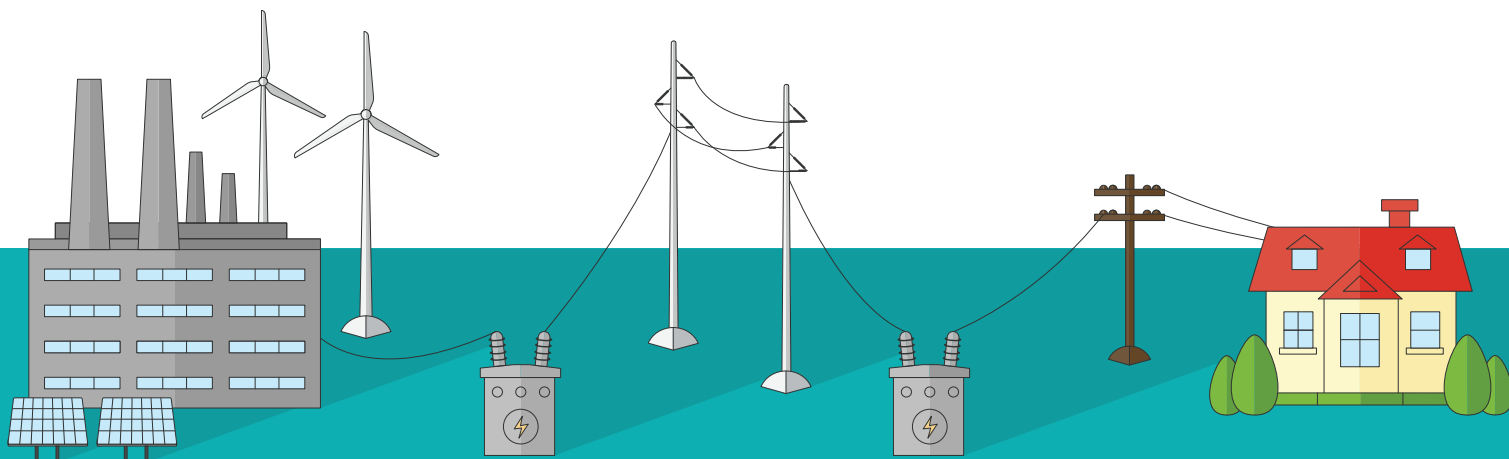


ELECTRIC TRANSMISSION INVESTMENT TO BENEFIT CUSTOMERS



An AEP Company

BOUNDLESS ENERGY™



SWEPKO'S PLANNED POWER GRID INVESTMENTS FROM 2020-2022 ARE PROJECTED TO PROVIDE THE FOLLOWING BENEFITS TO OUR CUSTOMERS AND COMMUNITIES:



SAFETY



RELIABILITY & RESILIENCE



ENVIRONMENT & EFFICIENT REGIONAL MARKETS



ECONOMIC

PUBLIC SECURITY

REGULATORY COMPLIANCE

REDUCE CONSUMER IMPACTS

SYSTEM SECURITY

CLEAN ENERGY

CONNECTING MARKETS

FINANCIAL VALUE

COMMUNITY BENEFITS

BENEFITS & VALUE

Safety for our customers, employees and the public is our top priority

- Replacing old equipment and employing new equipment with new safety features help keep everyone safe.

A grid with **reliability and resilience** reduces customer outages

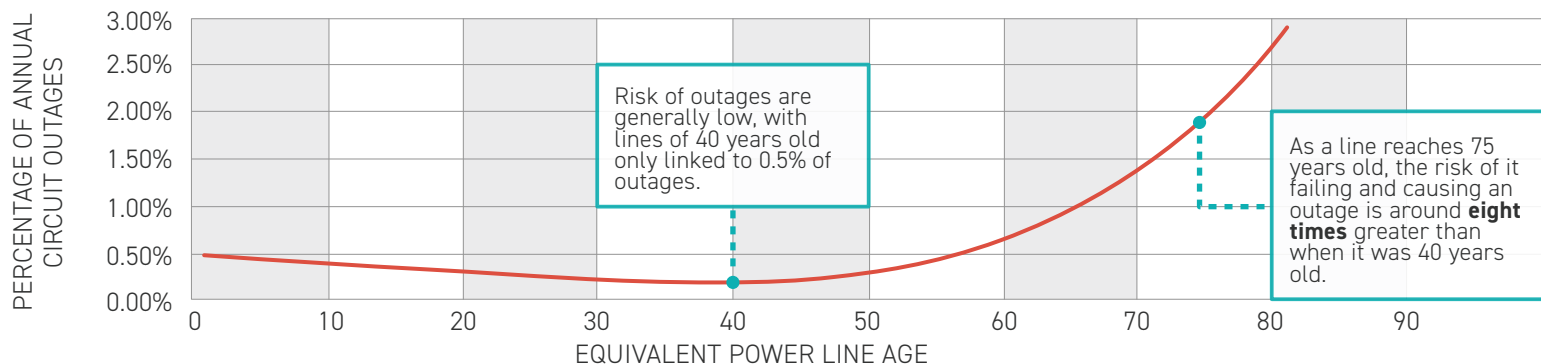
- Stronger, steel poles can better withstand extreme weather.
- New technologies help crews identify and respond to problems more quickly.
- New equipment provides greater protection from cyber and physical threats.

Transmission projects help make **efficient regional markets** through reduced congestion on the grid and help move electricity more efficiently. Connecting renewables also benefits the **environment** and reduces carbon.

Transmission infrastructure investment supports **economic** development providing jobs, taxes and economic activity.

RELIABILITY & RESILIENCE

AEP owns more than 40,000 miles of electric transmission line. Almost 11,000 miles will be more than 70 years old within the next decade. No matter how well the company maintains its equipment, parts do eventually wear out and need replacement.



This graphic shows the relationship between age and historical outage data. A sharp increase in outages occurs after a line reaches 60 years old. **This is why it's critical to invest today to modernize the power grid.**

PROACTIVE AND TRANSPARENT PLANNING FOR OUR CUSTOMERS

AEP regularly evaluates the performance and condition of its transmission grid to ensure an efficient, reliable and resilient system.

- ✓ **Customer and Stakeholder Feedback** – Incorporate input into prioritizing transmission projects.
- ✓ **System Performance** – Review and analyze power outage information and other system data.
- ✓ **Condition** – Perform field inspections and assess the physical condition of lines, poles, towers and substations.
- ✓ **Risk** – Evaluate probability of equipment failure and potential impact on customers.

ECONOMIC BENEFITS ARKANSAS

SUPPORTS 520 JOBS

EACH YEAR BECAUSE OF ONGOING TRANSMISSION PROJECT CONSTRUCTION

STIMULATES \$261 MILLION

IN ECONOMIC ACTIVITIES ACROSS ARKANSAS FROM 2020-2022

CONTRIBUTES ABOUT \$20 MILLION

IN TOTAL TAXES PAID TO STATE AND LOCAL GOVERNMENTS FROM 2020-2022

**SOUTHWESTERN
ELECTRIC POWER
COMPANY**

An AEP Company

BOUNDLESS ENERGY