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February 20, 2026

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

Re: Appalachian Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Wheeling Power Company
Update to Base Post-employment Benefits Other than Pensions Expense
Docket No. ER26-____-000

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. Section 824(d), and Section 35.13 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations, Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company (together, “AEP East Operating Companies” or “AEP”),¹ submits for filing its quadrennial update of the base Post-employment Benefits Other than Pensions (“PBOP”)² expense as contemplated in the settlement approved by the Commission (“Attachment H-14 Settlement”)³ establishing the formula rate of the AEP East Operating Companies, Attachment H-14 of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“PJM Tariff”).

I. Background

¹ Pursuant to Order No. 714, this filing is submitted by PJM on behalf of AEP as part of an XML filing package that conforms to the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, AEP has requested PJM submit this revised Attachment H-14B in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

² The terms Other Post-Employment Benefits (“OPEB”) and PBOP are used interchangeably in the formula rate template.

³ See *American Electric Power Service Corp.*, 133 FERC ¶ 61,007 (2010).

In Docket No. ER08-1329, AEP submitted for filing a formula rate and implementation protocols for the AEP pricing zone under Attachment H-14 of the PJM Tariff. The Commission accepted AEP's rate filing subject to hearing and settlement judge procedures and a compliance filing.⁴ AEP and the intervening parties in Docket No. ER08-1329 ultimately settled all issues raised with respect to the formula rate, and the Commission approved the Attachment H-14 Settlement on October 1, 2010.⁵ The Attachment H-14 Settlement described the methodology which would be used to update the PBOP allowance included in rates, specifically that it would be updated every four years beginning with the annual update process conducted in 2013 ("PBOP Methodology").

In FERC Docket No. ER17-405, AEP proposed an updated transmission formula rate template, which the Commission accepted effective January 1, 2017, subject to the outcome of hearing and settlement proceedings.⁶ The parties in that proceeding entered into an uncontested settlement agreement that was filed on December 14, 2017, in which the PBOP Methodology was continued and specified in a note on Worksheet O ("Calculation of Postemployment Benefits Other than Pension Expenses Allocable to Transmission Service") of the agreed-upon template⁷. The Note to Worksheet O expressly codifies that:

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the formula actual rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate WACC for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)+(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowance will continue in effect for the next four years at the then effective

⁴ See *American Electric Power Service Corp.*, 124 FERC ¶ 61,306 (2008).

⁵ See n.2.

⁶ *American Electric Power Service Corp.*, 158 FERC ¶ 62,187 (2017).

⁷ Worksheet O is part of Attachment H-14B Part II of the PJM OATT.

rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. *No other changes to the formula rate may be included in that filing.* (Emphasis added).

FERC issued a letter order accepting the settlement agreement (with the agreed-upon revisions to Attachment H-14) on April 24, 2018.⁸ The most recent PBOP informational filing post-settlement in ER17-405 was accepted by the Commission on June 29, 2022 in Docket No. ER22-600.

II. Description of Proposed Changes

Consistent with the requirements of the Attachment H-14 Settlement and the express provisions of Worksheet O to Attachment H-14B Part II, AEP conducted a review of its PBOP costs and determined that the current expense allowance will cause the AEP East Operating Companies to over collect their cumulative PBOP costs by more than 20% of the projected next four years' total cost. This analysis used projected PBOP expense as identified in the appendix of AEP's latest annual actuarial report, and included herein as Attachment C. In particular, as shown in the analysis attached as Attachment A to this filing, the current PBOP allowance contained in Attachment H-14 \$52 million will exceed the 20% threshold.⁹

Consequently, as required under Attachment H-14, through this filing, AEP seeks an adjustment to the PBOP expense allowance provided in Attachment H-14 to decrease the base PBOP expense to approximately \$(204) million as shown on Attachment B.¹⁰ Although the difference between the current PBOP allowance contained in Attachment H-14 of \$52 million and the revised amount of \$(204) million is \$256 million, the effect on the revenue requirement will be an allocation of that amount – a decrease of approximately \$24 million across all AEP East Operating Companies. This is because AEP uses an allocator methodology to assign recoverable PBOP expenses among the various AEP affiliates.

III. Effective Date and Waiver Request

AEP requests an effective date of April 22, 2026, which is sixty-one days from the date of this filing. Consistent with *South Carolina Electric & Gas*¹¹ and Attachment H-14, the PBOP

⁸ *PJM Interconnection, L.L.C.*, Letter Order Accepting Uncontested Settlement, 163 FERC ¶ 61,053 (2018).

⁹ See Attachment A, Line 16 – “Projected Cumulative Balance as Percent of the Net Present Value of the Four Year Projected OPEB Expense”.

¹⁰ As shown on Attachment B, the “Settlement OPEB Basis” for rate years 2025 through 2028 must be \$(203,719,239) in order to make the Projected Cumulative Balance as a percent of the Net Present Value of the Four Year Projected OPEB Expense to be 0.000%.

¹¹ *South Carolina Electric & Gas Co.*, 132 FERC ¶ 61,043 at P 20 (2010) (retroactive effective dates for revised depreciation rates “does not run afoul of either the filed rate doctrine or the rule against retroactive ratemaking,” citing *Depreciation Accounting*, Order No. 618, FERC Stats. & Regs. ¶ 31,104 at 31,695 & n.25 (2000)). The Commission has cited this case in approving revisions to the current rate year in the upcoming annual true-up addition when the adjustments are required by the rate schedule. See, e.g., *Sw. Power Pool, Inc.*, 167 FERC ¶ 61,202, at P 18 (2019).

expense allowance will be reflected in the rate year 2025 Annual Transmission Revenue Requirement (“ATRR”) which will be filed on or before May 25, 2026, and included in the rate year 2027 Projected Transmission Revenue Requirement (“PTRR”). AEP respectfully requests that the Commission waive provisions of section 35.13 or any other applicable regulation to the extent necessary to permit this request.

While implementation of AEP’s request will result in an overall decrease in the revenue requirement, AEP notes that the process and criteria for revising the PBOP expense allowance was an agreed-upon aspect of the Attachment H-14 Settlement. Therefore, the request in this filing relates to the implementation of the formula rate as originally approved and is not a change to the design of the formula rate itself and results in no change to Attachment H-14 of the PJM OATT.

IV. Contents of this Filing

This filing consists of the following documents:

- a. This transmittal letter;
- b. Attachment A - A spreadsheet setting forth the calculation of impact of the current PBOP allowance on future PBOP expenses (also provided as PDF);
- c. Attachment B - A spreadsheet determining the going-forward PBOP allowance as determined by Worksheet O (also provided as PDF);
- d. Attachment C - 10-Year Cost Pension and PBOP Forecast included as Appendix to Annual Actuarial Report;
- e. Attachment D - The Actuarial Valuation Reports issued in 2025 underlying the 10-year forecasted PBOP expense; and
- f. Attachment E - Worksheet O to Attachment H-14B Part II populated with rate year 2024 data.

Pursuant to Section 35.7 of the Commission’s regulations, the contents of this filing are being submitted as part of an XML filing package that conforms to the Commission’s eTariff instructions.

V. Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission’s regulations,¹² PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region¹³ alerting them

Here, transmission customers had notice of PBOP allowance adjustment process as it was expressly set out on Worksheet O of Attachment H-14.

¹² See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

¹³ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

that this filing has been made by PJM and is available by following such link. PJM also serves the parties listed on the Commission's official service list for this docket. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <https://elibrary.ferc.gov/eLibrary/search> in accordance with the Commission's regulations and Order No. 714.

Additionally, copies of this filing are also being made available on AEP's website at: <http://www.aep.com/requiredpostings/oatt/>

VI. Correspondence

Correspondence relating to this filing should be addressed to:

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VII. Conclusion

Wherefore, AEP respectfully requests that the Commission accept this filing, effective with the rate year 2025 ATRR which will be filed on or before May 25, 2026 and included in the rate year 2027 PTRR for the AEP East Operating Companies and grant any applicable waivers.

Respectfully submitted,

/s/ Matthew L. Bly
Matthew L. Bly

Counsel for American Electric Power Service Corporation

Enclosures

ATTACHMENT A

Calculation of impact of current PBOP allowance on future PBOP expenses
recovered through the Annual Transmission Formula Rates
for AEP East Operating Companies for Network Integration Transmission Service
Included as Attachment H-14B to the PJM Open Access Transmission Tariff

AEP East Companies
 Cost of Service Formula Rate
 Calculation of Over/Under Recovery of Other Post Employment Benefits

Line#

Section 1) Calculation of Projected Recovery Position On Total Company Basis

A. Summary of All Companies' OPEB Actual Vs. Allowance

52,287,952 Total AEP East Operating Company PBOP Settlement Amount

Year	Source	OPEB Basis per Actuarial Report	Settlement OPEB Basis	OPEB Functionalized To Transmission	Settlement OPEB Functionalized to Transmission	Under / (Over) Recovery	Annual Expense (Over)/Under	Prior Year Cumulative (Over)/Under	Carrying Charge on Cumulative Expense (Over)/Under	Cumulative Expense (Over)/Under @ Year End
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	2021	Line 23	(65,688,411)	52,287,952	(6,225,311)	4,955,346	(11,180,657)	(11,180,657)	-	(11,585,082)
2	2022	Line 40	(78,089,465)	52,287,952	(7,396,373)	4,952,540	(12,348,912)	(12,348,912)	(11,585,082)	(25,200,050)
3	2023	Line 47	(57,331,682)	52,287,952	(5,049,970)	4,605,701	(9,655,671)	(9,655,671)	(25,200,050)	(37,040,057)
4	2024	Line 54	(38,629,872)	52,287,952	(3,802,377)	5,146,756	(8,949,132)	(8,949,132)	(37,040,057)	(49,047,692)
5	Sum of Lines 1 to 4		(239,739,431)	209,151,808	(22,474,031)	19,660,342				

B. Net Present Values of Future OPEB Expense and Current Allowance

Total Company Amount

Functionalized Amount

	OPEB Basis per Actuarial Report	Settlement OPEB Basis	OPEB Functionalized To Transmission (NOTE 1)	Settlement OPEB Functionalized to Transmission (NOTE 2)
6	2025	(42,401,714)	52,287,952	(3,951,882)
7	2026	(47,662,210)	52,287,952	(4,434,637)
8	2027	(44,934,686)	52,287,952	(4,179,875)
9	2028	(48,056,019)	52,287,952	(4,467,432)
10	Sum of Lines 6 to 9		(183,054,629)	209,151,808

NOTE 1: The OPEB Actuarial Projection is functionalized based on the average company labor allocators from the four year recovery period
 NOTE 2: The OPEB Settlement amount for each year of the projected four year period is the projected settlement amount times the sum of the historic functionalized settlement amount divided by the sum of the historic four year total settlement amount. I.E 52287952 * (19660342/209151808).

11	Prior Year WACC From True-Up		8.29%	8.29%
12	Functionalized Cumulative Net Present Values of Lines 6 Through 9		(13,971,198)	16,174,853
13	NPV of (Over) / Under Collection Projected for 2025 Through 2028			(30,146,050)
14	Cumulative Four Year (Over) / Under Collection From Line 5, Col. (J)			(49,047,692)
15	Net Projected (Over) / Under Allowance in Four Years:	Ln 13 + Ln 14		(79,193,742)
16	Projected Cumulative Balance as a Percent of the Net Present Value of the Four Year Projected OPEB Expense			566.836%

<==NOTE 3

NOTE 3: If the absolute value of this amount is greater than 20% of the cumulative net present value of the sum of the projected functionalized OPEB expense, the OPEB allowance will need to be revised via a 205 Filing per the FERC.

ATTACHMENT B

Calculation of the going forward PBOP Allowance

AEP East Companies
 Cost of Service Formula Rate
 Calculation of Over/Under Recovery of Other Post Employment Benefits

Line#

Section 1) Calculation of Projected Recovery Position On Total Company Basis

A. Summary of All Companies' OPEB Actual Vs. Allowance

52,287,952 Total AEP East Operating Company PBOP Settlement Amount

Year	Source	OPEB Basis per Actuarial Report	Settlement OPEB Basis	OPEB Functionalized To Transmission	Settlement OPEB Functionalized to Transmission	Under / (Over) Recovery	Annual Expense (Over)/Under	Prior Year Cumulative (Over)/Under	Carrying Charge on Cumulative Expense (Over)/Under	Cumulative Expense (Over)/Under @ Year End
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	2021	Line 23	(65,688,411)	52,287,952	(6,225,311)	4,955,346	(11,180,657)	(11,180,657)	-	(11,585,082)
2	2022	Line 40	(78,089,465)	52,287,952	(7,396,373)	4,952,540	(12,348,912)	(12,348,912)	(11,585,082)	(25,200,050)
3	2023	Line 47	(57,331,682)	52,287,952	(5,049,970)	4,605,701	(9,655,671)	(9,655,671)	(25,200,050)	(37,040,057)
4	2024	Line 54	(38,629,872)	52,287,952	(3,802,377)	5,146,756	(8,949,132)	(8,949,132)	(37,040,057)	(49,047,692)
5	Sum of Lines 1 to 4		(239,739,431)	209,151,808	(22,474,031)	19,660,342				

B. Net Present Values of Future OPEB Expense and Current Allowance

Total Company Amount

Functionalized Amount

	OPEB Basis per Actuarial Report	Settlement OPEB Basis	OPEB Functionalized To Transmission (NOTE 1)	Settlement OPEB Functionalized to Transmission (NOTE 2)
6	2025	(42,401,714)	(203,719,239)	(3,951,882)
7	2026	(47,662,210)	(203,719,239)	(4,434,637)
8	2027	(44,934,686)	(203,719,239)	(4,179,875)
9	2028	(48,056,019)	(203,719,239)	(4,467,432)
10	Sum of Lines 6 to 9		(814,876,954)	(17,033,827)

NOTE 1: The OPEB Actuarial Projection is functionalized based on the average company labor allocators from the four year recovery period
 NOTE 2: The OPEB Settlement amount for each year of the projected four year period is the projected settlement amount times the sum of the historic functionalized settlement amount divided by the sum of the historic four year total settlement amount. I.E -203719238.617535 * (19660342/209151808).

11	Prior Year WACC From True-Up		8.29%	8.29%
12	Functionalized Cumulative Net Present Values of Lines 6 Through 9		(13,971,198)	(63,018,889)
13	NPV of (Over) / Under Collection Projected for 2025 Through 2028			49,047,692
14	Cumulative Four Year (Over) / Under Collection From Line 5, Col. (J)			(49,047,692)
15	Net Projected (Over) / Under Allowance in Four Years:	Ln 13 + Ln 14		-
16	Projected Cumulative Balance as a Percent of the Net Present Value of the Four Year Projected OPEB Expense			0.000%

<=NOTE 3

NOTE 3: If the absolute value of this amount is greater than 20% of the cumulative net present value of the sum of the projected functionalized OPEB expense, the OPEB allowance will need to be revised via a 205 Filing per the FERC.

