

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power)
Company For (1) A General Adjustment Of Its)
Rates For Electric Service; (2) An Order)
Approving Its 2017 Environmental Compliance)
Plan; (3) An Order Approving Its Tariffs And)
Riders; (4) An Order Approving Accounting)
Practices To Establish Regulatory Assets And)
Liabilities; And (5) An Order Granting All Other)
Required Approvals And Relief)

Case No. 2017-00179

KENTUCKY POWER RESPONSES TO
ATTORNEY GENERAL'S
SECOND SET OF SUPPLEMENTAL DATA REQUESTS

September 25, 2017

VERIFICATION

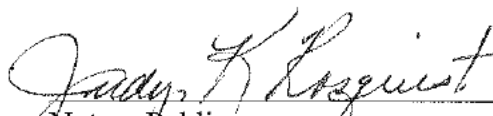
The undersigned, Amy J. Elliott, being duly sworn, deposes and says she is a Regulatory Consultant Principal for Kentucky Power Company, that she has personal knowledge of the matters set forth in the forgoing data responses and that the information contained therein is true and correct to the best of her information, knowledge, and belief



Amy J. Elliott

COMMONWEALTH OF KENTUCKY)
) Case No. 2017-00179
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Amy J. Elliott, this 21st day of September 2017.



Notary Public

Notary ID Number: 571144

My Commission Expires: January 23, 2021

VERIFICATION

The undersigned, Mark A Pyle, being duly sworn, deposes and says he is the Tax Administrator for American Electric Power that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief



Mark A Pyle

STATE OF OHIO)
) 2017-00179
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Mark A. Pyle, this the 21st day of September 2017.



HEIDI M HINTON
Notary Public, State of Ohio
My Commission Expires 04-29-18



Notary Public

My Commission Expires: 4/29/18

VERIFICATION

The undersigned, Tyler H Ross being duly sworn, deposes and says he is the Director Regulatory Accounting Services for American Electric Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief

Tyler H Ross

Tyler H Ross

STATE OF OHIO

)

) Case No. 2017-00179

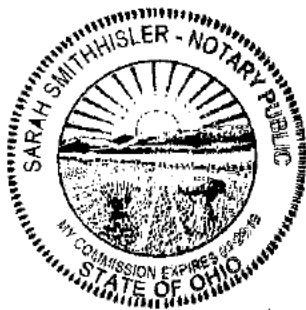
COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tyler H Ross, this the 21st day of September 2017.

S. Smith

Notary Public

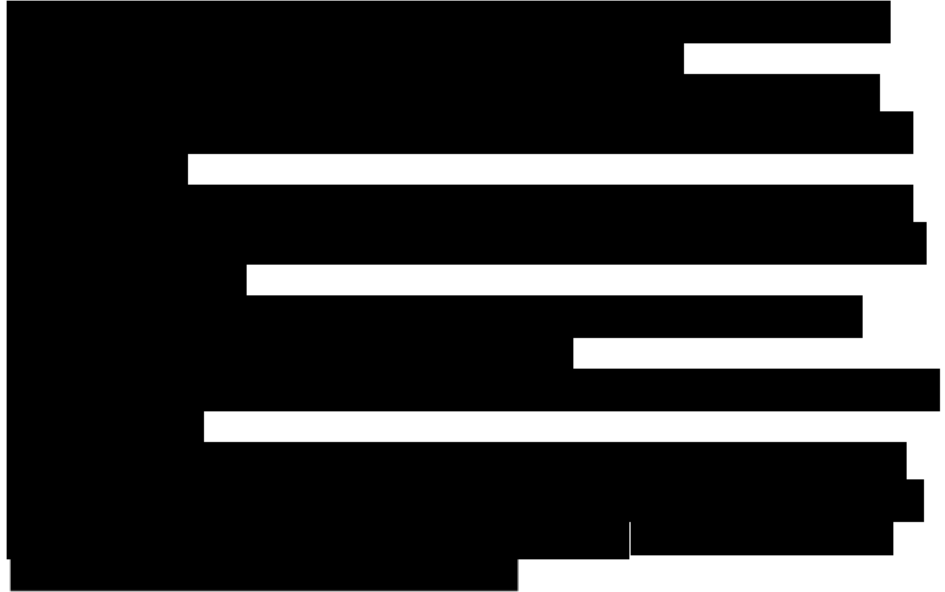


My Commission Expires: 04/29/19

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_1



RESPONSE

- a. AEP changed its accounting policy with regards to investment tax credits ("ITC") to align the ITC accounting policy of non-regulated qualifying renewable energy projects with the existing accounting policy used by the regulated utilities. This change had no impact on Kentucky Power as it follows the Commission prescribed method of deferral accounting for ITC.
- b. Please refer to KPCO_CR_AG_D_WP_1Attachment1.pdf for the requested information.
- c. This change had no impact on Kentucky Power.
- d. See response to c. above.
- e. Kentucky Power had no new ITC's in 2017.
- f. None.
- g. There were no new ITC's generated by KPCO in 2016 or in the first two months of 2017.

Witness: Mark A. Pyle



AEP: America's Energy Partner®

Date: October 4, 2016

Subject: Change in Accounting Treatment for Federal Investment Tax Credits

From: Darcy Reese, Jeff Bartsch, Mike Baird and Mark Pyle

To: File

This memo documents accounting considerations specific to AEP's policy change related to the accounting treatment for federal investment tax credits (ITC).

INTRODUCTION

Under current tax regulation, qualifying renewable energy projects are eligible for federal ITC. AEP historically accounted for ITC under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process on a deferral basis. Beginning in the third quarter of 2016, AEP changed its election and started accounting for ITC under the deferral method. Both the flow-through and deferral accounting methodologies are discussed in further detail below.

ACCOUNTING ISSUES

Does the change represent a preferred accounting methodology for ITC? What additional considerations need to be made in the quarter an accounting principle/policy change is made?

ACCOUNTING DISCUSSION

ITC ACCOUNTING METHODOLOGIES

Per Accounting Standards Codification (ASC) 740-10-25-45, "An investment credit shall be reflected in the financial statements to the extent it has been used as an offset against income taxes otherwise currently payable or to the extent its benefit is recognizable."

Two acceptable methodologies exist when accounting for ITC:

- 1) The *flow-through method* – the tax benefit from an ITC is treated as a reduction of federal income taxes and recorded immediately in the period that the credit is generated.
- 2) The *deferral method* – the tax benefit from an ITC is deferred over a period of time (two methodologies noted below).

