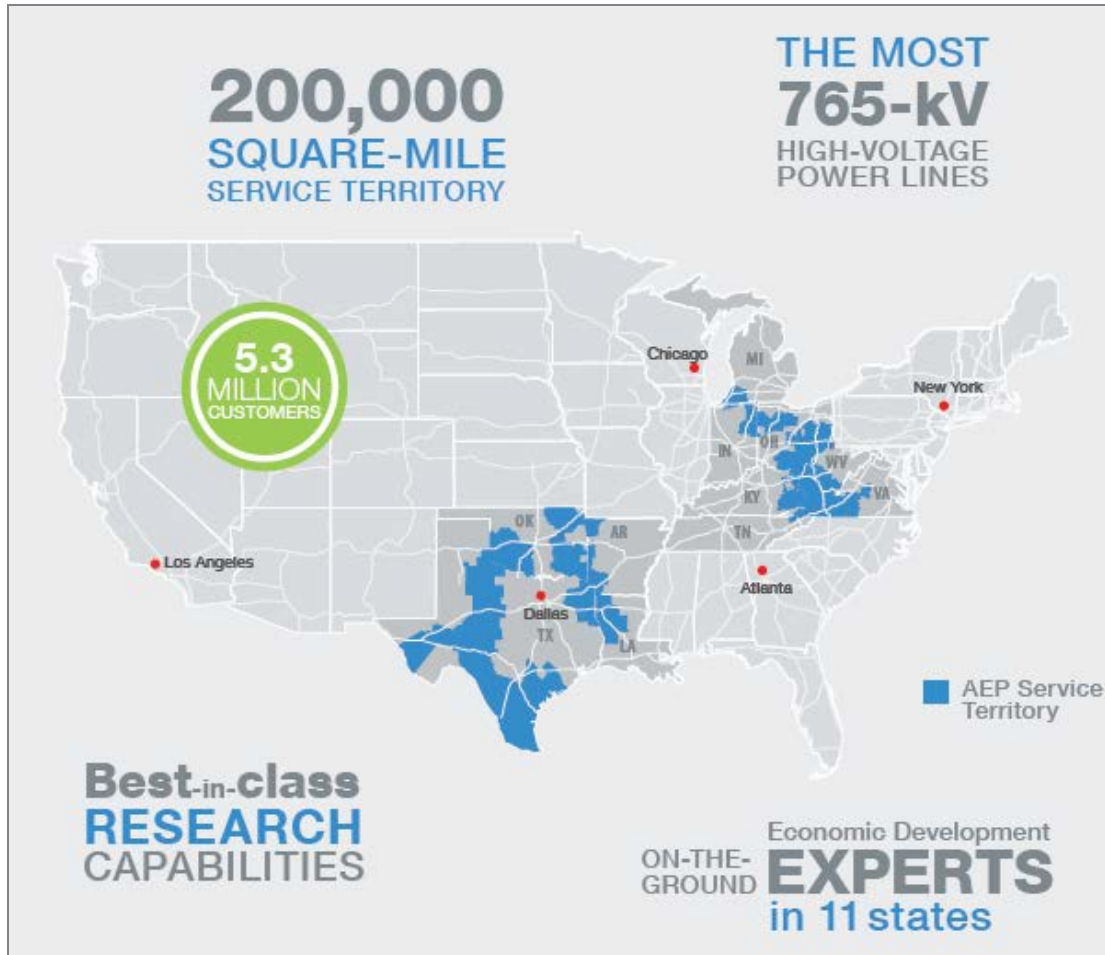




11 States, One Economic Development Partner



[Arkansas](#)

[Indiana](#)

[Kentucky](#)

[Louisiana](#)

[Michigan](#)

[Ohio](#)

[Oklahoma](#)

[Tennessee](#)