ATTACHMENT C

10-Year Cost Pension and PBOP Forecast
included as appendix to Annual Actuarial Report



AMERICAN ELECTRIC POWER
NON-UMWA POSTRETIREMENT WELFARE PLAN
10-YEAR PRW COST FORECAST - 2025 YEAR-END UPDATE
(\$000s)

EXHIBIT VI - NON-UMWA COST

ASC 715-60

Location	Estimated Net Periodic Postretirement Benefit Cost										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
140 Appalachian Power Co - Distribution	(\$6,186)	(\$6,835)	(\$6,377)	(\$6,748)	(\$7,156)	(\$7,540)	(\$7,836)	(\$8,230)	(\$8,666)	(\$9,191)	(\$9,799)
215 Appalachian Power Co - Generation	(4,994)	(5,583)	(5,300)	(5,702)	(6,165)	(6,637)	(7,096)	(7,648)	(8,218)	(8,909)	(9,618)
150 Appalachian Power Co - Transmission	(545)	(566)	(535)	(568)	(600)	(628)	(645)	(664)	(677)	(692)	(704)
Appalachian Power Co. - FERC	(11,725)	(12,984)	(12,212)	(13,018)	(13,921)	(14,805)	(15,577)	(16,542)	(17,561)	(18,792)	(20,121)
225 Cedar Coal Co.	(7)	(4)	(3)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(1)
Appalachian Power Co. - SEC	(11,732)	(12,988)	(12,215)	(13,021)	(13,924)	(14,808)	(15,579)	(16,544)	(17,562)	(18,793)	(20,122)
211 AEP Texas Central Company - Distribution	(4,400)	(5,078)	(4,795)	(5,110)	(5,469)	(5,853)	(6,199)	(6,667)	(7,175)	(7,782)	(8,415)
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	(416)	(517)	(510)	(564)	(622)	(680)	(737)	(799)	(861)	(941)	(1,040)
AEP Texas Central Co.	(4,816)	(5,595)	(5,305)	(5,674)	(6,091)	(6,533)	(6,936)	(7,466)	(8,036)	(8,723)	(9,455)
119 AEP Texas North Company - Distribution	(1,316)	(1,488)	(1,386)	(1,464)	(1,549)	(1,631)	(1,696)	(1,787)	(1,886)	(2,026)	(2,183)
166 AEP Texas North Company - Generation	(231)	(243)	(223)	(228)	(232)	(233)	(229)	(225)	(219)	(211)	(201)
192 AEP Texas North Company - Transmission	(200)	(248)	(231)	(244)	(261)	(279)	(291)	(320)	(356)	(398)	(443)
AEP Texas North Co.	(1,747)	(1,979)	(1,840)	(1,936)	(2,042)	(2,143)	(2,216)	(2,332)	(2,461)	(2,635)	(2,827)
AEP Texas	(6,563)	(7,574)	(7,145)	(7,610)	(8,133)	(8,676)	(9,152)	(9,798)	(10,497)	(11,358)	(12,282)
170 Indiana Michigan Power Co - Distribution	(2,805)	(3,063)	(2,878)	(3,064)	(3,268)	(3,463)	(3,650)	(3,911)	(4,199)	(4,544)	(4,929)
132 Indiana Michigan Power Co - Generation	(1,819)	(1,903)	(1,728)	(1,782)	(1,883)	(1,978)	(2,061)	(2,183)	(2,336)	(2,513)	(2,699)
190 Indiana Michigan Power Co - Nuclear	(3,579)	(4,246)	(4,050)	(4,409)	(4,804)	(5,194)	(5,566)	(6,013)	(6,512)	(7,120)	(7,756)
120 Indiana Michigan Power Co - Transmission	(658)	(718)	(675)	(715)	(764)	(804)	(837)	(890)	(962)	(1,042)	(1,125)
280 Indiana Michigan River Transportation (Lakin)	(632)	(749)	(718)	(780)	(849)	(920)	(985)	(1,062)	(1,143)	(1,246)	(1,349)
Indiana Michigan Power Co. - SEC	(9,493)	(10,679)	(10,049)	(10,750)	(11,568)	(12,359)	(13,099)	(14,059)	(15,152)	(16,465)	(17,858)
110 Kentucky Power Co - Distribution	(1,160)	(1,303)	(1,224)	(1,305)	(1,394)	(1,495)	(1,594)	(1,718)	(1,844)	(1,983)	(2,136)
117 Kentucky Power Co - Generation	(1,442)	(1,484)	(1,354)	(1,416)	(1,499)	(1,584)	(1,679)	(1,790)	(1,911)	(2,054)	(2,210)
180 Kentucky Power Co - Transmission	(57)	(60)	(58)	(62)	(66)	(70)	(73)	(76)	(78)	(79)	(79)
Kentucky Power Co.	(2,659)	(2,847)	(2,636)	(2,783)	(2,959)	(3,149)	(3,346)	(3,584)	(3,833)	(4,116)	(4,425)
250 Ohio Power Co - Distribution	(7,530)	(8,374)	(7,895)	(8,433)	(9,048)	(9,678)	(10,211)	(10,877)	(11,635)	(12,561)	(13,529)
160 Ohio Power Co - Transmission	(757)	(792)	(749)	(794)	(838)	(872)	(888)	(915)	(932)	(957)	(972)
Ohio Power Co.	(8,287)	(9,166)	(8,644)	(9,227)	(9,886)	(10,550)	(11,099)	(11,792)	(12,567)	(13,518)	(14,501)
167 Public Service Co of Oklahoma - Distribution	(2,639)	(3,045)	(2,884)	(3,110)	(3,380)	(3,635)	(3,882)	(4,199)	(4,528)	(4,900)	(5,299)
198 Public Service Co of Oklahoma - Generation	(1,288)	(1,426)	(1,330)	(1,414)	(1,544)	(1,668)	(1,798)	(1,957)	(2,127)	(2,326)	(2,546)
114 Public Service Co of Oklahoma - Transmission	(318)	(370)	(\$350)	(\$371)	(\$386)	(\$404)	(\$426)	(\$455)	(\$489)	(\$530)	(\$574)
Public Service Co. of Oklahoma	(4,245)	(4,841)	(4,564)	(4,895)	(5,310)	(5,707)	(6,106)	(6,611)	(7,144)	(7,756)	(8,419)
159 Southwestern Electric Power Co - Distribution	(2,059)	(2,404)	(2,281)	(2,466)	(2,665)	(2,851)	(3,043)	(3,261)	(3,521)	(3,822)	(4,147)
168 Southwestern Electric Power Co - Generation	(2,088)	(2,387)	(2,235)	(2,405)	(2,593)	(2,788)	(2,967)	(3,202)	(3,467)	(3,796)	(4,151)
161 Southwestern Electric Power Co - Texas - Distribution	(888)	(1,019)	(965)	(1,045)	(1,141)	(1,224)	(1,309)	(1,412)	(1,527)	(1,656)	(1,806)
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	(285)	(331)	(318)	(342)	(369)	(404)	(447)	(494)	(550)	(612)	(673)
Southwestern Electric Power Co.	(5,320)	(6,141)	(5,799)	(6,258)	(6,768)	(7,267)	(7,766)	(8,369)	(9,065)	(9,886)	(10,777)
230 Kingsport Power Co - Distribution	(283)	(307)	(281)	(295)	(308)	(330)	(355)	(384)	(412)	(449)	(484)
260 Kingsport Power Co - Transmission	(29)	(29)	(27)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(35)
Kingsport Power Co.	(312)	(336)	(308)	(324)	(338)	(361)	(387)	(417)	(446)	(484)	(519)
210 Wheeling Power Co - Distribution	(317)	(344)	(320)	(338)	(358)	(377)	(389)	(404)	(426)	(458)	(494)
200 Wheeling Power Co - Transmission	(1)	0	0	0	0	0	0	0	0	0	0
413 Wheeling Power Co - Generation	(288)	(390)	(391)	(444)	(499)	(558)	(601)	(676)	(757)	(849)	(949)
Wheeling Power Co.	(606)	(734)	(711)	(782)	(857)	(935)	(990)	(1,080)	(1,183)	(1,307)	(1,443)
103 American Electric Power Service Corporation	(21,770)	(24,579)	(23,396)	(25,232)	(27,316)	(29,468)	(31,592)	(34,128)	(36,828)	(39,973)	(43,222)
293 Elmwood	(65)	(80)	(79)	(88)	(98)	(108)	(120)	(132)	(145)	(159)	(174)
292 AEP River Operations LLC	(367)	(443)	(428)	(467)	(512)	(556)	(603)	(653)	(715)	(786)	(857)
American Electric Power Service Corp	(22,202)	(25,102)	(23,903)	(25,787)	(27,926)	(30,132)	(32,315)	(34,913)	(37,688)	(40,918)	(44,253)
270 Cook Coal Terminal	(54)	(60)	(59)	(65)	(72)	(79)	(85)	(91)	(97)	(103)	(107)
AEP Generating Company	(54)	(60)	(59)	(65)	(72)	(79)	(85)	(91)	(97)	(103)	(107)
104 Cardinal Operating Company	(1,115)	(1,181)	(1,076)	(1,110)	(1,181)	(1,243)	(1,305)	(1,389)	(1,472)	(1,571)	(1,671)
181 Ohio Power Co - Generation	(4,413)	(4,579)	(4,253)	(4,456)	(4,684)	(4,898)	(5,037)	(5,271)	(5,509)	(5,805)	(6,091)
AEP Generation Resources - FERC	(5,528)	(5,760)	(5,329)	(5,566)	(5,865)	(6,141)	(6,342)	(6,660)	(6,981)	(7,376)	(7,762)
290 Conesville Coal Preparation Company	(31)	(29)	(28)	(31)	(35)	(38)	(41)	(44)	(49)	(53)	(59)
AEP Generation Resources - SEC	(5,559)	(5,789)	(5,357)	(5,597)	(5,900)	(6,179)	(6,383)	(6,704)	(7,030)	(7,429)	(7,821)
102 AEP Energy Supply LLC	0	(6)	(7)	(8)	(10)	(12)	(13)	(14)	(14)	(14)	(17)
175 AEP Energy Partners	(33)	(54)	(60)	(76)	(93)	(112)	(131)	(152)	(174)	(195)	(216)
400 AEP Energy Inc	(80)	(96)	(91)	(98)	(106)	(118)	(131)	(144)	(155)	(166)	(179)
AEP Energy Supply	(5,672)	(5,945)	(5,515)	(5,779)	(6,109)	(6,421)	(6,658)	(7,014)	(7,373)	(7,804)	(8,233)
143 AEP Pro Serv, Inc.	(7)	(8)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(16)	(17)
AEP Pro Serv, Inc.	(7)	(8)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(16)	(17)
245 Dolet Hills	(302)	(372)	(341)	(355)	(380)	(406)	(426)	(464)	(510)	(568)	(630)
Dolet Hills	(302)	(372)	(341)	(355)	(380)	(406)	(426)	(464)	(510)	(568)	(630)
Total	(\$77,454)	(\$86,793)	(\$81,897)	(\$87,645)	(\$94,240)	(\$100,861)	(\$107,020)	(\$114,749)	(\$123,131)	(\$133,092)	(\$143,586)
Total without Dolet Hills	(\$77,152)	(\$86,421)	(\$81,556)	(\$87,290)	(\$93,860)	(\$100,455)	(\$106,594)	(\$114,285)	(\$122,621)	(\$132,524)	(\$142,956)

Please refer to Exhibit I for documentation of applicable assumptions.



AMERICAN ELECTRIC POWER
 UMWA POSTRETIREMENT WELFARE PLAN
 10-YEAR PRW COST FORECAST - 2025 YEAR-END UPDATE
 (\$000s)

EXHIBIT VII - UMWA COST

ASC 715-60
 Cost

Estimated Net Periodic Postretirement Benefit Cost

Location	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
140 Appalachian Power Co - Distribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
215 Appalachian Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
150 Appalachian Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Appalachian Power Co. - FERC	0										
225 Cedar Coal Co.	437	111	125	155	171	183	191	186	189	175	166
Appalachian Power Co. - SEC	437	111	125	155	171	183	191	186	189	175	166
211 AEP Texas Central Company - Distribution	0	0	0	0	0	0	0	0	0	0	0
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	0	0	0	0	0	0	0	0	0	0	0
AEP Texas Central Co.	0										
119 AEP Texas North Company - Distribution	0	0	0	0	0	0	0	0	0	0	0
166 AEP Texas North Company - Generation	0	0	0	0	0	0	0	0	0	0	0
192 AEP Texas North Company - Transmission	0	0	0	0	0	0	0	0	0	0	0
AEP Texas North Co.	0										
AEP Texas	0										
170 Indiana Michigan Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
132 Indiana Michigan Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
190 Indiana Michigan Power Co - Nuclear	0	0	0	0	0	0	0	0	0	0	0
120 Indiana Michigan Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
280 Indiana Michigan River Transportation (Lakin)	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - SEC	0										
110 Kentucky Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
117 Kentucky Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
180 Kentucky Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Kentucky Power Co.	0										
250 Ohio Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
160 Ohio Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Ohio Power Co.	0										
167 Public Service Co of Oklahoma - Distribution	0	0	0	0	0	0	0	0	0	0	0
198 Public Service Co of Oklahoma - Generation	0	0	0	0	0	0	0	0	0	0	0
114 Public Service Co of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0	0	0
Public Service Co. of Oklahoma	0										
159 Southwestern Electric Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
168 Southwestern Electric Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
161 Southwestern Electric Power Co - Texas - Distribution	0	0	0	0	0	0	0	0	0	0	0
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Southwestern Electric Power Co.	0										
230 Kingsport Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
260 Kingsport Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co.	0										
210 Wheeling Power Co - Distribution	0	0	0	0	0	0	0	0	0	0	0
200 Wheeling Power Co - Transmission	0	0	0	0	0	0	0	0	0	0	0
413 Wheeling Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
Wheeling Power Co.	0										
103 American Electric Power Service Corporation	0	0	0	0	0	0	0	0	0	0	0
293 Elmwood	0	0	0	0	0	0	0	0	0	0	0
292 AEP River Operations LLC	0	0	0	0	0	0	0	0	0	0	0
American Electric Power Service Corp	0										
270 Cook Coal Terminal	(2,298)	(3,726)	(3,545)	(3,586)	(3,651)	(3,709)	(3,776)	(3,922)	(4,036)	(4,252)	(4,460)
AEP Generating Company	(2,298)	(3,726)	(3,545)	(3,586)	(3,651)	(3,709)	(3,776)	(3,922)	(4,036)	(4,252)	(4,460)
104 Cardinal Operating Company	0	0	0	0	0	0	0	0	0	0	0
181 Ohio Power Co - Generation	0	0	0	0	0	0	0	0	0	0	0
AEP Generation Resources - FERC	0										
290 Conesville Coal Preparation Company	327	88	101	127	143	156	165	164	169	160	154
AEP Generation Resources - SEC	327	88	101	127	143	156	165	164	169	160	154
175 AEP Energy Supply LLC	0	0	0	0	0	0	0	0	0	0	0
400 AEP Energy Partners	0	0	0	0	0	0	0	0	0	0	0
419 AEP Energy Inc	0	0	0	0	0	0	0	0	0	0	0
AEP Energy Supply	327	88	101	127	143	156	165	164	169	160	154
143 AEP Pro Serv, Inc.	0	0	0	0	0	0	0	0	0	0	0
AEP Pro Serv, Inc.	0										
245 Dolet Hills	0	0	0	0	0	0	0	0	0	0	0
Dolet Hills	0										
Total	(\$1,534)	(\$3,527)	(\$3,319)	(\$3,304)	(\$3,337)	(\$3,370)	(\$3,420)	(\$3,572)	(\$3,678)	(\$3,917)	(\$4,140)

Please refer to Exhibit I for documentation of applicable assumptions.

ATTACHMENT D

Actuarial Reports issued in 2025 underlying the 10-year forecasted PBOP expense



American Electric Power

Non-UMWA Postretirement Health Care Plan

Actuarial Valuation Report
Benefit Cost for Fiscal Year Beginning
January 1, 2025 under US GAAP

Employer Contributions for Plan Year
Beginning January 1, 2025

June 2025

wtwco.com

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Purposes of valuation

American Electric Power Co. (the Company) engaged Willis Towers Watson US LLC (WTW) to value the Company's other postretirement benefit plan.

As requested by the Company, this report documents the results of an actuarial valuation of the American Electric Power Non-UMWA Postretirement Health Care Plan (the Plan) as of January 1, 2025.