October 4, 2016
Page 2

Per ASC 740-10-25-46, “While it shall be considered preferable for the allowable investment credit to be reflected in net income over the productive life of acquired property (the deferral method), treating the credit as a reduction of federal income taxes of the year in which the credit arises (the flow-through method) is also acceptable.”

Under the deferral method specifically, two sub-methodologies also exist:

- 1) The *statement of financial position sub-method* – allowable investment credit is recorded as adjustment to the qualifying asset, resulting in less depreciation over the life of the asset.
- 2) The *income statement sub-method* – allowable investment credit is recorded in income tax expense over the life of the asset.

Guidance from ASC 740-10-45-27 and 740-10-45-28 confirm presentation matters related to the deferral method:

Per ASC 740-10-45-27 (*statement of financial position sub-method*), “The reflection of the allowable credit as a reduction in the net amount at which the acquired property is stated may be preferable in many cases. However, it is equally appropriate to treat the credit as deferred income, provided it is amortized over the productive life of the acquired property.”

Per ASC 740-10-45-28 (*income statement sub-method*), “It is preferable that the statement of income in the year in which the allowable investment credit arises should be affected only by the results which flow from the accounting for the credit.”

With AEP’s strategic decision to start pursuing investments in qualifying renewable energy projects, management decided to change AEP’s accounting methodology for the recognition of ITC and elected to apply the deferral method/income statement sub-method beginning in the third quarter of 2016. Credits will be recorded as a deferred credit and amortized to income tax expense over the life of the asset. In accordance with regulatory requirements, deferred ITC is amortized over the average life of the related asset with amortization normally applied as a credit to reduce income tax expense on the statements of income.

October 4, 2016
Page 3

CHANGE IN ACCOUNTING PRINCIPLE/POLICY

Per ASC 250-10-45-2(b), "A reporting entity shall change an accounting principle if the entity can justify the use of an allowable alternative accounting principle on the basis that it is preferable."

As noted above, ASC 740-10-25-46 states the deferral method is considered preferable while the flow-through method is acceptable. In the third quarter of 2016, AEP changed its election and started accounting for ITC from the acceptable flow-through method to the preferred deferral method of accounting.

In addition and per ASC 250-10-45-5, "An entity shall report a change in accounting principle through retrospective application of the new accounting principle to all prior periods, unless it is impracticable to do so." Per ASC 250-10-45-14, "A change in accounting principle made in an interim period shall be reported by retrospective application."

Retrospective application is not necessary for reporting periods prior to 2016 as AEP did not materially benefit from new ITC since the law change in 1986 and through 2015. At the end of 2015, AEP would have restored \$27 thousand in unamortized deferred ITC related to nonregulated generation assets where the ITC had been taken to income when the assets were no longer regulated in 2001. For 2014, AEP reported \$108 thousand in ITC on its federal income tax return related to nonregulated activity. The ITC for nonregulated activity was originally accounted for under the flow-through method, treated as a reduction of federal income taxes in 2015 on the statement of income, but not retrospectively adjusted since AEP deems the \$108 thousand and historic, unamortized \$27 thousand immaterial. The impact to stand-alone AEP subsidiary reporting is also deemed immaterial for prior reporting periods. Additionally, \$1.4 million was reported on AEP's 2015 federal income tax return, but related to ITC for regulated activity which was already deferred. In the third quarter of 2016, however, AEP made an adjusting accounting entry related to ITC for year-to-date 2016 activity originally accounted for under the flow-through method to reflect the newly applied deferral methodology (see Accounting Entry section below).

Per Securities and Exchange Commission (SEC) Regulation S-K 601(b)18 (SEC Exhibit 18 - Letter Regarding Change in Accounting Principles), "Unless previously filed, a letter from the registrant's independent accountant indicating whether any change in accounting principles or practices followed by the registrant, or any change in the method of applying any such accounting principles or practices, which affected the financial statements being filed with the Commission in the report or which is reasonably certain to affect the financial statements of future fiscal years is to an alternative principle which in his judgment is preferable under the circumstances."

October 4, 2016
 Page 4

With AEP's strategic decision to start pursuing investments in qualifying renewable energy projects, management believes AEP and subsidiary financial statements in future fiscal years will be impacted. However, the filing of an Exhibit 18 with the Third Quarter 2016 SEC Form 10-Q is deemed unnecessary as changing to the deferral methodology to account for ITC is explicitly preferred as outlined in ASC 740-10-25-46.

ACCOUNTING ENTRY

In the third quarter of 2016, AEP made an adjusting accounting entry related to ITC for year-to-date 2016 activity originally accounted for under the flow-through method to reflect the newly applied deferral methodology. The impact to net income in the third quarter of 2016 is \$1.3 million as detailed in the table below.

Account		Debit	Credit
Name	Number		
Investment Tax Credit Expense	4114001	1,591,873	
Accumulated Deferred Investment Tax Credit - Federal	2550001		1,591,873
Accumulated Deferred Federal Income Tax - Other	1901001	557,156	
Deferred Federal Income Tax Expense	4111001		557,156
Deferred Federal Income Tax Expense	4101001	289,431	
Accumulated Deferred Federal Income Tax - Property	2821001		289,431

Additionally, the Tax department will make the applicable Staff Accounting Bulletin (SAB108) entries for the first and second quarters of 2016 to reflect the ITC accounting methodology change.

DISCLOSURE FOR ACCOUNTING POLICY CHANGE

The following disclosure should be included in the Third Quarter 2016 SEC Form 10-Q and the 2016 SEC Form 10-K due to the policy change:

“Investment tax credits (ITC) were historically accounted for under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process. In the third quarter of 2016, AEP and subsidiaries changed accounting for the recognition of ITC and elected to apply the preferred deferral methodology. Retrospective application is not necessary for reporting periods prior to the third quarter of 2016 as the financial impact to AEP and subsidiaries was immaterial.

Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed into service, except where regulatory commissions reflect ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.”

October 4, 2016
Page 5

CONCLUSION

AEP historically accounted for ITC under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process on a deferral basis. Beginning in the third quarter of 2016, management decided to change AEP's accounting methodology for the recognition of ITC and elected to apply the deferral method/income statement sub-method.

AEP made accounting entries in third quarter of 2016 related to ITC for 2016 activity originally accounted for under the flow-through method to reflect the newly applied deferral methodology. A new accounting policy disclosure will be included in the Third Quarter 2016 SEC Form 10-Q filing scheduled on November 1, 2016 and the 2016 SEC Form 10-K.