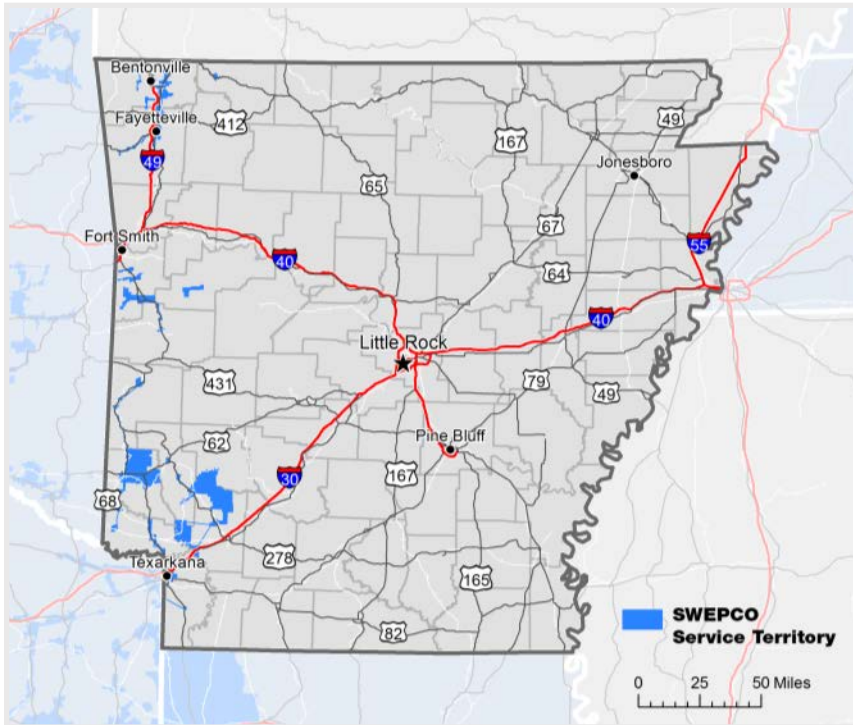
[Texas](#)

[Virginia](#)

[West Virginia](#)



Arkansas Economic Development



SWEPco serves over 60 communities in 13 counties in Western Arkansas.



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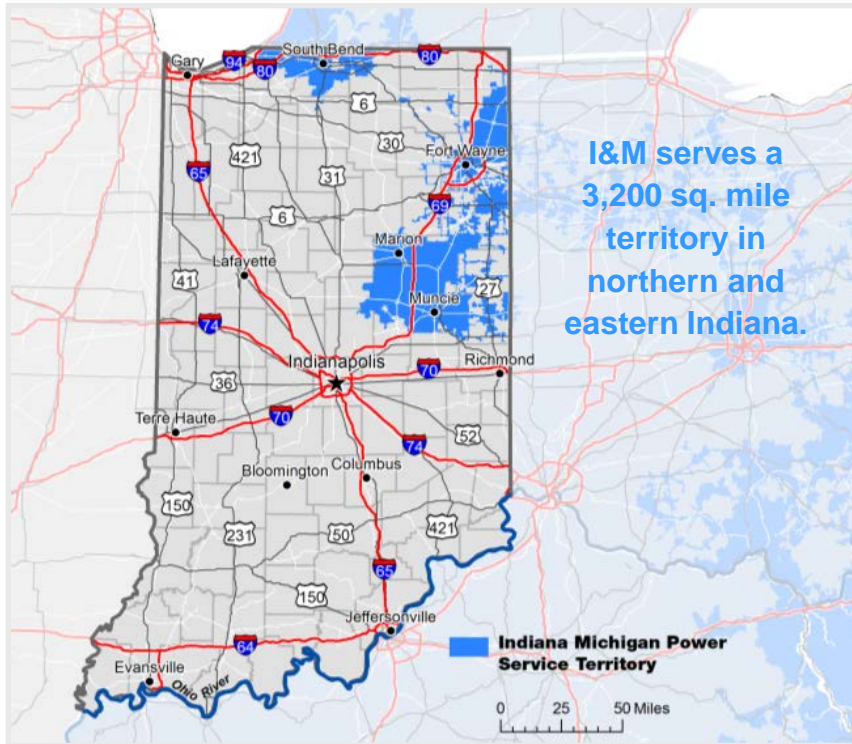
**AEP SOUTHWESTERN
ELECTRIC POWER
COMPANY**
A unit of American Electric Power

