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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 15, 2019

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First St., N.E.
Washington D.C. 20426

Amanda Riggs Conner
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Re: Southwestern Electric Power Company
Docket No. ER20-115-000

Dear Secretary Bose:

Southwestern Electric Power Company ("SWEPCO") hereby submits for Federal Energy Regulatory Commission ("Commission") review actuarial reports that support the actual amounts that SWEPCO accrued for postemployment benefits other than pensions ("PBOPs") and post-employment benefits ("PEBs") in calendar year 2018, and the PBOP and PEB amounts that SWEPCO projects that it will accrue in calendar year 2019. As discussed in more detail below, these PBOP and PEB expenditures are inputs to rate formulas included in wholesale power sales agreements that SWEPCO has on file with the Commission. With this filing, SWEPCO includes a summary spreadsheet that shows the actual and projected PBOP and PEB accruals together with supporting actuarial reports.

Background and Reason for Filing

Pursuant to the "Compensation – Retirement Benefits" accounting guidance, employers must reflect in current expenses estimates for PBOPs. The accounting guidance "Compensation – Nonretirement Postemployment Benefits" requires employers to reflect in current expenses their estimates for PEBs. In accordance with these accounting guidances, SWEPCO accrues for future PBOPs and PEBs liability. SWEPCO currently has in place (and on file with the Commission) wholesale power sales agreements that calculate the capacity and energy charges pursuant to rate formulas agreed upon as part of those agreements. The rate formulas include inputs taken from specific accounts under the Commission's Uniform System of Accounts.

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including Account No. 926 ("Employee pensions and benefits"), to which SWEPCO books its PBOP and PEB accruals.

SWEPCO's contracts provide for a projection of its current-year costs (including PBOP and PEB expenditures) by about January 31 of each calendar year. Those costs form the basis for the bills to wholesale customers for the duration of the year. By May 31st of the following year, SWEPCO performs a "true-up" calculation to reflect the actual costs incurred during the prior calendar year. Consistent with SWEPCO's longstanding practice for these formula rate agreements, each year SWEPCO provides the Commission its actual PBOP and PEB accruals for the previous calendar year with a comparison to the prior year's projections, as well as the projected accruals for the current calendar year.¹ This submission provides the same basic data that SWEPCO submitted last year in Docket No. ER18-2007 and in prior years.

As set out in the attached workpaper, the actual PBOP and PEB accruals for 2018 and the budgeted accruals for 2019 are as follows:

	2018 Budgeted	2018 Actual	Difference	2019 Budgeted
Postretirement Benefit (PBOP)	\$(5,565,656)	\$(7,260,696)	\$(1,695,040)	\$(7,384,970)
Postemployment Benefit (PEB)	\$ -	\$707,942	\$707,942	\$ -

These accruals are based on the attached analysis prepared by Towers Watson and Co., a global financial services company specializing in the employee benefits area.

The actual 2018 PBOP and PEB accruals are booked to Account No. 926 and shown on SWEPCO's FERC Form 1 for 2018. The difference between the 2018 projected and actual PBOP and PEB accruals will be reflected in the wholesale customers' 2018 true-up rates. If the Commission requires a recalculation of the 2018 accruals, SWEPCO will make the adjustment to the true-up. The PBOP and PEB accruals budgeted for 2019 were included with other of SWEPCO's budgeted cost and revenue items that go into the calculation of the projected 2019 formula rates. As with the 2018 accruals, any variation between the budgeted and actual accruals

¹ The wholesale customers served under these agreements are (i) East Texas Electric Cooperative, Inc.; (ii) the City of Minden, Louisiana; (iii) Northeast Texas Electric Cooperative, Inc.; (iv) the City of Prescott, Arkansas; (v) Hope Water and Light Commission; and (vi) the City of Bentonville, Arkansas.

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will be accounted for in next Spring's true-up; consequently, there can be no under- or over-collection of the actual 2019 PBOP and PEB accrual costs.

Request for Waiver of Filing Requirements

Consistent with Commission practice as to SWEPCO's formula rate agreements, SWEPCO's annual filings do not amend, supersede, or in any way change any of the provisions of those agreements or the rate formulas. The formulas are the "rates," which have been accepted for filing, and the annual true-up adjustments (including for PBOP and PEB costs) are expressly provided for in those agreements. Therefore, as it has in past years, SWEPCO respectfully requests waiver of any of the rate-change filing and notice requirements in Section 35.13 of the Commission's regulations as necessary to permit SWEPCO to recover the actual 2018 accrual costs through the 2018 trued-up rates and to include the projected PBOP and PEB accrual costs in the 2019 projected rates. This practice is consistent with Commission precedent granting waiver of filing and notice requirements for rate calculations prescribed by an agreement on file with the Commission. *See, e.g., Central Hudson Gas & Electric Corporation*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).

SWEPCO requests that communications and correspondence concerning this filing be directed to the following persons:

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A copy of this letter has been served on each of the customers served under the affected formula rate agreements, as well as on the Arkansas Public Service Commission, the Louisiana Public Service Commission, and the Public Utility Commission of Texas. As in prior years, upon request, SWEPCO will provide such customers and state commissions with a full copy of the actuarial reports. If you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Amanda Riggs Conner

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Enclosures

Southwestern Electric Power Company
Postretirement Benefits other than Pension and Postemployment Benefits
Budgeted and Actual Accruals for 2018 and Budgeted Accruals for 2019

	<u>2018</u> <u>Budgeted</u>	<u>2018</u> <u>Actual</u>	<u>Difference</u>	<u>2019</u> <u>Budgeted</u>
Postretirement Benefit (PBOP)	\$ (5,565,656)	\$ (7,260,696)	\$ (1,695,040)	\$ (7,384,970)
Postemployment Benefit (PEB)	\$ -	\$ 707,942	\$ 707,942	\$ -

Postretirement Benefits
Analysis
Prepared by
Willis Towers Watson

American Electric Power
Non-UMWA Postretirement Health Care Plan
Actuarial Valuation Report
Postretirement Welfare Cost for Fiscal Year Ending
December 31, 2018 under U.S. GAAP

Employer Contributions for Plan Year Beginning
January 1, 2018

May 2013

WillisTowersWatson 

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Purpose and Actuarial Certification" section herein.

2018 Postretirement Benefit Variance

	Business Unit	2018			2019 Budget vs 2018 Actual	
		Budget	Actual	Variance	2019	Variance
159	Southwestn Elec Pwr Co - Dist	(1,916,162)	(2,625,787)	(709,625)	(2,677,306)	(51,519)
161	SW Elec Pwr Co - Texas -Dist	(1,051,621)	(1,372,730)	(321,109)	(1,389,965)	(17,235)
168	Southwestn Elec Pwr Co - Gen	(2,286,072)	(2,856,857)	(570,785)	(2,906,860)	(50,003)
194	Southwestern Power Co - Trans	(296,513)	(405,322)	(108,809)	(271,400)	133,922
111	Southwestern Power Co - Texas - Trans	(15,289)	-	15,289	(139,439)	(139,439)
Total		(5,565,656)	(7,260,696)	(1,695,040)	(7,384,970)	(124,274)

actuals supplied from the May 2018 actuarial reports

Non-UMWA Postretirement Health Care Plan

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AFRICAN ELECTRIC POWER
NON-UMWA POSTRETIREMENT WELFARE PLAN
2018 NET PERIODIC POST RETIREMENT BENEFIT COST

Company	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	
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American Electric Power

Postemployment Benefit Plans

**Actuarial Valuation Report
Postemployment Benefit Obligations as of
December 31, 2017, under U.S. GAAP**

May 2018

WillisTowersWatson 

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Purpose and Actuarial Certification" section herein.

