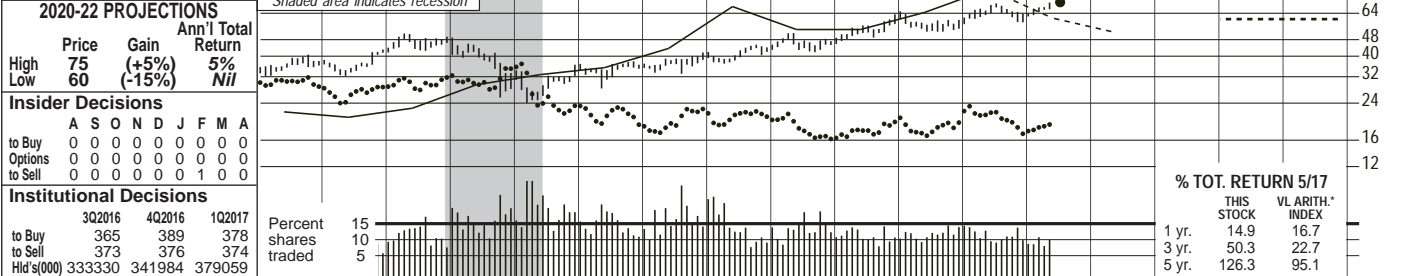


AMERICAN ELEC. PWR. NYSE-AEP

RECENT PRICE **72.13** P/E RATIO **20.0** (Trailing: 16.3; Median: 14.0) RELATIVE P/E RATIO **1.02** DIV'D YLD **3.4%** VALUE LINE

TIMELINESS 2 Raised 4/7/17	High: 43.1	51.2	49.1	36.5	37.9	41.7	45.4	51.6	63.2	65.4	71.3	72.7	Target Price Range 2020 2021 2022	
SAFETY 1 Raised 3/17/17	Low: 32.3	41.7	25.5	24.0	28.2	33.1	37.0	41.8	45.8	52.3	56.8	61.8		128
TECHNICAL 4 Lowered 6/16/17	LEGENDS 0.66 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession											96		



Insider Decisions																	Percent shares traded	
A S O N D J F M A																	15	10
to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																	5	
Options to Sell 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0																		
Institutional Decisions																	% TOT. RETURN 5/17	
3Q2016 4Q2016 1Q2017																	THIS STOCK	
to Buy 365 389 378																	VL ARITH. INDEX	
to Sell 373 376 374																	1 yr. 14.9 16.7	
Hlds(000) 333330 341984 379059																	3 yr. 50.3 22.7	
																	5 yr. 126.3 95.1	

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC 20-22	
190.10	42.96	36.82	35.51	30.76	31.82	33.41	35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	32.85	33.75	Revenues per sh	36.50
7.65	6.99	5.76	5.89	5.96	6.67	6.80	6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.90	8.25	"Cash Flow" per sh	9.50
3.27	2.86	2.53	2.61	2.64	2.86	2.86	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.60	3.85	Earnings per sh ^A	4.75
2.40	2.40	1.65	1.40	1.42	1.50	1.58	1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.51	Div'd Decl'd per sh ^B	2.90
5.69	5.08	3.44	4.28	6.11	8.89	8.88	9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.90	12.65	Cap'l Spending per sh	12.50
25.54	20.85	19.93	21.32	23.08	23.73	25.17	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	36.80	38.20	Book Value per sh ^C	43.25
322.24	338.84	395.02	395.86	393.72	396.67	400.43	406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.00	492.00	Common Shs Outst'g ^D	492.00
13.9	12.7	10.7	12.4	13.7	12.9	16.3	13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
.71	.69	.61	.66	.73	.70	.87	.79	.67	.85	.75	.88	.81	.84	.80	.81			Relative P/E Ratio	.90
5.3%	6.6%	6.1%	4.3%	3.9%	4.1%	3.4%	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%			Avg Ann'l Div'd Yield	4.2%

CAPITAL STRUCTURE as of 3/31/17
 Total Debt \$20772 mill. Due in 5 Yrs \$10483 mill.
 LT Debt \$16722 mill. LT Interest \$752 mill.
 Incl. \$1461.1 mill. securitized bonds. Incl. \$343.5 mill. capitalized leases.
 (LT interest earned: 4.2x)
 Leases, Uncapitalized Annual rentals \$238.2 mill.
 Pension Assets-12/16 \$4827.3 mill.
 Oblig \$5085.8 mill.
 Pfd Stock None
 Common Stock 491,712,071 shs. as of 4/27/17
 MARKET CAP: \$35 billion (Large Cap)