Arkansas Advantages

- Within 550 miles of **42% of the US population**
- A **hub at the center of a regional market** including Dallas, Oklahoma City, Tulsa, Kansas City, St. Louis, Little Rock, and Memphis
- **Right-to-work** state
- **4th lowest cost of doing business** in the nation – CNBC 2015
- The Fayetteville-Springdale-Rogers MSA ranked **#3 Best Mid-Sized City In the U.S.** – Forbes 2015
- Competitive **taxes and incentives**
- SWEPco's industrial electric rates in Arkansas are **16% lower** than the national average



Indiana Economic Development



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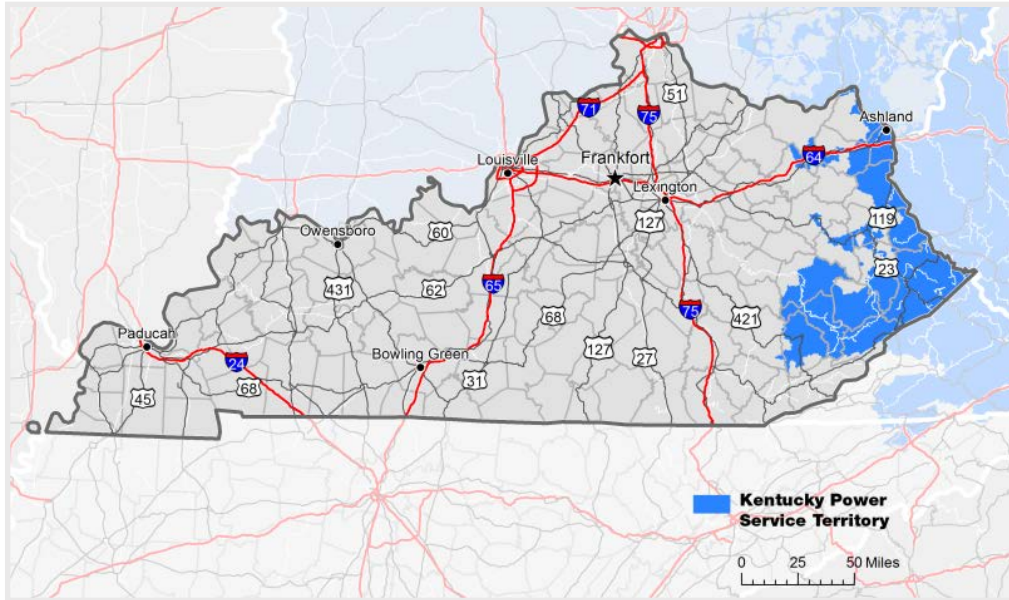
A unit of American Electric Power

Indiana Advantages

- Known as the "**Crossroads of America**," Indiana is a global logistics leader
- **2 major interstates** run through I&M's area
- **6.5% corporate income tax rate**, no gross receipts tax, no inventory tax, 7% sales tax with several exemptions available
- **Right-to-work state**
- **#1 lowest cost of doing business** in the nation – CNBC 2015
- I&M's industrial electric rates in Indiana are **17% lower** than the national and **15% lower** than the state average
- We offer **Economic Development Rider (EDR) incentives** to new and expanding businesses



Kentucky Economic Development



Kentucky Power provides electric service to nearly 175,000 customers in 20 eastern Kentucky counties.



