

FILE

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PUCO EXHIBIT FILING

Date of Hearing: 1-6-16

Case No. 14-1693-EL-RDR, 14-1694-EL-ATM

PUCO Case Caption: In the Matter of the Applicant Seeking Approval
of Ohio Power Company's Proposal to Enter into an Affiliate Power
Purchase Agreement for Inclusion in the Power Purchase Agreement
Rider & In the Matter of the Applicant of Ohio Power Company
for Approval of Certain Accounting Authority
Volume XX

List of exhibits being filed:

Company 53

BP3/EP5A 10 & 11

OCC 25-29

OMAE 24, 25, 26, 28, 29A

PUCO

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Reporter's Signature: Karen Sue Gibson
Date Submitted: 1-11-16

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application Seeking :
Approval of Ohio Power :
Company's Proposal to : Case No. 14-1693-EL-RDR
Enter into an Affiliate :
Power Purchase Agreement :
for Inclusion in the Power:
Purchase Agreement Rider. :

In the Matter of the :
Application of Ohio Power :
Company for Approval of : Case No. 14-1694-EL-AAM
Certain Accounting :
Authority. :

- - -

PROCEEDINGS

before Ms. Greta See and Ms. Sarah Parrot, Attorney
Examiners, and Commissioner Asim Haque at the Public
Utilities Commission of Ohio, 180 East Broad Street,
Room 11-A, Columbus, Ohio, called at 9:00 a.m. on
Wednesday, January 6, 2016.

- - -

VOLUME XX

- - -

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- - -

**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIRST SET-JOINT STIPULATION AND RECOMMENDATION**

INTERROGATORIES

INT-S1-002 Under R.C. 4928.145, identify each contract and/or agreement between AEP Ohio and a party (including the PUCO Staff) to this proceeding including members of groups that are parties to this proceeding, related to:

- a. The provision, sale and/or purchase of electric services and charges for those electric services (including, but not limited to generation, distribution and transmission services) for any period during or after the proposed PPA period; and
- b. This Proceeding (e.g. support of AEP Ohio's positions).
- c. The Stipulation.

RESPONSE

The Company objects to the extent the request seeks information which is outside the scope of the case and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. The Company objects to this request since this proceeding is not a standard service offer proceeding. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. No contracts exist within the scope of the cited statute. But in the spirit of full disclosure, the Company is producing the IEU Global Settlement as OCC-INT-S1-002 Attachment 1.



POWER PURCHASE AND SALE AGREEMENT

by and between

{GENCO}

AEP GENERATION RESOURCES INC.

and

OHIO POWER COMPANY

dated as of

_____, ~~2014~~2016

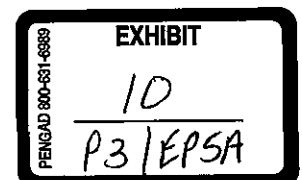


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POWER PURCHASE AND SALE AGREEMENT

THIS POWER PURCHASE AND SALE AGREEMENT (this “**Agreement**”), dated as of _____, ~~2014, 2016~~, is by and between ~~[GenCo]~~AEP Generation Resources Inc., a Delaware corporation (“**Seller**”), and OHIO POWER COMPANY, an Ohio corporation (“**Buyer**”). Buyer and Seller are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. Seller, an indirect subsidiary of American Electric Power Company, Inc., with its principal place of business in the State of Ohio, owns or will have an ownership interest in the Ohio based generation facilities shown in Schedule A entitled Ohio Generation Facilities.

B. The Parties desire to enter into a transaction in which Seller sells and Buyer purchases the Capacity, and associated Unit Contingent Energy and Ancillary Services, as delivered or made available from Seller’s ownership interest in the generation facilities in Schedule A ~~for a term through the remaining commercial operational life of each of the Schedule A Generation Facilities~~ the Delivery Period.

C. The Parties desire to set forth certain terms and conditions applicable to such transaction.

In consideration of mutual covenants and agreements contained herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. Unless otherwise defined herein, the following terms, when used herein, shall have the meaning set forth below:

“**Affected Party**” has the meaning set forth in Section 3.7.

“**Affiliate**” means, with respect to any Person, any other Person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“**Agreement**” means this Power Purchase and Sale Agreement entered into pursuant to Seller’s market based rate authority.

“**Allowance Transfer Deadline**” means the date by which Allowances must be submitted for recordation with the EPA or other relevant Governmental Authority in order to

meet the applicable Allowance obligation for the control period immediately preceding that deadline.

“Allowances” means emission allowances, emission credits, and any similar rights related to emissions of NO_x, SO₂, CO₂, mercury, particulates or any other substance under any relevant federal, state or local law or recognized by any Governmental Authority or other entity, and all other environmental attributes.

“Ancillary Services” means regulation and frequency response services; energy imbalance services; automatic generating control services; spinning, non-spinning, supplemental and replacement reserve services, reactive power and voltage support services, black start services and all other services or products ancillary to the operation of the Facility that are defined as ancillary services in the Transmission Operator’s relevant transmission tariff or are commonly sold or saleable, to the extent that the assets comprising the Facilities provide those services or products.

“Approvals” means all approvals, permits, licenses, consents, waivers or other authorizations from, notifications to, or filings or registrations with, third parties, including without limitation, Governmental Approvals.

“Business Day” means any day except a Saturday, Sunday, or a United States Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time at the relevant Party’s principal place of business. The relevant Party, in each instance unless otherwise specified, shall be the Party from whom the notice, payment or delivery is being sent and by whom the notice or payment or delivery is to be received.

“Buyer” has the meaning set forth in the preamble hereto.

“Buyer’s Contractual Capacity” means Seller’s Capacity of the Facilities identified in Schedule A subject to the applicable Facility Operating Agreement, which entitlement is approximately 2,671 MW as of the date set forth in the preamble to this Agreement.

“Capacity” means the output level, expressed in MW, that a Facility, or the components of equipment thereof, is capable, as of a given moment, of continuously producing and making available at the Delivery Point, taking into account the operating condition of the equipment at that time, the auxiliary loads, the Facility Operating Agreement and other relevant factors.

“Capital Improvements Work” shall mean (i) for wholly owned Seller Facilities, the modeling, studying, engineering, design, procurement, purchasing, construction, inspection, start-up and testing of (a) minor or non-material capital improvements, replacements, repairs or additions to the Facility (b) mutually agreed to costs by both Buyer and Seller for any major or material capital improvements, replacements, repairs or additions to the Facility or (ii) for Seller Facilities that are jointly owned, capital improvements, replacements, repairs or additions to the Facility.

“Capacity Payment” has the meaning set forth in Section 5.5.

“Cardinal Station Agreement” means the agreement, dated as of January 1, 1968, by and between the Seller, Buckeye Power, Inc. and Cardinal Operating Company, including all amendments and any future amendments thereto.

“Change-in-Law” means, after the date set forth in the preamble to this Agreement, the adoption, imposition, promulgation, change in interpretation or modification by a Governmental Authority of any law, regulation or Governmental Approval, or the issuance of a final and non-appealable order, judgment, award or decree of a Governmental Authority having the effect of the foregoing.

“Change-in-Law Taxes” means, after the date set forth in the preamble to this Agreement, any change (increase or decrease) in Taxes imposed on Seller on (a) the sale or use of fuel for generation of electricity, (b) the sale of Capacity or (c) the production or sale of Energy or Ancillary Services, in any case, resulting from a Change-in-Law.

“Claims” means all claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses (including reasonable attorneys’ fees and disbursements) and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Closing” and **“Closing Date”** means the date upon which the Parties obtain all regulatory approvals for this Agreement.

“Contract Price” means the price to be paid by Buyer to Seller for the purchase of the Buyer’s Contractual Capacity and associated Energy and Ancillary Services, as determined in accordance with the provisions of Article V.

“Contract Year” means the period beginning at 12:01 a.m. EPT on the Start Date and ending on December 31st of the same year, and each succeeding calendar year thereafter during the Delivery Period. If the first or last Contract Year consists of a shorter period than a full calendar year, including by reason of the termination of this Agreement prior to the expiration of the Delivery Period, then that Contract Year may consist of a shorter period than a full calendar year, in which case with respect to that Contract Year, all terms and provisions of this Agreement that refer to or are based on a Contract Year shall be adjusted ratably downward to reflect such shorter period.

“Delivery Period” has the meaning set forth in Section 2.2.

“Delivery Point” has the meaning set forth in Section 3.4.

“Depreciation Payment” has the meaning set forth in Section 5.4.

“Effective Date” means the date on which all of the conditions precedent set forth in Section 11.1 have been satisfied or waived, which date shall not be earlier than the Closing Date.

“End Date” has the meaning set forth in Section 2.2.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in MWh.

“EPA” means the United States Environmental Protection Agency, or any successor agency with similar jurisdiction.

“EPT” or “Eastern Prevailing Time” means the local time at the geographical location of the Delivery Point.

“Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

“Facility” means any unit identified on Schedule A entitled Ohio Generation Facilities.

“Facility Operating Agreement” means the applicable operating agreement(s) by and among Seller and the other co-owners thereto, as amended or supplemented from time to time, and shall include all exhibits, schedules and annexes thereto, and, for purposes of Section 10.5, such term shall be deemed to include all other agreements, documents, certificates and instruments to which Seller is a party with respect to or in connection with a Facility, as the same may be supplemented or amended from time to time. Upon execution and delivery of this Agreement, Seller will, to the extent not already in the possession of Buyer, deliver to Buyer a true and correct copy of the operating agreement(s) as of that date, including any amendments thereto.

“Facilities” means the generation facilities or units on Schedule A entitled Ohio Generation Facilities.

“Facility LMP Point” means the location at each Facility recognized by the PJM’s scheduling and settlement systems.

“FERC” means the Federal Energy Regulatory Commission or any successor entity with similar jurisdiction.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not reasonably anticipated as of the date set forth in the preamble to this Agreement, which is not within the reasonable control of, or the result of the negligence of, the Affected Party, and which, by the exercise of due diligence, the Affected Party is, by using reasonable efforts, unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (a) Seller’s ability to sell Seller’s Capacity Entitlement or associated Energy or Ancillary Services at a price greater than the Contract Price; (b) the loss of Buyer’s markets; or (c) a Party’s inability economically to purchase, use, sell or resell fuel, equipment or services or the Capacity, Energy or Ancillary Services purchased hereunder. Force Majeure includes events of “Force Majeure” as defined in a Facility Operating Agreement, to the extent excusing the performance of the Facility operator or the other joint owners thereto from their obligations under that agreement, but only to the extent affecting the Parties’ performance under this Agreement.

“Fuel Costs” means without limitation, all fixed or variable costs, expenses, losses, gains, liabilities, fuel hedging, claims and charges related to the acquisition, sale, storage, inventory, transloading, handling, balancing and transportation and delivery of fuel and all expenses recorded to FERC accounts 501 and 502 including, without limitation, coal, natural gas, diesel fuel, oil, consumables, chemicals, trona, urea, limestone, lime hydrated lime, ammonium carbonate, activated carbon, ash, scrubber waste, plant waste and gypsum disposal expense and sales credits, emission Allowance expenses (including all Allowance expenses recorded in Account 509, along with gains/losses in Accounts 411.8 and 411.9), for the Schedule A Generation Facilities, including related costs of credit,

“Fuel Payment” has the meaning set forth in Section 5.2.