2017 Postemployment Benefit Variance

<u>Business Unit</u>	<u>2018</u>			<u>2019 Budget vs. 2018 Actual</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2018 Budget</u>	<u>Variance</u>
159 Southwestern Elec Pwr Co - Dist	0	848,550	(848,550)	0	(848,550)
161 SW Elec Pwr Co - Texas -Dist	0	219,668	(219,668)	0	(219,668)
168 Southwestern Elec Pwr Co - Gen	0	(360,276)	360,276	0	360,276
194 Southwestern Power Co - Trans	0	0	0	0	0
111 Southwestern Power Co - Texas - Trans	0	0	0	0	0
Sum	0	707,942	(707,942)	0	(707,942)

Southwestern Electric Power Company
Calculate Actual 2018 Postemployment Benefit Expense

	<u>Distribution</u>	<u>Generation</u>	Texas <u>Distribution</u>	Texas <u>Transmission</u>	<u>Transmission</u>	<u>Total</u>
Health Care and Life Insurance for Employees on Long-Term Disability	1,250,618	1,280,640	1,230,583	0	0	3,761,841
Long-Term Disability Income Replacement Benefits	560,184	658,050	532,988	0	0	1,751,222
Liabilities for COBRA Continuation of Medical and Dental Coverage	6,310	0	33,633	0	0	39,943
	1,817,112	1,938,690	1,797,204	0	0	5,553,006
					Liability at 12/31/2017	<u>4,845,064</u>
					Actual expense 2018	<u><u>707,942</u></u>

Southwestern Electric Power Company
Calculate Postemployment Benefit Expense Variance

		<u>Distribution</u>	<u>Generation</u>	Texas <u>Distribution</u>	Texas <u>Transmission</u>	<u>Transmission</u>	<u>Total</u>
Health Care and Life Insurance for Employees on Long-Term Disability	2018	1,250,618	1,280,640	1,230,583	0	0	3,761,841
	2017	635,845	1,329,780	1,070,025	0	0	3,035,650
	Variance	614,773	-49,140	160,558	0	0	726,191
Long-Term Disability Income Replacement Benefits	2018	560,184	658,050	532,988	0	0	1,751,222
	2017	332,557	969,186	476,087	0	0	1,777,830
	Variance	227,627	-311,136	56,901	0	0	-26,608
Liabilities for COBRA Continuation of Medical and Dental Coverage	2018	6,310	0	33,633	0	0	39,943
	2017	160	0	31,424	0	0	31,584
	Variance	6,150	0	2,209	0	0	8,359
Total	2018	1,817,112	1,938,690	1,797,204	0	0	5,553,006
Total	2017	968,562	2,298,966	1,577,536	0	0	4,845,064
Total	Variance	848,550	-360,276	219,668	0	0	707,942

Appendix C: Results by Business Unit

Health Care and Life Insurance for Employees on Long-Term Disability
Liabilities as of December 31, 2017