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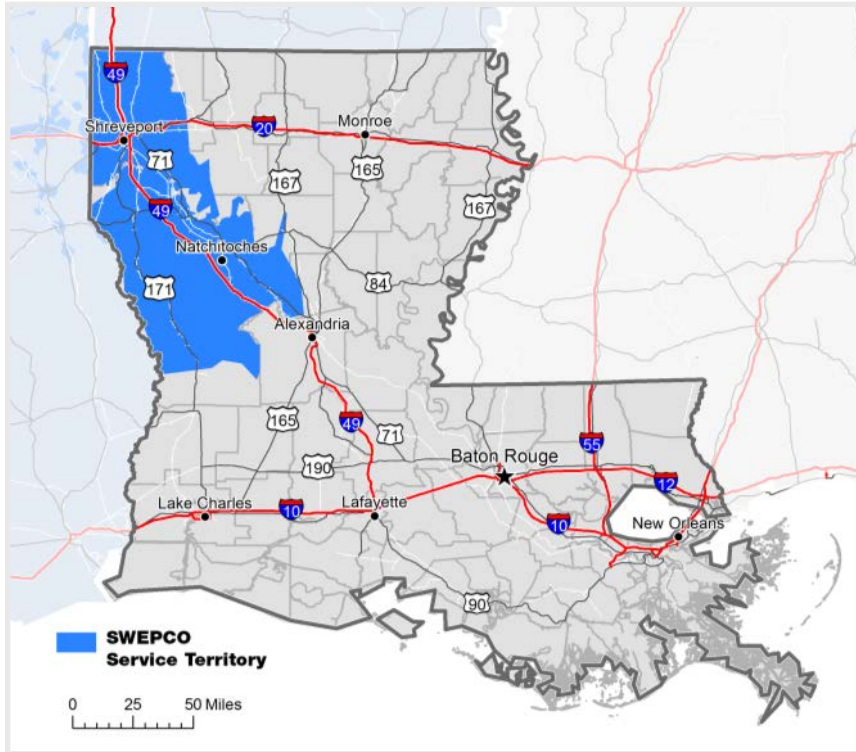
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Kentucky Advantages

- **65% of the US population**, personal income, and manufacturing business establishments, and 40% of the Canadian population within one day's truck drive
- **Multi-modal transportation options** – road, air, water, rail
- Consistently one of the **lowest overall costs of doing business** in the eastern United States
- **2014 Site Selection Governor's Cup Winner** – most projects per capita
- Our industrial electric rates are **7% lower** than the national average
- We offer **Economic Development Rider (EDR) incentives** to new and expanding businesses



Louisiana Economic Development



SWEPCo serves over 230,000 customers in 12 counties in northwest Louisiana.



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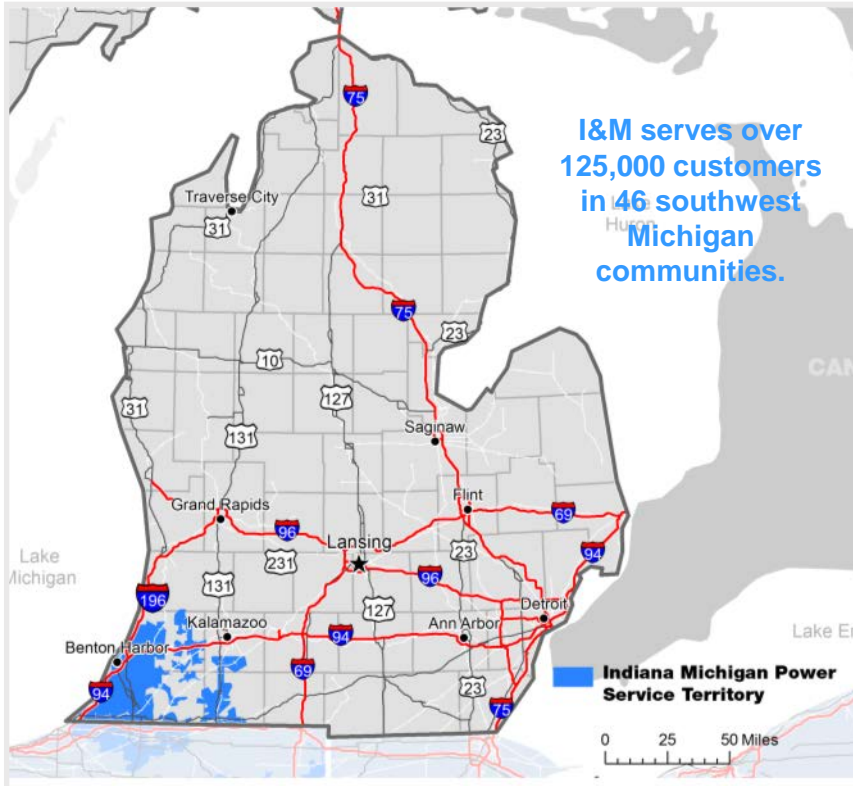