The primary purpose of this valuation is to determine the Net Periodic Postretirement Benefit Cost/(Income) (Benefit Cost), in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715) for the fiscal year ending December 31, 2025. It is anticipated that a separate report will be prepared for year-end financial reporting purposes.

This report also contains information regarding the following:

1. Plan reporting information in accordance with FASB Accounting Standards Codification Topic 965 (ASC 965).
2. Expected contributions under the plan sponsor's funding policy for the 2025 plan year.
3. The estimated maximum tax-deductible contribution for the tax year in which the 2025 plan year ends as allowed by the Internal Revenue Code. The maximum tax-deductible contribution should be finalized in consultation with AEP's tax advisor.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. The expected contributions to the other postretirement benefits plan is to contribute an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). Note that any significant change in the amounts contributed or expected to be contributed in 2025 from what is disclosed at December 31, 2024 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.
2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent events in the Basis for valuation section below for more information.
3. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

4. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

Section 1 : Summary of key results

1.1 Benefit cost, plan assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2025	01/01/2024
Benefit Cost/ (Income)	Net Periodic Postretirement Benefit Cost/(Income)	(77,456,993)	(74,671,906)
	Benefit Cost/(Income) due to Special Events	0	3,473,991
	Total Benefit Cost/(Income)	(77,456,993)	(71,197,915)
Measurement Date		01/01/2025	01/01/2024
Plan Assets	Fair Value of Plan Assets (FVA)	1,718,037,644	1,638,591,631
Benefit Obligations	Accumulated Postretirement Benefit Obligation (APBO)	(585,561,353)	(785,012,341)
Funded Ratio	Fair Value of Plan Assets to APBO	293.4%	208.7%
Accumulated Other Comprehensive (Income)/Loss (Pre-tax)	Net Prior Service Cost/(Credit)	(14,827,164)	(27,548,802)
	Net Loss/(Gain)	(20,784,073)	198,274,182
	Total Accumulated Other Comprehensive (Income)/Loss (pre-tax)	(35,611,237)	170,725,380
Assumptions	Discount rate	5.60%	5.15%
	Expected Long-Term Rate of Return on Plan Assets	6.50%	6.75%
	Current Health Care Cost Trend Rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
	Ultimate Health Care Cost Trend Rate	4.50%	4.50%
	Year of Ultimate Trend Rate	2029	2029
Participant Data	Census Date	01/01/2025	01/01/2024

Employer Contributions (net of Medicare subsidy)		Plan Year 2025 (est)	Plan Year 2024
Cash Flow	Funding policy contributions	0	0
	Maximum tax deductible contributions	173,000,000	156,650,570
	Actual contributions	553,007 ¹	1,362,469 ²
	Expected benefit payments and expenses, net of participant contributions	61,043,624	58,315,444

¹ Includes \$567,328 expected to be paid directly for key retirees in 2025, offset by \$14,321 in Medicare Retiree Drug Subsidies.

² Includes \$1,562,873 paid directly for key retirees in 2024, offset by \$200,404 in Medicare Retiree Drug Subsidies.

1.2 Employer contributions

Employer contributions are the amounts paid by AEP to provide for postretirement benefits, net of participant contributions and Medicare Part D payments. Most participants receiving benefits are required to contribute toward the cost of the plan.

AEP's funding policy is to contribute an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). AEP maximizes its contribution to the 401(h) account and contributes the remainder to the various VEBAs. AEP may deviate from this policy, as permitted by its terms, based on cash, tax or other considerations

1.3 Comments on results

The actuarial gains/(losses) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year were \$187,686,287 and \$28,061,101 respectively.

Change in net periodic cost and funded position

The net periodic cost declined from \$(74,671,906) in fiscal 2024 to \$(77,456,993) in fiscal 2025.

All monetary amounts shown in US Dollars

	Net Periodic Benefit Cost
Prior year	(74.7)
Change due to:	
• Expected based on prior valuation and contributions during prior year	5.4
• Noninvestment experience different than assumed ¹	0.3
• Investment experience greater or less than assumed	(1.8)
• Assumption changes	
– Financial assumption changes	(12.8)
– Demographic assumption changes	5.9
• Plan amendments	0
• Settlements, curtailments, certain termination benefits	0.2
• Acquisitions	0
• Method changes	0
• Changes in estimation techniques	0
Current year	(77.5)

¹ Includes the impact of the Voluntary Separation Program in 2024 that resulted in the accelerated retirement of a number of active employees.

Significant reasons for these changes include the following:

- Per capita health care cost assumption was updated and decreased the postretirement welfare cost. Included in this change is the actual EGWP offset adjustments due to the Inflation Reduction Act, which offsets were greater than expected.

All monetary amounts shown in millions of U.S. Dollars

	2025	2024
Medical (Overall Average)		
Under age 65 ¹		
• HSA Basic	13,562	12,525
• HSA Plus	14,505	13,284
• HRA	16,664	15,447
Age 65 and older (before Part D offsets)		
• Medicare Select	4,261	4,228
• Medicare Standard	3,345	3,543
• CSP	2,458	2,476
Medicare Part D offsets		
• Medicare Advantage (EGWP)	(2,335)	(1,874)
• CSP (RDS)	(305)	(307)

See Appendix A for additional details on per capita claims costs assumptions including assumed claims costs adjusted for age-related morbidity adjustments.

- The discount rate increased 45 basis points compared to the prior year, which reduced the postretirement welfare cost.
- Actual asset returns during 2024 were greater than the assumed rate of 6.75% which decreased the postretirement welfare cost.
- The expected return on assets assumption was decreased by 25 basis points to 6.50% which increased the postretirement welfare cost.
- Demographic assumptions, including termination, retirement, participation, persistency, and spousal coverage assumptions were updated based on an experience study performed in 2024, which increased the postretirement welfare cost.
- An assumed life insurance administrative load of 5% of face value was included, which increased the postretirement welfare cost.
- Projected prescription drug cost trend rates were updated, which had negligible impact on the postretirement benefit cost.

¹ Pre-65 per capita claims costs shown above do not include the 5% adjustment for potential dependent children covered under the plan.

1.4 Basis for valuation

Appendix A summarizes the assumptions, methods and models used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent events, assumptions were selected based on information known as of the measurement date.

Subsequent events

None.

Additional information

None.

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Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information described below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied on information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is January 1, 2025. The benefit obligations were measured as of January 1, 2025 and are based on participant data as of the census date, January 1, 2025.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets and the general ledger account balances for the other postretirement benefit plan cost at December 31, 2024, which reflect the expected funded status of the plan before adjustment to reflect the funded status based on the year-end measurements, and differences between the expected Medicare Part D subsidies and amounts received during the year was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

Assumptions and methods under the Internal Revenue Code for contribution limit purposes

The actuarial assumptions and methods employed in the development of the contribution limits have been selected by the plan sponsor, with the concurrence of WTW. The Internal Revenue Code requires the use of reasonable assumptions (taking into account the experience of the plan and reasonable expectations) which, in combination, offer the actuary's best estimate of anticipated experience under the plan. We believe that the assumptions used in our valuation are reasonable and appropriate for the purposes for which they have been used.

Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the benefit cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. In addition, we believe that the combined effect of assumptions is expected to have no significant bias. See Appendix A for a description of each significant assumption used and our rationale for concluding that it does not significantly conflict with what would be reasonable. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we believe do not significantly conflict with what would be reasonable. Other actuarial assumptions could also be considered to not significantly conflict with what would be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2025 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements

presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated July 29, 2004 and any accompanying or referenced terms and conditions.

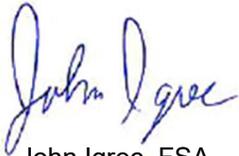
The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any party other than American Electric Power Co. relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the “Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States” relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.



Chad M. Greenwalt, FSA, EA
Director, Retirement – Valuation Actuary
June 11, 2025



John I grec, FSA
Senior Associate – Valuation Actuary
June 11, 2025



Abigail Lange, FSA, MAAA
Heath & Benefits Actuary
Pricing Specialist
June 11, 2025

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

Section 2 : Accounting exhibits

2.1 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Measurement Date	01/01/2025	01/01/2024
A Development of Balance Sheet Asset/(Liability)¹		
1 Accumulated postretirement benefit obligation (APBO)	(585,561,353)	(785,012,341)
2 Fair value of plan assets (FVA) ²	1,718,037,644	1,638,591,631
3 Net balance sheet asset/(liability)	1,132,476,291	853,579,290
B Current and Noncurrent Classification³		
1 Noncurrent asset	1,132,476,291	853,579,290
2 Current liability	0	0
3 Noncurrent liability	0	0
4 Net balance sheet asset/(liability)	1,132,476,291	853,579,290
C Accumulated Other Comprehensive (Income)/Loss		
1 Net prior service cost/(credit)	(14,827,164)	(27,548,802)
2 Net loss/(gain)	(20,784,073)	198,274,182
3 Accumulated other comprehensive (income)/loss ⁴	(35,611,237)	170,725,380
D Assumptions and Dates		
1 Discount rate	5.60%	5.15%
2 Current health care cost trend rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
3 Ultimate health care cost trend rate	4.50%	4.50%
4 Year of ultimate trend rate	2029	2029
5 Census date	01/01/2025	01/01/2024

¹ Whether any amounts in this table that differ from those disclosed at year-end must be disclosed in subsequent interim financial statements should be determined.

² Excludes receivable contributions.

³ The current liability (for each underfunded plan) was measured as the discounted value of benefits expected to be paid over the next 12 months in excess of the fair value of the plan's assets at the measurement date.

⁴ Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.2 Summary of net balances

All monetary amounts shown in US Dollars

A Summary of Prior Service Cost/(Credit) Bases

Measurement Date Established	Original Amount	Net Amount at 01/01/2025	Remaining Amortization Period	Amortization Amount in 2025	Effect of Curtailments	Other Events
12/31/2019	(7,509,373)	(4,041,443)	5.82684	693,586	0	0
12/31/2020	(11,724,863)	(6,904,175)	6.00000	1,150,697	0	0
12/31/2021	(5,489,273)	(3,881,546)	7.24292	535,909	0	0
Total		(14,827,164)		2,380,192	0	0

All monetary amounts shown in US Dollars

B Summary of Net Loss/(Gain) (see Appendix A for a description of amortization method)

Net Amount at 01/01/2025 ¹	Amortization Amount in 2025	Effect of Curtailments	Effect of Settlements	Other Events (Identify)
(20,784,073)	0	0	0	0

¹ Before any immediate recognition on the same date.

2.3 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2025	12/31/2024
A Total Benefit Cost		
1 Employer service cost	3,349,871	4,170,164
2 Interest cost	31,293,089	38,906,588
3 Expected return on plan assets	(109,719,761)	(108,337,887)
4 Subtotal	(75,076,801)	(65,261,135)
5 Net prior service cost/(credit) amortization	(2,380,192)	(12,721,638)
6 Net loss/(gain) amortization	0	3,310,867
7 Subtotal	(2,380,192)	(9,410,771)
8 Net periodic postretirement benefit cost/(income)	(77,456,993)	(74,671,906)
9 Curtailment (gain)/loss	0	0
10 Settlement (gain)/loss	0	0
11 Special/contractual termination benefits	0	3,473,991
12 Total benefit cost	(77,456,993)	(71,197,915)
B Assumptions (See Appendix A for interim measurements, if any)		
1 Discount rate	5.60%	5.15%
2 Expected long-term rate of return on plan assets	6.50%	6.75%
3 Current health care cost trend rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
4 Ultimate health care cost trend rate	4.50%	4.50%
5 Year of ultimate trend rate	2029	2029
6 Census date	01/01/2025	01/01/2024
C Fair Value of Assets at Beginning of Year	1,718,037,644	1,638,591,631
D Cash Flows Net of Medicare Part D Subsidy		
	Expected	Actual
1 Employer contributions	567,328	1,562,871
2 Plan participants' contributions	52,658,586	45,211,193
3 Benefits paid from Company assets	113,702,210	103,727,039
4 Expected Medicare retiree drug subsidy on current year benefit payments	(14,321)	(200,404)
E Amortization Period		
1 For gain/loss amortization, if applicable	10.30678	10.39456

2.4 Detailed results for postretirement welfare cost and funded position

All monetary amounts shown in U.S. Dollars

Detailed results		01/01/2025	01/01/2024
A Service Cost			
1	Medical	2,516,945	3,127,166
2	Life insurance	832,926	1,042,998
3	Dental	0	0
4	Total	3,349,871	4,170,164
B Accumulated Postretirement Benefit Obligation [APBO]			
1	Medical:		
a	Participants currently receiving benefits	190,275,119	357,039,931
b	Fully eligible active participants	12,552,676	29,842,032
c	Other participants	57,190,356	71,232,296
d	Total	260,018,151	458,114,259
2	Life insurance:		
a	Participants currently receiving benefits	289,544,369	278,385,321
b	Fully eligible active participants	9,466,202	16,495,092
c	Other participants	19,914,222	24,769,216
d	Total	318,924,793	319,649,629
3	Dental:		
a	Participants currently receiving benefits	6,501,838	7,096,943
b	Fully eligible active participants	116,571	151,510
c	Other participants	0	0
d	Total	6,618,409	7,248,453
4	All Benefits:		
a	Participants currently receiving benefits	486,321,326	642,522,195
b	Fully eligible active participants	22,135,449	46,488,634
c	Other participants	77,104,578	96,001,512
d	Total	585,561,353	785,012,341
C Assets			
1	Fair value [FV]	1,718,037,644	1,638,591,631
D Funded Position			
1	Overfunded (underfunded) APBO	1,132,476,291	853,579,290
2	APBO funded percentage	293.4%	208.7%
E Amounts in Accumulated Other Comprehensive Income			
1	Prior service cost (credit)	(14,827,164)	(27,548,802)
2	Net actuarial loss (gain)	(20,784,073)	198,274,182
3	Total	(35,611,237)	170,725,380

2.5 ASC 965 (plan reporting) information

All monetary amounts shown in U.S. Dollars

Summary of Present Value of Benefits		01/01/2025	01/01/2024
A Medical (ignoring Retiree Drug Subsidy)			
1	Current retirees	190,354,195	357,140,956
2	Active participants fully eligible for benefits	12,552,676	29,842,032
3	Other active participants	57,190,356	71,232,296
4	Total	260,097,227	458,215,284
B Life Insurance			
1	Current retirees	289,544,369	278,385,321
2	Active participants fully eligible for benefits	9,466,202	16,495,092
3	Other active participants	19,914,222	24,769,216
4	Total	318,924,793	319,649,629
C Dental			
1	Current retirees	6,501,838	7,096,943
2	Active participants fully eligible for benefits	116,571	151,510
3	Other active participants	0	0
4	Total	6,618,409	7,248,453
D Total (ignoring Retiree Drug Subsidy)			
1	Current retirees	486,400,402	642,623,220
2	Active participants fully eligible for benefits	22,135,449	46,488,634
3	Other active participants	77,104,578	96,001,512
4	Total	585,640,429	785,113,366
APBO Trend Sensitivities			
	Baseline APBO	585,640,429	785,113,366
	APBO with +1% Trend Sensitivity	586,436,109	788,666,232
	Impact:	795,680	3,552,866
	APBO with -1% Trend Sensitivity	587,053,089	782,983,717
	Impact:	1,412,660	(2,129,649)

Actuarial assumptions and methods

The key actuarial assumptions used for plan reporting calculations are the same as those used to determine the postretirement welfare cost and are shown in the Actuarial Assumptions and Methods section, except that the Retiree Drug Subsidy (RDS) associated with Medicare Part D is not reflected. For the prior valuation, a discount rate of 5.15% was used. The same plan provisions shown in Appendix B were used to determine the present value of accumulated benefits.