“Governmental Approval” means any permit, authorization, registration, consent, action, waiver, exception, variance, order, judgment, decree, license, exemption, publication, filing, notice to, or declaration of or with, or required by any Governmental Authority or applicable law.

“Governmental Authority” means any federal, state, tribal, local, or municipal government body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal.

“Imbalance Charges” means any penalties, fees or charges assessed by a Transmission Operator or Transmission Provider for failure to satisfy requirements for balancing of electric energy receipts and deliveries or loads and generation, or payable to any other Person in connection with the delivery of electrical energy in an amount(s) different from the amount(s) scheduled.

“Income Tax” means any Tax imposed by any Taxing Authority (i) based upon, measured by or calculated with respect to gross or net income, profits, commercial activity, or receipts (including municipal gross receipt Taxes, capital gains Taxes and minimum Taxes) or (ii) based upon, measured by or calculated with respect to multiple bases (including corporate franchise Taxes) if one or more of such bases is described in clause (i), in each case together with any interest, penalties or additions attributable to such Tax.

“Indemnified Parties” has the meaning set forth in Section 13.2.

“Letter(s) of Credit” means one or more irrevocable, unconditional, transferable standby letters of credit issued by a major U.S. commercial bank or the U.S. branch office of a foreign bank with, in either case, a Credit Rating of at least (a) “A-” by S&P and “A3” by Moody’s, if such entity is rated by both S&P and Moody’s or (b) “A-” by S&P or “A3” by Moody’s, if such entity is rated by either S&P or Moody’s but not both, in a form acceptable to the Party in whose favor the Letter of Credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

“Mobile-Sierra Doctrine” has the meaning set forth in Section 13.13.

“Monthly Payment” has the meaning set forth in Section 5.1.

“Moody’s” means Moody's Investors Services, Inc. or its successor.

“MW” means megawatt.

“MWh” means megawatt-hour.

“NERC” means the North American Electric Reliability Corporation or any successor entity with similar jurisdiction.

“O&M Payment” has the meaning set forth in Section 5.3.

“Operation and Maintenance Costs” means all fixed or variable costs, expenses, losses, liabilities, claims, charges and associated credits incurred directly or indirectly in the performance of Operating Work, including a ratable portion of retirement costs, but not including Fuel Costs.

“Operating Work” means the operation, maintenance, use, repair or retirement of a Facility on or after the Start Date, including but not limited to labor; parts; supplies; insurance; permits; related taxes; community relations; procurement of ancillary services, fuel and other consumables; fuel acquisition or sales, transportation balancing and storage; waste handling and disposal; filing, defense and settlement of claims, suits and causes of action; procurement (or sale) of Allowances and settlement of all other environmental charges (or credits) pertaining to the operation of a Facility; but excluding any Capital Improvements Work.

“Outage” shall mean any unavailability, in whole or in part, of the Facility whereby it is not capable of fully operating at its rated capability due to (i) a forced derating, Forced outage maintenance derating, maintenance outage, planned derating, planned outage, (all as defined in the NERC Generating Unit Availability Data System (“GADS”) Data Reporting Instructions); (ii) the actual or anticipated failure of component(s); (iii) external restrictions; (iv) testing; (v) work being performed; (vi) maintenance; (vii) construction, or (viii) any other condition or circumstance that reduces electrical generating output from time to time from the Facility so as to prevent Seller from performing its obligations in whole or in part.

“Party” has the meaning set forth on the preamble hereto.

“Performance Assurance” means collateral in the form of Cash, Letter(s) of Credit, or other security or assurances acceptable to the Requesting Party.

“Person” means any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency or instrumentality.

“PJM” means the PJM Interconnection, LLC or any successor entity with similar responsibilities.

“Property Tax” means any Tax resulting from and relating to the assessment of real or personal property by any Taxing Authority.

“Seller” has the meaning set forth in the preamble hereto.

“Seller’s Debt Percentage” or **“DP”** means for purposes of this Agreement the percentage of 50%.

“Seller’s Equity Percentage” or **“EP”** means for purposes of this Agreement the percentage of 50%.

“Seller’s Facilities Net Book Value” or **“FNBV”** means the net book value of the Facilities as reflected on the books and records of Seller immediately prior to the Contract Year, and including all electric plant in service and capital lease assets net of accumulated depreciation and other investment (e.g. fuel and materials and supplies inventories, prepayments, plant held for future use, working capital, construction work in progress (“CWIP”), asset retirement obligations including ash pond closure costs, other deferred credits and accumulated deferred taxes).

“Seller’s Long Term Debt Rate” or **“LTDR”** means from ~~June 1, 2015~~ the Start Date through December 31, ~~2016~~ 2017 an initial rate of 4.73%. Thereafter, starting on January 1, ~~2017; 2018,~~ it will be Seller’s average annual cost of long-term debt (i.e., debt having maturities of greater than twelve calendar months) as reflected on Seller’s books and records as of the relevant determination date, updated as of January 1st of each calendar year thereafter, or updated at more frequent intervals as reasonably determined by Seller.

“Seller’s Return on Equity” or **“ROE”** means ~~Seller’s post-tax rate of return on equity, which amount will equal, for each Contract Year, the average of the daily Moody’s Long Term Baa Corporate Bond Index for the month of December of the preceding calendar year, plus 650 basis points; provided, however, such amount not to be less than 8.90% or greater than 15.90%~~ 10.38%, for each Contract Year.

“Seller’s Weighted Average Cost of Capital” or **“WACOC”** has the meaning set forth in Section 5.5.

“Start Date” has the meaning set forth in Section 2.2.

“Straddle Period” means, as appropriate, either any Tax Period beginning before the beginning of the first Contract Year and ending either during or as of the end of the first Contract Year or any Tax Period that is longer than one month. For example, pursuant to Section 8.5, the Tax Period for Property Taxes is each calendar year. Hence, the Tax Period for Property Taxes is a Straddle Period.

“Tax” or **“Taxes”** means any federal, state, local, or foreign income, commercial activity, gross receipts, value added, windfall or other profits, alternative or add-on minimum, estimated, franchise, profits, sales, use, real property, personal property, ad valorem, vehicle, airplane, boat, license, payroll, employment, workers’ compensation, unemployment compensation, withholding, social security, disability, excise, severance, stamp, occupation, premium,

environmental (including taxes under Code section 59A or any cost, charge or other financial burden on emissions), carbon dioxide, other greenhouse gases, charges on consumption, transportation or use of energy from such sources, customs duties, import fees, capital stock transfer, title, documentary, or registration, or other tax, duty, or impost of any kind whatsoever, whether disputed or not, and on either side of the Delivery Point. "Taxes" includes (i) any liability for the payment of any amounts described in the preceding sentence as a result of being a member of an affiliated, consolidated, combined, or unitary group for any taxable period, (ii) any liability for the payment of any amount described in clause (i) above as a result of being a Person required to withhold or collect Taxes imposed on another Person, (iii) any liability for the payment of any amount described in the preceding sentence or in clause (i) or (ii) of this sentence as a result of being a transferee of, or successor in interest to, any Person or as a result of an express or implied obligation to indemnify any Person, and (iv) any and all interest, penalties, additions to tax, or additional amounts imposed in connection with or with respect to any amount described above in this definition.

"Taxing Authority" shall mean, with respect to any Tax, the governmental entity (national, local, municipal or otherwise) or political subdivision thereof that imposes such Tax, the agency (if any) charged with the collection of such Taxes for such entity or subdivision, including any governmental or quasi-governmental entity, a council (if any) or agency that imposes, grants or monitors Taxes or the abatements thereof, or is charged with collecting social security or similar charges or premiums.

"Tax Period" means the time period for which or during which a Tax is imposed by any Taxing Authority.

"Tax Reimbursement Payment" has the meaning set forth in Section 5.6.

"Term" has the meaning set forth in Section 2.1.

"Transmission Operator" means PJM or any Transmission Provider, independent system operator, regional transmission operator or other transmission operator from time to time having authority to control the transmission control area to which the Facility is interconnected.

"Transmission Provider" means any Person or Persons that owns, operates or controls facilities used for the transmission of electrical energy in interstate commerce.

"Unit Contingent" or reference to **"Unit Contingency"** means, with respect to Energy or Ancillary Services associated with Buyer's Contractual Capacity, that such Energy or Ancillary Services are intended to be supplied from the Facility and Seller's failure to deliver such Energy or Ancillary Services is excused to the extent the Facility (including all facilities on Seller's side of the Delivery Point) is unavailable as a result of (i) an Outage, (ii) Force Majeure or (iii) Buyer's failure to perform.

1.2 Interpretation. Unless the context otherwise requires:

- (a) Words singular and plural in number will be deemed to include the other and pronouns having masculine or feminine gender will be deemed to include the other.

- (b) Any reference herein to any Person includes its successors and permitted assigns and, in the case of any Government Authority or Taxing Authority, any Person succeeding to its functions and capacities.
- (c) Any reference herein to any Article, Section, clause, or schedule means and refers to the appropriate Article, Section or clause or schedule in this Agreement.
- (d) Other grammatical forms of defined words or phrases have corresponding meanings.
- (e) The term “including” when used in this Agreement means “including without limitation.”
- (f) Unless otherwise specified, a reference to a specific time for the performance of an obligation is a reference to that time in the place where that obligation is to be performed.
- (g) A reference to a document or agreement, including this Agreement, includes all appendices and schedules thereto.
- (h) A reference to a document or agreement, including this Agreement, includes a reference to that document or agreement as amended, supplemented, amended and restated or otherwise modified from time to time.
- (i) If any payment, act, matter or thing hereunder would occur on a day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) The words “hereof,” “hereunder,” “herein,” “herewith,” and “hereto,” and similar words refer to this Agreement as a whole and not to any particular Article, Section or clause in this Agreement.

1.3 Technical Meanings. Words not otherwise defined herein that have well-known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings, as of the date set forth in the preamble to this Agreement.

ARTICLE II

TERM

2.1 Term. The term of this Agreement (“Term”) shall commence on the date set forth in the preamble to this Agreement and shall continue, unless earlier terminated in accordance with the provisions of this Agreement, until the End Date.

2.2 Delivery Period. Subject to Section ~~2.3 or Section 2.4, 2.3,~~ the period during which the Parties will be obligated to purchase and sell Capacity, Energy and Ancillary Services as set forth in this Agreement (“**Delivery Period**”) will commence on ~~June 1, 2015,~~ 2016, or such other earlier date as may be jointly specified by the Parties (“**Start Date**”), and run

~~through the conclusion of the commercial operational life of the generation facilities listed on Schedule A, including any post-retirement period to complete all asset retirement obligations and any other removal projects~~ May 31, 2024 (“**End Date**”), unless the Parties otherwise mutually agree in writing upon an alternative End Date.