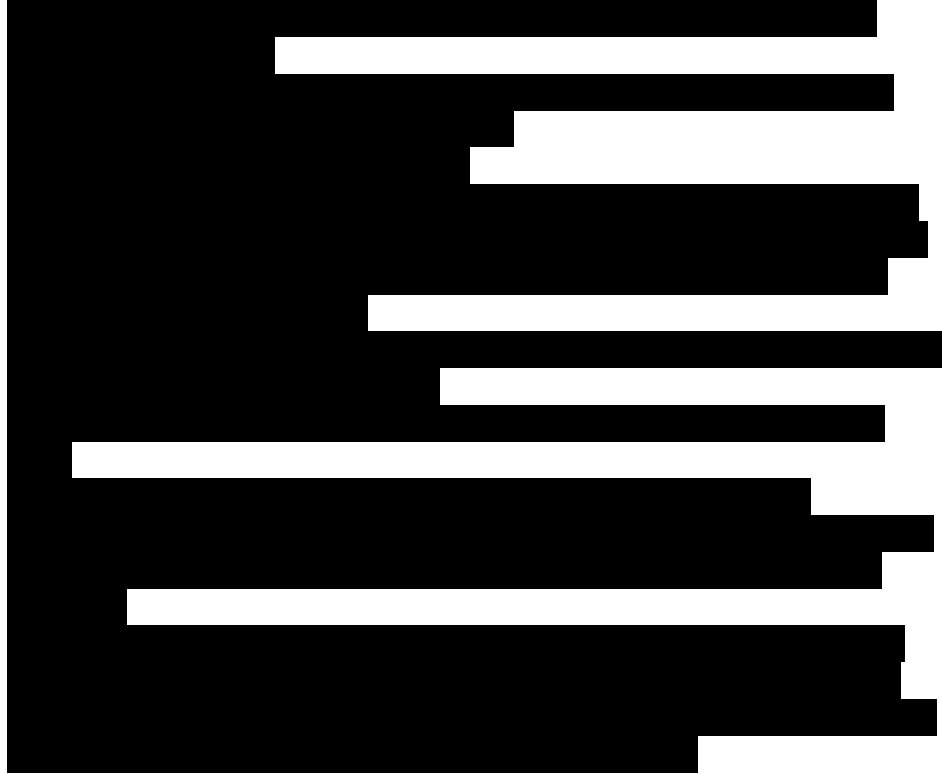
cc: J.M. Buonaiuto
J.W. Hoersdig
T.W. Scott
M.D. Fransen
C. Olsen (Deloitte)
E. Hemmelgarn (Deloitte)

A.B. Reis
D.L. Gregory
H.M. Whitney
J.H. Jansen
G. Fackler (Deloitte)

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_2



RESPONSE

a. through j. - Stouts Bottom and the Carrs Site are the same property. Accordingly, the land sale recorded related to the Stouts Bottom is the same transaction as the land sale for the Carrs Site. Please refer to the Company's response to AG-D-WP-7.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_3



RESPONSE

a. Kentucky Power retired Big Sandy Unit 2, and the Big Sandy SCR, in May of 2015, prior to the start of the test year. No depreciation or amortization was recorded for the retired Big Sandy Unit 2 SCR during the test year.

b. Please refer to attachments KPCO_CR_AG_D_WP_3_Attachment1.pdf and KPCO_CR_AG_D_WP_3_Attachment2.pdf for the requested information.

Witness: Tyler H. Ross



Report ID: GLC7501

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 3/2/2016
Run Time 9:22:06AM

Unit: 117 ✓
 Journal ID: OAABS2RESV ✓
 Date: 2/29/2016 ✓
 Journal status: V ✓
 Description: To reclassify the NBV of Big Sandy SCR to a Regulatory Asset as a result of the Orders in Kentucky Case Nos 2012-00578 and 2014-00396. ✓

Ledger Group: ACTUALS ✓
 Source: ONL ✓
 Reversal: N ✓
 Reversal Date: ✓

Foreign Currency: USD ✓
 Rate Type: CRRNT ✓
 Effective Date: 2/29/2016 ✓
 Exchange Rate: 1.00 ✓
 Trans Ref Num: NONREC ✓

Line #	Unit	Account	Department	State/Jurisdiction	Product	Affiliate	Project Bu	Stat	Project	Statistics Amt	Rate Type	Rate	Cost Comp	Foreign Amount	ABM Activity	Sub-Cat	Base Amount
--------	------	---------	------------	--------------------	---------	-----------	------------	------	---------	----------------	-----------	------	-----------	----------------	--------------	---------	-------------

117 ✓		1110001	99590								CRRNT	1,854,094.40 ✓		1,854,094.40 ✓			1,854,094.40 ✓
Description: A/P for Amort of Plt ✓													Total Base Credits:	1,854,094.40 ✓	USD	1,854,094.40 ✓	
2 117 ✓		1823379	99590								CRRNT	1,854,094.40 ✓		1,854,094.40 ✓			1,854,094.40 ✓
Description: Unrecovered Plant - Big Sandy ✓													Total Base Debits:	1,854,094.40 ✓	USD	1,854,094.40 ✓	

Open Item Key: Reference
 Open Item Key: Reference

INITIALS DATE
 PREPARED [Signature] 3/1/16
 CHECKED [Signature] 3/1/16
 REVIEWED [Signature] 3/1/16

PowerPlant Depreciation Ledger

Select Criteria: Monthly Quarterly Annually
 Start Date: January 2016
 End Date: January 2016
 Set of Books: SEC

Orientation: Time Group
 Pick Display: Life Reserve, COR Reserve, Combined Reserve

Buttons: Select, Refresh, Cancel, View Rates, View Factors

January 2016

Period Comparison	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	
Total Beginning Reserve Balance	(\$525,394.30)	(\$1,101,724.08)	
Total Depreciation Provision	\$18,117.04	\$14,308.10	
Total Depreciation Input Adjustment	\$0.00	\$0.00	
Total Depreciation Calculated Adjustment	\$0.00	\$0.00	
Reserve Retirements	\$0.00	\$0.00	
Salvage Returns	\$0.00	\$0.00	
Salvage Cash	\$0.00	\$0.00	
Reserve Credits	\$0.00	\$0.00	
Cost Of Removal	\$0.00	\$0.00	
Total Reserve Transfers In	\$0.00	\$0.00	
Total Reserve Transfers Out	\$0.00	\$0.00	
Total Reserve Adjustments	\$0.00	\$0.00	
Net Gain Loss	\$0.00	\$0.00	
Total Ending Reserve Balance	(\$507,277.26)	(\$1,087,415.98)	
Impairment Asset Amount	\$0.00	\$0.00	
Impairment Expense Amount	\$0.00	\$0.00	