Code Location	Number Disabled	Medical Benefits		Basic Life Insurance		Supplemental Life Insurance		Dental Benefits		All Benefits	
		2017 Projected Liability	2017 Projected Benefit Payments	2017 Projected Liability	2017 Projected Benefit Payments	2017 Projected Liability	2017 Projected Benefit Payments	2017 Projected Liability	2017 Projected Benefit Payments	2017 Projected Liability	2017 Projected Benefit Payments
140 Appalachian Power Co. - Distribution	49	\$4,795,760	\$1,318,771	\$1,175,547	\$308,717	\$1,369,567	\$371,824	\$89,822	\$16,488	\$7,430,696	\$2,013,800
215 Appalachian Power Co. - Generation	32	2,890,792	648,370	713,133	179,127	382,679	90,899	60,895	11,147	3,856,490	938,543
150 Appalachian Power Co. - Transmission	5	339,016	62,131	60,935	14,398	41,268	8,493	8,915	1,684	450,157	86,906
Appalachian Power Co. - FERC	86	\$7,834,898	\$2,829,273	\$1,949,615	\$800,242	\$1,793,514	\$468,216	\$159,632	\$28,319	\$11,737,362	\$3,839,249
225 Cedar Coal Co.	0	0	0	0	0	0	0	0	0	0	0
Appalachian Power Co. - SEC	94	\$7,834,898	\$2,829,273	\$1,949,615	\$800,242	\$1,793,514	\$468,216	\$159,632	\$28,319	\$11,737,362	\$3,839,249
211 AEP Texas Central Company - Distribution	19	\$1,382,477	\$317,574	\$471,425	\$103,493	\$504,696	\$125,072	\$27,363	\$5,505	\$2,385,961	\$551,644
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	1	22,449	22,634	5,397	5,452	2,017	2,039	342	346	30,205	30,471
AEP Texas Central Co.	20	\$1,404,926	\$340,208	\$476,822	\$108,945	\$806,713	\$127,110	\$27,706	\$5,851	\$2,416,166	\$582,115
170 Indiana Michigan Power Co. - Distribution	7	\$524,500	\$131,388	\$132,847	\$38,170	\$99,459	\$25,401	\$9,872	\$1,477	\$766,678	\$196,436
132 Indiana Michigan Power Co. - Generation	7	419,583	200,809	110,871	41,957	58,904	24,524	7,390	2,418	598,546	269,709
190 Indiana Michigan Power Co. - Nuclear	6	771,649	243,500	153,769	36,935	235,854	53,167	20,109	2,821	1,181,391	336,423
120 Indiana Michigan Power Co. - Transmission	2	205,777	43,090	40,513	9,069	0	0	4,616	1,182	251,106	53,310
280 Ind Mich River Transp Lakin	13	1,082,205	273,628	228,316	42,305	270,108	52,061	22,214	3,346	1,602,543	371,340
Indiana Michigan Power Co. - FERC	35	\$3,893,714	\$992,398	\$864,116	\$186,436	\$864,336	\$186,183	\$64,461	\$11,246	\$4,396,698	\$1,227,219
202 Price River Coal	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - SEC	35	\$3,893,714	\$992,398	\$864,116	\$186,436	\$864,336	\$186,183	\$64,461	\$11,246	\$4,396,698	\$1,227,219
110 Kentucky Power Co. - Distribution	10	\$890,409	\$202,154	\$173,004	\$38,872	\$152,094	\$30,794	\$20,423	\$3,533	\$1,235,930	\$275,384
117 Kentucky Power Co. - Generation	8	601,248	130,319	131,618	32,601	203,952	58,807	13,322	2,501	950,550	224,226
180 Kentucky Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0
600 Kentucky Power Co. - Kemmer Active	3	250,179	42,383	82,450	10,949	67,900	7,172	6,123	834	408,731	61,338
701 Kentucky Power Co. - Mitchell Active	2	223,054	21,603	67,628	9,168	49,183	5,971	7,684	1,186	347,569	37,868
702 Kentucky Power Co. - Mitchell Inactive	0	0	0	0	0	0	0	0	0	0	0
Kentucky Power Co.	23	\$1,964,898	\$396,458	\$446,219	\$91,529	\$473,899	\$102,744	\$47,862	\$5,868	\$2,940,280	\$665,716
250 Ohio Power Co. - Distribution	33	\$3,551,727	\$986,705	\$770,968	\$209,374	\$650,731	\$195,814	\$83,212	\$13,032	\$5,056,638	\$1,404,926
160 Ohio Power Co. - Transmission	4	200,254	26,798	56,444	10,959	38,032	8,218	5,258	1,046	310,028	45,021
Ohio Power Co.	37	\$3,751,981	\$1,013,503	\$827,412	\$220,333	\$688,763	\$204,032	\$88,470	\$14,078	\$5,366,666	\$1,450,947
167 Public Service Co. of Oklahoma - Distribution	13	\$845,556	\$207,474	\$214,179	\$54,533	\$255,084	\$63,048	\$22,226	\$3,924	\$1,337,045	\$328,978
198 Public Service Co. of Oklahoma - Generation	6	306,830	81,036	96,989	21,628	157,642	23,536	10,024	1,716	663,485	127,915
114 Public Service Co. of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0	0	0
Public Service Co. of Oklahoma	19	\$1,152,386	\$288,510	\$311,168	\$76,161	\$412,726	\$86,583	\$32,250	\$5,640	\$2,000,530	\$456,893
159 Southwestern Electric Power Co. - Distribution	11	\$907,965	\$350,015	\$194,360	\$68,177	\$135,555	\$51,412	\$12,738	\$2,824	\$1,250,618	\$472,426
186 Southwestern Electric Power Co. - Generation	9	830,570	206,088	233,842	\$7,290	197,944	62,017	18,264	3,382	1,280,640	328,757
161 Southwestern Electric Power Co. - Texas - Distribution	8	816,730	210,472	175,457	39,480	224,399	56,744	13,997	2,459	1,230,583	309,155
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.	28	\$2,554,265	\$766,581	\$603,659	\$164,547	\$587,698	\$178,173	\$44,019	\$8,665	\$2,761,241	\$1,110,349
119 AEP Texas North Company - Distribution	9	\$504,783	\$194,962	\$131,774	\$42,235	\$124,340	\$55,564	\$9,394	\$3,017	\$770,271	\$295,778
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.	9	\$504,783	\$194,962	\$131,774	\$42,235	\$124,340	\$55,564	\$9,394	\$3,017	\$770,271	\$295,778
230 Kingsport Power Co. - Distribution	2	\$5,042	\$5,047	\$39,247	\$9,797	\$136,763	\$34,890	\$4,594	\$799	\$185,646	\$50,533
280 Kingsport Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co.	2	\$5,042	\$5,047	\$39,247	\$9,797	\$136,763	\$34,890	\$4,594	\$799	\$185,646	\$50,533
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
Wheeling Power Co.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
103 American Electric Power Service Corporation	56	\$4,664,631	\$1,521,916	\$1,363,433	\$397,587	\$1,424,048	\$468,308	\$79,462	\$15,701	\$7,531,574	\$2,403,513
293 Elmwood	0	0	0	0	0	0	0	0	0	0	0
292 AEP River Operations LLC	10	\$11,585	\$62,143	\$270,644	\$1,087	\$242,350	\$4,101	\$26,638	\$4,451	\$1,351,217	\$81,781
American Electric Power Service Corp	66	\$6,476,216	\$1,684,069	\$1,634,077	\$408,674	\$1,666,398	\$472,409	\$106,160	\$20,152	\$8,882,791	\$2,685,294
143 AEP Pro Serv Inc.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
169 Central Coal Company	0	0	0	0	0	0	0	0	0	0	0
171 CSW Energy, Inc.	0	0	0	0	0	0	0	0	0	0	0
WacoRivers	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
270 Cook Coal Terminal	0	0	0	0	0	0	0	0	0	0	0
AEP Generating Company	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
104 Cardinal Operating Company	3	\$139,576	\$47,628	\$41,430	\$12,647	\$4,454	\$1,328	\$1,559	\$420	\$187,019	\$62,023
181 Ohio Power Co. - Generation	11	\$28,796	\$12,740	\$195,208	\$6,306	\$134,284	\$8,180	\$19,458	\$2,958	\$777,836	\$180,185
AEP Generation Resources - FERC	14	\$69,372	\$59,368	\$236,738	\$19,953	\$138,738	\$29,508	\$21,017	\$3,378	\$1,664,866	\$342,289
290 Conestoga Coal Preparation Company	0	0	0	0	0	0	0	0	0	0	0
AEP Generation Resources - SEC	14	\$69,372	\$59,368	\$236,738	\$19,953	\$138,738	\$29,508	\$21,017	\$3,378	\$1,664,866	\$342,289
175 AEP Energy Partners	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
419 Onsite Partners	0	0	0	0	0	0	0	0	0	0	0
AEP Energy Supply	14	\$69,372	\$59,368	\$236,738	\$19,953	\$138,738	\$29,508	\$21,017	\$3,378	\$1,664,866	\$342,289
245 Dolet Hills	14	\$1,912,652	\$778,457	\$397,713	\$140,894	\$172,389	\$68,377	\$25,269	\$4,614	\$2,508,023	\$992,341
Dolet Hills	14	\$1,912,652	\$778,457	\$397,713	\$140,894	\$172,389	\$68,377	\$25,269	\$4,614	\$2,508,023	\$992,341
Total	363	\$36,328,826	\$9,648,616	\$7,738,669	\$2,031,147	\$7,336,686	\$2,834,769	\$631,414	\$116,813	\$46,832,366	\$12,730,736

Long-Term Disability Income Replacement Benefits
Liabilities as of December 31, 2017