2.3 Early Termination Right. Subject to Buyer complying with its obligations under Article V and provided Buyer is not a Defaulting Party, Buyer will have on or after the first anniversary of the Start Date, the right, but not the obligation, upon no less than three hundred and sixty five (365) days notice to Seller to terminate, in whole, this Agreement prior to the End Date if retail cost recovery for Buyer’s costs hereunder is discontinued ~~or substantially diminished, including through a one-time significant disallowance for retail rate recovery of costs by the Commission.~~

2.4 ~~Other Early Termination Rights.~~ ~~In the event the Parties are unable to reach agreement upon the retirement date of a Unit or Facility, the Parties may mutually agree to remove such Unit or Facility from this Agreement, subject to Buyer complying with its obligations under Article V.~~

ARTICLE III

PURCHASE AND SALE OBLIGATION

3.1 Seller’s and Buyer’s Obligations. Subject to, and in accordance with, the terms and conditions of this Agreement, Seller agrees to sell and deliver, and Buyer agrees to purchase, receive, and pay for, Buyer’s Contractual Capacity and the Energy and Ancillary Services associated with Buyer’s Contractual Capacity delivered by Seller to the Delivery Point during each hour of the Delivery Period.

3.2 Unit Contingent. All Energy and Ancillary Services associated with Buyer’s Contractual Capacity and all of Seller’s obligations to sell and deliver the Energy and Ancillary Services associated with the Buyer’s Contractual Capacity are Unit Contingent.

3.3 Fuel. During the Delivery Period, Seller will arrange, provide, procure, supply, manage, transact, transport and deliver Fuel to Facilities where Seller performs this function, and at all remaining Facilities, Seller will provide input to the plant operator on Fuel purchases and Fuel related matters for such Facility. Buyer will have the rights to monitor the Fuel procurement and logistics process and provide reasonable direction on the activity to the Seller at Operating Committee Meetings. When Seller needs to acquire Fuel on behalf of Buyer, Seller agrees to conduct such purchases of Fuel, whenever reasonably possible, using competitive methods, including, without limitation, requests for proposals, and Buyer will have the right, but not the obligation, to observe, monitor, and approve the results of such competitive methods. Excluding emergency situations, Fuel procurements not purchased through competitive methods must first be approved by Buyer. Any fuel purchase contracts used to supply fuel to the Facilities that are in effect prior to and extend beyond the Start Date will continue to be utilized for the Facilities. Buyer acknowledges and agrees that existing contracts entered into prior to the Start Date will continue to be utilized to supply fuel to Seller’s generation covered by this Agreement and if any such fuel is also utilized to supply fuel to Seller’s generation that is not part of this Agreement

the allocation of such fuel between the Facilities and the Seller's other units will be performed in an equitable manner approved by both the Seller and the Buyer. Any such pre-existing contracts will not be renewed or extended to serve the Facilities covered by this Agreement unless approved by the Buyer.

3.4 Delivery Point. The Delivery Point for Energy and Ancillary Services associated with Buyer's Contractual Capacity will be the location of the PJM node at each facility, typically located at the high side of the transformers located at each of the generating facilities identified in Schedule A, at which point the quantities of such Energy or Ancillary Services delivered by Seller to Buyer will be recorded and measured by the relevant revenue meters.

3.5 Scheduling and Dispatch. Buyer or its agent will dispatch the generation associated with the Facilities by reviewing and determining the parameters associated with PJM generation offers, including how such generation will be offered to PJM, for the Energy and Ancillary Services associated with Buyer's Contractual Capacity and Seller will, subject to the requirements of PJM and the operating parameters of the Facilities, as determined by the Facility operator, operate and control the Facilities and schedule with PJM pursuant to Buyer's dispatch criteria and PJM's requirements and instructions. Buyer acknowledges and agrees that it will be obligated at all times to receive Seller's allocation of minimum output of a Facility, consistent with unit operation limitations and any Facility Operating Agreement. Schedules will be adjusted to the extent necessary to allow Seller or the Facility operator to start-up, operate, curtail or shut-down any of the Facilities as required to comply with instructions from the Transmission Operator. Seller will cooperate and provide any assistance to Buyer so that Buyer can determine how such generation will be offered to PJM. Buyer will be allocated any excess (or deficit) amount of Energy or Ancillary Services made available by Seller at the Delivery Point over (or under) the amount of Energy or Ancillary Services Scheduled by the Buyer. Buyer will be responsible for all Imbalance Charges associated with the Energy made available to it by Seller at the Delivery Point, provided, however, that any such Imbalance Charges resulting from Seller's unexcused failure to dispatch, or to cause the Facility operator to dispatch, the Energy associated with the Seller's Capacity Entitlement that are designated by Buyer will be the responsibility of the Seller. The Energy and Ancillary Services associated with Buyer's Contractual Capacity will be recorded by the Parties in PJM's scheduling and settlement systems at the Facility LMP Point.

3.6 Transmission And Related Costs. Seller shall make all Energy and Ancillary Services associated with Seller's Capacity Entitlement available to Buyer at the Delivery Point. Buyer shall be responsible for transmission service at and from the Delivery Point and shall coordinate, as necessary, for scheduling services with the Transmission Operator to receive all Energy and Ancillary Services associated with the Seller's Capacity Entitlement at the Delivery Point. Buyer shall have the right to designate an agent for coordinating, as needed, with PJM related to the Capacity, Energy and Ancillary Services received under this Agreement. Buyer shall be responsible (i) for all costs or charges imposed on or associated with the Seller's Capacity Entitlement and associated Energy and Ancillary Services and the delivery of all Energy and Ancillary Services associated with the Seller's Capacity Entitlement at and after the Delivery Point, and (ii) for any and all Imbalance Charges consistent with Section 3.5. Subject to reimbursement as set forth in Article IV, Seller shall be responsible for all costs or charges imposed on or associated with the Seller's Capacity Entitlement and associated Energy and

Ancillary Services and the delivery of all Energy and Ancillary Services associated with the Seller's Capacity Entitlement up to the Delivery Point.

3.7 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement (other than an obligation to pay money), and such Party (the "**Affected Party**") gives notice and details of the Force Majeure to the other Party as soon as practicable (but not later than thirty (30) days thereafter to the extent such details are then available) then the Affected Party shall be excused from the performance of its obligations under this Agreement (other than the obligation to make payments) so long as the Affected Party shall be using all reasonable efforts to overcome the Force Majeure and resume performance as soon as possible. The non-Affected Party shall not be required to perform or resume performance of its obligations (excluding payment obligations) to the Affected Party corresponding to the obligations of the Affected Party excused by Force Majeure, until such time and to the extent the Affected Party resumes its performance.

3.8 Allowances. Seller shall separate the Allowance inventories associated with the Facilities and maintain them in a separate subaccount for Buyer's benefit. To the extent Seller has any Allowances prior to the Start Date that are not associated with the Facilities or any of the Seller's other generation units, such Allowances will be allocated to Buyer's separate subaccount and the Seller's other Allowance subaccounts based on the emissions of the applicable units over the 5 prior calendar years. The applicable units will be all the units required to provide Allowances for its emissions, excluding any units retired prior to the Start Date. Following the Start Date, the subaccount established for Buyer shall be used to record all Allowances arising from or associated with a Facility that Seller is granted or to which it is entitled for the Delivery Period, within thirty (30) days of such grant or other effective date, whether such grant or entitlement is made on a one-time, annual or other periodic basis. Allowances will be removed from the subaccount established for Buyer as needed to comply with surrender requirements associated with any applicable emissions from the Facilities by the Allowance Transfer Deadline, and the associated Allowance expense will be borne by the Buyer. Buyer shall manage all Allowances in the subaccount established for Buyer, including the purchasing, selling or other disposition of the Allowances and will receive any gains or any losses associated with such management.

3.9 Failure to Deliver Energy/Ancillary Services. If Seller fails to or Seller fails to cause the Facility operator under the Facility Operating Agreement to Schedule, Dispatch and/or deliver all or any part of the Energy and/or Ancillary Services that are Scheduled and Dispatched by Buyer pursuant to this Agreement and it is not the result of an Outage or a Force Majeure, Seller shall pay Buyer an amount equal to the sum of (a) the positive difference, if any between the Contract Price of the Energy and/or Ancillary Services to be supplied by Seller and (b) the price for a corresponding amount of replacement Energy and/or Ancillary Services.

3.10 Consent Decree. Due to certain of the Facilities being subject to the Consent Decree between U.S. EPA and Ohio Power Company entered on December 10, 2007 and as issued in Civil Action No. C2-99-1182 and consolidated cases by the United States District Court for the Southern District of Ohio, Eastern Division, as modified from time to time ("Consent Decree"), Seller will constrain the dispatch of impacted Facilities if or when needed to ensure compliance with any emission limitations required by the Consent Decree. Such limitations will

be reasonably economically imposed and applied on a consistent basis between the Agreement Facilities and other generating units of the Seller that are not part of this Agreement. Buyer shall bear the full cost of any fines or penalties resulting from non-compliance with any resulting emission limitations of the Agreement Facilities associated with Buyer's rights to dispatch the Facilities hereunder. Seller shall bear the full cost of any fines or penalties resulting from Seller's failure to constrain the use of impacted Facilities needed to ensure compliance with any emission limitations required by the Consent Decree.

3.11 Cardinal Station Agreement. Buyer acknowledges and agrees that Buyer's entitlements and obligations under this Agreement shall be subject to, conditioned upon, and net of all the entitlements and obligations of Buckeye under the Cardinal Station Agreement related to capacity, energy and ancillary service entitlements and back-up obligations. Accordingly, Buyer shall provide for Buckeye's use and bear all of the net cost of providing all such entitlements directly to Buckeye or to Seller for Buckeye's benefit. Consistent with Section 3.5, the Buckeye's Units shall be dispatched and the Buyer shall receive the corresponding capacity, energy and ancillary service revenues, net of any applicable costs, as described under and subject to the Cardinal Station Agreement. During the Delivery Period, Seller shall not agree to any amendment, waiver or other modification of the Cardinal Station Agreement without obtaining the prior written consent of Buyer. DuringFor the balance of the 2015/2016 Planning Year from the Start Date, Seller will credit to Buyer Capacity revenues associated with Buckeye's Units in an amount equal to the Capacity revenues of the Facilities that have been provided to Buckeye for that Planning Year.

ARTICLE IV

FACILITY OPERATIONS

4.1 Operation and Maintenance. At all times during the Delivery Period, Seller shall perform the Operating Work, or cause the Operating Work to be performed, in accordance with good commercial and prudent utility practice consistent with the procedures employed by Seller at similar generating stations or the procedures followed by the operator of units that are not wholly owned by Seller. Subject to reimbursement as set forth in Article V, Seller shall be responsible for all costs, expenses, losses, liabilities and charges incurred by it, or on its behalf, in the performance of Operating Work, including the procurement of Ancillary Services sufficient to satisfy Ancillary Service obligations to the Transmission Operator related to the Facility.

4.2 Capital Improvements. From time to time during the Term, Seller shall perform, or cause to be performed, Capital Improvements Work related to a Facility. For major or material projects at a wholly owned Seller Facility, Buyer's prior written approval and agreement must first be obtained before proceeding with such Capital Improvements Work. For a unit at a Facility that is jointly owned, Seller will obtain and communicate to the third party operator Buyer's input on any Capital Improvements Work proposed. Subject to reimbursement as set forth in Article V, Seller shall be responsible for all costs, expenses, losses, liabilities and charges incurred by it, or on its behalf, in the performance of Capital Improvements Work. Annually, Seller will provide Buyer with a confidential three year forecast of projected Capital Improvements Work.