Louisiana Advantages

- Navigable river access through the **Port of Shreveport/Bossier City**, leading to the deep-water port of New Orleans
- Within a day's truck drive, Louisiana businesses can access **36% of the U.S. population**
- **Lowest tax burden** in the U.S. for R&D and manufacturing (Tax Foundation & KPMG 2015)
- **Expedited environmental permit-processing program** maximizes time and efficiency
- **Right-to-work** state
- Our industrial rates are **33% lower than the national** and 21% lower than the state average
- Economic development rider **incentives** available to qualifying businesses



Michigan Economic Development



Michigan Advantages

- One day round-trip truck drive to **15 states and Ontario** provides access to 37 million of the U.S. and 13.6 million of the Ontario population
- **Excellent interstate service** and proximity to Chicago and Detroit
- **Low 6% corporate income tax**, no personal property tax on machinery & equipment, no inventory tax
- **Right-to-work state**
- Over \$16.7B spent annually in **industrial R&D**
- **15 four-year public colleges and universities**, and a large network of community colleges and private institutions
- **Competitive** electric rates



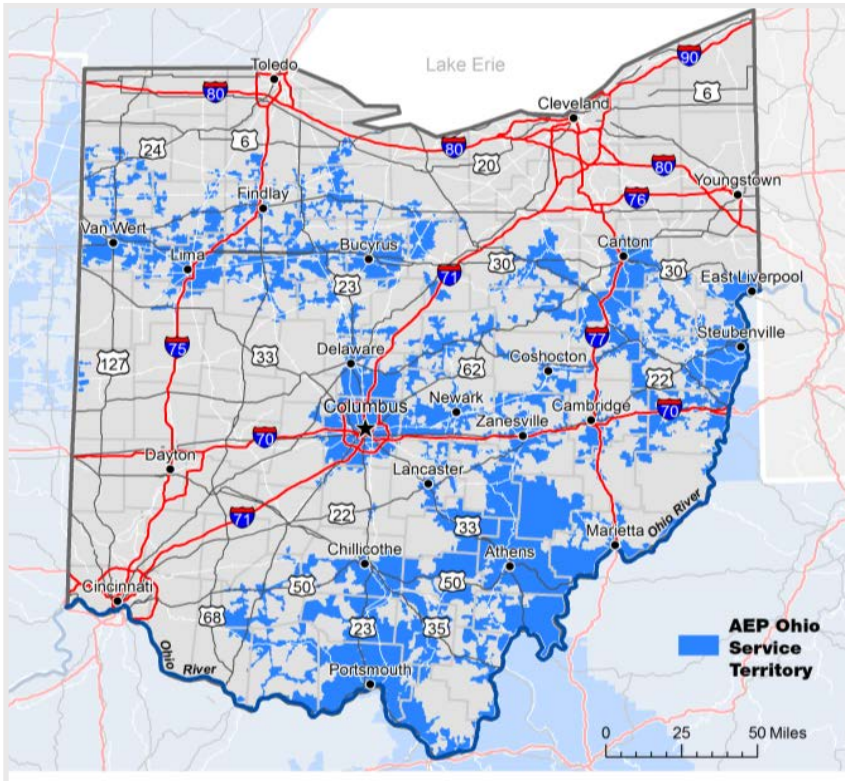
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A unit of American Electric Power



Ohio Economic Development



AEP Ohio delivers electricity to more than 1,100 communities in 61 of Ohio's 88 counties.