Reconciliation of Present Value of Benefits		Plan Year 2024	Plan Year 2023
A Medical (ignoring Retiree Drug Subsidy)			
1	Benefit obligation, beginning of year	458,215,284	492,441,576
2	Service cost	3,127,166	3,270,505
3	Interest cost	22,534,381	25,917,893
4	Participant contributions	36,314,066	35,113,254
5	Net actuarial (gain)/loss - experience	34,846	20,483,220
6	Net actuarial (gain)/loss - assumptions	(183,318,678)	(10,749,540)
7	Plan amendments	0	0
8	Gross benefits paid	(76,809,838)	(108,261,624)
9	Benefit obligation, end of year	260,097,227	458,215,284
B Life Insurance			
1	Benefit obligation, beginning of year	319,649,629	308,717,809
2	Service cost	1,042,998	1,028,005
3	Interest cost	16,003,659	16,498,743
4	Participant contributions	728,305	771,695
5	Net actuarial (gain)/loss - experience	(1,227,641)	(1,909,792)
6	Net actuarial (gain)/loss - assumptions	717,571	11,935,549
7	Plan amendments	0	0
8	Gross benefits paid	(17,989,728)	(17,392,380)
9	Benefit obligation, end of year	318,924,793	319,649,629
C Dental			
1	Benefit obligation, beginning of year	7,248,453	7,543,038
2	Service cost	0	0
3	Interest cost	373,295	414,867
4	Participant contributions	8,168,820	8,071,243
5	Net actuarial (gain)/loss - experience	(150,092)	(65,969)
6	Net actuarial (gain)/loss - assumptions	(94,594)	137,519
7	Plan amendments	0	0
8	Gross benefits paid	(8,927,473)	(8,852,245)
9	Benefit obligation, end of year	6,618,409	7,248,453
D Total (ignoring Retiree Drug Subsidy)			
1	Benefit obligation, beginning of year	785,113,366	808,702,423
2	Service cost	4,170,164	4,298,510
3	Interest cost	38,911,335	42,831,503
4	Participant contributions	45,211,191	43,956,192
5	Net actuarial (gain)/loss - experience	(1,342,887)	18,507,459
6	Net actuarial (gain)/loss - assumptions	(182,695,701)	1,323,528
7	Plan amendments ¹	0	0
8	Gross benefits paid	(103,727,039)	(134,506,249)
9	Benefit obligation, end of year	585,640,429	785,113,366

2.6 Basic results for employer contributions - VEBA's

All monetary amounts shown in U.S. Dollars

All Postretirement VEBA's	Estimated December 31, 2025	Actual December 31, 2024
A Qualified Asset Account Limits [QAAL]¹	299,000,000	304,666,233
B Assets		
1 Market value	1,547,000,000	1,482,631,660
2 Unrecognized investment losses (gains)	0	0
3 Actuarial value [AV]	1,547,000,000	1,482,631,660
C Funded Position		
1 Unfunded account limits [QAAL – FV]	(1,248,000,000)	(1,177,965,427)
D Employer Contributions		
1 Maximum deductible available ²	172,000,000	156,650,570
2 Qualified additions		
a Prior years' carryover	0	0
b Current year additions	0	0
c Total deductions available [a + b]	0	0
3 Other non-deductible current year additions	0	0
4 Total additions [2.c + 3]	0	0
a Life insurance VEBA	0	0
b Union medical and dental VEBA's	0	0
c Non-union medical and dental VEBA's	0	0

¹ Includes the present value of projected benefits for the union retiree medical VEBA.

² Includes amounts not contributed to trusts with capacity at year-end.

2.7 VEBA deduction limits

All monetary amounts shown in U.S. Dollars

Retiree Life Insurance		2024	2023
A Qualified Asset Account Limit (QAAL)			
1	December 31 actuarial accrued liability	225,473,594	209,884,508
2	Unrecognized liability	0	0
3	QAAL	225,473,594	209,884,508
B Assets			
1	Market value as of December 31	68,823,024	74,717,816
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	68,823,024	74,717,816
C Funded position			
1	Unfunded account limit [QAAL - AV]	156,650,570	135,166,692
2	Contributions received in trust, but not yet deducted		
	Through 2013	0	0
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	0	0
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	2024	0	0
	Total	0	0
D Employer deductions for contributions to VEBAs			
1	Maximum deduction available ¹ [C.1 + Total of C.2]	156,650,570	135,166,692
2	Qualified additions		
a	Prior years' carryover	0	0
b	Current year additions	0	0
c	Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

¹ Includes amounts not contributed.

All monetary amounts shown in U.S. Dollars

Union Medical and Dental		2024	2023
A Qualified Asset Account Limit (QAAL)			
1	December 31 present value of projected benefits	58,189,080	96,519,526
2	Unrecognized liability	0	0
3	QAAL	58,189,080	96,519,526
B Assets			
1	Market value as of December 31	515,271,590	505,377,909
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	515,271,590	505,377,909
C Funded position			
1	Unfunded account limit [QAAL - AV]	(457,082,510)	(408,858,383)
2	Contributions received in trust, but not yet deducted		
	Through 2013	0	0
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	0	0
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	2024	0	0
	Total	0	0
D Employer deductions for contributions to VEBAs			
1	Maximum deduction available ¹ [greater of C.1+C.2 and 0]	0	0
2	Qualified additions		
	a Prior years' carryover	0	0
	b Current year additions	0	0
	c Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

¹ Includes amounts not contributed.

All monetary amounts shown in U.S. Dollars

Non-Union Retiree Medical and Dental		2024	2023
A Qualified Asset Account Limit (QAAL)			
1	December 31 actuarial accrued liability	21,003,559	31,485,374
2	Unrecognized liability	0	0
3	QAAL	21,003,559	31,485,374
B Assets			
1	Market value as of December 31	898,537,046	791,062,314
2	Unrecognized investment losses (gains)	0	0
3	Actuarial value [AV]	898,537,046	791,062,314
C Funded position			
1	Unfunded account limit [QAAL - AV]	(877,533,487)	(759,576,940)
2	Contributions received in trust, but not yet deducted		
	Through 2013	285,901,694	285,901,694
	2014	0	0
	2015	0	0
	2016	0	0
	2017	0	0
	2018	10,082,000	10,082,000
	2019	0	0
	2020	0	0
	2021	0	0
	2022	0	0
	2023	0	0
	2024	0	0
	Total	295,983,694	295,983,694
D Employer deductions for contributions to VEBAs			
1	Maximum deduction available ¹ [greater of C.1+C.2 and 0]	0	0
2	Qualified additions		
	a Prior years' carryover	0	0
	b Current year additions	0	0
	c Total deductions available [a + b]	0	0
3	Other non-deductible current year additions	0	0
4	Total additions [2.c + 3]	0	0

¹ Includes amounts not contributed.

2.8 Cumulative nondeductible contributions

All monetary amounts shown in U.S. Dollars

Non-Union Retiree Medical and Dental VEBAs			
	Contributions Made by December 31, 2024, but Not Deducted as of December 31, 2023	Deductible in 2024	Remaining Nondeductible Contributions as of December 31, 2024
Through 2008	\$0	\$0	\$0
2009	105,440,603	0	105,440,603
2010	73,467,453	0	73,467,453
2011	38,701,148	0	38,701,148
2012	68,292,490	0	68,292,490
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	10,082,000	0	10,082,000
2019	0	0	0
2020-24	0	0	0
Total	\$295,983,694	\$0	\$295,983,694

Retiree Life Insurance VEBAs			
	Contributions Made by December 31, 2024, but Not Deducted as of December 31, 2023	Deductible in 2024	Remaining Nondeductible Contributions as of December 31, 2024
Through 2008	\$0	\$0	\$0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020-24	0	0	0
Total	\$0	\$0	\$0

2.9 Development of maximum deductible contribution – 401(h)

All monetary amounts shown in U.S. Dollars

Plan Year Beginning		January 1, 2025		
A Development of Maximum Deductible Contribution				
1	Present value of projected benefits			191,219,585
2	Fair value of assets			235,405,985
3	Unfunded (surplus) [A.1 – A.2]			(44,186,400)
4	Average present value of future service			7
5	Preliminary maximum deductible contribution			
a	10% of unfunded surplus [10% x A.3]			0
b	Aggregate normal cost [A.3 / A.4]			0
c	Greater of A.5.a, A.5.b and 0			0
6	Preliminary maximum contribution [(1 + val interest rate) x A.5.c]			0
7	Subordination test (development shown below)			145,371,303
8	Maximum deductible contribution ignoring expenses [lesser of A.6 and A.7]			0
9	Total trust expenses paid from 401(h) account			359,406
10	Maximum deductible contribution including expenses [A.8 + A.9]			359,406
B Subordination Test				
Year-by-year minimum of actual pension plan contribution and pension plan normal cost with interest				
	Year	West Plan	East Plan	Combined Plan
	1992	9,766,169	N/A	N/A
	1993	22,392,743	N/A	N/A
	1994	21,208,326	N/A	N/A
	1995	21,683,436	N/A	N/A
	1996	20,271,648	N/A	N/A
	1997 - 2002	0	N/A	N/A
	2003	19,197,145	39,165,054 ¹	N/A
	2004	18,614,338	56,614,811	N/A
	2005	16,222,550	55,872,817	N/A
	2006 - 2007	0	0	N/A
	2008	0	0	0
	2009	N/A	N/A	100,540,448
	2010	N/A	N/A	125,586,018
	2011	N/A	N/A	62,751,522
	2012	N/A	N/A	0
	2013	N/A	N/A	65,249,050
	2014	N/A	N/A	0
	2015	N/A	N/A	81,674,776
	2016	N/A	N/A	84,696,307
	2017	N/A	N/A	93,590,761
	2018	N/A	N/A	0
	2019	N/A	N/A	99,347,283
	2020 - 2024	N/A	N/A	0
	Cumulative pension contributions not for past service	149,356,355	151,652,682	1,014,445,203
		x 1/3	x 1/3	x 1/3
		49,785,452	50,550,894	338,148,401
	Cumulative 401(h) contributions before plan year 2024	49,785,452	50,550,894	192,777,098
	Subordination limit	0	0	145,371,303

¹ Includes only portion of normal cost and contributions after 401(h) account adoption for indicated year

2.10 Expected benefit disbursements, administrative expenses, and participant contributions

All monetary amounts shown in U.S. Dollars

	January 1, 2025	January 1, 2024
A Medical and Dental without RDS		
1 Gross disbursements	91,256,085	92,424,658
2 Participant contributions	(51,998,647)	(44,256,657)
3 Net disbursements	39,257,438	48,168,001
B Life Insurance		
1 Gross disbursements	22,460,446	20,865,028
2 Participant contributions	(659,939)	(728,305)
3 Net disbursements	21,800,507	20,136,723
C Gross without RDS		
1 Gross disbursements	113,716,531	113,289,686
2 Participant contributions	(52,658,586)	(44,984,962)
3 Net disbursements	61,057,945	68,304,724
D RDS¹		
1 Gross disbursements	(14,321)	(17,914)
2 Participant contributions	0	0
3 Net disbursements	(14,321)	(17,914)
E Net with RDS		
1 Gross disbursements	113,702,210	113,271,772
2 Participant contributions	(52,658,586)	(44,984,962)
3 Net disbursements	61,043,624	68,286,810

¹ 2023-2024 RDS payments expected to be received in 2025-2026.

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Section 3 : Participant data

3.1 Summary of participant data

All monetary amounts shown in US Dollars

Census Date	01/01/2025	01/01/2024
A Participating Employees		
1 Number		
a Fully eligible	898	1,530
b Other	5,651	6,509
c Total participating employees	6,549	8,039
2 Average age	51.95	52.66
3 Average credited service	22.94	23.76
B Retirees, Surviving Spouses and Surviving Dependents		
1 Retirees		
a Number	15,536	14,782
b Average age	73.25	73.38
c Number of spouses	7,851	7,690
2 Surviving spouses and surviving dependents		
a Number	2,905	2,977
b Average age	80.86	80.61
3 Total retirees, surviving spouses and surviving dependents		
a Number	18,441	17,759
b Average age	74.45	74.59
c Number of spouses	7,851	7,690
d Distribution at January 1, 2025		
Age	Number	
Under 55	61	
55-59	415	
60-64	2,058	
65-69	3,824	
70-74	3,628	
75-79	3,660	
80-84	2,418	
85 and over	2,377	

3.2 Age and service distribution of active participants

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service ¹									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	0	0	0	0	0	0	0	0	0	0
25-29	0	0	1	0	0	0	0	0	0	1
30-34	0	0	90	7	0	0	0	0	0	97
35-39	0	0	291	264	8	0	0	0	0	563
40-44	0	0	239	568	168	5	0	0	0	980
45-49	0	0	176	498	327	113	6	0	0	1,120
50-54	0	0	145	380	291	252	102	2	0	1,172
55-59	0	0	89	268	190	178	303	186	10	1,224
60-64	0	0	49	138	122	128	118	258	226	1,039
65-69	0	0	15	32	35	17	36	38	124	297
70 & over	0	0	9	4	5	1	4	5	28	56
Total	0	0	1,104	2,159	1,146	694	569	489	388	6,549
Average:	Age	52	Number of							
	Service	23	Fully eligible		898	Males	5,392			
Census data as of January 1, 2025			Other		5,651	Females	1,157			

¹ Ages and service totals for purposes of determining category are based on exact (not rounded) values.

Appendix A: Statement of actuarial assumptions, methods and data sources

Actuarial Assumptions and Methods – Postretirement Welfare Cost and Funding/Tax Deductions Based on Plan Year beginning January 1, 2025

Economic Assumptions

	Postretirement Welfare Cost	Plan Reporting	Employer Contributions
Discount rate¹	5.60%	5.60%	N/A
Rates of return on assets, pre-tax: ¹			
• 401(h) accounts	N/A	N/A	5.75%
• Life insurance	N/A	N/A	8.25%
• Union medical/dental	N/A	N/A	7.00%
• Non-union medical/dental	N/A	N/A	6.25%
• Aggregate	6.50%	N/A	N/A
Annual rates of compensation increases	N/A		
Medical cost trend rate		Medical	Prescription Drug
	2025	6.50%	9.50%
	2026	6.00%	8.25%
	2027	5.50%	7.00%
	2028	5.00%	5.75%
	2029+	4.50%	4.50%
Dental cost trend rate²	All years	3.00%	
Medicare covered charges trend rate	Same as medical cost trend		
Retiree contribution trend rate	Same as medical cost trend. For capped retirees, future retiree contributions are developed based on expected gross costs compared to the applicable cap.		

¹ Only discount rate and asset return assumptions vary between the reporting standards. All other assumptions are consistent throughout.

Participation Assumptions

Inclusion Date	The valuation date coincident with or next following the date on which the employee is hired.	
New or rehired employees	It was assumed there will be no new or rehired employees.	
	Current Retirees	Future Retirees
Participation	Based on valuation census data.	80% in 2025 with the rate decreasing by 2% annually to an ultimate rate of 60% in 2035.
Persistency	Capped retirees will drop coverage at a rate of 4% annually; Non-capped retirees will drop coverage at a rate of 0.85% annually	Same as current retirees
Percentage of retiree with spousal coverage	Based on valuation census data.	75% for males, 45% for females.
Spouse age	Based on valuation census data.	Wife three years younger than husband.

Demographic Assumptions

Mortality	Base mortality rates are derived from the Pri-2012 headcount weighted mortality table without collar adjustments. Mortality improvements are projected forward on a generational basis using Scale MP-2021.
Disabled mortality (through age 65)	Rates vary by age and sex. Representative rates:

Age	Males	Females
30	1.05%	0.54%
40	1.52	1.00
50	2.23	1.51
60	2.62	1.96

Disability

Rates apply to employees not eligible to retire and vary by age and sex.