4.3 Planned Outage Schedule. Seller will develop and implement, or cause to be developed and implemented, a planned outage and maintenance schedule for Facilities that Seller operates that is coordinated with American Electric Power Service Corporation. For Facilities that are not operated by Seller, Seller will communicate Buyer's input on planned outages and maintenance schedules for such Facilities to the Facility operator.

4.4 Auxiliary Power. During any hour that the Facility is out of service, Seller or the applicable Facility operator will procure the energy used by Facility auxiliaries during that hour, the cost of which will be borne by the Buyer.

ARTICLE V

PRICING

5.1 Monthly Payments. For each calendar month during the Delivery Period, Buyer shall pay Seller an amount (the "**Monthly Payment**") equal to the sum of (i) a Fuel Payment, (ii) an O&M Payment, (iii) a Depreciation Payment, (iv) a Capacity Payment, (v) a Tax Reimbursement Payment, and (vi) Other Miscellaneous Payment. The Monthly Payment will be Seller's sole compensation for Seller's sale and delivery to Buyer of Buyer's Contractual Capacity and the Energy and Ancillary Services associated with Buyer's Contractual Capacity.

5.2 Fuel Payment. For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**Fuel Payment**") equal to the Fuel Costs incurred by or invoiced to Seller at the Facilities for that month.

5.3 O&M Payment. For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**O&M Payment**") equal to the Operation and Maintenance Costs at the Facilities for that month.

5.4 Depreciation Payment. For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**Depreciation Payment**") equal to the sum of the depreciation expenses incurred by Seller for each Facility in Schedule A at the actual rate of depreciation during the relevant month and, in the case of jointly owned units, those expenses directly related to its ownership interest in the applicable Facility. The depreciation rates will be updated periodically at intervals that will not exceed five (5) years and the new rates will become effective on the subsequent January 1st during the Term of this Agreement. ~~Any positive net book value at the end of the commercial life of a given Facility will be included in the net book value of the other units at the same Facility and depreciated at an adjusted rate of those other units. If the final Facility or Facilities at a plant are retired, any remaining net book value will be payable by Buyer at that time, unless the Parties mutually agree upon an alternative payment arrangement.~~

5.5 Capacity Payment. For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**Capacity Payment**") equal to the following:

$$CapacityPayment = \frac{FNBV \times WACOC}{12}$$

where,

FNBV	=	Seller's Net Book Value of the Facilities.
WACOC	=	$(DP\% \times LTDR) + (EP\% \times ROE)$
LTDR	=	Seller's Long Term Debt Rate
ROE	=	Seller's Return on Equity
DP%	=	Seller's Debt Percentage
EP%	=	Seller's Equity Percentage

Each component of the Capacity Payment that is subject to change under the terms of this Agreement will be updated as of January 1st of each calendar year during the Term of this Agreement, or at more frequent intervals as elected by Seller.

5.6 Tax Reimbursement Payment. For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**Tax Reimbursement Payment**") equal to all Taxes (other than taxes included in Sections 5.2 through 5.5, above, such that there will be no duplication of Tax reimbursement to Seller) for that month applicable to Buyer's Contractual Capacity and the Energy and Ancillary Services associated with Buyer's Contractual Capacity, as more fully set forth in Article IX. Any Tax based upon income, gross receipts, commercial activity, or any similar Tax for which the inclusion of such Tax in the Monthly Payment would increase Seller's liability for any Tax including WACOC shall be grossed-up so as to make the receipt of any such Tax neutral to the Seller. Any Tax for any Straddle Period shall be included in the Monthly Payment based upon the ratio of the days in the month for the Monthly Payment over the total number of days in the Tax Period. Taxes included in the Monthly Payment may be estimated by Seller. The difference between estimated Taxes and the actual Taxes for which Buyer is responsible will be billed or credited to Buyer, as appropriate, in one or more installments following the end of the relevant Tax Period. For purposes of Taxes subject to the provisions of this Section 5.6, all Taxes shall be based upon the amount accrued for the relevant calendar month billing period, including any deferred tax amount.

5.7 Other Miscellaneous Payment.

For each calendar month during each Contract Year, Buyer shall pay Seller an amount (the "**Other Miscellaneous Payment**") which shall include:

(A) Any other costs and credits as described within this Agreement not already included in the other payment components or any other costs or credits reasonably associated with the Facilities which may be billed monthly or if incurred less frequently, on either a quarterly or as incurred basis. For example, the Parties understand and agree that the cost of Ancillary Services associated with the Facility Capacity that are requested and delivered in accordance with regular dispatch of a Facility in accordance with this Agreement is included in and compensated for by

the Monthly Payment. The Other Miscellaneous Payment shall also include, but not necessarily be limited to, any PJM charges and credits associated with the Facilities.

(B) Where Buyer exercises its right under Section 2.3 to terminate this Agreement or an Early Termination Date is declared due to a Buyer Event of Default, Seller will invoice Buyer, and Buyer shall pay Seller, an amount equal to the sum of the then undepreciated net book value of the Generating Facilities and the expected retirement-related costs associated with such Generating Facilities at the time this Agreement is terminated (x) amounts unpaid or owing as of the termination or Early Termination Date, plus (y) an amount of the remaining Monthly Payments, except for the Fuel Payment, for the shorter of i) three years, or ii) the remainder of the Delivery Period (such amount to be determined based on the most recent 12 months of Monthly Payments, excluding the Fuel Payments), minus (z) the amount of Seller's forecasted net revenues for Capacity (based on cleared BRA prices) during such shorter period, as determined by the Seller in a commercially reasonable manner.

~~(C) Where the Parties exercise their right under Section 2.4 to remove Unit(s) or Facilities terminate this Agreement, Seller will invoice Buyer, and Buyer shall pay Seller, an amount, determined by Seller in a commercially reasonable manner, equal to the sum of the then undepreciated net book value of the Unit(s) or Generating Facilities that are to be removed from this Agreement and the expected retirement-related costs associated with such Unit(s) or Generating Facilities at the time the Unit(s) or Facilities are removed from this Agreement. At Buyer's request and at Buyer's sole expense, the fair market value of the Unit(s) or Facilities, including all of the associated liabilities thereto will be determined by Seller, such values may be developed by Seller through the use of an independent appraisal or other competitive solicitation conducted by Seller to obtain bids to purchase the Unit(s) or Generating Facilities. To the extent any appraisal or competitive solicitation would result in positive revenues to Seller as a result of such sale, Seller will apply a credit on Buyer's invoice for such positive revenues, up to, but not exceeding, the amount invoiced by Seller hereunder. Seller retains the right of first refusal to match any bona fide offer that complies with all of the terms of any competitive solicitation. Where there is a disagreement over a retirement date for Unit(s) or Facilities and this Agreement is terminated under Section 2.4, in the event Seller intends to continue operating such Unit or Facility after it is removed from this Agreement in accordance with Section 2.4, Seller will also apply a credit to Buyer's invoice referenced above with respect to allocating the retirement-related costs of such Unit(s) or Facilities to account for the additional time Seller intends to operate the Unit(s) or Facilities after it is removed from this Agreement, in relation to the period of time Buyer purchased Energy and Capacity from such Unit(s) or Facilities hereunder.~~

ARTICLE VI

BILLING AND PAYMENT

6.1 **Billing and Payment.** The calendar month shall be the standard period for all payments under this Agreement. As soon as practicable after the end of each month, Seller will render to Buyer an invoice for the payment obligations incurred during the preceding month. Each component of the invoice will be described in reasonable detail. All invoices under this Agreement shall be due and payable on or before the twentieth (20th) day of each month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next

Business Day. Buyer will make payments by electronic funds transfer to the account designated by Seller, or by other mutually agreeable method(s). Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the then current short term borrowing rate of the Seller ("Interest Rate"), such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

6.2 Books and Records; Audit. Seller shall keep, or shall cause to be kept, all necessary books of record, books of account, and memoranda of all transactions involving the Facility, in conformance, where required, with the FERC's Uniform System of Accounts. Seller shall make, or shall cause to be made, all computations relating to the Facilities and all allocations of the costs and expenses of the Facilities. Buyer has the right to examine the records of Seller to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement (including any statements evidencing the quantities delivered to Buyer at the Delivery Point) within twelve (12) months of receipt of the statement, charge or computation. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly, along with interest accrued at the Interest Rate, provided, however, that any claim by a Party for overpayment or underpayment with respect to an invoice is waived unless the other Party is notified of the claim within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

6.3 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other under this Agreement through netting, in which case all amounts owed by each Party to the other Party under this Agreement, including any related damages, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

ARTICLE VII

CREDIT REQUIREMENTS

7.1 Credit Assurances. If a Party (the "**Requesting Party**") has reasonable grounds to believe that the other Party's (the "**Posting Party**") creditworthiness or performance under this Agreement has become unsatisfactory, the Requesting Party will provide the Posting Party with written notice requesting Performance Assurance in an amount determined by the Requesting Party in a commercially reasonable manner. Upon receipt of such notice, the Posting Party shall remedy the situation within a reasonable period (not exceeding thirty (30) days) by providing such Performance Assurance to the Requesting Party.

7.2 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Performance Assurance hereunder, each Party (a "**Pledgor**") hereby grants to the other Party (the "**Secured Party**") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such

Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party, including any equity or right of purchase or redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

ARTICLE VIII

EVENTS OF DEFAULT, REMEDIES & LIMITATIONS

8.1 Events of Default. An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

- (i) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within ten (10) Business Days after written notice;
- (ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and if not remedied within thirty (30) Business Days after written notice;
- (iii) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within thirty (30) Business Days after written notice;
- (iv) such Party becomes Bankrupt;
- (v) the failure of such Party to satisfy the creditworthiness/collateral requirements agreed to pursuant to Article VII; or
- (vi) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another Person and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee Person fails to assume all the obligations of such Party under this Agreement to which it

or its predecessor was a Party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

8.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “**Non-Defaulting Party**”) shall have the right, at its sole discretion, to take any one or more of the following actions: (i) to exercise any rights and remedies under this Agreement or law with respect to any Performance Assurance or other financial assurance; (ii) to withhold any payment due to the Defaulting Party under this Agreement; (iii) to suspend its performance; (iv) to cancel this Agreement by declaring a date for its early termination (an “**Early Termination Date**”); or (v) exercise such other rights or remedies it may have in contract, in equity, or at law. An Early Termination Date shall not relieve a Party of its obligation to payments hereunder. None of the remedies conferred upon the Parties above is intended to be exclusive of any other remedy or remedies now or hereafter existing and every such remedy will be cumulative and shall be in addition to the remedies set forth above and every other remedy. Each party may commence such suits, actions or proceedings, at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce this Agreement.