Jan 2016 Reserve Balance	\$ (507,277.26)	\$ (1,087,415.98)
Reverse Jun 2015-Jan 2016 Depr Exp	\$ (144,936.36)	\$ (114,464.80)
	\$ (652,213.62)	\$ (1,201,880.78)
Reserve adjustment - Transfer balance to 1823379	\$ 652,213.62	\$ 1,201,880.78
	\$ -	\$ -

PowerPlant Depreciation Ledger

Select Criteria: Monthly Quarterly Annually
 Start Date: June 2015 End Date: June 2015 Set of Books: SEC
 Orientation: Time Group Pick Display
 Life Reserve CDR Reserve Combined Reserve
 Cancel View Rates View Factors

	Period Comparison		
	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	KEPCo 101/6 312 SCR Catalyst Lyr 3
Beginning Plant in Service	\$3,259,048.48	\$3,259,048.92	\$1,629,524.47
Additions	\$0.00	\$0.00	\$0.00
Retirements	(\$3,259,048.48)	(\$3,259,048.92)	(\$1,629,524.47)
Transfers In	\$0.00	\$0.00	\$0.00
Transfers Out	\$0.00	\$0.00	\$0.00
Adjustments	\$0.00	\$0.00	\$0.00
Ending Plant in Service	\$2,606,834.96	\$2,957,168.14	\$1,629,524.47
Total Beginning Reserve Balance	\$652,213.62	\$1,201,880.78	\$0.00
Total Depreciable Base	66,666,666%	28,571,428%	2400,000000%
Total Annual Provision Rate	\$18,117.04	\$14,308.10	\$0.00
Total Provision	\$0.00	\$0.00	\$0.00
Total Provision Input Adjustment	\$0.00	\$0.00	\$0.00
Total Provision Calculated Adjustment	\$0.00	\$0.00	\$0.00
Estimated Annual Net Additions	\$0.00	\$0.00	\$0.00
Impairment Asset Amount	\$0.00	\$0.00	\$0.00
Impairment Expense Amount	\$0.00	\$0.00	\$0.00

Amount to reclass from 1110001 to 1823379
 \$ 652,213.62
 \$ 1,201,880.78
 \$ 1,854,094.40

Dr Cr
 acct 1110001 \$ 1,854,094.40
 acct 1823379 \$ 1,854,094.40

PowerPlant Depreciation Ledger

Select Criteria:
 Monthly
 Quarterly
 Annually

Start Date: June 2015
 End Date: June 2015
 Set of Books: SEC

Orientation:
 Life Reserve
 COR Reserve
 Combined Reserve

Pick Display: June 2015

Buttons: Select, Refresh, Cancel, View Rates, View Factors

	Depreciation Basis	Reserve Activity	Reserve History
	KEPCo 101/6 312 SCR Catalyst Lyr 1	KEPCo 101/6 312 SCR Catalyst Lyr 2	KEPCo 101/6 312 SCR Catalyst Lyr 3
Total Beginning Reserve Balance	\$2,606,834.86	\$2,057,168.14	\$1,629,524.47
Total Depreciation Provision	\$18,117.04	\$14,308.10	\$0.00
Total Depreciation Input Adjustment	\$0.00	\$0.00	\$0.00
Total Depreciation Calculated Adjustment	\$0.00	\$0.00	\$0.00
Reserve Retirements	(\$3,259,048.48)	(\$3,259,048.92)	(\$1,629,524.47)
Salvage Returns	\$0.00	\$0.00	\$0.00
Salvage Cash	\$0.00	\$0.00	\$0.00
Reserve Credits	\$0.00	\$0.00	\$0.00
Cost Of Removal	\$0.00	\$0.00	\$0.00
Total Reserve Transfers In	\$0.00	\$0.00	\$0.00
Total Reserve Transfers Out	\$0.00	\$0.00	\$0.00
Total Reserve Adjustments	\$0.00	\$0.00	\$0.00
Net Gain Loss	\$0.00	\$0.00	\$0.00
Total Ending Reserve Balance	(\$634,096.58)	(\$1,187,572.68)	\$0.00
Impairment Asset Amount	\$0.00	\$0.00	\$0.00
Impairment Expense Amount	\$0.00	\$0.00	\$0.00
June 1, 2015 Reserve Balance	\$ 2,606,834.86	\$ 2,057,168.14	\$ 1,629,524.47
June 2015 Retirement	\$ (3,259,048.48)	\$ (3,259,048.92)	\$ (1,629,524.47)
Reserve balance to be reclassified to account 1823379:	\$ (652,213.62)	\$ (1,201,880.78)	\$ (1,854,094.40)

Depreciation Group Activity Input

Accounting Month: February 2016

Depreciation Group	KEPCo 101/6 312 SCR Catalyst Lyr 1	Status	Valid	Depr Group ID	20645166
Company	Kentucky Power - Gen	Functional Class	Steam Generation Plant		
Business Segment	Regulated	Depr. Summary 2	Big Sandy Plant		
Depr. Summary	Fossil Generation				

Month	Set Of Books	Depr Activity Code	Amount	Status	Activity Long Description	GL?	GL Je Code
02/2016	SEC	Reserve Adjustment	\$652,213.62	pending	Reclassified to a/c 1823379 on JE 0AAB52	<input type="checkbox"/>	

Depr Activity Code displayed in blue indicates activity is part of a Transaction Set.

Depreciation Group Activity Input

Accounting Month: February 2016

Depreciation Group	KEPCo 101/6 312 SCR Catalyst Lyr 2	Status	Valid	Depr Group ID	20697153
Company	Kentucky Power - Gen	Functional Class	Steam Generation Plant		
Business Segment	Regulated	Depr. Summary 2	Big Sandy Plant		
Depr. Summary	Fossil Generation				

Month	Set Of Books	Depr Activity Code	Amount	Status	Activity Long Description	GL?	GL Je Code
02/2016	SEC	Reserve Adjustment	\$1,201,880.78	pending	Reclassified to a/c 1823379 on JE 0AAB52	<input type="checkbox"/>	

Depr Activity Code displayed in blue indicates activity is part of a Transaction Set.

Reserve Balances and Activity by GL Account

Starting Month: 06/2015
 Ending Month: 06/2015

American Electric Power

Set of Books Company GL Account Depr. Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
SEC								
Kentucky Power - Gen 1110001								
KEPCo 101/6 312 SCR Catalyst Lyr 1	\$2,606,834.86	\$18,117.04	(\$3,259,048.48)	\$0.00	\$0.00	\$0.00	\$0.00	(\$634,096.58)
KEPCo 101/6 312 SCR Catalyst Lyr 2	\$2,057,168.14	\$14,308.10	(\$3,259,048.92)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,187,572.68)
KEPCo 101/6 312 SCR Catalyst Lyr 3	\$1,629,524.47	\$0.00	(\$1,629,524.47)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GL Account Code Subtotal:	\$6,293,527.47	\$32,425.14	(\$8,147,621.87)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,821,669.26)
Company Subtotal:	\$6,293,527.47	\$32,425.14	(\$8,147,621.87)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,821,669.26)
Grand Total:	\$6,293,527.47	\$32,425.14	(\$8,147,621.87)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,821,669.26)

Thanks.

