consult with an attorney prior to signing this Agreement. You may haveentity any rights or claims arising underremedies hereunder which are not expressly granted herein. This Agreement may be amended or modified only in writing duly executed by 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.

16. **Capitalized Terms and Definitions**. Unless specifically defined herein, capitalized terms in this Agreement shall have the definition described in the Executive Severance Plan. Employee acknowledges that they have received a copy of the Executive Severance Plan.

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 thishereto.

Agreement on the date indicated, signifying their agreement and willingness to be bound by its terms.

Employee21. 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 Company, Inc. Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215

________________________________ By 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).

[SIGNATURE PAGE FOLLOWS]

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 Service Corporation

USER: William J. Fehrman

By: /s/ Joe Brenner
Name: Joe Brenner
Title: ______________________________ Vice President, Applications and Business Solutions

By: /s/ William J. Fehrman

Dated: ____________________________ Dated: ______________________________ 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).

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: ________________________

American Electric Power Service Corporation

USER:
William J. Fehrman

Initialed: ______________________
Name: Joe Brenner
Title: Vice President, Applications and Business Solutions

Initialed: ________________________

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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:	July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
			Benjamin G. S. Fowke, III William J. Fehrman
			Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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: July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
		Benjamin G. S. Fowke, III William J. Fehrman
		Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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: July 30, 2024 November 6, 2024

By: /s/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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: July 30, 2024 November 6, 2024

By: /s/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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:	July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
			Benjamin G. S. Fowke, III William J. Fehrman
			Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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:	July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
			Benjamin G. S. Fowke, III William J. Fehrman
			Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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:	July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
			Benjamin G. S. Fowke, III William J. Fehrman
			Interim Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin G. S. Fowke, III, William J. Fehrman, 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:	July 30, 2024 November 6, 2024	By:	/s/ Benjamin G. S. Fowke, III William J. Fehrman
			Benjamin G. S. Fowke, III William J. Fehrman
			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:	July 30, 2024 November 6, 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):
    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:	July 30, 2024 November 6, 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 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:	July 30, 2024 November 6, 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: July 30, 2024 November 6, 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 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:	July 30, 2024 November 6, 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:	July 30, 2024 November 6, 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:	July 30, 2024 November 6, 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: July 30, 2024 November 6, 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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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.

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 Indiana Michigan Power Company (the “Company”) on Form 10-Q (the “Report”) for the quarter ended June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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(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 Ohio Power Company (the "Company") on Form 10-Q (the "Report") for the quarter ended June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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.

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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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 June 30, 2024 September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Benjamin G. S. Fowke, III, William J. Fehrman, 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/ Benjamin G. S. Fowke, III William J. Fehrman
Benjamin G. S. Fowke, III William J. Fehrman
Interim Chief Executive Officer

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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(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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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 June 30, 2024 September 30, 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

July 30, November 6, 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.