8.3 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. FOR BREACH OF ANY PROVISION OF THIS AGREEMENT, THE OBLIGOR’S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY, SUCH DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

ARTICLE IX

TAXES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the parties to minimize all Taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Taxes. Subject to reimbursement by Buyer as set forth in Article V, Seller shall pay or cause to be paid all Taxes imposed on or with respect to the Buyer’s Contractual Capacity and associated Energy and Ancillary Services arising prior to the Delivery Point. Buyer shall pay the Tax Reimbursement Payment and pay or cause to be paid all Taxes on or with respect to the Buyer’s Contractual Capacity and associated Energy and Ancillary Services at and from the

Delivery Point. In the event Seller is required by law or regulation to remit or pay Taxes which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Taxes as set forth in Article V. If Buyer is required by law or regulation to remit or pay Taxes which are Seller's responsibility hereunder, Buyer may deduct the amount of any such Taxes from the sums due to Seller under Article V of this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Taxes for which it is exempt under the law.

9.3 Change-in-Law Taxes. Buyer shall be responsible for (or receive the benefit of) all Change-in-Law Taxes.

9.4 Exemptions. Either Party, upon written request of the other, shall provide a certificate of exemption or other reasonably satisfactory evidence of exemption if either Party is exempt from any Taxes and shall use all reasonable efforts to obtain or maintain, or to enable the other Party to obtain or maintain, any exemption from or reduction of any Taxes, whether currently available or becoming available in the future. Without limiting the generality of the foregoing, the Parties agree that, if beneficial to the efforts of either Party to obtain or maintain any exemption from or reduction of any Taxes, whether currently available or becoming available in the future, the Parties will cooperate to restructure the transactions contemplated by this Agreement so as to enable either Party to obtain or maintain such exemption or reduction, as the case may be; provided, however, that any such restructuring shall not affect adversely the economic consequences of this Agreement to either Party or subject either Party to any regulatory jurisdiction other than that to which it is subject on the date set forth in the preamble to this Agreement.

ARTICLE X

COMPLIANCE WITH LAWS; ADMINISTRATION

10.1 Seller's Compliance. Seller shall, at its expense, comply with all applicable laws and obtain and maintain all Governmental Approvals applicable to Seller and/or the Facilities or necessary for Seller's performance of its obligations hereunder. Notwithstanding the foregoing, Seller shall not be deemed in default of this obligation if it is contesting the application, interpretation, order, or other legal direction or Governmental Approval of any Governmental Authority in good faith and with due diligence through appropriate proceedings and if such non-compliance does not have a material adverse effect on Seller's performance of this Agreement. Seller agrees to adhere to the applicable operating policies, criteria and guidelines of NERC.

10.2 Buyer's Compliance. Buyer shall at its expense, at all times, comply with all applicable laws and obtain and maintain all Governmental Approvals applicable to Buyer or necessary for Buyer's performance of its obligations hereunder. Notwithstanding the foregoing, Buyer shall not be deemed in default of this obligation if Buyer is contesting the application, interpretation, order, or other legal direction or Governmental Approval of any Governmental Authority in good faith and with due diligence through appropriate proceedings and if such non-compliance does not have a material adverse effect on Buyer's performance of this Agreement. Buyer agrees to adhere to the applicable operating policies, criteria and guidelines of the NERC.

10.3 Administration. Seller will promptly provide Buyer with copies of all written notices from the operator or other co-owners pertaining to the Facilities that materially affect, or potentially materially affect, Buyer's rights and obligations under this Agreement, including all invoices, budgets, maintenance schedules, outage/derating notices, availability forecasts, and material contracts, to the extent not restricted by an obligation of confidentiality for which Seller cannot obtain a waiver or other appropriate relief. At all times during the Term, Seller shall cause the Facility operator to perform its responsibilities and otherwise discharge its obligations in respect of the applicable Facility, and maintain accurate records regarding the foregoing, in accordance with all relevant Governmental Approvals and all applicable statutes, codes, regulations, standards, and guidelines adopted by Governmental Authorities, NERC and the Transmission Operator from time to time.

10.4 Operating Committee. By written notice to each other, the Parties and American Electric Power Service Corporation each shall name one representative ("Representative") to act for it in matters pertaining to the Parties' obligations under this Agreement and to develop, if necessary, operating procedures for the generation, delivery and receipt of Energy hereunder, and such other mutually agreed upon contract administration procedures. Any Party may change its Representative at any time by written notice to the other Parties. The Representatives for the respective Parties shall comprise the Operating Committee. The Representative for American Electric Power Service Corporation shall be free to express the views of such Party, but shall not have a vote on the Committee except in the case of a tie between the other Parties. The Operating Committee shall meet at least annually, and at such other times as any Party may reasonably request. The Parties shall cooperate in providing to the Operating Committee the information it reasonably needs to carry out its duties. The Operating Committee will review and approve decisions regarding the retirement or early retirement of any dates of the Facilities for depreciation or other purposes, annual budgets, capital expenditures, procedures and systems for dispatch and notification of dispatch, procedures for communication and coordination with respect to Facility capacity availability, discuss scheduling of outages for maintenance, as well as the return to availability following an unplanned outage, approval of material contracts for Fuel, establishment of specifications for Fuels, and other duties as assigned by agreement of the Representatives.

10.5 Seller's Negative Covenants. Seller will not take any action or fail to take any action that would cause a default by Seller under the Facility Operating Agreement(s). Seller shall not, without the prior written consent of Buyer, (i) terminate or suspend any Facility Operating Agreement(s) or its interest in such Facility, (ii) amend or modify a Facility Operating Agreement(s), or (iii) grant any waiver or consent with respect to Facility Operating Agreement(s) or its interest in such Facility that would, in the case of (ii) and (iii) above, materially affect, or potentially materially affect, Buyer's rights and obligations under this Agreement, unless Seller shall first have obtained Buyer's written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE XI

CONDITIONS

11.1 Conditions. Subject to Section 11.2 and except to the extent waived in writing by the Parties in their sole and absolute discretion, the obligation of the Parties to consummate the transactions contemplated hereunder shall be subject to fulfillment of the following conditions:

- (i) The occurrence of the Closing.
- (ii) If required, Seller shall have filed with the FERC and received acceptance of this Agreement that is satisfactory to Seller and Buyer in their sole judgment and discretion, without any limitation thereto whatsoever.
- (iii) The Parties shall each have obtained any and all other Approvals required with respect to the performance of their respective obligations hereunder and such Approvals shall be in form and substance satisfactory to Seller and Buyer in their sole and absolute discretion.

11.2 Obligations of Buyer and Seller. Commencing on the date set forth in the preamble to this Agreement, on the terms and subject to the conditions of this Agreement, each Party shall use its commercially reasonable efforts to take, or cause to be taken, all appropriate action, and do, or cause to be done, and assist and cooperate with the other Party in taking or doing, all things necessary, proper or advisable to consummate the transactions contemplated hereby, including, without limitation the satisfaction of the conditions set forth in Section 11.1.

11.3 Failure of Conditions Generally. This Agreement may be terminated by either Party in the event that the conditions set forth in Section 11.1 are not satisfied or waived by the Parties in accordance with such Section.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES

12.1 Representations and Warranties of Both Parties. On the date set forth in the preamble to this Agreement each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) subject to the fulfillment of the conditions set forth in Section 11.1, it has all Governmental Approvals necessary for it legally to perform its obligations under this Agreement;
- (iii) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

- (iv) this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
- (v) it is not bankrupt, however evidenced, and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- (vi) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- (vii) no material breach of this Agreement with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and
- (viii) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Buyer's Contractual Capacity and associated Energy and Ancillary Services.

ARTICLE XIII

MISCELLANEOUS

13.1 Title and Risk of Loss. Title to and risk of loss related to the Capacity and associated Energy and Ancillary Services shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Capacity and associated Energy and Ancillary Services free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to the Delivery Point.

13.2 Indemnity. Each Party shall indemnify, defend and hold harmless the other Party and such Party's partners, directors, officers, employees, agents and representatives (the "**Indemnified Parties**") from and against any Claims arising from or out of any event, circumstance, act or incident first occurring or existing during the period when control of, risk of loss related to, and title to the Capacity and associated Energy and Ancillary Services is vested in such Party as provided in Section 13.1, except to the extent, as to any Indemnified Party, such Claims are attributable to the gross negligence or willful misconduct of such Indemnified Party. Each Party shall indemnify, defend and hold harmless the other Party against any Taxes for which such Party is responsible under Article IX. The foregoing indemnities shall forever survive the termination of the Agreement.

13.3 Amendments and Waivers. Neither this Agreement nor any provisions hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by both Parties.

13.4 Notices. All notices, requests, statements or payments shall be made as specified in Schedule 13.4. Notices, other than notices regarding availability, Scheduling and Dispatch of a Facility shall, unless otherwise specified herein, be in writing and shall be deemed to be given or made if delivered by (a) hand delivery, electronic mail or other electronic transmission device

capable of written record or facsimile, in each case, effective at the close of business on the day actually received, if received during business hours on a Business Day, otherwise shall be effective at the close of business on the next Business Day, or (b) United States mail or overnight courier service, in each case, effective on the next Business Day after it was sent. Notices regarding the availability, Scheduling and Dispatch of a Facility may be made (x) telephonically, effective when made, or (y) by electronic mail or other electronic device capable of written record, effective when received. A Party may change its notice details by providing a notice of same to the other Party in accordance herewith.

13.5 Successors and Assigns; Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and the Parties' successors and assigns permitted hereby and no other Person shall acquire or have any rights under or by virtue of this Agreement. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion; provided, however, that either Party may, without the consent of the other Party (and without relieving itself from liability hereunder) (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an Affiliate, or (iii) transfer or assign this Agreement to a successor to all or substantially all of Seller's Schedule A Units and Facilities provided such assignee shall agree in writing to be bound by the terms and conditions of this Agreement, and, as applicable, be a qualified operator of the Schedule A Units and Facilities. In addition to the foregoing, Seller shall require as a condition of said sale, assignment or other transfer that such other Person agree in writing to be bound by the terms and conditions of this Agreement to the same extent, such that Buyer's right to purchase such products shall continue uninterrupted and in the same manner as set forth in this Agreement without material alteration. Schedule A reflects Seller's current ownership percentages of the Facilities, and Seller may change these amounts during the Term, in whole or in part, without triggering the above provisions, provided that the overall generation capacity hereunder remains at a comparable level and such change avoids adverse impact to the economic interests of Buyer (and its retail customers) hereunder. Buyer or Seller may terminate that portion of this Agreement where there is a transfer or assignment of a Unit or Units and there is a termination of retail rate recovery related to the transferred or assigned Unit or Units.

13.6 Integration. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any and all previous and understandings, oral or written, between the Parties relating to the subject matter hereof.

13.7 Acknowledgments. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

13.8 Waiver. No failure to exercise and no delay in exercising by a Party any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any right, remedy power or privilege.

13.9 Counterparts. This Agreement may be executed by the Parties in any number of counterparts, which, taken together, shall constitute one and the same legal binding instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

13.10 Headings. The headings used herein are for convenience and reference purposes only.

13.11 Confidentiality. Neither Party shall disclose the terms or conditions of this Agreement to a third party (other than the Parties' employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, that each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. Subject to the provisions of Section 8.3, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation.