Tom Sulhan
 American Electric Power
 Property Acctg. - Canton, OH
 Email: tsulhan@aep.com
 Phone: 330.438.7284 (Audinet 920)

Thomas J Sulhan Jr.

From: David Hummel
Sent: Friday, 04 March, 2016 09:56 AM
To: Thomas J Sulhan Jr.
Cc: Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan; David A Davis; Jason A Cash; Michael A Baird
Subject: RE: SCR Catalyst Amortization

I approve.

From: Thomas J Sulhan Jr.
Sent: Friday, March 04, 2016 9:03 AM
To: David Hummel; David A Davis; Jason A Cash
Cc: Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan
Subject: RE: SCR Catalyst Amortization

We have been asked to obtain AP&R approval before posting entries related to plant retirements. Would you please review the attached entry and provide your approval of this entry? Both accounts on this entry are tax sensitive balance sheet accounts, so I must post the entry by 3pm Monday.

This entry reclassifies the remaining NBV of the Big Sandy SCR Catalysts from 1110001 (A/P for Amort of Plant) to regulatory asset account 1823379 (Unrecovered Plant – Big Sandy).

Once I obtain your approval, I will post the entry and send the details to Ranie Wohnhas.

Thanks

Tom Sulhan
American Electric Power
Property Acctg. – Canton, OH
Email: tjsulhan@aep.com
Phone: 330.438.7284 (Audinnet 920)

From: David Hummel
Sent: Wednesday, 02 March, 2016 11:54 AM
To: Thomas J Sulhan Jr.
Cc: Kathleen L Kentner; Cassie M Crites; Janet E Swanger; Larry D Sullivan; David A Davis; Jason A Cash
Subject: RE: SCR Catalyst Amortization

The difference between the SCR catalyst original cost balance in Account 1010001 and the accumulated amortization in Account 1110001 at the time of the retirement should be transferred to Account 1823379, Unrecovered Plant – Big Sandy. Since this amount was not included in the original forecast of unrecovered plant, you should contact Ranie Wohnhas about this entry.

From: Thomas J Sulhan Jr.
Sent: Wednesday, March 02, 2016 9:07 AM
To: Jason A Cash; David Hummel; David A Davis; Kathleen L Kentner; Janet E Swanger; Larry D Sullivan; Cassie M Crites
Subject: SCR Catalyst Amortization

The Big Sandy SCR catalysts were retired in June 2015 business but were not fully amortized at the time of retirement – resulting in a credit reserve balance. It appears that Powerplant was attempting to amortize this credit balance over the remaining life of the layer 1 & layer 2 assets (5/2018 & 5/2022 respectively) – which is why amortization expense was still being calculated.

Kathy and Cassie will need to create SAB108's for Q2 2015 through Q4 2015 to reverse the amortization expense calculated in error. They will also create an adjustment in Powerplant to reverse this expense and ensure no additional expense is calculated.

AP&R – can you please advise how these remaining SCR credit balances should be handled?

Source – Depr 1936

KENTUCKY POWER CO - GNERATION (BU 117)
 FEBRUARY 2016 OAJ002

Reverse amortization expense posted between Jun 2015 - Jan 2016.

The SCR assets were retired in June 2015. amortization continued because we were using an end of life vs a rate.

gl_post_mo_yr	amount	description	long_description	credit_account	debit_account	company_id	user_id1	Depr_Group	gl_ie_code	gl_post_flag
2/1/2016	\$ (144,936.36)	DEPR_EXP_ADJUST	Reverse Exp posted from Jun 2015 - Jan 2016.	1110001	4040001	117	0575026	KEPCo 101/6 312 SCR Catalyst Lyr 1	OAJ002	1
2/1/2016	\$ (114,464.80)	DEPR_EXP_ADJUST	Reverse Exp posted between Jun 2015 - Jan 2016.	1110001	4040001	117	0575026	KEPCo 101/6 312 SCR Catalyst Lyr 2	OAJ002	1
	\$ (259,401.16)									

