



American Electric Power  
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Columbus, OH 43215  
AEP.com

Nicholas K. Akins  
Chairman, President & CEO

614-716-3800

October 17, 2014

Timothy Smith  
Senior Vice President, Director of ESG  
Shareholder Engagement  
Walden Asset Management  
One Beacon Street  
Boston, MA 02108

Dear Mr. Smith:

Thank you for your letter of August 20, 2014 regarding American Electric Power's involvement with American Legislative Exchange Council (ALEC). The Board's Committee on Directors and Corporate Governance monitors and oversees the preparation of the Company's annual Corporate Accountability Report, which includes a section on political and lobbying activities. Our Board fully understands and discharges its oversight role with respect to these expenditures and American Electric Power's membership in various organizations. As stated in the Lobbying and Political Activity portion of our report regarding the Company's participation in these organizations:

We believe, as a general rule, that it is more beneficial to AEP to remain involved in these organizations, even if we occasionally disagree, than to withdraw. We believe we can be far more effective in shaping the policies of the organizations from within rather than sitting on the sidelines.

From time to time, many, if not most, of the organizations to which we belong reach conclusions or take positions on issues with which we disagree. If we feel strongly enough, we voice our disagreement and work to change the organization's position. Sometimes our views prevail, sometimes they do not. Many times we are able to reach some sort of compromise.

AEP also publicly discloses its policies for lobbying and corporate political contributions as well as the portion of dues/membership fees paid to trade organizations that is used for lobbying activities. These policies clearly state the process for oversight, which we believe to be sufficient. Here are the links to the information on our websites:

**Lobbying and political activity annual overview**

<http://www.aepsustainability.com/business/governance/politics.aspx>

**Lobbying and political disclosure, including policies**

<http://www.aep.com/investors/CorporateLeadersAndGovernance/PoliticalContributionsLobbyingActivities.aspx>

Again, I appreciate your interest in American Electric Power.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas K. Akins', is written in a cursive style.