13.12 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

13.13 Mobile/Sierra Doctrine. Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008), and NRG Power Marketing LLC v. Maine Public Utilities Commission, 558 U.S. 165 (2010) (the "**Mobile-Sierra Doctrine**").

13.14 Severability. Should any provision of this Agreement be held to be invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof.

[signatures appear on next page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date set forth in the preamble to this Agreement.

| ~~[GENCO] AEP GENERATION RESOURCES INC.~~

By: _____
Name:
Title:

OHIO POWER COMPANY

By: _____
Name:
Title:

Schedule A
Ohio Generation Facilities

Facility	Unit(s)	Location	Unit Capacity (MW)	Seller Ownership (%)	Seller Ownership (MW)
Cardinal	1	OH	592	100.0%	592
Conesville	4	OH	779	43.5%	339
Conesville	5	OH	405	100.0%	405
Conesville	6	OH	405	100.0%	405
Stuart	1	OH	577	26.0%	150
Stuart	2	OH	577	26.0%	150
Stuart	3	OH	577	26.0%	150
Stuart	4	OH	577	26.0%	150
Zimmer	1	OH	1,300	25.4%	330
Total			5,789		2,671

SCHEDULE 13.4

Notice Information

If to Seller:

| ~~[GENCO]~~AEP Generation Resources Inc.
155 W. Nationwide Blvd. Suite 400
Columbus, Ohio 433215
Attention: President

with a copy to:

| ~~[GENCO]~~AEP Generation Resources Inc.
One Riverside Plaza
Columbus, Ohio 433215
Attention: Secretary

If to Buyer:

Ohio Power Company
One Riverside Plaza
Columbus, Ohio 433215
Attention: President

with a copy to:

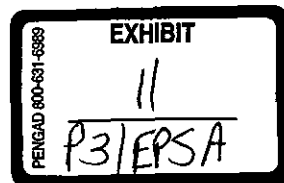
Ohio Power Company
One Riverside Plaza
Columbus, Ohio 433215
Attention: Secretary

GLOBAL SETTLEMENT AGREEMENT

This Global Settlement Agreement ("Agreement") memorializes a global settlement of several separate regulatory and litigation matters. It is made by Ohio Power Company ("AEP Ohio") and Industrial Energy Users-Ohio ("IEU") for the benefit of IEU's members. In this Agreement, AEP Ohio and IEU are collectively referred to as the "Parties."

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties agree as follows:

1. **Dismissal of IEU Litigation.** Within 10 days after the PPA Stipulation is executed and filed in the PPA Cases, IEU will take the following actions:
 - A. IEU will file a voluntary application to dismiss its appeal with prejudice in each of the following cases pending before the Supreme Court of Ohio ("S.Ct."): (a) S.Ct. Case No. 2012-2098 (first capacity charge appeal); (b) S.Ct. Case No. 2013-228 (second capacity charge appeal); (c) S.Ct. Case No. 2013-521 (ESP II appeal); and (d) S.Ct. Case No. 2013-1014 (corporate separation appeal).
 - B. IEU will move to withdraw its intervention in the following proceedings: (a) PUCO Case No. 14-1186-EL-RDR (RSR implementation plan); (b) PUCO Case Nos. 09-872-EL-FAC et al (2009 FAC); (c) PUCO Case Nos. 11-4920-EL-RDR et al. (phase in recovery rider); (d) PUCO Case No. 13-1939-EL-RDR (gridSMART Phase II); and (e) PUCO Case No. 15-1022-EL-UNC (2014 SEET).
 - C. IEU-Ohio will limit its participation in PUCO Case Nos. 11-5906-EL-FAC, 12-3133-EL-FAC, 13-572-EL-FAC, 13-1286-EL-FAC, and 13-1892-EL-FAC to the prosecution of the PUCO's investigation of AEP-Ohio's alleged double recovery of certain capacity related costs.
2. **AEP Ohio's Support of Energy Efficiency Opt-Out.** AEP Ohio will support expansion of the streamlined opt-out provisions enacted by SB 310 (130th General Assembly) so as to make the streamlined opt-out available, effective January 1, 2019, to "mercantile customers" as recommended in the report issued by the SB 310 Mandate Study Committee.
3. **IEU's Non-opposition to AEP Ohio's PPA Proposal.**
 - A. IEU agrees not to oppose the Joint Stipulation and Recommendation ("PPA Stipulation") to be filed by AEP Ohio and certain other parties in Public Utilities Commission of Ohio ("PUCO") Case Numbers 14-1693-EL-RDR and 14-1694-EL-AAM ("PPA Cases"). IEU's non-opposition recognizes the substantive terms in the PPA Stipulation that benefit its members. In recognition of its non-opposition and the benefits provided its members, IEU agrees not to challenge, or support any change to, the PPA Stipulation in any legal proceeding.



- B. IEU will file a letter in the PPA Cases stating that IEU does not oppose the PPA Stipulation. This letter will indicate that AEP Ohio and IEU have reached a global settlement of several separate regulatory and litigation matters and that IEU's non-opposition to the PPA Stipulation is one of several terms and conditions involved with the settlement.
- C. Notwithstanding the foregoing and anything else in this Agreement, if the PPA Stipulation is not finalized and filed with the PUCO, this Agreement will become null and void.

4. IEU's Non-Participation in Oral Argument. As a preliminary step toward dismissal of capacity charge appeals, IEU agrees to waive and not otherwise participate in the oral argument scheduled for December 15, 2015 in the first and second capacity charge appeals (to the extent permissible under the rules of the Ohio Supreme Court). AEP Ohio acknowledges that IEU has made a filing with the Supreme Court indicating that it will not participate in that oral argument.

5. No Principle Established. Nothing contained in this Agreement, or the fact of its submission to the Parties, shall be admissible evidence in any judicial, administrative, or other legal proceeding (except for a proceeding to enforce the terms of this Agreement), or be construed as an admission on the part of the Parties.

6. Settlement Payments. Within 10 days of IEU filing the last motion to dismiss its appeal or motion to withdraw required by Paragraph 1 above, AEP Ohio will pay, as a one-time nonrevocable payment, \$8 million to IEU for the benefit of its members. The Parties agree that this payment relates primarily to the cases addressed in Paragraph 1 above. IEU will continue, even after the payment is made and in the face of any opposition by other parties, to pursue the applications and motions referenced in Paragraph 1 until all of those applications and motions are ruled upon and are final. Upon dismissal or the granting of withdrawal pursuant to Paragraph 1 above, IEU will have no further involvement in the proceedings or any appeals or actions relating to the proceedings. This provision does not prevent IEU members from receiving any benefits resulting from a Supreme Court of Ohio remand proceeding.

7. Disclosure of this Agreement. IEU understands that this Agreement will likely be disclosed through discovery or another compulsory legal process. In addition, AEP Ohio may voluntarily and unilaterally disclose this Agreement after providing reasonable prior notice to IEU. AEP Ohio will endeavor to provide a minimum of 24 hours' notice.

8. Entire Agreement. The Parties acknowledge that this Agreement is the complete and final agreement between the Parties with respect to the subject matter of this Agreement, and that there are no other agreements, written or oral, that form any part of the agreement between the Parties regarding the matters set forth herein.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio. The delay or failure of either Party to assert or

enforce in any instance performance of any of the terms of this Agreement or to exercise any rights hereunder conferred shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights at any later time.

10. Modification. Any waiver or modification of this Agreement must be in writing.

11. Severability. Should any one or more of the terms or conditions of this Agreement be held to be void, invalid, illegal, or unenforceable in any respect, this will not affect any other term or condition of this Agreement, but the remainder of this Agreement will be effective as though such term or condition had never been contained herein.

12. Authorization. The Parties warrant that they have the power and authority, and the legal right, to make, deliver and perform under this Agreement, and have taken all necessary actions to authorize execution, delivery and performance under this Agreement. Specifically, IEU warrants that its participating members have authorized IEU to make, deliver and perform under this Agreement.

13. Notice. Unless otherwise stated herein, all notices, demands, or requests required or permitted under this Agreement must be in writing and must be delivered by overnight express, mail, courier service, electronic mail, or facsimile transmission to the other Party.

14. Costs and Expenses. Each Party is responsible for its own costs and expenses, including attorneys' fees, related to any civil action brought to enforce this Agreement.

15. Execution in Counterparts. This Agreement may be executed in counterparts.

Ohio Power Company

By: 

Name: Pablo A. Vegas

Title: President & COO

Date: December 14, 2015

Industrial Energy Users-Ohio

By: 

Name: Kevin M. McCoy

Title: Executive Director

Date: December 14, 2015

**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIRST SET-JOINT STIPULATION AND RECOMMENDATION**

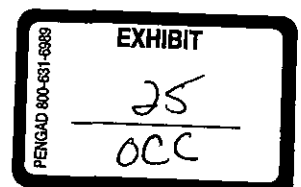
INTERROGATORIES

INT-S1-034 Referring to page 1, line 16 of Allen's Direct Testimony, please define "serious bargaining."

RESPONSE

Page 11, lines 1-22 of the same testimony describes the serious bargaining that took place in this proceeding. See the response to OCC INT S1-035.

Prepared by: William A. Allen



**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIRST SET-JOINT STIPULATION AND RECOMMENDATION**

INTERROGATORIES

INT-S1-035 Please identify each Party that participated in the "serious bargaining" of:

- a) Section A1 of the Stipulation;
- b) Section A2 of the Stipulation;
- c) Section A3 of the Stipulation;
- d) Section A4 of the Stipulation;
- e) Section A5 of the Stipulation;
- f) Section A6 of the Stipulation;
- g) Section B of the Stipulation;
- h) Section C of the Stipulation;
- i) Section D of the Stipulation;
- j) Section E of the Stipulation;
- k) Section F of the Stipulation;
- l) Section G of the Stipulation;
- m) Section H of the Stipulation;
- n) Section I of the Stipulation;
- o) Section J of the Stipulation;
- p) Section K of the Stipulation;
- q) Section L of the Stipulation;
- r) Section IVA of the Stipulation; and
- s) Section IVJ of the Stipulation.

RESPONSE

The Company objects to this request seeking information that is confidential in connection with settlement discussions. The Company also objects to the extent this request seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. Both of these objections are bolstered by the OCC agreement not to use information learned or exchanged through the settlement process in the evidentiary hearing, attached as Stipulation OCC-INT-S1-35 Attachment 1, and is, therefore, prohibited from using in the evidentiary hearing any information from the settlement process in which it participated; thus, responding to this request cannot be calculated to lead to admissible evidence. Moreover, the Company objects to this request as being ambiguous, vague and overbroad. Without waiving these objection(s) or any general objection the Company may have, the Company states as follows. "Serious bargaining" refers to a process undertaken by the parties to jointly develop and negotiate a settlement. Even provisions that relate to specific parties are negotiated and bargained for by the parties generally. With each new version of the draft settlement, all parties have an opportunity to probe the potential pros and cons of a particular provision, negotiate changes to each provision, and weigh specific provisions against each other and against the entire package of provision contained in that draft of the settlement. This iterative process is what constitutes the negotiation among knowledgeable and capable parties, some of whom decide to become Signatory Parties and some of whom (like OCC) did not. As such, there is no single party and no specific subset of parties to whom attribution is given for a particular section, provision or sentence within the Stipulation. As a related matter, individual parties can speak for themselves as to why they support or do not oppose particular provisions or the Stipulation as a whole and the Company can only speak for itself. In any event, the statements and intentions of a particular party are only that of the individual party and do not change the controlling language in the Stipulation, which speaks for itself.