Representative rates:

Percentage becoming disabled during the year		
Age	Males	Females
20	0.060%	0.090%
30	0.060	0.090
40	0.074	0.110
50	0.178	0.270
60	0.690	1.035

**Termination
(not due to disability
or retirement)**

Rates apply to employees not eligible to retire and vary by age.

Representative rates:

Percentage leaving during the year	
Attained vested service	Rate
< 5	7.00%
5 – 9	5.50%
10 – 14	4.00%
15 – 19	3.00%
20 +	2.00%

Retirement

Rates vary by age.

Representative rates:

Percentage retiring during the year	
Age	Rate
55 – 59	5.00%
60 – 61	10.00%
62	16.00%
63 – 64	20.00%
65 – 67	30.00%
68 – 69	25.00%
70+	100.00%

2025 Per Capita Claims Costs (shown in U.S. dollars)

Medical

- Prior to age 65¹

Age	HSA Basic	HSA Plus	HRA
<= 29	4,777	5,109	5,870
30 – 34	5,844	6,251	7,181
35 – 39	6,180	6,610	7,594
40 – 44	6,759	7,229	8,306
45 – 49	7,800	8,342	9,584
50 – 54	9,577	10,243	11,786
55 – 59	11,500	12,299	14,130
60 – 64	14,231	15,220	17,486
Average	13,562	14,505	16,664

- Age 65 and after

Age	Medicare Select	Medicare Standard	CSP
65 – 69	4,022	3,146	2,132
70 – 74	4,370	3,419	2,360
75 – 79	4,511	3,529	2,540
80 – 84	4,467	3,495	2,617
85 – 89	4,168	3,261	2,612
90 – 94	3,601	2,817	2,447
≥ 95	2,893	2,264	2,290
Average	4,261	3,345	2,458

- Medicare Part D - RDS

Age	Medicare Advantage	CSP
65 – 69	N/A	(333)
70 – 74	N/A	(362)
75 – 79	N/A	(374)
80 – 84	N/A	(370)
85 – 89	N/A	(346)
90 – 94	N/A	(299)
≥ 95	N/A	(240)
Average	N/A	(305)

¹ Pre-65 per capita claims costs do not include the 5% adjustment for potential dependent children covered under the plan.

- Medicare Part D - Employer Group Waiver Plan (EGWP) for Medicare Advantage plans¹

Age	CMS Direct Payments & Catastrophic Reinsurance	Manufacturer Discount Program
65 – 69	(1,500)	(700)
70 – 74	(1,630)	(761)
75 – 79	(1,683)	(786)
80 – 84	(1,667)	(778)
85 – 89	(1,555)	(726)
90 – 94	(1,343)	(627)
≥ 95	(1,079)	(504)
Average	(1,592)	(743)

Dental

472

Administrative expenses

Medical: Included in claims costs shown above.

Life Insurance: An assumed admin load of 5% of face value was included.

¹ EGWP CMS Direct Payments and Catastrophic Reinsurance payments include a \$15 PMPM Demonstration Program subsidy that is expected to apply for 2025-2027.

Additional Assumptions

Timing of benefit payments

Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.

Methods

Census date

January 1, 2025

Measurement date

January 1, 2025

Service cost and APBO

Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.

Market-related value of assets

The fair value of assets on the measurement date.

Amortization of unamortized amounts:

- Prior service cost (credit)

Increase in APBO resulting from a plan amendment is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan. Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until such time as it is fully amortized. The annual amortization payment is determined in the first year as the increase in APBO due to the plan change divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the Plan. Reductions in APBO first reduce any unrecognized prior service cost; any remaining amount is amortized on a straight-line basis as described above.

- Net loss (gain) Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year.

Net loss (gain) in excess of 10% of the greater of APBO or the market-related value of assets is amortized on a straight-line basis over the average expected remaining service of active participants expected to benefit under the plan.

ASC 965 (formerly SOP 92-6)

- Present value of benefits Present value of benefits is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected full eligibility date is counted in allocating costs.
- Funding policy AEP's funding policy is to contribute an amount equal to the postretirement welfare cost plus retiree drug subsidy payments received (the sum of which can be no less than zero). AEP maximizes its contribution to the 401(h) account and contributes the remainder to the VEBA's.
- Benefits Not Valued All benefits described in the Plan Provisions section of this report were valued. Life insurance benefits in excess of \$50,000, RDS offsets and health care benefits for key employees were not included in determining the maximum deductible contribution. WTW has reviewed the plan provisions with AEP and based on that review is not aware of any significant benefits required to be valued that were not included.
- Change in Assumptions and Methods Since Prior Valuation
 - Per capita claims costs were updated to reflect 2023 retiree claims experience and updated EGWP subsidies.
 - Discount rate was changed from 5.15% to 5.60%.
 - The expected return on assets assumption was decreased by 25 basis points to 6.50%.
 - Projected prescription drug cost trend rates were updated.
 - Demographic assumptions, including termination, retirement, participation, and persistency assumptions were updated based on an experience study performed in 2024.
 - An assumed life insurance administrative load of 5% of face value was included.

Sources of Data and Other Information

American Electric Power (AEP), through BusinessSolver, its third-party administrator, furnished active and inactive participant data as of January 1, 2025. AEP also provided the accrued postretirement benefit costs and assets information as of December 31, 2024. Health plan vendors furnished the claims cost data. AEP supplied 2023 prescription drug rebates and EGWP payments. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data were adjusted to reflect any significant events that occurred between the date the data were collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions – Funding and Accounting

Discount rate	As required by U.S. GAAP, the discount rate was chosen by the plan sponsor based on market information on the measurement date. We believe the discount rate chosen does not significantly conflict with what would be reasonable.
Interest rate (funding)	The interest rate is the expected rate of return on plan assets and represents an estimate of future experience for trust asset returns, reflecting the plan's current asset allocation, and current and expected future market conditions. We believe the interest rates chosen does not significantly conflict with what would be reasonable.
Expected long-term return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions. Therefore, we believe the expected return on plan assets chosen does not significantly conflict with what would be reasonable.
Rates of increase in:	
<ul style="list-style-type: none"> Plan administrative expenses 	Administrative expenses are included in per capita claims costs and thus the medical plan trend rate is applied to these expenses. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> Claims cost trend rates 	<p>Assumed increases were chosen by the plan sponsor and as required by U.S. GAAP, they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates and reflecting the expected near-term effect of recently enacted plan changes. In setting near term trend rates, other pertinent statistics were considered, including surveys on general medical cost increases. In setting the ultimate trend rate, considerations included assumed GDP growth consistent with the assumed future economic conditions inherent in other economic assumptions chosen by the client at the measurement date.</p> <p>After examining historical variability in trend rates, we believe that the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used, other than the discount rate.</p>

For the medical VEBA funding limit of the non-bargained group, no future increases in medical or dental costs have been assumed, in accordance with U.S. tax law. We believe this assumption does not significantly conflict with what would be reasonable.

Participant contribution trend rates

In accordance with the substantive plan communicated to participants, participant contributions for non-capped participants are intended to remain a fixed percentage of total plan costs, and thus the trend rates, and the description of the derivation of the trend rates, are the same as for claims costs as shown above. We believe this assumption does not significantly conflict with what would be reasonable.

Basis for Per Capita Claims Cost Assumptions

- Pre-65 retiree medical rates

AEP supplied data on retiree medical and prescription drug claims incurred in 2023 and paid through March 2024. AEP reported prescription drug rebates they received for 2023. Claim experience rates were calculated for medical plans by normalizing claims experience for benefit differences and combining, then dividing combined incurred claims, net of prescription rebates by covered lives and trending forward two years to 2025. Adjustments for carrier and minor plan design changes were also made. Finally, administrative expense rates were added to claims cost rates. Claims cost models were developed by age-grading these claims rates over standard WTW morbidity curves for both medical and prescription drugs to develop the quinquennial claims cost models.

- Post-65 retiree medical rates

2025 monthly claim rates were calculated separately for the Medicare Advantage options and CSP Medicare-eligible plans by dividing 2023 incurred claims (Rx only, except for CSP) paid through March 2024 by covered lives and trending forward two years to 2025. Prescription drug claim rates were then multiplied by pricing change factors representing the effect of any pricing and other program changes for 2024 and 2025.

Next, 2025 premium rates for new Medicare Advantage (MA) plans were added. There is a guarantee premium of \$0 through 2028, and additional premium credits through Aetna further support an assumption of a \$0 premium rate for Medicare Advantage plans holding indefinitely.

Finally, administrative expense rates were added to Rx and CSP claims cost rates. Claims cost models were developed separately for medical and prescription drug by age-grading these rates over standard WTW morbidity curves for medical and prescription drugs to develop quinquennial age-banded claims cost models. We believe this assumption does not significantly conflict with what is reasonable.

- Dental rates

Aetna supplied data on dental claims incurred in 2023 and paid through March 2024. Claims experience for retirees was analyzed to derive the 2025 dental claim rates. The single coverage rate was trended to 2025 and administrative costs were added to derive the per capita claims cost assumption. We believe this assumption does not significantly conflict with what would be reasonable.

Medicare Part D offsets

- RDS

We calibrated our modelling tool to reflect the 2025 cost of the current prescription drug plans for AEP’s CSP retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of many large companies, reflecting 0.9 million Medicare-eligible members’ experience from 2020.

After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2025 at 7.00% per year. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:

- *Gross Value Test* – The Modeler calculates the value of standard Medicare Part D coverage and compares it to AEP’s plan costs. AEP’s plans passed this test by being richer than the projected value of standard Medicare part D coverage for these groups.
- *Net Value Test* – The net value prong of the test compares the value of Standard Part D coverage in 2025 minus the greater of \$441.36 per year (the national average Part D premium) and 25.5% of the gross value of Part D to the projected 2025 value of AEP coverage minus the average projected 2025 retiree contribution rate. For this purpose, retiree contributions were assumed to apply pro rata between the value of medical benefits and prescription drug benefits.

The tool calculates the average expected value of the employer subsidy in 2025, using the continuance table calibrated to AEP’s CSP plan costs. This produced an expected 2025 per person employer subsidy of \$305 for CSP, which was then converted to rates that varied by participant age band using WTW’s prescription drug morbidity factors. We believe this assumption does not significantly conflict with what is reasonable.

- EGWP

Estimated plan cost offsets associated with the EGWP arrangement were calculated using WTW’s IRAD modeler. These projections incorporated national average bid results for 2025 Part D plans. These amounts were converted to rates varying by quinquennial age band using WTW’s standard prescription drug morbidity factors. We believe this assumption does not significantly conflict with what is reasonable.

Assumptions Rationale - Significant Demographic Assumptions

Healthy mortality

Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.

Disabled mortality

Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.

Termination

Termination rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by termination patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.

Disability	Disability rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by disability patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Retirement	Retirement rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Persistency	Persistency rates are based on a recent demographic study and plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by persistency patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.
Participation	
<ul style="list-style-type: none"> • Participants/spouses 	The assumed coverage rates for participants and spouses reflect historical experience as well as anticipated future reductions in rates due to expected rates of increase in participant contributions and availability of coverage through public exchanges. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> • Covered dependents 	The assumed dependent coverage is based on the dependent coverage observed among recent retirees and general population statistics on the marital status of individuals of retirement age. We believe this assumption does not significantly conflict with what would be reasonable.
<ul style="list-style-type: none"> • Covered spouse age 	The assumed age difference for spouses is based on the age difference observed among recent retirees and general population statistics of the age difference for married individuals of retirement age. We believe this assumption does not significantly conflict with what would be reasonable.

Source of Prescribed Methods

Funding methods	The methods used for determining maximum deductible contributions to the 401(h) account and VEBA are chosen from acceptable methods prescribed by law.
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Model Descriptions and Disclosure in Accordance with ASOP No. 56

Quantify	<p>Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.</p> <p>Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.</p> <p>Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.</p>
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Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

BOND:Link

U.S. BOND:Link is a methodology to assist with the selection of discount rates used in liability and cost measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high-quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio.

Updated BOND:Link models are developed monthly as of the last day of the month. The construction of a BOND:Link model relies on bond data collected as of the measurement date. Parameters provide the user the ability to control aspects of the model. The model output allows the user to see the effects of those parameters.

Published demographic tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

AgeDist

AgeDist is a spreadsheet tool that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The average per capita costs and census weights are provided as inputs to the tool which is then combined with a morbidity curve to produce a set of weighted average age-related costs that equal the average. The age-graded costs are used in the actuarial valuation.

The morbidity curve was developed from a broad set of claims data aggregated by age and blended and does not reflect a client's specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency.

The models used for this analysis are designed specifically for these purposes, and we know of no material limitations that would prevent the models from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The

calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the models used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

Pricing and Underwriting Tool (PUT)

The Pricing and Underwriting Tool (PUT) develops projected premium equivalent rates, employee contributions, and COBRA rates for self-insured employer health plans (medical, prescription drugs, dental, and vision). The tool develops rates by plan or in aggregate leveraging historic claims, enrollment, plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality, and multiple methods of estimating incurred claims amounts from paid claims data.

The models used for this analysis are designed specifically to support pricing and underwriting analysis for our clients' medical, prescription drug and dental plans and we know of no material limitations that would prevent the models from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The models itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculations and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the models used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

The individuals signing or delivering this report have relied on other WTW employees and actuaries who develop, test and maintain each of the proprietary models used for this analysis and have also performed a limited review of assumptions and results to ensure that the models have been set up appropriately and coded correctly. We have not relied on any external experts to develop, review, or validate the models used in this analysis.

IRAD Modeler

WTW's proprietary IRAD modeler utilizes a prescription drug claim probability distribution based on over one million Medicare-eligible retiree lives. Said distribution is used to calculate estimated third-party payments to EGWPs based on WTW's interpretation of the Inflation Reduction Act and the associated redesign of the Medicare Part D Defined Standard Benefit.

Appendix B : Summary of principal other postretirement benefit plan provisions

Health Care Benefits

- Eligibility** Participants are eligible upon retirement after age 55 with ten years of service or upon attaining age 55 with ten years of service after becoming permanently disabled. If involuntary termination, then eligible after age 50 with ten years of service.
- Employees hired on or after January 1, 2014 are not eligible to participate in the plan.
- Surviving spouse** After the death of a retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage. Surviving children are also eligible, subject to the limiting age provision outlined above.
- Dependent** Eligible dependents are spouse, unmarried children under age 19 (age 25 if a full-time student) and unmarried disabled children of any age.
- Benefits – Post-65** The AEP Post-65 Medical Plan provides broad medical coverage through two Medicare Advantage plans with \$2,000 annual out-of-pocket maximums. Key differences between the two options offered to retirees are:

	Medicare Select	Medicare Standard
Deductible	\$0	\$200
Coinsurance	5%	20%
In-patient copay	\$250 per stay	\$200 per day (1-5)

Prescription drug benefits are provided under a separate design with the following copayments:

	Generic	Brand Name Formulary	Brand Name Nonformulary
30-day retail	\$10 copay	20% \$20 minimum \$100 maximum	35% \$35 minimum \$200 maximum
90-day retail	\$20 copay	20% \$50 minimum \$200 maximum	35% \$90 minimum \$300 maximum

Prescription drug benefits are also subject to a \$50 deductible and a \$1,000 out-of-pocket maximum per person.

Deductibles and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.

Benefits – Pre-65

Pre-65 retirees can elect coverage under the following plan options:

	HRA	HSA Plus	HSA Basic
Embedded Individual Amounts	None	Out-of-Pocket Maximum only	Deductible & Out-of-Pocket Maximum
Deductible			
• Individual	\$1,500	\$2,000	\$3,300
• Two Person	\$2,250	\$3,300	\$6,000
• Family	\$3,000	\$4,000	\$9,000
AEP Account Seed			
• Single	\$1,000	\$0	\$0
• Two Person	\$1,500	\$0	\$0
• Family	\$2,000	\$0	\$0
Coinsurance	85%	85%	90%
Out-of-Pocket Maximum			
• Individual	\$4,000	\$4,000	\$4,000
• Two Person	\$6,000	\$6,000	\$8,000
• Family	\$8,000	\$8,000	\$12,000

Deductibles, account seeds and out-of-pocket maximums are assumed to increase over time at approximately the same rate as benefit costs.