Code Location	Number Disabled	12/31/2017 Liability	Total LTD Assets as of 12/31/2017	12/31/2017 Unfunded Liability	2018 Projected Benefit Payments
140 Appalachian Power Co - Distribution	45	\$3,663,641	\$159,823	\$3,504,018	\$733,749
215 Appalachian Power Co - Generation	31	2,616,285	114,127	2,502,158	546,996
150 Appalachian Power Co - Transmission	5	265,811	11,595	254,216	58,331
Appalachian Power Co. - FERC	81	\$6,545,737	\$285,545	\$6,260,392	\$1,339,076
225 Cedar Coal Co	0	\$0	\$0	\$0	\$0
Appalachian Power Co. - SEC	81	\$6,545,737	\$285,545	\$6,260,392	\$1,339,076
211 AEP Texas Central Company - Distribution	19	\$1,623,389	\$70,815	\$1,552,574	\$334,970
147 AEP Texas Central Company - Generation	0	0	0	0	0
169 AEP Texas Central Company - Transmission	1	12,180	531	11,649	12,281
AEP Texas Central Co.	20	\$1,635,569	\$71,346	\$1,564,223	\$347,251
170 Indiana Michigan Power Co - Distribution	6	\$226,255	\$9,870	\$216,385	\$57,744
132 Indiana Michigan Power Co - Generation	7	380,733	16,606	364,125	153,523
190 Indiana Michigan Power Co - Nuclear	5	541,404	23,617	517,787	83,939
120 Indiana Michigan Power Co - Transmission	2	121,521	5,301	116,220	24,807
280 Ind Mich River Transp Lakin	13	947,780	41,344	906,436	185,923
Indiana Michigan Power Co. - FERC	33	\$2,217,693	\$96,740	\$2,120,953	\$505,936
202 Pnce River Coal	0	\$0	\$0	\$0	\$0
Indiana Michigan Power Co. - SEC	33	\$2,217,693	\$96,740	\$2,120,953	\$505,936
110 Kentucky Power Co - Distribution	10	\$528,839	\$23,069	\$505,770	\$106,202
117 Kentucky Power Co - Generation	7	634,318	27,670	606,648	106,224
180 Kentucky Power Co - Transmission	0	0	0	0	0
800 Kentucky Power Co - Kammer Actives	3	248,908	10,858	238,050	36,721
701 Kentucky Power Co - Mitchell Actives	2	378,969	16,531	362,438	49,391
702 Kentucky Power Co - Mitchell Inactives	0	0	0	0	0
Kentucky Power Co.	22	\$1,791,034	\$78,128	\$1,712,906	\$296,537
250 Ohio Power Co - Distribution	32	\$2,352,320	\$102,612	\$2,249,708	\$467,784
160 Ohio Power Co - Transmission	4	229,049	9,991	219,058	44,523
Ohio Power Co.	36	\$2,581,369	\$112,603	\$2,468,766	\$512,307
167 Public Service Co. of Oklahoma - Distribution	13	\$853,907	\$37,249	\$816,658	\$181,282
196 Public Service Co. of Oklahoma - Generation	6	354,413	15,460	338,953	84,808
114 Public Service Co. of Oklahoma - Transmission	0	0	0	0	0
Public Service Co. of Oklahoma	19	\$1,208,320	\$52,709	\$1,155,611	\$266,090
159 Southwestern Electric Power Co - Distribution	11	\$585,735	\$25,551	\$560,184	\$158,950
168 Southwestern Electric Power Co - Generation	9	688,065	30,015	658,050	128,536
161 Southwestern Electric Power Co - Texas - Distribution	8	557,298	24,310	532,988	93,900
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0	0	0
194 Southwestern Electric Power Co - Transmission	0	0	0	0	0
Southwestern Electric Power Co.	28	\$1,831,098	\$79,876	\$1,751,222	\$381,386
119 AEP Texas North Company - Distribution	9	\$329,362	\$14,367	\$314,995	\$104,140
166 AEP Texas North Company - Generation	0	0	0	0	0
192 AEP Texas North Company - Transmission	0	0	0	0	0
AEP Texas North Co.	9	\$329,362	\$14,367	\$314,995	\$104,140
230 Kingsport Power Co - Distribution	2	\$167,096	\$7,289	\$159,807	\$28,432
260 Kingsport Power Co - Transmission	0	0	0	0	0
Kingsport Power Co.	2	\$167,096	\$7,289	\$159,807	\$28,432
210 Wheeling Power Co - Distribution	0	\$0	\$0	\$0	\$0
200 Wheeling Power Co - Transmission	0	0	0	0	0
Wheeling Power Co.	0	\$0	\$0	\$0	\$0
103 American Electric Power Service Corporation	56	\$5,262,907	\$229,575	\$5,033,332	\$1,162,320
293 Elmwood	0	0	0	0	0
292 AEP River Operations LLC	9	1,317,143	57,456	1,259,687	237,808
American Electric Power Service Corp	65	\$6,580,050	\$287,031	\$6,293,019	\$1,399,928
143 AEP Pro Serv, Inc	0	\$0	\$0	\$0	\$0
189 Central Coal Company	0	0	0	0	0
171 CSW Energy, Inc	0	0	0	0	0
Miscellaneous	0	\$0	\$0	\$0	\$0
270 Cook Coal Terminal	0	\$0	\$0	\$0	\$0
AEP Generating Company	0	\$0	\$0	\$0	\$0
104 Cardinal Operating Company	3	\$142,195	\$6,203	\$135,992	\$41,445
181 Ohio Power Co - Generation	11	719,302	31,377	687,925	141,588
AEP Generation Resources - FERC	14	\$861,497	\$37,580	\$823,917	\$183,032
290 Conesville Coal Preparation Company	0	\$0	\$0	\$0	\$0
AEP Generation Resources - SEC	14	\$861,497	\$37,580	\$823,917	\$183,032
175 AEP Energy Partners	0	\$0	\$0	\$0	\$0
419 Onsite Partners	0	0	0	0	0
AEP Energy Supply	14	\$861,497	\$37,580	\$823,917	\$183,032
245 Dolet Hills	11	\$1,017,203	\$44,372	\$972,831	\$239,483
Dolet Hills	11	\$1,017,203	\$44,372	\$972,831	\$239,483
Total	340	\$26,766,228	\$1,167,688	\$25,598,542	\$5,605,601

American Electric Power Postemployment Benefit Plan

Liabilities for COBRA Continuation of Medical and Dental Coverage
Former Non-UMWA and UMWA Employees