Prepared: K. Kentner, 03/02/2016
 Reviewed: J. O'Neill, 03/02/2016

INITIALS DATE
 PREPARED JK 3/2/16
 CHECKED JPO 3/2/16
 REVIEWED JMC 3/3/16

**Kentucky Power - Gen
Big Sandy Plant**

SAB108 AMOUNTS
 Jun-15 Sep-15 Dec-15 Feb-16 TOTAL

depr_group_id	gl_post_mo_yr	retirements	end_balance	depreciation_base	depreciation_expense	total_reserve
KEPCo 101/6 312 SCR Catalyst Lyr 1	6/1/2015	\$ (3,259,048.48)	\$ -	\$ 652,213.62	\$ 18,117.04	\$ (634,096.58)
KEPCo 101/6 312 SCR Catalyst Lyr 1	7/1/2015	\$ -	\$ -	\$ 634,096.58	\$ 18,117.04	\$ (615,979.54)
KEPCo 101/6 312 SCR Catalyst Lyr 1	8/1/2015	\$ -	\$ -	\$ 615,979.54	\$ 18,117.05	\$ (597,862.49)
KEPCo 101/6 312 SCR Catalyst Lyr 1	9/1/2015	\$ -	\$ -	\$ 597,862.49	\$ 18,117.04	\$ (579,745.45)
KEPCo 101/6 312 SCR Catalyst Lyr 1	10/1/2015	\$ -	\$ -	\$ 579,745.45	\$ 18,117.05	\$ (561,628.40)
KEPCo 101/6 312 SCR Catalyst Lyr 1	11/1/2015	\$ -	\$ -	\$ 561,628.40	\$ 18,117.05	\$ (543,511.35)
KEPCo 101/6 312 SCR Catalyst Lyr 1	12/1/2015	\$ -	\$ -	\$ 543,511.35	\$ 18,117.05	\$ (525,394.30)
KEPCo 101/6 312 SCR Catalyst Lyr 1	1/1/2016	\$ -	\$ -	\$ 525,394.30	\$ 18,117.04	\$ (507,277.26)
KEPCo 101/6 312 SCR Catalyst Lyr 1 Total				\$ 144,936.36		
KEPCo 101/6 312 SCR Catalyst Lyr 2	6/1/2015	\$ (3,259,048.92)	\$ -	\$ 1,201,880.78	\$ 14,308.10	\$ (1,187,572.68)
KEPCo 101/6 312 SCR Catalyst Lyr 2	7/1/2015	\$ -	\$ -	\$ 1,187,572.68	\$ 14,308.10	\$ (1,173,264.58)
KEPCo 101/6 312 SCR Catalyst Lyr 2	8/1/2015	\$ -	\$ -	\$ 1,173,264.58	\$ 14,308.10	\$ (1,158,956.48)
KEPCo 101/6 312 SCR Catalyst Lyr 2	9/1/2015	\$ -	\$ -	\$ 1,158,956.48	\$ 14,308.10	\$ (1,144,648.38)
KEPCo 101/6 312 SCR Catalyst Lyr 2	10/1/2015	\$ -	\$ -	\$ 1,144,648.38	\$ 14,308.10	\$ (1,130,340.28)
KEPCo 101/6 312 SCR Catalyst Lyr 2	11/1/2015	\$ -	\$ -	\$ 1,130,340.28	\$ 14,308.10	\$ (1,116,032.18)
KEPCo 101/6 312 SCR Catalyst Lyr 2	12/1/2015	\$ -	\$ -	\$ 1,116,032.18	\$ 14,308.10	\$ (1,101,724.08)
KEPCo 101/6 312 SCR Catalyst Lyr 2	1/1/2016	\$ -	\$ -	\$ 1,101,724.08	\$ 14,308.10	\$ (1,087,415.98)
KEPCo 101/6 312 SCR Catalyst Lyr 2 Total				\$ 114,464.80		
KEPCo 101/6 312 SCR Catalyst Lyr 3	6/1/2015	\$ (1,629,524.47)	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	7/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	8/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	9/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	10/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	11/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	12/1/2015	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3	1/1/2016	\$ -	\$ -	\$ -	\$ -	\$ -
KEPCo 101/6 312 SCR Catalyst Lyr 3 Total				\$ -		
Grand Total				\$ 259,401.16		
				\$ 14,308.10	\$ 42,924.30	\$ 14,308.10
				\$ 18,117.04	\$ 54,351.13	\$ 18,117.04
				\$ 14,308.10	\$ 54,351.15	\$ 14,308.10
				\$ 32,425.14	\$ 97,275.43	\$ 32,425.14
				\$ 97,275.45	\$ 97,275.45	\$ 259,401.16

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_4



RESPONSE

Kentucky Power retired the coal-related assets of the Big Sandy Plant, including Big Sandy Unit 2 and the related SCR investment, in May 2015. Consistent with the Commission's orders in Case Nos. 2012-00578 and 2014-00396, the Company included the net book value of the coal-related net assets of the Big Sandy Plant, including Big Sandy Unit 2 and the Big Sandy Unit 2 SCR, in the Big Sandy Retirement Rider net regulatory asset balance. This value is not separately identified on Kentucky Power's general ledger. As of the date of retirement of the coal-related assets of Big Sandy Plant, the net book value of the Big Sandy Unit 2 SCR was \$1,854,094. This value was recorded as a regulatory asset in February 2016. Please see the Company's response to AG D-WP-3.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_5



RESPONSE

No.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_6



RESPONSE

a. No

b. - c. Please refer to KPCO_CR_AG_D_WP_6_Attachment1.xlsx for the requested information.

d. No

Witness: Tyler H. Ross
Amy J. Elliott

DATA REQUEST

AG_D_WP_7



RESPONSE

- a. Please refer to attachment KPCO_CR_AG_D_WP_7_Attachment1.xls for the requested information.
- b. Please refer to the company's response to AG 1-151. The Company took advantage of a market condition to sell a portion of land purchased originally for a future plant site to realize a gain.
- c. Please refer to the company's response to AG 1-151.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 2 of 2

- d. Please refer to the company's response to AG 1-151.
- e. The Carrs Site has not been in rate base since 1984.
- f. Please refer to the company's response to AG 1-151.
- g. Please refer to the company's response to AG 1-151.
- h. Please refer to the company's response to AG 1-151.
- i. Yes.
- j. Property tax expense of \$8,434 related to the Carrs Site was included in the test year and recorded to Account 4081005. There were no maintenance expenses in the test year related to the Carrs Site.
- k. Yes.
- l. Yes, the entry consisted of the original cost of the land (approximately \$1.1 million), cost of the sale (approximately \$120 thousand), and gain on the sale (approximately \$997 thousand) in accordance with Kentucky Power's accounting practice described in response to question AG-D-WP-8.
- m. Yes. Please see response to l. above
- n. Yes, please refer to attachment KPCO_CR_AG_D_WP_7_Attachment2.pdf, KPCO_CR_AG_D_WP_7_Attachment3.pdf, KPCO_CR_AG_D_WP_7_Attachment4.pdf for the requested information.

Witness: Tyler H. Ross



Report ID: GLC7501

AEP Financials
JOURNAL ENTRY DETAIL REPORT

Page No. 1
 Run Date 3/30/2017
 Run Time 2:09:49 PM

Unit: 117
 Journal ID: OAAAGAIN
 Date: 12/31/2016
 Journal status: P
 Description: Record ESTIMATED gain on sale of 779+/- acres on Stouls Bottom, in proximity to Carr's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hostetler, Lewis County, Kentucky; W0027544

Ledger Group: ACTUALS
 Source: ONL
 Reversal: N
 Reversal Date:

Foreign Currency: USD
 Rate Type: CRRNT
 Effective Date: 12/31/2016
 Exchange Rate: 1.00
 Trans Ref Num: REC

Line #	Unit	Account	Department	State/Jurisdiction	Product	Affiliate	Project Bu	Stat	Project	Statistics Amt	Work Order	Rate Type	Rate	Cost Comp	Foreign Amount ABM Activity	Base Amount	Sub-Cat
--------	------	---------	------------	--------------------	---------	-----------	------------	------	---------	----------------	------------	-----------	------	-----------	--------------------------------	-------------	---------

117		1080005	10863				SHSVC		SSN100004			CRRNT	1,001,860.36	971	1,001,860.36	1,001,860.36			
		Description: Record ACTUAL Gain					Reference: W002754402					Open Item Key:			974	1,001,860.36	USD		
2		4116000	10863	KY			SHSVC		SSNANDA			CRRNT	1,000,000.00	090	-1,001,860.36	-1,001,860.36			
		Description: Gain From Disposition of Plant					Reference: G00000117					Open Item Key:			974	-1,001,860.36	USD		
Total Lines:													2	Total Base Debits:		1,001,860.36	Total Base Credits:		1,001,860.35