Retiree contributions

Participant contributions are determined as a percentage of plan costs and vary by points (age at retirement plus service) as follows:

<i>Points</i>	<i>Retiree Cost</i>
65-69	46%
70-74	42
75-79	36
80-84	32
85-89	26
90-94	22
95+	20
Grandfathered	20

Spousal coverage requires contribution rates 5% higher than the retiree rates shown in the table above. These percentages do not apply to surviving spouses who pay 50% for pre-65 coverage and 25% for post-65 coverage.

For participants retiring on or after January 1, 2013, AEP's subsidy is capped at \$11,500 and \$3,800 times employer cost sharing percentage for pre-65 and post-65 participants, respectively.

For East participants who retired prior to January 1, 1989, and West participants who retired prior to January 1, 1993, no contributions are required.

For East participants who retired on or after January 1, 1989, and West participants who retired on or after January 1, 1993, the 20% "Grandfathered" contributions are in effect if they retired by

December 31, 2000, or attained age 50 and had ten or more years of service with the company on that date. The percentages described above are applied to plan costs that differ from the per capita claims costs assumed in the valuation as follows:

The Medicare status of dependents is not used to determine whether “pre-65” or “post-65” rates apply. The pre-65 plan rates used to calculate participant contributions are a blend of pre-65 retiree costs and active employee costs for those participants retired prior to January 1, 2013, only.

For purposes of determining retiree contribution rates, AEP excludes the value of the government’s monthly direct payment amount and its catastrophic reinsurance payments from offsetting the plan cost to which the contribution percentages are applied. Notwithstanding, AEP’s cost are assumed to never drop below zero.

Disabled employee contributions

Disabled employees are offered coverage for the same rates as active employees while an employee remains disabled and is receiving LTD benefits.

If an employee retires while disabled and became disabled before January 1, 2001, a waiver of premium provision continues for life as long as the retirement commenced on or before September 1, 2013. If an employee retires while disabled and became disabled after January 1, 2001, the employee will be subject to the same contribution schedule as normal retirees, based on age and service points earned prior to LTD commencement.

Those participants retiring after January 1, 2013, pay a percentage of true pre-65 retiree costs.

Life Insurance Benefits

- Eligibility** Employees hired after January 1, 2011 are not eligible for a postretirement life insurance benefit.
- Grandfathered participants** Participants over age 50 with ten years of service as of December 31, 2000.
- Death benefit amount** Participants who had not turned 50 with 10 years of service as of December 31, 2010 are eligible for a non-contributory \$30,000 death benefit.
- Grandfathered benefits** Grandfathered participants have the option of keeping current coverage. Active employee coverage for grandfathered East participants is one times final base pay at no cost with the option to buy up to two times base pay. The entire amount of coverage (basic plus supplemental) in force prior to retirement can be carried into retirement subject to reduction beginning at age 66. Current coverage for grandfathered West participants is one and one-half times final base pay prior to age 60, one times final base pay from age 60 to 64 and one-half times final base pay after age 65. In 2001, employees who had turned 50 with 10 years of service had the option to elect a non-contributory benefit at 50% of pay.

Life Insurance Benefit Reduction Table for Grandfathered East Participants

<i>Years of Coverage</i>	<i>Age 66</i>	<i>Age 67</i>	<i>Age 68</i>	<i>Age 69</i>	<i>Age 70 or Over</i>
10 – 11	65%	55%	45%	35%	25%
11 – 12	70	60	50	40	30
12 – 13	75	65	55	45	35
13 – 14	80	70	60	50	40
14 – 15	85	75	65	55	45
15 or more	90	80	70	60	50

Grandfathered contributions

Grandfathered East retirees must contribute \$0.60/\$1,000 of coverage (basic + supplemental) per month. West retirees are not required to contribute to the cost of coverage.

Dental Benefits

Eligibility

Participants, including retirees and surviving dependents, are eligible upon retirement after age 55 with ten years of service. There is a one-time election and if coverage terminates there is no opportunity to reenroll.

Benefits

The AEP Dental Plan provides dental coverage with a deductible of \$50 single/\$150 family, 100% coinsurance for preventive care, 80% coinsurance for basic restorative care, 50% coinsurance for major restorative care and 50% coinsurance for orthodontia (for children under age 19). The plan has an annual maximum benefit of \$1,750 per person.

Most retirees pay the full cost of dental coverage if they enroll. CSW employees who retired before January 1, 1993, contribute nothing to enroll for dental coverage. Former CSW employees retiring after January 1, 1993, who were either retired or had attained age 50 with ten years of service as of January 1, 2001, pay 40% (45% for spouses) of the full plan cost.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Overview of Benefits Provided by Funding Vehicles

Funding Vehicle	Provides for
Non-union postretirement medical/dental VEBAs	9.5% of retiree medical benefits and 100% of dental benefits to non-union retirees.
Union postretirement medical/dental VEBAs	100% of medical/dental benefits to union retirees.
Postretirement life insurance VEBA	Life insurance benefits for all retirees.
401(h) account	90.5% of retiree medical benefits for non-union retirees.

Appendix C : Results by business unit

SUMMARY OF PLAN PARTICIPANTS FOR THE 2025 VALUATION

Location	Nonretired Participants		Retired Participants				Total
	Active	Total	Retiree	Dependent Spouse	Surviving Spouse	Disabled	
140 Appalachian Power Co. - Distribution	397	397	1,119	631	255	39	2,044
215 Appalachian Power Co. - Generation	351	351	967	551	189	24	1,731
150 Appalachian Power Co. - Transmission	2	2	109	67	25	2	203
Appalachian Power Co. - FERC	750	750	2,195	1,249	469	65	3,978
225 Cedar Coal Co	0	0	1	0	4	0	5
Appalachian Power Co. - SEC	750	750	2,196	1,249	473	65	3,983
211 AEP Texas Central Company - Distribution	470	470	834	392	213	14	1,453
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	71	71	74	37	25	3	139
AEP Texas Central Co.	541	541	908	429	238	17	1,592
119 AEP Texas North Company - Distribution	99	99	263	130	55	6	454
166 AEP Texas North Company - Generation	0	0	57	19	31	0	107
192 AEP Texas North Company - Transmission	33	33	38	17	9	0	64
AEP Texas North Co.	132	132	358	166	95	6	625
AEP Texas	673	673	1,266	595	333	23	2,217
170 Indiana Michigan Power Co. - Distribution	211	211	606	281	152	5	1,044
132 Indiana Michigan Power Co. - Generation	69	69	372	223	70	4	669
190 Indiana Michigan Power Co. - Nuclear	499	499	650	372	95	4	1,121
120 Indiana Michigan Power Co. - Transmission	43	43	135	82	25	2	244
280 Ind Mich River Transp Lakin	57	57	137	51	32	11	231
Indiana Michigan Power Co. - SEC	879	879	1,900	1,009	374	26	3,309
110 Kentucky Power Co. - Distribution	85	85	235	115	39	10	399
117 Kentucky Power Co. - Generation	9	9	315	189	52	3	559
180 Kentucky Power Co. - Transmission	1	1	12	8	4	0	24
Kentucky Power Co.	95	95	562	312	95	13	982
250 Ohio Power Co. - Distribution	655	655	1,492	735	393	17	2,637
160 Ohio Power Co. - Transmission	9	9	150	81	59	2	292
Ohio Power Co.	664	664	1,642	816	452	19	2,929
167 Public Service Co. of Oklahoma - Distribution	305	305	498	242	141	6	887
198 Public Service Co. of Oklahoma - Generation	117	117	256	135	59	2	452
114 Public Service Co. of Oklahoma - Transmission	30	30	60	34	10	1	105
Public Service Co. of Oklahoma	452	452	814	411	210	9	1,444
159 Southwestern Electric Power Co. - Distribution	245	245	382	194	68	10	654
168 Southwestern Electric Power Co. - Generation	253	253	392	231	71	13	707
161 Southwestern Electric Power Co. - Texas - Distribution	92	92	174	84	46	3	307
111 Southwestern Electric Power Co. - Texas - Transmission	0	0	0	0	0	0	0
194 Southwestern Electric Power Co. - Transmission	50	50	49	25	20	3	97
Southwestern Electric Power Co.	640	640	997	534	205	29	1,765
230 Kingsport Power Co. - Distribution	21	21	51	31	9	2	93
260 Kingsport Power Co. - Transmission	0	0	7	2	2	0	11
Kingsport Power Co.	21	21	58	33	11	2	104
210 Wheeling Power Co. - Distribution	17	17	67	36	16	1	120
200 Wheeling Power Co. - Transmission	0	0	0	0	1	0	1
413 Wheeling Power Co - Generation	84	84	21	16	1	11	49
Wheeling Power Co.	101	101	88	52	18	12	170
103 American Electric Power Service Corporation	2,232	2,232	4,246	2,060	413	34	6,753
293 Elmwood	0	0	34	1	0	0	35
292 AEP River Operations LLC	0	0	140	39	6	0	185
American Electric Power Service Corporation	2,232	2,232	4,420	2,100	419	34	6,973
270 Cook Coal Terminal	4	4	11	8	0	0	19
AEP Generating Company	4	4	11	8	0	0	19
104 Cardinal Operating Company	0	0	267	143	45	0	455
181 Ohio Power Co. - Generation	0	0	948	543	262	2	1,755
AEP Generation Resources - FERC	0	0	1,215	686	307	2	2,210
290 Conesville Coal Preparation Company	0	0	7	4	4	0	15
AEP Generation Resources - SEC	0	0	1,222	690	311	2	2,225
102 AEP Energy Supply LLC	1	1	0	0	0	0	0
175 AEP Energy Partners	28	28	13	3	0	0	16
400 AEP Energy Inc	7	7	6	2	2	1	11
AEP Energy Supply	36	36	1,241	695	313	3	2,252
143 AEP Pro Serv, Inc.	0	0	1	1	0	0	2
AEP Pro Serv, Inc.	0	0	1	1	0	0	2
245 Dolet Hills	2	2	99	36	2	6	143
Dolet Hills	2	2	99	36	2	6	143
Total	6,549	6,549	15,295	7,851	2,905	241	26,292

2025 NET PERIODIC POSTRETIREMENT BENEFIT COST

Location	Service Cost	Interest Cost	"Other Cost"			Net Periodic Postretirement Benefit Cost	
			Expected Return on Assets	Amortizations			Total "Other" Cost
				PSC	(G)/L		
140 Appalachian Power Co - Distribution	\$200,044	\$2,450,240	(\$8,649,350)	(\$187,108)	\$0	(\$6,386,218)	(\$6,186,174)
215 Appalachian Power Co - Generation	218,133	2,018,022	(7,062,051)	(167,900)	0	(5,211,929)	(4,993,796)
150 Appalachian Power Co - Transmission	240	211,317	(739,331)	(17,163)	0	(545,177)	(544,937)
Appalachian Power Co. - FERC	\$418,417	\$4,679,579	(\$16,450,732)	(\$372,171)	\$0	(\$12,143,324)	(\$11,724,907)
225 Cedar Coal Co	0	2,286	(8,369)	(471)	0	(6,554)	(6,554)
Appalachian Power Co. - SEC	\$418,417	\$4,681,865	(\$16,459,101)	(\$372,642)	\$0	(\$12,149,878)	(\$11,731,461)
211 AEP Texas Central Company - Distribution	\$212,290	\$1,793,053	(\$6,270,881)	(\$134,044)	\$0	(\$4,611,872)	(\$4,399,582)
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	36,603	180,744	(620,097)	(13,479)	0	(452,832)	(416,229)
AEP Texas Central Co.	\$248,893	\$1,973,797	(\$6,890,978)	(\$147,523)	\$0	(\$5,064,704)	(\$4,815,811)
119 AEP Texas North Company - Distribution	\$39,338	\$520,559	(\$1,835,886)	(\$39,975)	\$0	(\$1,355,302)	(\$1,315,964)
166 AEP Texas North Company - Generation	0	88,091	(312,837)	(5,857)	0	(230,603)	(230,603)
192 AEP Texas North Company - Transmission	16,523	84,569	(294,907)	(6,279)	0	(216,617)	(200,094)
AEP Texas North Co.	\$55,861	\$693,219	(\$2,443,630)	(\$52,111)	\$0	(\$1,802,522)	(\$1,746,661)
AEP Texas	\$304,754	\$2,687,016	(\$9,334,608)	(\$199,634)	\$0	(\$6,867,226)	(\$6,562,472)
170 Indiana Michigan Power Co - Distribution	\$100,685	\$1,118,348	(\$3,932,835)	(\$91,155)	\$0	(\$2,905,642)	(\$2,804,957)
132 Indiana Michigan Power Co - Generation	22,585	691,641	(2,469,202)	(63,787)	0	(1,841,348)	(1,818,763)
190 Indiana Michigan Power Co - Nuclear	277,723	1,508,099	(5,244,994)	(119,989)	0	(3,856,884)	(3,579,161)
120 Indiana Michigan Power Co - Transmission	21,629	262,051	(919,286)	(22,468)	0	(679,703)	(658,074)
280 Ind Mich River Transp Lakin	33,120	260,509	(905,760)	(19,926)	0	(665,177)	(632,057)
Indiana Michigan Power Co. - SEC	\$455,742	\$3,840,648	(\$13,472,077)	(\$317,325)	\$0	(\$9,948,754)	(\$9,493,012)
110 Kentucky Power Co - Distribution	\$42,258	\$467,424	(\$1,635,025)	(\$34,817)	\$0	(\$1,202,418)	(\$1,160,160)
117 Kentucky Power Co - Generation	3,373	550,186	(1,966,530)	(28,666)	0	(1,445,010)	(1,441,637)
180 Kentucky Power Co - Transmission	1,219	22,994	(79,951)	(1,668)	0	(58,625)	(57,406)
Kentucky Power Co.	\$46,850	\$1,040,604	(\$3,681,506)	(\$65,151)	\$0	(\$2,706,053)	(\$2,659,203)
250 Ohio Power Co - Distribution	\$332,131	\$3,038,028	(\$10,662,789)	(\$237,258)	\$0	(\$7,862,019)	(\$7,529,888)
160 Ohio Power Co - Transmission	5,038	294,398	(1,031,472)	(25,003)	0	(762,077)	(757,039)
Ohio Power Co.	\$337,169	\$3,332,426	(\$11,694,261)	(\$262,261)	\$0	(\$8,624,096)	(\$8,286,927)
167 Public Service Co of Oklahoma - Distribution	\$155,897	\$1,086,508	(\$3,798,955)	(\$82,262)	\$0	(\$2,794,709)	(\$2,638,812)
198 Public Service Co of Oklahoma - Generation	72,791	519,675	(1,835,179)	(45,035)	0	(1,360,539)	(1,287,748)
114 Public Service Co of Oklahoma - Transmission	14,666	129,090	(451,234)	(10,202)	0	(332,346)	(317,680)
Public Service Co. of Oklahoma	\$243,354	\$1,735,273	(\$6,085,368)	(\$137,499)	\$0	(\$4,487,594)	(\$4,244,240)
159 Southwestern Electric Power Co - Distribution	\$116,826	\$846,338	(\$2,962,160)	(\$59,837)	\$0	(\$2,175,659)	(\$2,058,833)
168 Southwestern Electric Power Co - Generation	135,922	855,861	(3,013,910)	(66,083)	0	(2,224,132)	(2,088,210)
161 Southwestern Electric Power Co - Texas - Distribution	45,619	361,051	(1,264,868)	(30,202)	0	(934,019)	(888,400)
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	22,707	121,064	(419,413)	(9,697)	0	(308,046)	(285,339)
Southwestern Electric Power Co.	\$321,074	\$2,184,314	(\$7,660,351)	(\$165,819)	\$0	(\$5,641,856)	(\$5,320,782)
230 Kingsport Power Co - Distribution	\$12,707	\$113,756	(\$402,287)	(\$7,653)	\$0	(\$296,184)	(\$283,477)
260 Kingsport Power Co - Transmission	0	11,103	(39,183)	(797)	0	(28,877)	(28,877)
Kingsport Power Co.	\$12,707	\$124,859	(\$441,470)	(\$8,450)	\$0	(\$325,061)	(\$312,354)
210 Wheeling Power Co - Distribution	\$7,305	\$124,740	(\$439,585)	(\$9,254)	\$0	(\$324,099)	(\$316,794)
200 Wheeling Power Co - Transmission	0	145	(544)	(227)	0	(626)	(626)
413 Wheeling Power Co - Generation	57,425	131,252	(446,900)	(29,871)	0	(345,519)	(288,094)
Wheeling Power Co.	\$64,730	\$256,137	(\$887,029)	(\$39,352)	\$0	(\$670,244)	(\$605,514)
103 American Electric Power Service Corporation	\$1,121,303	\$8,958,450	(\$31,267,021)	(\$582,625)	\$0	(\$22,891,196)	(\$21,769,893)
293 Elmwood	0	26,658	(91,638)	(194)	0	(65,174)	(65,174)
292 AEP River Operations LLC	0	145,073	(503,002)	(9,034)	0	(366,963)	(366,963)
American Electric Power Service Corp	\$1,121,303	\$9,130,181	(\$31,861,661)	(\$591,853)	\$0	(\$23,323,333)	(\$22,202,030)
270 Cook Coal Terminal	\$2,170	\$22,549	(\$77,725)	(\$1,412)	\$0	(\$56,588)	(\$54,418)
AEP Generating Company	\$2,170	\$22,549	(\$77,725)	(\$1,412)	\$0	(\$56,588)	(\$54,418)
104 Cardinal Operating Company	\$0	\$421,623	(\$1,500,347)	(\$36,501)	\$0	(\$1,115,225)	(\$1,115,225)
181 Ohio Power Co - Generation	0	1,673,308	(5,925,418)	(161,383)	0	(4,413,493)	(4,413,493)
AEP Generation Resources - FERC	\$0	\$2,094,931	(\$7,425,765)	(\$197,884)	\$0	(\$5,528,718)	(\$5,528,718)
290 Conesville Coal Preparation Company	0	11,655	(40,060)	(2,162)	0	(30,567)	(30,567)
AEP Generation Resources - SEC	\$0	\$2,106,586	(\$7,465,825)	(\$200,046)	\$0	(\$5,559,285)	(\$5,559,285)
102 AEP Energy Supply LLC	1,519	2,099	(6,766)	(77)	0	(4,744)	(3,225)
175 AEP Energy Partners	14,475	19,807	(63,675)	(3,188)	0	(47,056)	(32,581)
400 AEP Energy Inc	3,891	33,225	(116,983)	(283)	0	(84,041)	(80,150)
AEP Energy Supply	\$19,885	\$2,161,717	(\$7,653,249)	(\$203,594)	\$0	(\$5,695,126)	(\$5,675,241)
143 AEP Pro Serv, Inc.	\$0	\$2,973	(\$10,181)	(\$223)	\$0	(\$7,431)	(\$7,431)
AEP Pro Serv, Inc.	\$0	\$2,973	(\$10,181)	(\$223)	\$0	(\$7,431)	(\$7,431)
245 Dolet Hills	\$1,716	\$112,527	(\$401,174)	(\$14,977)	\$0	(\$303,624)	(\$301,908)
Dolet Hills	\$1,716	\$112,527	(\$401,174)	(\$14,977)	\$0	(\$303,624)	(\$301,908)
Total	\$3,349,871	\$31,293,089	(\$109,719,761)	(\$2,380,192)	\$0	(\$80,806,864)	(\$77,456,993)
Total without Dolet Hills	\$3,348,155	\$31,180,562	(\$109,318,587)	(\$2,365,215)	\$0	(\$80,503,240)	(\$77,155,085)