From: Steven T Nourse
To: "Jodi.Bair@occ.ohio.gov"
Cc: Michael, William (William.Michael@occ.ohio.gov)
Subject: RE: AEP Ohio Settlement Meetings, Case Nos. 14-1693-EL-SSO et al.
Date: Thursday, August 27, 2015 1:36:50 PM

Based on Bruce's request to clarify the confidentiality of our ongoing settlement discussions, AEP Ohio understands and agrees that OCC can freely discuss the issues and concepts reflected in the Company's settlement outline with other parties in the 14-1693 cases – all of them have agreed to confidentiality of settlement discussions as well (without any reservations about public records). The primary restrictions in connection with our ongoing settlement discussions are: (1) not to use any information learned or exchanged as part of the settlement dialogue in the evidentiary hearing at the PUCO, and (2) not to voluntarily release any information learned or exchanged as part of the settlement dialogue (understanding that mandatory disclosure could be required under Ohio law). Please let me know if you want to further discuss or clarify this important issue.

Thanks,
Steven T. Nourse
Senior Counsel
American Electric Power Service Corporation
Legal Department, 29th Floor
1 Riverside Plaza
Columbus, Ohio 43215-2373
Phone: (614) 716-1608 Audinet: 8-200-1608
Fax: (614) 716-2014 Audinet: 8-200-2014
Email: stnourse@aep.com



American Electric Power Service Corporation

From: Jodi.Bair@occ.ohio.gov [mailto:Jodi.Bair@occ.ohio.gov]
Sent: Wednesday, August 19, 2015 3:17 PM
To: Steven T Nourse
Subject: RE: AEP Ohio Settlement Meetings, Case Nos. 14-1693-EL-SSO et al.

This is an EXTERNAL email. STOP. THINK before you CLICK links or OPEN attachments.

We're fine with the confidentiality terms of our settlement meeting.

From: Steven T Nourse [mailto:stnourse@aep.com]
Sent: Monday, August 17, 2015 2:06 PM
To: Bair, Jodi
Subject: FW: AEP Ohio Settlement Meetings, Case Nos. 14-1693-EL-SSO et al.
Importance: High

As discussed, please review and respond.

Thanks,
Steven T. Nourse
Senior Counsel
American Electric Power Service Corporation

Legal Department, 29th Floor
1 Riverside Plaza
Columbus, Ohio 43215-2373
Phone: (614) 716-1608 Audinet: 8-200-1608
Fax: (614) 716-2014 Audinet: 8-200-2014
Email: stnourse@aep.com



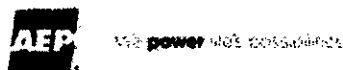
From: Steven T Nourse
Sent: Wednesday, August 12, 2015 3:01 PM
To: Michael, William (William.Michael@occ.ohio.gov)
Subject: AEP Ohio Settlement Meetings, Case Nos. 14-1693-EL-SSO et al.
Importance: High

Bill:

Per my voicemail, AEP Ohio is working to schedule a settlement meeting with OCC. My assistant (Dawn Clark) will be in touch to schedule that meeting but I wanted to separately take care of a related housekeeping matter.

In order to move forward with settlement discussions, AEP Ohio would like to ensure that the candid exchange of ideas and compromise offers as part of our settlement discussions is protected as confidential as between the parties. Specifically, AEP Ohio commits for itself and asks OCC to agree not to voluntarily disclose the information and proposals exchanged in the context of these settlement discussions (subject to the statement below about the Ohio Public Records Act) or present the information as part of the proceeding pending before the Public Utilities Commission of Ohio in Case Nos. 14-1693-EL-RDR, 14-1694-EL-AAM, 13-2385-EL-SSO and 13-2386-EL-AAM. Of course, this obligation does not prevent either party from using any information obtained through the discovery process or from using information that is publicly available. AEP Ohio also understands that OCC has obligations under the Ohio Public Records Act, which are unaffected by this agreement. In order to confirm our meeting, please respond by affirmatively indicating that OCC agrees to the confidentiality terms of our settlement discussions going forward.

Thanks,
Steven T. Nourse
Senior Counsel
American Electric Power Service Corporation
Legal Department, 29th Floor
1 Riverside Plaza
Columbus, Ohio 43215-2373
Phone: (614) 716-1608 Audinet: 8-200-1608
Fax: (614) 716-2014 Audinet: 8-200-2014
Email: stnourse@aep.com



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**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIRST SET-JOINT STIPULATION AND RECOMMENDATION**

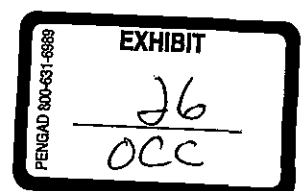
INTERROGATORIES

INT-S1-008 Please identify the projected rate impacts by customer class/rate schedule for the duration of the PPA, including post-PPA impacts of deferrals, if any. Include projected rate impacts on a provision by provision basis as those provisions are set forth in the Stipulation.

RESPONSE

The estimated customer rate impacts of the specific rate elements proposed to be approved in this proceeding (i.e. PPA Rider - Section III.A.4, transfer of 50% of EE/PDR rider costs for transmission and subtransmission customers to the EDR Rider- Section III.D.4, transfer of 50% of IRP credits to the EDR Rider- Section III.D.5) are included in the workpapers previously provided. All other rate impacts associated with the Stipulation will be determined in future Commission proceedings.

Prepared by: William A. Allen



**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIRST SET-JOINT STIPULATION AND RECOMMENDATION**

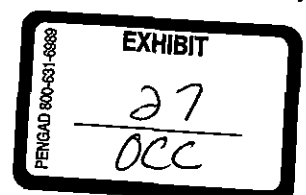
INTERROGATORIES

INT-S1-048 Referring to page 7, lines 7-8, of Allen's Direct Testimony, identify the cost of converting Conesville Units 5 and 6 to natural gas co-firing by December 31, 2017.

RESPONSE

The Company has not performed the requested calculation/study. As stated in the Stipulation, by July 1, 2016, AEP Ohio will make a cost recovery filing supporting the conversion of Conesville Units 5 and 6 to natural gas co-firing. These units will be converted by December 31, 2017, subject to approval for cost recovery for AEP Ohio through the PPA Rider and any other regulatory approvals.

Prepared by: William A. Allen.



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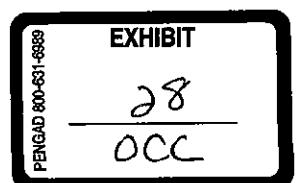
INTERROGATORIES

INT-S1-047 Referring to page 7, lines 1-3, of Allen's Direct Testimony, identify the annual cost impact on residential consumers of the two year Pilot Supplier Consolidated Billing Program.

RESPONSE

No costs for the Pilot Supplier Consolidated Billing program will be recovered from retail customers at this time. Recovery of costs from retail customers for the Pilot Supplier Consolidated Billing program may be requested in the context of a distribution base case to the extent that there costs eligible for inclusion in the Company's cost of service at that time.

Prepared by: William A. Allen



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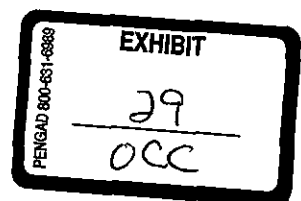
INTERROGATORIES

INT-S1-074 Referring, for example, to page 4, footnotes 3 and 4, of Settlement Exhibit WAA-1, describe the difference between agreeing "not to oppose" a provision and "not participating" in a provision.

RESPONSE

The Company objects to the form of the question. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. The language in the footnote speaks for itself. Generally, if a party is not participating in a provision, that party is not affirmatively joining in the statement or declaration made in the provision. Likewise, if a party agrees not to oppose a provision, that party is constrained from taking action in opposition to the provision.

Prepared by: Counsel



**OHIO POWER COMPANY'S RESPONSES TO
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OMAEG EX. 24

REQUESTS FOR ADMISSION

RFA-S1-018 Referring to page 9, lines 10-17, admit that you will seek cost recovery through the PPA Rider for developing a) 500 MW of wind energy projects, and b) 400 MW of solar energy projects in Ohio.

RESPONSE

Admit.

Prepared by: William A. Allen

**OHIO POWER COMPANY'S RESPONSES TO
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OMAEG EX. 25

REQUESTS FOR ADMISSION

RFA-S1-012 Admit that you will seek cost recovery through a PPA Rider for a) retiring, b) refueling, and c) repowering:

1. Conesville Units 5 and 6; and
2. Cardinal Unit 1.

RESPONSE

The Company objects to the form of the question and further objects because this request seeking the Company's expectations about a future decision that has not been made is vague, overbroad and requests information that is not presently known with certainty. The Company cannot either admit or deny this statement. The Company cannot speculate regarding a filing related to unknown costs that may or may not occur.

Prepared by: William A. Allen

**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
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REQUESTS FOR ADMISSION

RFA-S1-014 Admit that you will seek cost recovery through a PPA Rider for a) retiring, b) refueling, and c) repowering:

1. Conesville Unit 4;
2. Zimmer Unit 1;
3. Stuart Units 1-4; and
4. The OVEC Units.

RESPONSE

The Company objects to the form of the question and further objects because this request seeking the Company's expectations about a future decision that has not been made is vague, overbroad and requests information that is not presently known with certainty. The Company cannot either admit or deny this statement. The Company cannot speculate regarding a filing related to unknown costs that may or may not occur.

Prepared by: William A. Allen/Counsel

**OHIO POWER COMPANY'S RESPONSES TO
OHIO CONSUMERS' COUNSEL'S DISCOVERY REQUESTS
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OMAEG EX. 26

INTERROGATORIES

INT-S1-005 Under R.C. 4928.145, identify each contract and/or agreement between any affiliate of the Companies and a party (including PUCO Staff) to this Proceeding, including members of groups that are parties to this Proceeding (i.e. identify each contract and agreement), related to:

- a. The provision, sale and/or purchase of electric services and charges for those electric services (including, but not limited to generation, distribution and transmission services) for any period during or after the proposed PPA period;
- b. This Proceeding (e.g. support of AEP Ohio's positions and/or Application); and
- c. The Stipulation.

RESPONSE

The Company objects to the extent the request seeks information which is outside the scope of the case and is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. The Company objects to this request since this proceeding is not a standard service offer proceeding. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. No contracts exist within the scope of the cited statute. But in the spirit of full disclosure, the Company is producing the Sierra Club enforcement contract as Stipulation OCC-INT-S1-005 Attachment 1.

Prepared by: Counsel

Agreement

This agreement ("Agreement") is executed this 14th day of December, 2015, by and between AEP Generation Resources Inc. ("AEPGR"), an indirect subsidiary of American Electric Power Company, Inc. and Sierra Club (individually a "Party", collectively, the "Parties"), as set forth below.