Code Location	Number of Participants	12/31/2017 Liability	2018 Projected Benefit Payments
140 Appalachian Power Co - Distribution	3	\$5,825	\$3,748
215 Appalachian Power Co - Generation	1	275	185
150 Appalachian Power Co - Transmission	0	0	0
Appalachian Power Co. - FERC	4	\$6,100	\$3,933
225 Cedar Coal Co	0	0	0
Appalachian Power Co. - SEC	4	\$6,100	\$3,933
211 AEP Texas Central Company - Distribution	1	\$1,469	\$1,469
147 AEP Texas Central Company - Generation	0	0	0
169 AEP Texas Central Company - Transmission	0	0	0
AEP Texas Central Co.	1	\$1,469	\$1,469
170 Indiana Michigan Power Co - Distribution	4	\$24,974	\$22,350
132 Indiana Michigan Power Co - Generation	0	0	0
190 Indiana Michigan Power Co - Nuclear	6	20,482	14,657
120 Indiana Michigan Power Co - Transmission	0	0	0
280 Ind Mich River Transp Lakin	0	0	0
Indiana Michigan Power Co. - FERC	10	\$45,456	\$37,007
202 Price River Coal	0	0	0
Indiana Michigan Power Co. - SEC	10	\$45,456	\$37,007
110 Kentucky Power Co - Distribution	0	\$0	\$0
117 Kentucky Power Co - Generation	0	0	0
180 Kentucky Power Co - Transmission	0	0	0
600 Kentucky Power Co - Kammer Actives	0	0	0
701 Kentucky Power Co - Mitchell Actives	0	0	0
702 Kentucky Power Co - Mitchell Inactives	0	0	0
Kentucky Power Co.	0	\$0	\$0
250 Ohio Power Co - Distribution	4	\$76,589	\$30,693
160 Ohio Power Co - Transmission	1	308	185
Ohio Power Co.	5	\$76,897	\$30,878
167 Public Service Co of Oklahoma - Distribution	0	\$0	\$0
198 Public Service Co of Oklahoma - Generation	0	0	0
114 Public Service Co of Oklahoma - Transmission	0	0	0
Public Service Co. of Oklahoma	0	\$0	\$0
159 Southwestern Electric Power Co - Distribution	1	\$6,310	\$6,310
168 Southwestern Electric Power Co - Generation	0	0	0
161 Southwestern Electric Power Co - Texas - Distribution	1	33,633	12,111
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0
194 Southwestern Electric Power Co - Transmission	0	0	0
Southwestern Electric Power Co.	2	\$39,943	\$18,421
119 AEP Texas North Company - Distribution	1	\$21,818	\$17,454
166 AEP Texas North Company - Generation	0	0	0
192 AEP Texas North Company - Transmission	0	0	0
AEP Texas North Co.	1	\$21,818	\$17,454
230 Kingsport Power Co - Distribution	0	\$0	\$0
260 Kingsport Power Co - Transmission	0	0	0
Kingsport Power Co.	0	\$0	\$0
210 Wheeling Power Co - Distribution	0	\$0	\$0
200 Wheeling Power Co - Transmission	0	0	0
Wheeling Power Co.	0	\$0	\$0
103 American Electric Power Service Corporation	14	\$58,804	\$44,362
293 Elmwood	0	0	0
292 AEP River Operations LLC	0	0	0
American Electric Power Service Corp.	14	\$58,804	\$44,362
143 AEP Pro Serv, Inc	0	\$0	\$0
189 Central Coal Company	0	0	0
171 CSW Energy, Inc	0	0	0
Miscellaneous	0	\$0	\$0
270 Cook Coal Terminal	0	0	0
AEP Generating Company	0	\$0	\$0
104 Cardinal Operating Company	0	\$0	\$0
181 Ohio Power Co - Generation	0	0	0
AEP Generation Resources - FERC	0	\$0	\$0
290 Conesville Coal Preparation Company	0	0	0
AEP Generation Resources - SEC	0	\$0	\$0
175 AEP Energy Partners	0	0	0
419 Onsite Partners	0	0	0
AEP Energy Supply	0	\$0	\$0
245 Dolet Hills	1	\$2,894	\$2,894
Dolet Hills	1	\$2,894	\$2,894
Total	36	\$253,361	\$156,418

Southwestern Electric Power Company
 Postretirement Benefits other than Pension and Postemployment Benefits
 Budgeted and Actual Accruals for 2018 and Budgeted Accruals for 2019

	<u>2018</u> <u>Budgeted</u>		<u>2018</u> <u>Actual</u>		<u>Difference</u>		<u>2019</u> <u>Budgeted</u>
Postretirement Benefit (PBOP)	\$ (5,565,656)	\$	(7,260,696)	\$	(1,695,040)	\$	(7,384,970)
Postemployment Benefit (PEB)	\$ -	\$	707,942	\$	707,942	\$	-

Postretirement Benefits
Analysis
Prepared by
Willis Towers Watson

American Electric Power
Non-UMWA Postretirement Health Care Plan
Actuarial Valuation Report
Postretirement Welfare Cost for Fiscal Year Ending
December 31, 2018 under U.S. GAAP

Employer Contributions for Plan Year Beginning
January 1, 2018

May 2018

Willis Towers Watson 

This report is confidential and intended solely for the information and benefit of the immediate recipient thereof. It may not be distributed to a third party unless expressly allowed under the "Purpose and Actuarial Certification" section herein.

2018 Postretirement Benefit Variance

<u>Business Unit</u>	2018			2019 Budget vs. 2018 Actual	
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2019</u>	<u>Variance</u>
159 Southwestn Elec Pwr Co - Dist	(1,916,162)	(2,625,787)	(709,625)	(2,677,306)	(51,519)
161 SW Elec Pwr Co - Texas -Dist	(1,051,621)	(1,372,730)	(321,109)	(1,389,965)	(17,235)
168 Southwestn Elec Pwr Co - Gen	(2,286,072)	(2,856,857)	(570,785)	(2,906,860)	(50,003)
194 Southwestern Power Co - Trans	(296,513)	(405,322)	(108,809)	(271,400)	133,922
111 Southwestern Power Co - Texas - Trans	(15,289)	-	15,289	(139,439)	(139,439)
Total	<u>(5,565,656)</u>	<u>(7,260,696)</u>	<u>(1,695,040)</u>	<u>(7,384,970)</u>	<u>(124,274)</u>

actuals supplied from the May 2018 actuarial reports

American Electric Power

Postemployment Benefit Plans

**Actuarial Valuation Report
Postemployment Benefit Obligations as of
December 31, 2017, under U.S. GAAP**

May 2018

Willis Towers Watson 

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2017 Postemployment Benefit Variance

		2018			2019 Budget vs 2018 Actual	
<u>Business Unit</u>		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2018 Budget</u>	<u>Variance</u>
159	Southwestn Elec Pwr Co - Dist	0	848,550	(848,550)	0	(848,550)
161	SW Elec Pwr Co - Texas -Dist	0	219,668	(219,668)	0	(219,668)
168	Southwestn Elec Pwr Co - Gen	0	(360,276)	360,276	0	360,276
194	Southwestern Power Co - Trans	0	0	0	0	0
111	Southwestern Power Co - Texas - Trans	0	0	0	0	0
Sum:		0	707,942	(707,942)	0	(707,942)

Southwestern Electric Power Company
Calculate Actual 2018 Postemployment Benefit Expense

	<u>Distribution</u>	<u>Generation</u>	<u>Texas Distribution</u>	<u>Texas Transmission</u>	<u>Transmission</u>	<u>Total</u>
Health Care and Life Insurance for Employees on Long-Term Disability	1,250,618	1,280,640	1,230,583	0	0	3,761,841
Long-Term Disability Income Replacement Benefits	560,184	658,050	532,988	0	0	1,751,222
Liabilities for COBRA Continuation of Medical and Dental Coverage	6,310	0	33,633	0	0	39,943
	1,817,112	1,938,690	1,797,204	0	0	5,553,006
					Liability at 12/31/2017	<u>4,845,064</u>
					Actual expense 2018	<u><u>707,942</u></u>

Southwestern Electric Power Company
Calculate Postemployment Benefit Expense Variance

		<u>Distribution</u>	<u>Generation</u>	Texas <u>Distribution</u>	Texas <u>Transmission</u>	<u>Transmission</u>	<u>Total</u>
Health Care and Life Insurance for Employees on Long-Term Disability	2018	1,250,618	1,280,640	1,230,583	0	0	3,761,841
	2017	635,845	1,329,780	1,070,025	0	0	3,035,650
	Variance	614,773	-49,140	160,558	0	0	726,191
Long-Term Disability Income Replacement Benefits	2018	560,184	658,050	532,988	0	0	1,751,222
	2017	332,557	969,186	476,087	0	0	1,777,830
	Variance	227,627	-311,136	56,901	0	0	-26,608
Liabilities for COBRA Continuation of Medical and Dental Coverage	2018	6,310	0	33,633	0	0	39,943
	2017	160	0	31,424	0	0	31,584
	Variance	6,150	0	2,209	0	0	8,359
Total	2018	1,817,112	1,938,690	1,797,204	0	0	5,553,006
Total	2017	968,562	2,298,966	1,577,536	0	0	4,845,064
Total	Variance	848,550	-360,276	219,668	0	0	707,942