American Electric Power

UMWA Postretirement Health Care

Actuarial Valuation Report
Benefit Cost for Fiscal Year Beginning
January 1, 2025 under US GAAP

June 2025

wtwco.com

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Purposes of valuation

American Electric Power Co. (the Company) engaged Willis Towers Watson US LLC (WTW) to value the Company's other postretirement benefit plan.

As requested by the Company, this report documents the results of an actuarial valuation of the American Electric Power UMWA Postretirement Health Care Plan (the Plan) as of January 1, 2025.

The primary purpose of this valuation is to determine the Net Periodic Postretirement Benefit Cost/(Income) (Benefit Cost), in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715) for the fiscal year ending December 31, 2025. It is anticipated that a separate report will be prepared for year-end financial reporting purposes.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. The expected contributions for non-Cook Coal locations is to pay claims costs for the year and administrative expenses, less any Medicare Part D subsidy (RDS) received. For Cook Coal, the funding policy is to contribute an amount equal to the postretirement welfare cost net of retiree drug subsidy payments received for Cook Coal retirees (the sum of which can be no less than zero). We understand the sponsor may deviate from this policy, as permitted by its terms, based on cash, tax or other considerations.

Note that any significant change in the amounts contributed or expected to be contributed in 2025 from what is disclosed at December 31, 2024 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.

2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent events in the Basis for valuation section below for more information.
3. This report does not provide information for plan accounting and financial reporting under ASC 960 or ASC 965.
4. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).
5. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to

assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

Section 1 : Summary of key results

1.1 Benefit cost, plan assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2025	01/01/2024
Benefit Cost/ (Income)	Net Periodic Postretirement Benefit Cost/(Income)	(1,533,762)	(224,855)
	Benefit Cost/(Income) due to Special Events	0	0
	Total Benefit Cost/(Income)	(1,533,762)	(224,855)
Measurement Date		01/01/2025	01/01/2024
Plan Assets	Fair Value of Plan Assets (FVA)	57,100,529	52,049,622
Benefit Obligations	Accumulated Postretirement Benefit Obligation (APBO)	(57,247,268)	(64,083,201)
Funded Ratio	Fair Value of Plan Assets to APBO	99.7%	81.2%
Accumulated Other Comprehensive (Income)/Loss (Pre-tax)	Net Prior Service Cost/(Credit)	0	0
	Net Loss/(Gain)	(18,683,020)	(9,559,300)
	Total Accumulated Other Comprehensive (Income)/Loss (pre-tax)	(18,683,020)	(9,559,300)
Assumptions	Discount rate	5.65%	5.15%
	Expected Long-Term Rate of Return on Plan Assets	6.50%	6.75%
	Current Health Care Cost Trend Rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
	Ultimate Health Care Cost Trend Rate	4.50%	4.50%
	Year of Ultimate Trend Rate	2029	2029
Participant Data	Census Date	01/01/2025	01/01/2024

1.2 Comments on results

The actuarial gains/(losses) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year were \$7,816,035 and \$1,587,641 respectively.

Change in net periodic cost

The net periodic cost declined from \$(224,855) in fiscal 2024 to \$(1,533,762) in fiscal 2025.

All monetary amounts shown in million US Dollars

	Net Periodic Benefit Cost
Prior year	(0.2)
Change due to:	
• Expected based on prior valuation and contributions during prior year	(0.2)
• Noninvestment experience different than assumed	(0.4)
• Investment experience greater or less than assumed	(0.3)
• Assumption changes	
– Financial assumption changes	(0.4)
– Demographic assumption changes	0
• Plan amendments	0
• Settlements, curtailments, certain termination benefits	0
• Acquisitions	0
• Method changes	0
• Changes in estimation techniques	0
Current year	(1.5)

Significant reasons for these changes include the following:

- The actual return on the fair value of plan assets since the prior measurement date was greater than the expected return on plan assets, which reduced the postretirement welfare cost.
- The discount rate used to measure APBO increased 50 basis points compared to the prior year, which reduced the net periodic cost.
- The expected return on asset assumption was decreased from 6.75% to 6.50%, which increased the postretirement welfare cost.
- The per capita claims cost assumptions were updated to reflect another year of experience which decreased the postretirement welfare cost.
- Projected prescription drug trend costs were updated, which increased the postretirement welfare cost.

1.3 Basis for valuation

Appendix A summarizes the assumptions, methods and models used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent events, assumptions were selected based on information known as of the measurement date.

Subsequent events

None.

Additional information

None.

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Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information described below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied on information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is January 1, 2025. The benefit obligations were measured as of January 1, 2025 and are based on participant data as of the census date, January 1, 2025.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets and the general ledger account balances for the other postretirement benefit plan cost at December 31, 2024, which reflect the expected funded status of the plan before adjustment to reflect the funded status based on the year-end measurements, and differences between the expected Medicare Part D subsidies and amounts received during the year was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the benefit cost and other financial reporting have been selected by the Company. WTW has evaluated the assumptions used and believes that they do not significantly conflict with what would be reasonable. In addition, we believe that the combined effect of assumptions is expected to have no significant bias. See Appendix A for a description of each significant assumption used and our rationale for concluding that it

does not significantly conflict with what would be reasonable. U.S. GAAP requires that each significant assumption "individually represent the best estimate of the plan's future experience solely with respect to that assumption."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by WTW, we believe do not significantly conflict with what would be reasonable. Other actuarial assumptions could also be considered to not significantly conflict with what would be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2025 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated July 29, 2004 and any accompanying or referenced terms and conditions.

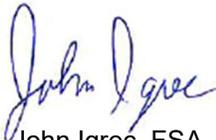
The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plan as described in Purposes of valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify WTW in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without WTW's prior written consent. WTW accepts no responsibility for any consequences arising from any party other than American Electric Power relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.



Chad M. Greenwalt, FSA, EA
Director, Retirement – Valuation Actuary
June 11, 2025



John Igrac, FSA
Senior Associate – Valuation Actuary
June 11, 2025



Abigail Lange, FSA, MAAA
Heath & Benefits Actuary
Pricing Specialist
June 11, 2025

The Pricing Specialist is responsible for developing and/or determining the reasonableness of retiree welfare plan trend and participation assumptions as well as assumed per capita claims costs (including the aging/morbidity assumption if applicable). The Valuation Actuary is responsible for other aspects of the valuation (e.g., developing and/or reviewing the reasonableness of other valuation assumptions and methods, ensuring that the valuation model reasonably reflects the substantive plan, preparing demographic data, performing the valuation, implementing the appropriate accounting or funding calculations, etc.).

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Section 2 : Accounting exhibits

2.1 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Measurement Date	01/01/2025	01/01/2024
A Development of Balance Sheet Asset/(Liability)¹		
1 Accumulated postretirement benefit obligation (APBO)	(57,247,268)	(64,083,201)
2 Fair value of plan assets (FVA) ²	57,100,529	52,049,622
3 Net balance sheet asset/(liability)	(146,739)	(12,033,579)
B Current and Noncurrent Classification³		
1 Noncurrent asset	0	0
2 Current liability	(146,739)	(2,201,610)
3 Noncurrent liability	0	(9,831,969)
4 Net balance sheet asset/(liability)	(146,739)	(12,033,579)
C Accumulated Other Comprehensive (Income)/Loss		
1 Net prior service cost/(credit)	0	0
2 Net loss/(gain)	(18,683,020)	(9,559,300)
3 Accumulated other comprehensive (income)/loss ⁴	(18,683,020)	(9,559,300)
D Assumptions and Dates		
1 Discount rate	5.65%	5.15%
2 Current health care cost trend rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
3 Ultimate health care cost trend rate	4.50%	4.50%
4 Year of ultimate trend rate	2029	2029
5 Census date	01/01/2025	01/01/2024

¹ Whether any amounts in this table that differ from those disclosed at year-end must be disclosed in subsequent interim financial statements should be determined.

² Excludes receivable contributions.

³ The current liability shown here is measured on a plan-wide basis. Actual disclosed amounts are measured separately for reporting units.

⁴ Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.2 Summary of net balances

All monetary amounts shown in US Dollars

A Summary of Prior Service Cost/(Credit) Bases

Measurement Date Established	Original Amount	Net Amount at 01/01/2025	Remaining Amortization Period	Amortization Amount in 2025	Effect of Curtailments	Other Events
------------------------------	-----------------	--------------------------	-------------------------------	-----------------------------	------------------------	--------------

N/A

All monetary amounts shown in US Dollars

B Summary of Net Loss/(Gain) (see Appendix A for a description of amortization method)

Net Amount at 01/01/2025 ¹	Amortization Amount in 2025	Effect of Curtailments	Effect of Settlements	Other Events (Identify)
(18,683,020)	1,267,924	0	0	0

¹ Before any immediate recognition on the same date.

2.3 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2025	12/31/2024
A Total Benefit Cost		
1 Employer service cost	251,038	298,473
2 Interest cost	3,147,876	3,219,894
3 Expected return on plan assets	(3,664,752)	(3,463,266)
4 Subtotal	(265,838)	55,101
5 Net prior service cost/(credit) amortization	0	0
6 Net loss/(gain) amortization	(1,267,924)	(279,956)
7 Subtotal	(1,267,924)	(279,956)
8 Net periodic postretirement benefit cost/(income)	(1,533,762)	(224,855)
9 Curtailment (gain)/loss	0	0
10 Settlement (gain)/loss	0	0
11 Special/contractual termination benefits	0	0
12 Total benefit cost	(1,533,762)	(224,855)
B Assumptions (See Appendix A for interim measurements, if any)		
1 Discount rate	5.65%	5.15%
2 Expected long-term rate of return on plan assets	6.50%	6.75%
3 Current health care cost trend rate	6.50% Medical / 9.50% Rx	7.00% Medical / 9.00% Rx
4 Ultimate health care cost trend rate	4.50%	4.50%
5 Year of ultimate trend rate	2029	2029
6 Census date	01/01/2025	01/01/2024
C Fair Value of Assets at Beginning of Year	57,100,529	52,049,622
D Cash Flows Net of Medicare Part D Subsidy		
	Expected	Actual
1 Employer contributions	2,154,600	2,769,870
2 Plan participants' contributions	0	0
3 Benefits paid from Company assets	2,301,361	1,649,863
4 Benefits paid from plan assets	1,551,837	1,120,007
5 Expected Medicare subsidy	(236,119)	(231,605)
E Amortization Period		
1 For gain/loss amortization, if applicable	10.22009	11.25527

2.4 Detailed results for postretirement welfare cost and funded position

All monetary amounts shown in U.S. Dollars

Detailed results	01/01/2025	01/01/2024
A Service Cost		
1 Medical	251,038	298,473
B Accumulated Postretirement Benefit Obligation [APBO]		
1 Medical:		
a Participants currently receiving benefits	45,779,924	51,152,104
b Fully eligible active participants	6,972,908	7,544,817
c Other participants	4,494,436	5,386,280
d Total	57,247,268	64,083,201
C Assets		
1 Fair value [FV]	57,100,529	52,049,622
D Funded Position		
1 Overfunded (underfunded) APBO	(146,739)	(12,033,579)
E Amounts in Accumulated Other Comprehensive Income		
1 Net prior service cost/(credit)	0	0
2 Net loss/(gain)	(18,683,020)	(9,559,300)
3 Total	(18,683,020)	(9,559,300)

2.5 Expected benefit disbursements, administrative expenses and participant contributions

All monetary amounts shown in U.S. Dollars

	01/01/2025	01/01/2024
A Medical		
1 Gross disbursements	3,853,197	4,003,586
2 Participant contributions	0	0
3 Net disbursements	3,853,197	4,003,586
B RDS		
1 Gross disbursements	(236,119)	(237,413)
2 Participant contributions	0	0
3 Net disbursements	(236,119)	(237,413)
C Total		
1 Gross disbursements	3,617,078	3,766,173
2 Participant contributions	0	0
3 Net disbursements	3,617,078	3,766,173

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Section 3 : Participant data

3.1 Summary of participant data

All monetary amounts shown in US Dollars

Census Date	01/01/2025	01/01/2024
A Participating Employees		
1 Number		
a Fully eligible	11	11
b Other	8	9
c Total participating employees	19	20
2 Average age	51.79	50.50
3 Average credited service	21.57	20.82
B Retirees, Surviving Spouses and Surviving Dependents		
1 Retirees		
a Number	98	103
b Average age	74.66	73.92
c Number of spouses	75	80
2 Surviving spouses and surviving dependents		
a Number	71	75
b Average age	80.77	80.40
3 Total retirees, surviving spouses and surviving dependents		
a Number	169	178
b Average age	77.23	76.65
c Number of spouses	75	80
d Distribution at January 1, 2025		
Age	Number	
Under 55	0	
55-59	0	
60-64	9	
65-69	37	
70-74	32	
75-79	33	
80-84	23	
85 and over	35	

3.2 Age and service distribution of active participants

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service ¹									
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Unde	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	4	0	0	0	0	0	4
45-49	0	0	0	3	0	1	0	0	0	4
50-54	0	0	0	1	1	1	0	0	0	3
55-59	0	0	0	2	1	0	2	0	0	5
60-64	0	0	0	1	1	1	0	0	0	3
65-69	0	0	0	0	0	0	0	0	0	0
70 &	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	11	3	3	2	0	0	19
Average:	Age		52	Number of Participants:						
	Service		22	Fully eligible		11	Males		19	
Census data as of January 1, 2025				Other		8	Females:		0	

¹ Ages and service totals for purposes of determining category are based on exact (not rounded) values.