ELECTRIC OPERATING STATISTICS			
	2014	2015	2016
% Change Retail Sales (KWH)	+1.1	-1.2	+3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+3	+3	NA

Business: American Electric Power Company, Inc. (AEP), through 10 operating utilities, serves 5.4 mill. customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Electric revenue breakdown: residential, 40%; commercial, 23%; industrial, 19%; wholesale, 15%; other, 3%. Sold SEEBOARD (British utility) '02; Houston Pipeline '05; commercial barge operation in '15. Generating sources not available. Fuel costs: 35% of revenues. '16 reported depreciation rates (utility): 1.5%-8.6%. Has 17,600 employees. Chairman, President & CEO: Nicholas K. Akins. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

American Electric Power is becoming an almost entirely regulated company. In recent years, unfavorable market conditions have made the nonregulated generating business much less profitable. Accordingly, last fall AEP took a large nonrecurring charge to write off its non-regulated generating assets in anticipation of exiting this business. In the first quarter of 2017, the company raised \$1.2 billion through the sale of some 5,200 megawatts of capacity and recorded a nonrecurring aftertax gain of \$127.1 million. AEP will use the proceeds to invest in its regulated operations and its contracted renewable-energy business. The company plans to close a 603-megawatt coal-fired plant by June 1, 2018, and has over 2,100 mw of nonutility generating capacity (almost all coal-fired) left that it will sell or shut.

Earnings are likely to decline this year. The aforementioned asset sale was strategically desirable, but will hurt ongoing profits by more than \$0.30 a share this year. In addition, the weather conditions were favorable for AEP last year, but unfavorable in the first quarter of 2017. Our share-earnings estimate is within management's targeted range of \$3.55-\$3.75. **The company is becoming more active in the regulatory arena.** SWEPCO filed in Texas for a \$69 million rate hike, based on a 10% return on a 48.5% common-equity ratio. Indiana-Michigan asked the Michigan commission for an increase of \$52 million, based on a 10.6% return on a 46.4% common-equity ratio. Kentucky Power and Public Service of Oklahoma plan to file rate applications soon. **We forecast a 7% earnings increase in 2018.** Rate relief should help. Ongoing investment in AEP's transmission business is another source of growth. And the company continues to add contracted renewable-energy projects. Our share-net estimate is at the midpoint of the company's guidance of \$3.75-\$3.95. AEP's goal is for annual profit growth of 5%-7%. **This timely stock has a dividend yield that is about equal to the industry mean.** However, with the recent price near the upper end of our 2020-2022 Target Price Range, total return potential is low.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	4648	4044	4302	4026	17020
2015	4580	3827	4431	3615	16453
2016	4045	3893	4652	3790	16380
2017	3933	3900	4517	3800	16150
2018	4250	3950	4550	3850	16600

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	1.15	.80	1.01	.39	3.34
2015	1.27	.88	1.04	.41	3.59
2016	1.02	1.03	1.43	.76	4.23
2017	.96	.95	1.20	.49	3.60
2018	1.10	1.00	1.25	.50	3.85

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.47	.49	.49	.50	1.95
2014	.50	.50	.50	.53	2.03
2015	.53	.53	.53	.56	2.15
2016	.56	.56	.56	.59	2.27
2017	.59	.59			

(A) Dil. EPS. Excl. nonrec. gains (losses): '03, (\$1.92); '04, 24c; '05, (62c); '06, (20c); '07, (20c); '08, 40c; '10, (7c); '11, 89c; '12, (38c); '13, (14c); '16, (\$2.99); '17, 24c; disc. ops.: '03, (32c); '04, 15c; '05, 7c; '06, 2c; '08, 3c; '15, 58c; '16, (1c). '14-'16 EPS don't sum due to rounding. Next eqs. report due late July. (B) Div'ds paid early Mar., June, Sept., & Dec. (C) Incl. intang. In '16: \$15.79/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.65%-10.9%; earn. on avg. com. eq., '16: 11.3%. Regul. Climate: Avg. Div'd reinv. plan avail. (C) Incl. intang. In '16: \$15.79/sh. (D) In mill. (E) Rate base: various. Rates all'd on com. eq.: 9.65%-10.9%; earn. on avg. com. eq., '16: 11.3%. Regul. Climate: Avg. Company's Financial Strength A+ Stock's Price Stability 100 Price Growth Persistence 55 Earnings Predictability 90 © 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. To subscribe call 1-800-VALUELINE