End of Report

**Sale of
 Calculation of Gain/Loss on Sale**

W0027544 - Sale of Carrs Site: 8500 - 739+/- Acres to Triple D Farms

	<u>Land</u>	<u>Building</u>	<u>Total</u>
Work Order #			
Original Cost	\$1,102,454.98	\$0.00	\$1,102,454.98
Proceeds	2,216,811.50	0.00	2,216,811.50
Cost of Sale	112,496.16	0.00	112,496.16
Gain/Loss	** 1,001,860.36		

** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4212000 use CC 09(
 ** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4211000 use CC 09(

It the GL account on the work order is 105000X - Plant Held for Future Use - Use the accounts below

** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4117000 use CC 09(
 ** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4116000 use CC 09(

Calculation on Sale with structures - only calculate the gain/loss on land (structure has depreciated)

***If 121 or 124 property check with Manager before calculating, may have a barn, lease, or other scenario*

***to consider before calculating gain/loss*

= input cell

Please do not save file over template. File should be saved in this format

H:\internal\Land Sales\BU NBR sp WO NBR sp NAME.xls

Where; BU NBR - three digit numeric BU then a space

Actual work order number then a space

Name should identify the land or building sold.

Example - 150 W000597402 Hancock.xls

Asset		Price per Acre	Acres Sold	Original Cost
	16064	\$ 1,491.82	739.000	\$ 1,102,454.98
		Cost Per Acre per Cindy Buckbee - Land Management		

Kentucky Power - Gen
Work Order Summary Overview Report

Work Order : W0027544 Description : Sale of 550+/- acres in Lewis County, Kentucky at Auction Status : open
 Work Order Type : KEPCo Gen - Steam Land/ROW
 Funding Project : X00000116 In Service Date :
 Major Location : Misc Generation Facil-KY, KEP Asset Location : Carrs Site : KEP : 8500 Close Date :

Department	Labor	Materials	Outside Services	All Other	Overheads	AFUDC	Credits/Salvage	Total
Retirements								
11710863	\$0.00	\$0.00	\$59,457.06	\$0.00	\$0.00	\$0.00	(\$100,000.00)	(\$40,542.94)
11799900	\$0.00	\$0.00	\$0.00	\$53,039.10	\$0.00	\$0.00	\$0.00	\$53,039.10
Exp Type Total :	\$0.00	\$0.00	\$59,457.06	\$53,039.10	\$0.00	\$0.00	(\$100,000.00)	\$12,496.16
WO Total :	\$0.00	\$0.00	\$59,457.06	\$53,039.10	\$0.00	\$0.00	(\$100,000.00)	\$12,496.16
Report Total :	\$0.00	\$0.00	\$59,457.06	\$53,039.10	\$0.00	\$0.00	(\$100,000.00)	\$12,496.16

↓
 PROCEEDS - INCLUDE AMOUNT
 FROM CLOSING
 STATEMENT

COST OF SALE
 \$ 112,496.16



Report ID: GLC7601

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 3/30/2017
Run Time 2:12:07 PM

Unit: 117
 Journal ID: OAAGAIN
 Date: 3/30/2017
 Journal status: V
 Description: Reverse ESTIMATED gain on sale of 779+/- acres on Stouts Bottom, in proximity to Cair's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hostetler, Lewis County, Kentucky; W0027544

Ledger Group: ACTUALS
 Source: ONL
 Reversal: N
 Reversal Date:

Foreign Currency: USD
 Rate Type: CRRNT
 Effective Date: 3/30/2017
 Exchange Rate: 1.00
 Trans Ref Num: REC

COPY

Line #	Unit	Account	Department	State/Jurisdct	Product	Affiliate	Project Bu	Stat	Project	Statistics Amt	Rate Type	Rate	Foreign Amount	Base Amount
										Work Order	Cost Comp	ABM Activity	Sub-Cat	

Total Lines: 2														
Total Base Debits:														
1	117	1080005	10863				SHSVC		SSN100004	W002754402	CRRNT	1,000,000,000	-1,001,860.36	1,001,860.36
										Open Item Key:		971	974	
Reference:														
2	117	4116000	10863	KY			SHSVC		SSNANDA	G0000117	CRRNT	1,000,000,000	1,001,860.36	1,001,860.36
										Gain From Disposition of Plant		090	974	
Reference:														
Total Base Credits:														
-1,001,860.36 USD														
1,001,860.36 USD														



Report ID: GLC7501

AEP Financials

JOURNAL ENTRY DETAIL REPORT

Page No. 1
Run Date 4/5/2017
Run Time 10:19:17 AM

Unit: 117
Journal ID: OAAGAIN
Date: 3/31/2017
Journal status: V
Description: Record ACTUAL gain on sale of 739.216 acres on Stouts Bottom, in proximity to Carr's Hill Road & Ky Highway 8 to Fred L. and Tammy S. Hosteller, Lewis County, Kentucky; W0027544

Ledger Group: ACTUALS
Source: ONL
Reversal: N
Reversal Date:
Foreign Currency: USD
Rate Type: CRRNT
Effective Date: 3/31/2017
Exchange Rate: 1.00
Trans Ref Num: REC

Line #	Unit	Account	Department	State/Jurisdiction	Product	Affiliate	Project Bu	Stat	Project	Statistics Amt	Rate Type	Rate	Cost Comp	Foreign Amount	ABM Activity	Sub-Cat	Base Amount
--------	------	---------	------------	--------------------	---------	-----------	------------	------	---------	----------------	-----------	------	-----------	----------------	--------------	---------	-------------

117		1080005	10863															
							SHSVC				CRRNT	1.00000000	971	996,669.11	USD		996,669.11	
		Description:					Reference:		SSN100004	W002754402								
										Open Item Key								
		2 117	4116000	10863			SHSVC				CRRNT	1.00000000	090	-996,669.11	USD		-996,669.11	
		Description:					Reference:		SSNANDA	G0000117								
										Open Item Key								
													Total Base Credits:		996,669.11			
													Total Base Debits:		996,669.11			

COPY

Sale of
 Calculation of Gain/Loss on Sale

W0027544 - Sale of Carrs Site: 8500 - 739+/- Acres to Triple D Farms

	<u>Land</u>	<u>Building</u>	<u>Total</u>
Work Order #			
Original Cost	\$1,102,777.21	\$0.00	\$1,102,777.21
Proceeds	2,219,031.00	0.00	2,219,031.00
Cost of Sale	119,584.68	0.00	119,584.68
Gain/Loss	** 996,669.11		

** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4212000 use CC 090

** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4211000 use CC 090

If the GL account on the work order is 105000X - Plant Held for Future Use - Use the accounts below.