Appendix A: Statement of actuarial assumptions, methods and data sources

Economic Assumptions

Discount rate 5.65%

Medical cost trend rate	Medical	Prescription Drug
2025	6.50%	9.50%
2026	6.00%	8.25%
2027	5.50%	7.00%
2028	5.00%	5.75%
2029+	4.50%	4.50%

Expected long-term rate of return on plan assets 6.50%

Demographic Assumptions

Mortality

Base mortality rates use the headcount-weighted Pri-2012 mortality table (using contingent survivor tables only after retiree death) with blue collar adjustments.

Mortality improvements are projected forward on a generational basis using Scale MP-2021.

Disability

Rates vary by age as indicated by the following sample values:

Age	Rate
20	0.120%
30	0.120
40	0.147
50	0.357
60	1.380

Termination

Annual rates vary by age as indicated by the following sample values:

Age	Rate
20	10.7%
30	5.9
40	2.1
≥45	0.0

Retirement

Annual rates vary by age as indicated by the following values:

Age	Rate	Age	Rate
55	6.0%	61	10.0%
56	6.5	62	12.0
57	7.0	63	15.0
58	7.5	64	20.0
59	8.0	65	50.0
60	9.0	66 – 69	30.0
		70	100.0

Percent married 95%**Spouses ages** Wives three years younger than husbands.

Participation rates

- Employees – 100%
- Dependent – 100%

2025 Annual Per Capita Claims Costs

Per Capita Claims Cost Assumption	Age	Medical and Rx Claims	Medicare Part D RDS Subsidy
• Overall average	< 65	25,228	N/A
	>=65	14,760	(1,082)
• By age group	< 35	10,335	N/A
	35-49	11,193	N/A
	40-44	12,519	N/A
	45-49	14,615	N/A
	50-54	17,966	N/A
	55-59	21,661	N/A
	60-64	26,534	N/A
	65-69	13,312	(1,034)
	70-74	14,761	(1,123)
	75-79	15,820	(1,159)
	80-84	16,148	(1,148)
	85-89	15,765	(1,071)
	90-94	14,290	(925)
	>= 95	12,452	(744)

Administrative expenses

\$441 per primary participant in 2025, increasing 3.5% per year.

Methods – Postretirement Welfare Cost and Funded Position

Service cost and APBO	Projected unit credit actuarial cost method, allocated in equal amounts, from the valuation date on or after date of hire to full eligibility date.
Net loss (gain)	Net loss (gain) in excess of 10% of the APBO is amortized on a straight-line basis over the expected average expected remaining service of active participants expected to benefit under the plan.
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. WTW has reviewed the plan provisions with AEP and based on that review is not aware of any significant benefits required to be valued that were not included. Certain plan provision changes were negotiated, but AEP has been unable to implement. These changes have not been valued.
Timing of benefit payments	Benefit payments are assumed to be made uniformly throughout the year and on average at mid-year.
Change in assumptions and methods since prior valuation	<p>The discount rate was changed from 5.15% to 5.65%.</p> <p>Anticipated per capita claims costs were updated to reflect recent experience.</p> <p>The expected return on assets was decreased from 6.75% to 6.50%.</p> <p>Projected prescription drug trend rates were updated based on higher expectations.</p>

Sources of Data and Other Information

American Electric Power furnished the participant, benefit payments and assets information, as well as the accrued postretirement benefits cost as of December 31, 2024. Data were reviewed for reasonableness and consistency, but no audit was performed. We are aware of no errors or omissions in the data that would have a significant effect on the results of our calculation.

Assumptions Rationale - Significant Economic Assumptions

Discount rate	As required by U.S. GAAP, the discount rate was chosen by the plan sponsor based on market information on the measurement date. We believe the discount rate chosen does not significantly conflict with what would be reasonable.
Expected long-term return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions. Therefore, we believe the expected return on plan assets chosen does not significantly conflict with what would be reasonable.
Per capita claims costs	<p>AEP supplied data on retiree medical and prescription drug claim payments for the 48-month period ending September 30, 2024.</p> <p>Separate medical and prescription drug claim rates were calculated by dividing annual paid claims (from October through September for each 12-month period) by covered lives over these four periods. These rates were then age-graded over standard WTW morbidity curves to</p>

generate quinquennial age-banded medical and prescription drug claims rates. These claim rates were trended to 2025 and a weighted average was taken to calculate final age-banded 2025 claim rates for medical and prescription drug benefits. Weighting factors of 25% were used for each year. We believe this assumption does not significantly conflict with what would be reasonable.

Medicare Part D subsidy value

We calibrated our modeling tool to reflect the 2025 cost of the current prescription drug benefit for AEP's UMWA post-65 retirees. The tool employs a continuance table of annual retiree drug utilization levels, developed from analyzing the experience of many large employers reflecting utilization of 0.9 million Medicare-eligible members during 2020.

After the plan-specific benefit provisions have been calibrated to current costs, the Modeler trends costs forward to 2025 at 7.00% per year. Actuarial equivalence was determined using the following two-prong approach outlined in the regulations for Medicare Part D:

- *Gross Value Test* – The Modeler calculates the value of standard Medicare Part D coverage (ignoring benefit enhancements from ACA) and compares it to AEP's plan costs. AEP's plan passed this test by being richer than the projected value of standard Medicare Part D coverage for these groups.
- *Net Value Test* – The net value prong of the test compared the value of Standard Part D (ignoring benefit enhancements from ACA) coverage in 2024 less the greater of \$441.36 (the national average Part D premium) and 25.5% of the gross value of Part D coverage to the projected 2025 value of AEP coverage.

For plans deemed to be actuarially equivalent, the tool calculates the average expected value of the employer subsidy in 2025, using the continuance table calibrated to the prescription drug portion of AEP's plan cost. This produced an average 2025 per person annual employer retiree drug subsidy of \$1,051. This rate was converted to rates varying by quinquennial age bands using WTW's standard morbidity factors. We believe this assumption does not significantly conflict with what would be reasonable.

Claims cost trend rates

Assumed increases were chosen by the plan sponsor and as required by U.S. GAAP, they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates. In setting near term trend rates, other pertinent statistics were considered, including surveys on general medical cost increases. In setting the ultimate trend rate, considerations included assumed GDP growth consistent with the assumed future economic conditions inherent in other economic assumptions chosen by the client at the measurement date.

After examining historical variability in trend rates, we believe the selected assumptions do not significantly conflict with what would be reasonable based on a combination of market conditions at the measurement date and future expectations consistent with other economic assumptions used, other than the discount rate. We believe

this assumption does not significantly conflict with what would be reasonable.

Medicare Part D subsidy trend rates

The rates of increase in per capita Medicare Part D subsidy payments are assumed to equal the plan's assumed trend rates for prescription drug claims. We believe this assumption does not significantly conflict with what would be reasonable.

Assumptions Rationale - Significant Demographic Assumptions

Healthy mortality

Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.

Disabled mortality

Assumptions were selected by the plan sponsor and as required by U.S. GAAP, represent a best estimate of future experience. We believe this assumption does not significantly conflict with what would be reasonable.

Termination

Termination rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by termination patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.

Disability

Disability rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by disability patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.

Retirement

Retirement rates are based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed. We believe this assumption does not significantly conflict with what would be reasonable.

Participation

- **Participants** The assumed coverage rates for participants and spouses reflect historical experience as well as anticipated future experience based on a 100% employer paid benefit. We believe this assumption does not significantly conflict with what would be reasonable.
- **Covered dependents** The assumed dependent coverage prevalence of future retirees is based on the dependent coverage observed among recent retirees. We believe this assumption does not significantly conflict with what would be reasonable.
- **Covered spouse age** The assumed age difference for spouses of future retirees is based on the age difference observed among recent retirees and general population statistics of the age difference for married individuals of retirement age. We believe this assumption does not significantly conflict with what would be reasonable.

Model Descriptions and Disclosure in Accordance with ASOP No. 56

Quantify

Quantify is the WTW centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

BOND:Link

U.S. BOND:Link is a methodology to assist with the selection of discount rates used in liability and cost measurements related to employee benefit plans. Discount rates are derived by identifying a theoretical settlement portfolio of high-quality corporate bonds sufficient to provide for a plan's projected benefit payments. The single interest rate is then determined that results in a discounted value of the plan's benefit payments that equals the market value of the selected bond portfolio.

Updated BOND:Link models are developed monthly as of the last day of the month. The construction of a BOND:Link model relies on bond data collected as of the measurement date. Parameters provide the user the ability to control aspects of the model. The model output allows the user to see the effects of those parameters.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

Published demographic tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

AgeDist

AgeDist is a spreadsheet tool that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The average per capita costs and census weights are provided as inputs to the tool which is then combined with a morbidity curve to produce a set of weighted average age-related costs that equal the average. The age-graded costs are used in the actuarial valuation.

The morbidity curve was developed from a broad set of claims data aggregated by age and blended and may not reflect a client's specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency.

The model used for this analysis is designed specifically for these purposes, and we know of no material limitations that would prevent the model from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculation and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the model(s) used in this analysis are considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

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Appendix B : Summary of principal other postretirement benefit plan provisions

Medical Benefits

Eligibility	<p>Participants are eligible upon retirement after age 55 with ten years of service or attaining age 55 with ten years of service after becoming permanently disabled or age 55 if retired with 20 years of service prior to age 50. Miners with less than ten years at retirement who are permanently and totally disabled as a result of a mine accident will retain a health services card for life.</p> <p>Cook Coal Terminal employees hired after January 1, 2013 are not eligible for this plan.</p>
Dependent eligibility	<p>Eligible dependents are spouse and unmarried children who have not attained age 27.</p>
Survivor eligibility	<p>After the death of retiree or active employee eligible to retire, surviving spouses are eligible until death or remarriage subject to a \$2,000 per month earnings limit.</p>
Retiree contributions	<p>None.</p>
Benefits provisions	<p>The UMWA medical plan covers substantially all medical services. Effective for retirements on or after January 1, 1994, a \$750 annual per family deductible is in place for non-Medicare-eligible retirees. Copayments are required only for outpatient physician visits (\$12 in-network and \$20 out-of-network, maximum of \$240 per family per 12 months) and for prescription drugs (\$5 retail in PPL, \$10 out of PPL, no copay mail order). A schedule of allowances for vision care is also provided. Benefits after age 65 are coordinated with Medicare.</p> <p>Expenses associated with the treatment of Black Lung Disease are not covered by this plan.</p>

Future Plan Changes

No future plan changes were recognized in determining postretirement welfare cost.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

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Appendix C : Results by business unit

		Retired Participants				
		Active Participants	Retirees	Dependent Spouses	Surviving Spouses	Total
225	Cedar Coal Co.	0	23	13	59	82
270	Cook Coal Terminal	19	50	41	5	74
290	Conesville Coal Preparation Company	0	25	21	7	32
	Total	19	98	75	71	188

2025 NET PERIODIC POSTRETIREMENT BENEFIT COST

Location	Service Cost	Interest Cost	Expected Return on Assets	"Other" Cost		Total "Other" Cost	Net Periodic Pension Cost
				PSC	(G)/L		
225 Cedar Coal Co Appalachian Power Co. - SEC	0	743,693	0	0	(306,289)	\$437,404	437,404
270 Cook Coal Terminal AEP Generating Company	\$251,038	\$1,852,242	(\$3,664,752)	\$0	(\$736,498)	(\$2,549,008)	(\$2,297,970)
290 Conesville Coal Preparation Company AEP Generation Resources - SEC	0	551,941	0	0	(225,137)	\$326,804	326,804
Total	\$251,038	\$3,147,876	(\$3,664,752)	\$0	(\$1,267,924)	(\$1,784,800)	(\$1,533,762)

ATTACHMENT E

2024 - Worksheet O - Calculation of Postemployment Benefits Other than Pensions
Expenses Allocable to Transmission Service

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service

1 Total AEP East Operating Company PBOP Settlement Amount 52,287,952

Allocation of PBOP Settlement Amount for 2024

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOP Recovery Allowance	Labor Allocator for 2024	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A)	(B)=(A)/Total (A)	(C)=(B) * 52287952	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
		(Line 14)						
2	APCo	(13,734,374)	35.55%	18,590,336	10.656%	(1,463,519)	1,980,965	(3,444,484)
3	I&M	(9,841,018)	25.48%	13,320,434	5.421%	(533,525)	722,160	(1,255,685)
4	KPCo	(3,258,730)	8.44%	4,410,896	9.707%	(316,310)	428,146	(744,456)
5	KNGP	(325,117)	0.84%	440,067	8.299%	(26,983)	36,523	(63,506)
6	OPCo	(10,652,552)	27.58%	14,418,897	13.521%	(1,440,312)	1,949,553	(3,389,865)
7	WPCo	(818,081)	2.12%	1,107,323	2.656%	(21,727)	29,409	(51,137)
8	Sum of Lines 2 to 7	(38,629,872)		52,287,952		(3,802,377)	5,146,756	(8,949,132)

Detail of Actual PBOP Expenses to be Removed in Cost of Service

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(11,308,947)	(9,404,523)	(2,679,710)	(268,644)	(8,093,358)	(630,062)	(32,385,244)
10 Additional PBOP Ledger Entries (from Company Records)	854,805	1,390,817	(45,453)	27,212	224,401	205,770	
11 Medicare Subsidy							
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(10,454,142)	(8,013,706)	(2,725,163)	(241,432)	(7,868,957)	(424,292)	(29,727,692)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(3,280,232)	(1,827,312)	(533,567)	(83,685)	(2,783,595)	(393,788)	(8,902,180)
14 Company PBOP Expense (Ln 12 + Ln 13)	(13,734,374)	(9,841,018)	(3,258,730)	(325,117)	(10,652,552)	(818,081)	(38,629,872)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.