Appendix C: Results by Business Unit

Health Care and Life Insurance for Employees on Long-Term Disability
Liabilities as of December 31, 2017

Code Location	Number Disabled	Medical Benefits		Basic Life Insurance		Supplemental Life Insurance		Dental Benefits		All Benefits	
		2017 Projected Liability	2018 Projected Benefit Payments	2017 Projected Liability	2018 Projected Benefit Payments	2017 Projected Liability	2018 Projected Benefit Payments	2017 Projected Liability	2018 Projected Benefit Payments	2017 Projected Liability	2018 Projected Benefit Payments
140 Appalachian Power Co. - Distribution	49	\$4,795,760	\$1,318,771	\$1,175,547	\$306,717	\$1,369,567	\$371,854	\$59,822	\$16,488	\$7,430,696	\$2,013,800
215 Appalachian Power Co. - Generation	32	2,690,792	648,370	713,133	179,127	382,679	90,680	60,865	11,147	3,856,490	938,543
150 Appalachian Power Co. - Transmission	5	339,016	62,131	90,935	14,398	41,388	8,493	8,918	1,884	450,157	86,906
Appalachian Power Co. - FERC	86	\$7,825,568	\$2,029,273	\$1,980,615	\$500,242	\$1,793,634	\$466,216	\$129,605	\$29,519	\$11,737,362	\$3,039,249
225 Cedar Coal Co.	0	0	0	0	0	0	0	0	0	0	0
Appalachian Power Co. - SEC	86	\$7,825,568	\$2,029,273	\$1,980,615	\$500,242	\$1,793,634	\$466,216	\$129,605	\$29,519	\$11,737,362	\$3,039,249
211 AEP Texas Central Company - Distribution	19	\$1,362,477	\$317,574	\$471,425	\$103,493	\$504,696	\$125,072	\$27,363	\$5,505	\$2,385,961	\$551,644
147 AEP Texas Central Company - Generation	0	0	0	0	0	0	0	0	0	0	0
169 AEP Texas Central Company - Transmission	1	22,449	22,634	5,397	5,452	2,017	2,039	342	346	30,205	30,471
AEP Texas Central Co.	20	\$1,404,936	\$344,208	\$476,822	\$108,945	\$506,713	\$127,110	\$27,706	\$5,851	\$2,416,166	\$582,115
170 Indiana Michigan Power Co. - Distribution	7	\$524,500	\$131,388	\$132,847	\$38,170	\$99,459	\$25,401	\$9,972	\$1,477	\$766,678	\$196,436
132 Indiana Michigan Power Co. - Generation	7	419,593	200,806	110,671	41,957	58,904	24,524	7,390	2,418	598,546	266,709
190 Indiana Michigan Power Co. - Nuclear	6	771,549	243,500	153,759	36,935	235,864	53,167	20,109	2,821	1,181,391	336,423
120 Indiana Michigan Power Co. - Transmission	2	205,777	43,060	40,513	9,069	0	0	4,816	1,182	251,106	53,310
280 Ind Mich River Transp Lakin	13	1,082,205	273,628	228,316	42,305	270,108	52,061	22,214	3,346	1,602,543	371,340
Indiana Michigan Power Co. - FERC	36	\$3,803,714	\$892,386	\$606,116	\$166,438	\$604,336	\$166,183	\$64,401	\$11,248	\$4,396,668	\$1,227,219
202 Price River Coal	0	0	0	0	0	0	0	0	0	0	0
Indiana Michigan Power Co. - SEC	36	\$3,803,714	\$892,386	\$606,116	\$166,438	\$604,336	\$166,183	\$64,401	\$11,248	\$4,396,668	\$1,227,219
110 Kentucky Power Co. - Distribution	10	\$890,409	\$202,184	\$173,004	\$36,872	\$152,094	\$30,794	\$20,423	\$3,533	\$1,235,930	\$275,364
117 Kentucky Power Co. - Generation	8	601,248	130,319	131,618	32,801	203,862	58,807	13,322	2,501	950,050	224,228
180 Kentucky Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0
600 Kentucky Power Co. - Kammer Active	3	250,179	42,383	82,469	10,949	67,990	7,172	6,123	834	406,731	61,338
701 Kentucky Power Co. - Mitchell Active	2	223,064	21,603	67,628	9,108	49,183	5,971	7,694	1,186	347,569	37,868
702 Kentucky Power Co. - Mitchell Inactive	0	0	0	0	0	0	0	0	0	0	0
Kentucky Power Co.	23	\$1,964,908	\$396,486	\$464,718	\$89,730	\$473,896	\$102,744	\$47,882	\$5,448	\$2,448,280	\$586,816
250 Ohio Power Co. - Distribution	33	\$3,551,727	\$986,705	\$770,968	\$208,374	\$650,731	\$195,814	\$83,212	\$13,032	\$5,056,636	\$1,404,926
180 Ohio Power Co. - Transmission	4	200,294	26,798	66,444	10,959	38,032	6,218	5,256	1,046	310,026	45,021
Ohio Power Co.	37	\$3,752,021	\$1,013,503	\$837,412	\$219,333	\$688,763	\$202,032	\$88,468	\$14,078	\$5,366,662	\$1,450,946
167 Public Service Co. of Oklahoma - Distribution	13	\$845,556	\$207,474	\$214,179	\$54,533	\$255,064	\$63,048	\$22,226	\$3,924	\$1,337,045	\$328,978
198 Public Service Co. of Oklahoma - Generation	6	398,830	81,036	96,989	21,628	157,642	23,536	10,024	1,716	663,485	127,915
114 Public Service Co. of Oklahoma - Transmission	0	0	0	0	0	0	0	0	0	0	0
Public Service Co. of Oklahoma	19	\$1,244,386	\$288,510	\$311,168	\$76,161	\$412,706	\$86,583	\$32,250	\$5,639	\$2,000,530	\$456,893
159 Southwestern Electric Power Co. - Distribution	11	\$907,965	\$350,015	\$194,960	\$65,177	\$135,555	\$51,412	\$12,738	\$2,824	\$1,250,618	\$472,428
168 Southwestern Electric Power Co. - Generation	9	\$30,570	\$206,000	\$23,842	\$57,290	\$197,944	\$2,017	\$18,284	\$3,382	\$1,280,640	\$28,757
161 Southwestern Electric Power Co. - Texas - Distribution	8	\$16,730	\$210,472	\$175,457	\$39,480	\$224,399	\$6,744	\$13,987	\$2,459	\$1,230,583	\$309,155
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.	28	\$2,864,264	\$786,486	\$603,269	\$164,847	\$467,898	\$178,173	\$46,619	\$8,666	\$3,761,841	\$1,110,340
119 AEP Texas North Company - Distribution	9	\$504,763	\$194,962	\$131,774	\$42,235	\$124,340	\$65,564	\$9,394	\$3,017	\$770,271	\$295,778
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.	9	\$504,763	\$194,962	\$131,774	\$42,235	\$124,340	\$65,564	\$9,394	\$3,017	\$770,271	\$295,778
230 Kingsport Power Co. - Distribution	2	\$5,042	\$5,047	\$39,247	\$9,797	\$136,763	\$34,890	\$4,594	\$799	\$185,646	\$50,533
260 Kingsport Power Co. - Transmission	0	0	0	0	0	0	0	0	0	0	0
Kingsport Power Co.	2	\$5,042	\$5,047	\$39,247	\$9,797	\$136,763	\$34,890	\$4,594	\$799	\$185,646	\$50,533
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
Wheeling Power Co.	0	0	0	0	0	0	0	0	0	0	0
103 American Electric Power Service Corporation	56	\$4,664,631	\$1,521,916	\$1,363,433	\$397,587	\$1,424,048	\$468,306	\$79,462	\$15,701	\$7,531,574	\$2,403,513
263 Elmwood	0	0	0	0	0	0	0	0	0	0	0
292 AEP River Operations LLC	10	\$11,585	\$82,143	\$270,644	\$1,087	\$42,350	\$4,101	\$26,638	\$4,451	\$1,351,217	\$28,781
American Electric Power Service Corp.	66	\$6,476,216	\$1,894,669	\$1,634,077	\$408,674	\$1,466,398	\$482,669	\$106,160	\$20,152	\$8,882,791	\$2,432,294
143 AEP Pro Serv Inc	0	0	0	0	0	0	0	0	0	0	0
169 Central Coal Company	0	0	0	0	0	0	0	0	0	0	0
171 CSW Energy Inc.	0	0	0	0	0	0	0	0	0	0	0
Miss Rancos	0	0	0	0	0	0	0	0	0	0	0
270 Cook Coal Terminal	0	0	0	0	0	0	0	0	0	0	0
AEP Generating Company	0	0	0	0	0	0	0	0	0	0	0
104 Cardinal Operating Company	3	\$139,576	\$47,628	\$41,430	\$12,647	\$4,454	\$1,328	\$1,559	\$420	\$187,019	\$62,023
181 Ohio Power Co. - Generation	11	\$28,796	\$112,740	\$195,208	\$6,306	\$34,284	\$25,180	\$19,458	\$2,958	\$77,836	\$180,185
AEP Generation Resources - FERC	14	\$666,372	\$169,368	\$236,728	\$46,963	\$139,738	\$28,646	\$21,017	\$3,378	\$1,044,866	\$242,288
290 Conesville Coal Preparation Company	0	0	0	0	0	0	0	0	0	0	0
AEP Generation Resources - SEC	14	\$666,372	\$169,368	\$236,728	\$46,963	\$139,738	\$28,646	\$21,017	\$3,378	\$1,044,866	\$242,288
175 AEP Energy Partners	0	0	0	0	0	0	0	0	0	0	0
419 Onsite Partners	0	0	0	0	0	0	0	0	0	0	0
AEP Energy Supply	14	\$666,372	\$169,368	\$236,728	\$46,963	\$139,738	\$28,646	\$21,017	\$3,378	\$1,044,866	\$242,288
245 Dolet Hills	14	\$1,912,652	\$778,467	\$397,713	\$140,894	\$172,389	\$68,377	\$25,269	\$4,614	\$2,508,023	\$992,341
Dolet Hills	14	\$1,912,652	\$778,467	\$397,713	\$140,894	\$172,389	\$68,377	\$25,269	\$4,614	\$2,508,023	\$992,341
Total	363	\$29,326,826	\$8,646,816	\$7,738,880	\$2,691,147	\$7,338,686	\$2,834,768	\$631,414	\$116,813	\$46,032,968	\$12,736,736

