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FOR IMMEDIATE RELEASE



SWEPCO requests new Arkansas rates

SHREVEPORT, La., July 23, 2021 (UPDATED) – Southwestern Electric Power Co. (SWEPCO), an American Electric Power (Nasdaq: AEP) company, today submitted a request to the Arkansas Public Service Commission (APSC) to update its prices. The company seeks to recover environmental and resiliency costs associated with providing customers cleaner and more reliable energy.

“We have made significant investments in wind-powered generation, specifically with the North Central Energy Facilities (NCEF) project,” said Malcolm Smoak, SWEPCO president and chief operating officer. “It’s a project that has environmental and economic benefits for SWEPCO’s customers, saving an estimated \$2 billion over the next 30 years.”

The APSC unanimously approved the NCEF project in May 2020.

With no fuel cost for wind, NCEF lowers SWEPCO’s overall fuel cost for power generation. This fuel savings and federal Production Tax Credits more than offset the cost of the new facilities, resulting in net long-term savings to customers.

One of three NCEF wind facilities is now in commercial operation. The second and third facilities will begin operations later this year and early 2022, respectively. Arkansas customers get 268 megawatts (MW) of SWEPCO’s total purchase of 810 MW.

The \$85 million request also includes recent investments in transmission and distribution facilities and reflects costs to operate and maintain equipment that delivers power to customers. It also establishes new tariffs for electric vehicles, lighting and other measures.

If approved, new rates would likely go into effect in the first billing cycle of June 2022. An Arkansas residential customer using 1,000 kilowatt-hours per month would see a total bill of \$122.48, an overall bill increase of \$18.89 per month, or about 17%.

Base rates refer to the costs of building, maintaining and operating SWEPCO’s electric system, including power plants, transmission and distribution lines and facilities to serve customers. Base rates do not include the fuel portion of the customer’s bill, which pays for fuel and purchased power and is a direct pass-through to customers.

About Southwestern Electric Power Co. (SWEPCO)

SWEPCO, an American Electric Power (Nasdaq: AEP) company, serves more than 543,000 customers in northwest and central Louisiana, northeast Texas and the Texas Panhandle, and western Arkansas. SWEPCO's headquarters are in Shreveport, La. News releases and other information about SWEPCO can be found at SWEPCO.com. Connect with us at Facebook.com/SWEPCO, Twitter.com/SWEPCOnews, Instagram.com/swepco, Youtube.com/SWEPCOtv, LinkedIn.com/company/swepco and SWEPCOConnections.com.

About American Electric Power (AEP)

American Electric Power, based in Columbus, Ohio, is powering a cleaner, brighter energy future for its customers and communities. AEP's approximately 16,800 employees operate and maintain the nation's largest electricity transmission system and more than 223,000 miles of distribution lines to safely deliver reliable and affordable power to 5.5 million regulated customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 30,000 megawatts of diverse generating capacity, including more than 5,600 megawatts of renewable energy. The company's plans include growing its renewable generation portfolio to approximately 50% of total capacity by 2030. AEP is on track to reach an 80% reduction in carbon dioxide emissions from 2000 levels by 2030 and has committed to achieving net zero by 2050. AEP is recognized consistently for its focus on sustainability, community engagement, and diversity, equity and inclusion. AEP's family of companies includes utilities AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, east Texas and the Texas Panhandle). AEP also owns AEP Energy, which provides innovative competitive energy solutions nationwide. For more information, visit aep.com.

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