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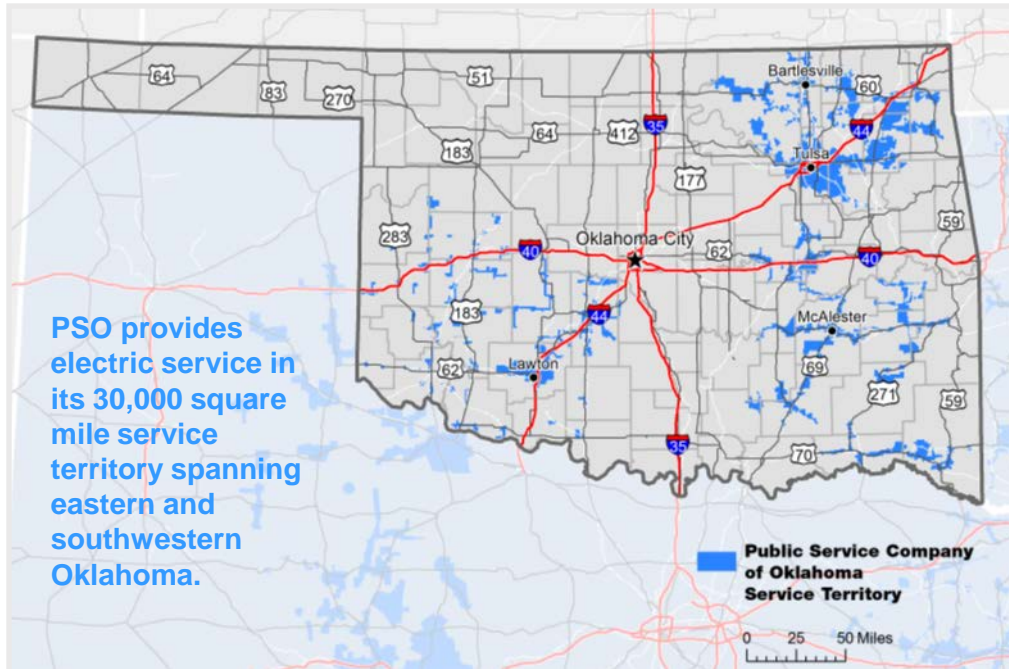
AEP OHIO
A unit of American Electric Power

Ohio Advantages

- Within one day's truck drive to **60% of the U.S. and Canadian populations**
- **4th largest interstate system** in the U.S. | over 1,500 miles
- **38,000 miles of natural gas pipeline development** expected over the next decade
- **No personal property tax, inventory tax or state income tax**
- **Balanced budget** with a 1.4 Billion surplus
- **#2 State Overall & Per Capita** in Site Selection's 2014 Governor's Cup
- **Robust transmission capacity** to support large industrial users
- **Electric Choice** state, allowing you to choose your transmission and generation service