Long-Term Disability Income Replacement Benefits
Liabilities as of December 31, 2017

Code Location	Number Disabled	12/31/2017 Liability	Total LTD Assets as of 12/31/2017	12/31/2017 Unfunded Liability	2018 Projected Benefit Payments
140 Appalachian Power Co. - Distribution	45	\$3,663,841	\$159,823	\$3,504,018	\$733,749
215 Appalachian Power Co. - Generation	31	2,616,265	114,127	2,502,158	546,996
150 Appalachian Power Co. - Transmission	5	265,811	11,595	254,216	58,331
Appalachian Power Co. - FERC	81	\$6,545,937	\$285,545	\$6,260,392	\$1,339,076
225 Cedar Coal Co.	0	\$0	\$0	\$0	\$0
Appalachian Power Co. - SEC	81	\$6,545,937	\$285,545	\$6,260,392	\$1,339,076
211 AEP Texas Central Company - Distribution	19	\$1,623,389	\$70,815	\$1,552,574	\$334,970
147 AEP Texas Central Company - Generation	0	0	0	0	0
169 AEP Texas Central Company - Transmission	1	12,180	531	11,649	12,281
AEP Texas Central Co.	20	\$1,635,569	\$71,346	\$1,564,223	\$347,251
170 Indiana Michigan Power Co. - Distribution	6	\$226,255	\$9,870	\$216,385	\$57,744
132 Indiana Michigan Power Co. - Generation	7	380,733	16,606	364,125	153,523
190 Indiana Michigan Power Co. - Nuclear	5	541,404	23,617	517,787	83,939
120 Indiana Michigan Power Co. - Transmission	2	121,521	5,301	116,220	24,807
280 Ind Mich River Transp Lakin	13	947,780	41,344	906,436	185,923
Indiana Michigan Power Co. - FERC	33	\$2,217,693	\$96,740	\$2,120,953	\$506,936
202 Pnce River Coal	0	\$0	\$0	\$0	\$0
Indiana Michigan Power Co. - SEC	33	\$2,217,693	\$96,740	\$2,120,953	\$506,936
110 Kentucky Power Co. - Distribution	10	\$528,839	\$23,069	\$505,770	\$106,202
117 Kentucky Power Co. - Generation	7	634,318	27,670	606,648	106,224
180 Kentucky Power Co. - Transmission	0	0	0	0	0
600 Kentucky Power Co. - Kammer Actives	3	248,908	10,858	238,050	38,721
701 Kentucky Power Co. - Mitchell Actives	2	378,969	16,531	362,438	49,391
702 Kentucky Power Co. - Mitchell Inactives	0	0	0	0	0
Kentucky Power Co.	22	\$1,791,034	\$78,128	\$1,712,906	\$296,537
250 Ohio Power Co. - Distribution	32	\$2,352,320	\$102,612	\$2,249,708	\$467,784
160 Ohio Power Co. - Transmission	4	229,049	9,991	219,058	44,523
Ohio Power Co.	36	\$2,581,369	\$112,603	\$2,468,766	\$512,307
167 Public Service Co. of Oklahoma - Distribution	13	\$853,907	\$37,249	\$816,658	\$181,282
198 Public Service Co. of Oklahoma - Generation	8	354,413	15,460	338,953	84,808
114 Public Service Co. of Oklahoma - Transmission	0	0	0	0	0
Public Service Co. of Oklahoma	18	\$1,208,320	\$52,709	\$1,155,611	\$266,090
159 Southwestern Electric Power Co. - Distribution	11	\$585,735	\$25,551	\$560,184	\$158,950
168 Southwestern Electric Power Co. - Generation	9	688,065	30,015	658,050	128,538
161 Southwestern Electric Power Co. - Texas - Distribution	8	557,298	24,310	532,988	93,900
111 Southwestern Electric Power Co. - Texas - Transmission	0	0	0	0	0
194 Southwestern Electric Power Co. - Transmission	0	0	0	0	0
Southwestern Electric Power Co.	28	\$1,831,098	\$79,876	\$1,751,222	\$381,388
119 AEP Texas North Company - Distribution	9	\$329,362	\$14,367	\$314,995	\$104,140
106 AEP Texas North Company - Generation	0	0	0	0	0
192 AEP Texas North Company - Transmission	0	0	0	0	0
AEP Texas North Co.	9	\$329,362	\$14,367	\$314,995	\$104,140
230 Kingsport Power Co. - Distribution	2	\$167,096	\$7,289	\$159,807	\$28,432
260 Kingsport Power Co. - Transmission	0	0	0	0	0
Kingsport Power Co.	2	\$167,096	\$7,289	\$159,807	\$28,432
210 Wheeling Power Co. - Distribution	0	\$0	\$0	\$0	\$0
200 Wheeling Power Co. - Transmission	0	0	0	0	0
Wheeling Power Co.	0	\$0	\$0	\$0	\$0
103 American Electric Power Service Corporation	56	\$5,262,907	\$229,575	\$5,033,332	\$1,162,320
293 Elmwood	0	0	0	0	0
292 AEP River Operations LLC	9	1,317,143	57,456	1,259,687	237,608
American Electric Power Service Corp	65	\$6,580,050	\$287,031	\$6,293,019	\$1,399,928
143 AEP Pro Serv, Inc.	0	\$0	\$0	\$0	\$0
189 Central Coal Company	0	0	0	0	0
171 CSW Energy, Inc.	0	0	0	0	0
Miscellaneous	0	\$0	\$0	\$0	\$0
270 Cook Coal Terminal	0	\$0	\$0	\$0	\$0
AEP Generating Company	0	\$0	\$0	\$0	\$0
104 Cardinal Operating Company	3	\$142,195	\$6,203	\$135,992	\$41,445
181 Ohio Power Co. - Generation	11	719,302	31,377	687,925	141,588
AEP Generation Resources - FERC	14	\$861,497	\$37,580	\$823,917	\$183,032
290 Conesville Coal Preparation Company	0	\$0	\$0	\$0	\$0
AEP Generation Resources - SEC	14	\$861,497	\$37,580	\$823,917	\$183,032
175 AEP Energy Partners	0	\$0	\$0	\$0	\$0
419 Onsite Partners	0	0	0	0	0
AEP Energy Supply	14	\$861,497	\$37,580	\$823,917	\$183,032
245 Dolet Hills	11	\$1,017,203	\$44,372	\$972,831	\$239,483
Dolet Hills	11	\$1,017,203	\$44,372	\$972,831	\$239,483
Total	340	\$25,786,228	\$1,167,586	\$25,598,642	\$6,605,601