I. Recitals

WHEREAS, AEPGR owns an electric generating unit known as Cardinal Unit 1, located in Jefferson County, Ohio and two electric generating units known as Conesville Units 5 and 6, respectively, located in Coshocton County, Ohio;

WHEREAS, AEPGR also owns an interest, along with other entities/owners, in generating units known as Conesville Unit 4, located in Coshocton County, Stuart Units 1 through 4, located in Brown County, Ohio, and Zimmer Unit 1, located in Clermont County, Ohio (any one unit individually a "Co-Owned Unit", or collectively, the "Co-Owned Units");

WHEREAS, Ohio Power Company ("AEP Ohio"), a subsidiary of American Electric Power Company, Inc., filed an amended application, dated May 15, 2015, with the Public Utility Commission of Ohio ("PUCO" or "Commission") that seeks, in part, approval of cost recovery for an affiliate power purchase agreement between AEPGR as Seller and AEP Ohio as Buyer that is proposed to include Cardinal Unit 1, Conesville Units 5 and 6, and the Co-Owned Units ("Affiliate PPA");

WHEREAS, Sierra Club has intervened in AEP Ohio's power purchase agreement proceeding, which has been docketed as PUCO Case No. 14-1693-EL-RDR *et al.* and has opposed AEP Ohio's proposed Affiliate PPA, and has filed expert testimony in the case;

WHEREAS, AEPGR and Sierra Club are both sophisticated entities represented by counsel;

WHEREAS, AEPGR and Sierra Club both freely choose to enter into this Agreement and Sierra Club has freely chosen to sign the "Joint Stipulation and Recommendation," filed by AEP Ohio in PUCO Case No. 14-1693-EL-RDR *et al.* (herein referred to as "Joint Stipulation");

NOW, THEREFORE, the Parties agree as follows:

II. Agreements

A. AEPGR agrees as follows:

1. With respect to Conesville Units 5 and 6, AEPGR makes the following commitments:
 - a) Subject to AEP Ohio receiving cost-recovery approval on or before January 31, 2017 and all other needed regulatory approvals as contemplated in the Joint Stipulation, AEPGR will complete the natural gas co-firing project for Conesville Units 5 and 6 by December 31, 2017. If the Commission's cost recovery decision is not issued until after January 31, 2017 (the lead time needed for construction), the completion deadline may change commensurately based on the timing of the Commission's actual cost recovery approval decision.
 - b) If AEP Ohio's application for cost recovery to convert Conesville Units 5 and 6 to natural gas co-firing is approved as contemplated in the Joint Stipulation, AEPGR shall, from the completion of the co-firing project through December 31, 2029, limit the coal heat input to no more than 28,737,180 MMBTUs per year (annualized for any partial years) combined for both units Conesville 5 and 6.
 - c) Within six (6) months of completing the natural gas co-firing project for the conversion of Conesville Units 5 and 6 as contemplated in the Joint Stipulation, AEPGR will file an application to amend the Title V operating permit for the Conesville facility. Such permit amendment shall establish that from date of issuance, AEPGR will limit the coal heat input to no more than 28,737,180 MMBTUs per year (annualized for any partial years) combined for both units Conesville 5 and 6.
 - d) Conesville Unit 6 will cease burning solid fuel, including coal, by either retiring, refueling, or repowering to 100% natural gas by December 31, 2029. If PJM pursues a Reliability Must Run ("RMR") arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring of the unit, AEPGR will retire, refuel, or repower the unit at the end of such RMR arrangement or equivalent mechanism.

- e) Conesville Unit 5 will cease burning solid fuel, including coal, by either retiring, refueling, or repowering to 100% natural gas by December 31, 2029. If PJM pursues a RMR arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring of the unit, AEPGR will retire, refuel, or repower the unit at the end of such RMR arrangement or equivalent mechanism.
2. AEPGR will cease burning solid fuel, including coal, by either retiring, refueling, or repowering Cardinal Unit 1 to 100% natural gas by December 31, 2030. If PJM pursues a RMR arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring of Cardinal Unit 1, AEPGR will retire, refuel, or repower the Unit at the end of such RMR arrangement or equivalent mechanism.
 3. With respect to Conesville Units 5 and 6 and Cardinal Unit 1 as it relates to the "Retirement Readiness" docket referenced in the Joint Stipulation (Section III., Paragraph D. 11), AEPGR will provide AEP Ohio with the data and information needed for AEP Ohio to complete the annual reports contemplated by Section III., Paragraph D. 11 of the Joint Stipulation.
 4. With respect to the Co-Owned Units as it relates to the "Generation Transition" docket referenced in the Joint Stipulation (Section III., Paragraph D. 12), AEPGR will provide AEP Ohio with the data and information needed for AEP Ohio to complete the annual reports contemplated by Section III., Paragraph D. 12 of the Joint Stipulation. AEPGR will use best efforts to develop a plan with the owners of the Co-Owned Units to retire, repower or refuel these Co-Owned Units as contemplated in Section III., Paragraph D. 12. i. of the Joint Stipulation, and if the owners of the Co-Owned Units are not willing to commit to early retirement or refueling, AEPGR will use best efforts to consolidate ownership of the Co-Owned Units so that it can further explore potential early retirement scenarios.
 5. AEPGR or other AEP affiliates will participate in the requests for proposal associated with Joint Stipulation Section III., Paragraph I. - Environmental and Renewable Energy Projects.

B. In exchange, Sierra Club agrees as follows:

1. Sierra Club agrees to sign the "Joint Stipulation and Recommendation," filed by AEP Ohio in PUCO Case No. 14-1693-EL-RDR *et al.* and to not oppose the actions or efforts associated with items A. 1 thru 5 of this Agreement.

III. Assignment

- A. This Agreement will be binding upon the successors and assigns of AEPGR and may be assigned, in whole or in part to another entity in connection with the sale or transfer of any of the generation units referenced herein, and AEPGR shall be relieved of its obligations hereunder with respect to any unit sold, transferred or assigned, on an after such sale, transfer or assignment provided that the purchaser or transferee executes an assignment agreement as a condition of the sale or transfer and agrees in writing to be bound by and liable for all of AEPGR's requirements in this Agreement being assumed as set forth in D below. This Agreement is not assignable by the Sierra Club.
- B. The Parties agree that the operational limits, retirement, refueling, and/or repowering commitments set forth in this Agreement apply to any and all future owners of Cardinal Unit 1, Conesville Unit 5, and Conesville Unit 6.
- C. AEPGR shall expressly condition the sale or transfer of Cardinal Unit 1, Conesville Unit 5, and/or Conesville Unit 6 on any current or future buyer's or transferee's express acceptance of the operational limits, retirement, refueling, and/or repowering commitments set forth in this Agreement.
- D. With respect to any sale or transfer of Cardinal Unit 1, Conesville Unit 5, and/or Conesville Unit 6, the purchaser or transferee shall execute an assignment agreement as a condition of the sale or transfer where the purchaser or transferee agrees in writing to be bound by and liable for all the requirements of this Agreement assumed by the purchaser or transferee.

IV. Remedies

- A. The Parties agree that neither Party will be responsible or liable for monetary damages (direct, indirect, consequential, etc.) as a result of any breach of this Agreement. The Parties acknowledge and agree that monetary damages are not available as a remedy in the event the obligations of this Agreement are breached.

The Parties agree that monetary damages would not be an adequate remedy for material breach of this Agreement, and that no adequate remedy at law exists for noncompliance with the terms of this Agreement.

- B. Accordingly, the Parties expressly agree that an award of injunctive relief may be an appropriate remedy for a material breach of the obligations under this Agreement, provided the reviewing court has followed appropriate procedures for issuing injunctive relief. The Parties also agree that should either Party commence any legal action to enforce this Agreement, that neither Party will seek any remedy except specific performance.
- C. The Parties agree that each Party will bear its own costs in any litigation to enforce or related to this Agreement.

V. Dispute Resolution

- A. Before commencing any legal action to enforce this Agreement for a Party's material breach of this Agreement, a Party must: i) notify the other Party in writing of such material breach providing details regarding the nature of the breach, so that the other Party could explore whether such material breach can be cured through diligence and ii) take at least 30 days before filing any such action, during which period the Parties will undertake all reasonable efforts to resolve the matter, provided, further, if the non-performing Party is working to diligently cure the material breach, and such cure cannot reasonably be accomplished in 30 days, such Party, provided it exercises diligence to cure the breach, will be given more time to cure the breach before an action is filed.

- 1. For AEPGR, any such notice shall be sent by U.S. certified mail, return receipt requested or by overnight courier with return receipt requested to:

President
AEP Generation Resources Inc.
155 W. Nationwide Blvd., Suite 500
Columbus, OH 43215

With a copy to Chief Legal at the same address.

- 2. For Sierra Club, any such notice shall be sent by electronic and U.S. mail to:

Litigation Director, Environmental Law Program
Sierra Club
85 Second Street, 2nd Floor
San Francisco, CA 94105

- B. Should either Party wish to substitute the person to receive any notice related to this Agreement, that Party shall provide written notice to the other Party regarding such substitution.

VI. Modification and Termination

- A. Any amendments to this Agreement must be in a signed written agreement between the Parties. This Agreement is null and void if the Joint Stipulation is not approved as contemplated in the Joint Stipulation or is rejected in any legal proceedings.

VII. Choice of Law


- A. This Agreement will be construed and governed in all respects by the laws of the State of Ohio, without regard to the principles of conflicts of law. Any dispute arising over the terms and conditions contained in this Agreement will be resolved by a court of competent jurisdiction located in Franklin County, Ohio.

VIII. Authority

- A. Each of the signatories to this Agreement affirms that she or he is authorized to enter into the terms and conditions of this Agreement. Each Party may validly execute this Agreement by facsimile signature or in counterparts, each of which will constitute an original and all of which constitute one and the same Agreement.

This Agreement has been executed by AEP Generation Resources Inc. and Sierra Club and is effective as of December 14, 2015.

On Behalf of Sierra Club:


Tony G. Mendoza

On Behalf of AEP Generation Resources Inc.:



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OMAEG EX. 28

INTERROGATORIES

INT-S1-062 Referring to page 12, lines 3-6, of Allen's Direct Testimony, identify each important regulatory principle or practice considered in reaching the conclusion that "[t]he Stipulation does not violate any important regulatory principle or practice."

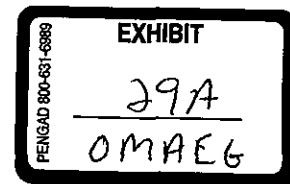
RESPONSE

Some of the important regulatory principles considered include the following:

- Rates and rate structures should not be more complex than they need to be
- Rates should be conducive to rate stability
- Rates should be fair across customer classes
- Rates should not be unduly discriminatory
- Rates should be economically efficient
-

Please see also the Company's response to OCC-INT-S1-063.

Prepared by: William A. Allen



Edward H. Hill Errata Sheet

Direct Testimony Filed December 28, 2015

Page	Line	Change
2	13	Replace "am" with "was"
4	10	Replace "discussed below" with "that I have testified on previously"
4	Fn. 2	Replace "November" with "September"
9	20	Replace "plants" with "units"