Oklahoma Economic Development



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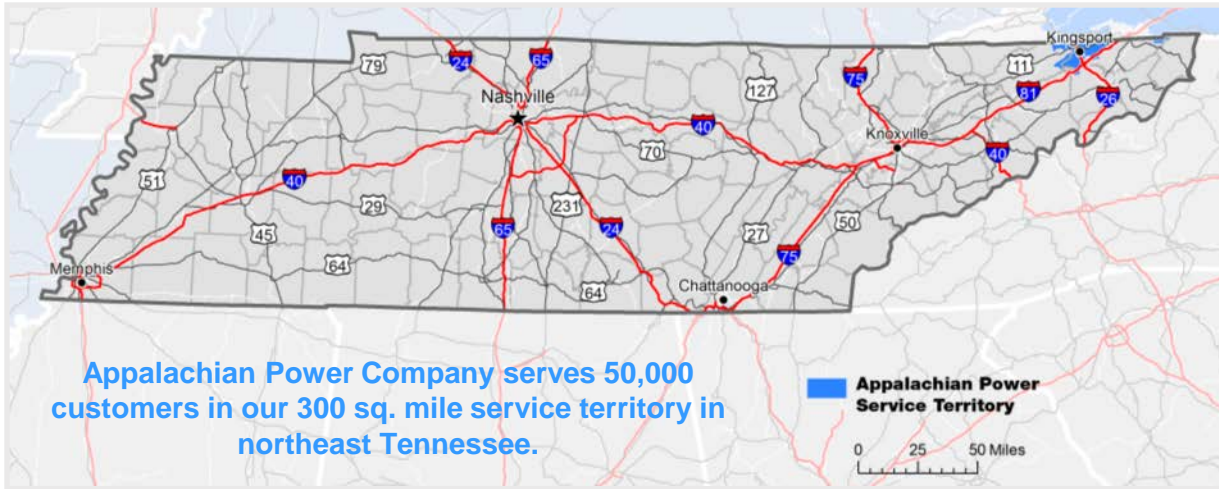
A unit of American Electric Power

Oklahoma Advantages

- **Central location** allows a market reach to over 80 million consumers within a 500-mile radius
- The 2,500-acre Tulsa Port of Catoosa, is one of the **largest, most inland ice-free river port** in the U.S.
- PSO's territory provides **easy access** to Interstates 40, 44, and 35
- **6% corporate income tax rate** and 4.5% sales tax rate
- **Right-to-work** state
- **#1 for Business Costs** – CNBC 2014
- Industrial electric rates **29% below the U.S. average** and 11% below the state average
- **WindChoice renewable energy** purchase program



Tennessee Economic Development



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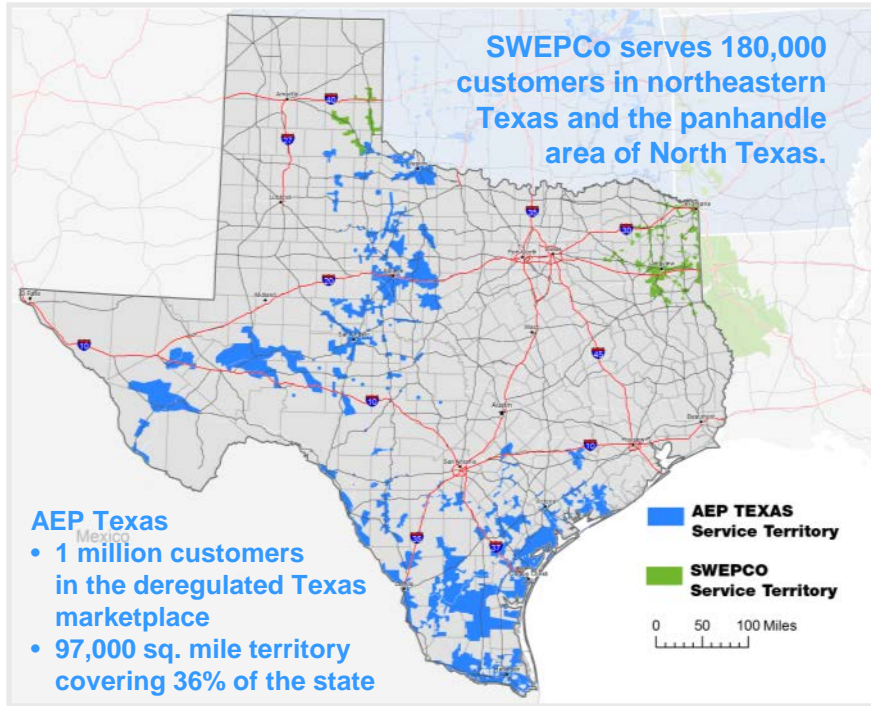
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Tennessee Advantages