American Electric Power Postemployment Benefit Plan

Liabilities for COBRA Continuation of Medical and Dental Coverage
Former Non-UMWA and UMWA Employees

Code Location	Number of Participants	12/31/2017 Liability	2018 Projected Benefit Payments
140 Appalachian Power Co - Distribution	3	\$5,825	\$3,748
215 Appalachian Power Co - Generation	1	275	185
150 Appalachian Power Co - Transmission	0	0	0
Appalachian Power Co. - FERC	4	\$6,100	\$3,933
225 Cedar Coal Co	0	0	0
Appalachian Power Co. - SEC	4	\$6,100	\$3,933
211 AEP Texas Central Company - Distribution	1	\$1,469	\$1,469
147 AEP Texas Central Company - Generation	0	0	0
169 AEP Texas Central Company - Transmission	0	0	0
AEP Texas Central Co.	1	\$1,469	\$1,469
170 Indiana Michigan Power Co - Distribution	4	\$24,974	\$22,350
132 Indiana Michigan Power Co - Generation	0	0	0
190 Indiana Michigan Power Co - Nuclear	6	20,482	14,657
120 Indiana Michigan Power Co - Transmission	0	0	0
280 Ind Mich River Transp Lakin	0	0	0
Indiana Michigan Power Co. - FERC	10	\$45,456	\$37,007
202 Price River Coal	0	0	0
Indiana Michigan Power Co. - SEC	10	\$45,456	\$37,007
110 Kentucky Power Co - Distribution	0	\$0	\$0
117 Kentucky Power Co - Generation	0	0	0
180 Kentucky Power Co - Transmission	0	0	0
600 Kentucky Power Co - Kammer Actives	0	0	0
701 Kentucky Power Co - Mitchell Actives	0	0	0
702 Kentucky Power Co - Mitchell Inactives	0	0	0
Kentucky Power Co.	0	\$0	\$0
250 Ohio Power Co - Distribution	4	\$76,589	\$30,693
160 Ohio Power Co - Transmission	1	308	185
Ohio Power Co.	5	\$76,897	\$30,878
167 Public Service Co of Oklahoma - Distribution	0	\$0	\$0
198 Public Service Co of Oklahoma - Generation	0	0	0
114 Public Service Co of Oklahoma - Transmission	0	0	0
Public Service Co. of Oklahoma	0	\$0	\$0
159 Southwestern Electric Power Co - Distribution	1	\$6,310	\$6,310
168 Southwestern Electric Power Co - Generation	0	0	0
161 Southwestern Electric Power Co - Texas - Distribution	1	33,633	12,111
111 Southwestern Electric Power Co - Texas - Transmission	0	0	0
194 Southwestern Electric Power Co - Transmission	0	0	0
Southwestern Electric Power Co.	2	\$39,943	\$18,421
119 AEP Texas North Company - Distribution	1	\$21,818	\$17,454
166 AEP Texas North Company - Generation	0	0	0
192 AEP Texas North Company - Transmission	0	0	0
AEP Texas North Co.	1	\$21,818	\$17,454
230 Kingsport Power Co - Distribution	0	\$0	\$0
260 Kingsport Power Co - Transmission	0	0	0
Kingsport Power Co.	0	\$0	\$0
210 Wheeling Power Co - Distribution	0	\$0	\$0
200 Wheeling Power Co - Transmission	0	0	0
Wheeling Power Co.	0	\$0	\$0
103 American Electric Power Service Corporation	14	\$58,804	\$44,362
293 Elmwood	0	0	0
292 AEP River Operations LLC	0	0	0
American Electric Power Service Corp	14	\$58,804	\$44,362
143 AEP Pro Serv, Inc	0	\$0	\$0
189 Central Coal Company	0	0	0
171 CSW Energy, Inc	0	0	0
Miscellaneous	0	\$0	\$0
270 Cook Coal Terminal	0	0	0
AEP Generating Company	0	\$0	\$0
104 Cardinal Operating Company	0	\$0	\$0
181 Ohio Power Co - Generation	0	0	0
AEP Generation Resources - FERC	0	\$0	\$0
290 Conesville Coal Preparation Company	0	0	0
AEP Generation Resources - SEC	0	\$0	\$0
175 AEP Energy Partners	0	0	0
419 Onsite Partners	0	0	0
AEP Energy Supply	0	\$0	\$0
245 Dolet Hills	1	\$2,894	\$2,894
Dolet Hills	1	\$2,894	\$2,894
Total	38	\$253,381	\$156,418

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