- The city of Kingsport, TN has a population of 45,000 and is part of the “Tri-Cities” region in **Northeast Tennessee and Southwest Virginia** that has a population of 480,000 people
- Our territory offers **direct access to interstates I-81 and I-26**
- Longstanding **right-to-work** state
- TN offers several **aggressive business tax credit programs** for new investment and jobs that can be carried forward over a 15-year period
- **4th for infrastructure and workforce** – CNBC 2014
- Our industrial rates are **13% below the national average** and 7% below the state average



Texas Economic Development



Texas Advantages

- **#1** exporting state
- 54 **Fortune 500** companies
- **13 Million** productive workers
- **#1 for Infrastructure** – CNBC 2015
- **11 primary interstates** and 7 auxiliary interstates
- 16 seaports, **11 deep water**
- **No corporate or individual income tax**; franchise tax is generally 1% or ½% on gross receipts less certain deductions; 6.25% state sales tax; property tax assessed locally
- Several property tax and sales **tax exemptions**
- **Top 10 Best State** in the Tax Foundation's 2015 State Business Tax Index
- Named **#1 State for Business for 11 years in a row** – Chief Executive Magazine 2015
- **Competitive incentives** and workforce development programs



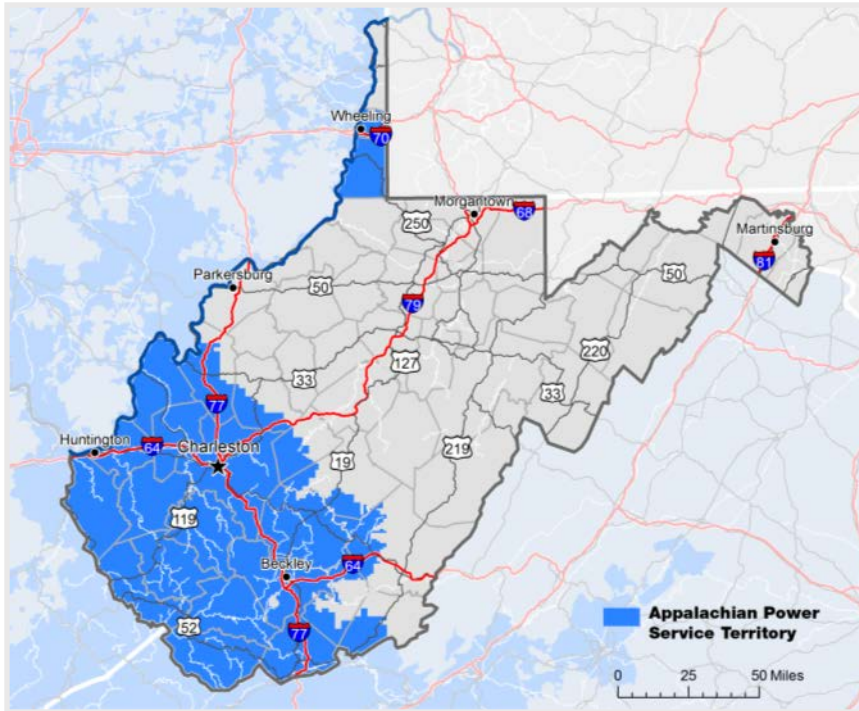
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West Virginia Economic Development



Appalachian Power Company serves almost 475,000 customers in its 9,216 square mile service territory in West Virginia.



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West Virginia Advantages

- **Over half** of the US and Canadian populations can be reached within one day's truck drive
- **Easy and affordable** cargo delivery via extensive waterway, railway and highways
- The Port of Huntington/Tri-State is the **nation's largest inland port**, handling more than 80 million tons of cargo annually
- A cost of doing business that is **14% lower than the U.S. average**, ranking as the 4th lowest in the country (Moody's)
- **Pro-growth tax reforms** including reducing the corporate net income tax rate to 6.5% and eliminating the business franchise tax
- We can provide **special contract rates** for very large electric load industrial customers, including interruptible rates; and industrial rates **10% lower** than the national average