** Credit amount is Loss - Credit to work order use 971 CC and Debit to 4117000 use CC 090

** Debit amount is Gain - Debit to work order use 971 CC and Credit to 4116000 use CC 090

Calculation on Sale with structures - only calculate the gain/loss on land (structure has depreciated)

**If 121 or 124 property check with Manager before calculating, may have a barn, lease, or other scenario

**to consider before calculating gain/loss

= input cell

Please do not save file over template. File should be saved in this format:

H:\internal\Land Sales\BU NBR sp WO NBR sp NAME.xls

Where; BU NBR - three digit numeric BU then a space

Actual work order number then a space

Name should identify the land or building sold.

Example - 150 W000597402 Hancock.xls

Asset		Price per Acre	Acres Sold	Original Cost
	16064	\$ 1,491.82	739.216	\$ 1,102,777.21
	Cost Per Acre per Cindy Buckbee - Land Management			

Work Order Estimate Details

Work Order #0027544 Const \$0.00 Retirements \$281,953.98 Credits \$0.00 Est Start Date 05/27/2016
 Revision 1 Expense \$0.00 Removal \$1,000,000.00 Jobbing \$0.00 Est End Date 05/31/2017

Blue = Already used in utilization

Green = 'Open' Estimate (not for utilization)

Estimates

Expenditure Utility Account Retirement Unit Property Group Asset Location Sub Account Business Segment Charge Type Amount Quantity Job Task

Expenditure Type	Utility Account	Retirement Unit	Property Group	Asset Location	Sub Account	Business Segment	Charge Type	Amount	Quantity	Job Task
Retirements	31000 - Land	Land Parcel	Land and Land Rights	Cans Site : KEP : 8500	None	Regulated	Orig Cost R	\$281,953.98	0.02	
Retirements	31000 - Land	Land Parcel	Land and Land Rights	Cans Site : KEP : 8500	None	Regulated	Orig Cost R	\$322.23	0	
								\$282,276.21	0	

Work Order Retirements - Work Order #0027544

Utility Account	Retirement Unit	Description	Amount	Ldg Asset Id
31000 - Land - Coal Fired	Land Parcel	Land Parcel 12/1/2016	\$322.23	16064
31000 - Land - Coal Fired	Land Parcel	Land Parcel 1/1/2017	\$281,953.98	16064
31000 - Land - Coal Fired	Land Parcel	Land Parcel 6/1/2016	\$620,501.00	16064

Total Retirement Activity on the CPR: \$-1,102,454.98

Buttons: CPR Retire, Subt. Retire, Delete, Memo R/U, Sort, Cancel

Drill to CPR Retirement Activity

Note: The grid above never includes Retirements posted directly from the CPR.

Display Retirements already Posted
 Blue = Sent to Pending Transaction
 Red = Posted

Edit Estimates

- Add an Estimate
- Copy an Estimate
- Delete an Estimate
- Delete All
- Search Unit Catalog
- Search Asset Locs
- Create As Built
- Search CPR
- Retire an Asset
- Replace an Asset
- Mirror Add
- Retire to an Asset
- Add Like an Asset

Filter UA by Header Func Class Filter Asset Loc by Major Loc Cap. Analyze Copy to Another WO Audit Report Update Cancel

Completion Report
 Land and Land Rights



AEP: America's Energy Future

Company: Kentucky Power - G - 117 Location: Real Estate Asset Mgmt Work Order: W002754402
 Land Works #: 17932 Asset ID: 8500 Account Number: 105

DESCRIPTION:

Sale of 746+/- acres at Carrs Plant Site, Carrs, Kentucky

Parcel No.	Document No.	Grantee	Acres	Closing Date	Purchase/Sale Price
46-00-00-005.00	K254 Pg43	Fred L. and Tammy S. Hostetler	25.964	12/30/16	\$2,219,031.00
46-00-00-005.00			17.456		
46-00-00-005.00			61.503		
46-00-00-006.00			23.330		
46-00-00-006.00			64.532		
46-00-00-006.00			39.869		
46-00-00-004.00			73.410		
46-00-00-004.00			12.591		
46-00-00-008.00			19.363		
46-00-00-008.00			38.728		
46-00-00-008.00			15.153		
56-00-00-001.00			62.453		
56-00-00-001.00			40.379		
56-00-00-005.00			36.526		
56-00-00-005.00			91.938		
56-00-00-005.00			16.859		
56-00-00-003.00			40.817		
56-00-00-002.00			58.345		
Total			739.216		

Prepared By: Angela D. Miller Date: January 13, 2017

Work Order Summary Overview Report

Work Order : W0027544 Description : Sale of 739+/- acres in Lewis County, Kentucky at Auction Status : completed
 Work Order Type : KEPCo Gen - Steam Land/ROW
 Funding Project : X00000116 In Service Date : 12/30/2016
 Major Location : Misc Generation Facil-KY, KEP Asset Location : Carrs Site : KEP : 8500 Close Date :

Department	Labor	Materials	Outside Services	All Other	Overheads	AFUDC	Credits/Salvage	Total
Retirements								
11710863	\$0.00	\$0.00	\$61,676.56	\$0.00	\$0.00	\$0.00	(\$1,217,170.64)	(\$1,155,494.08)
11799900	\$0.00	\$0.00	\$0.00	\$57,908.12	\$0.00	\$0.00	\$0.00	\$57,908.12
Exp Type Total :	\$0.00	\$0.00	\$61,676.56	\$57,908.12	\$0.00	\$0.00	(\$1,217,170.64)	(\$1,097,585.96)
WO Total :	\$0.00	\$0.00	\$61,676.56	\$57,908.12	\$0.00	\$0.00	(\$1,217,170.64)	(\$1,097,585.96)
Report Total :	\$0.00	\$0.00	\$61,676.56	\$57,908.12	\$0.00	\$0.00	(\$1,217,170.64)	(\$1,097,585.96)



A. Settlement Statement (HUD-1)

B. Type of Loan

1. FHA 2. RHS 3. Conv. Unlns. 4. VA 5. Conv. Ins. 6. File Number: TDF 16-001 7. Loan Number: 8. Mortgage Insurance Case Number:
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing, they are shown here for informational purposes and are not included in the totals.
D. Name & Address of Buyer: Fred L. Hostetler and Tammy S. Hostetler 6015 Taylor Blair Road London, OH 43140
E. Name & Address of Seller: Kentucky Power Company 1 Riverside Plaza Columbus, OH 43215
F. Name & Address of Lender: N/A
G. Property Location: 739 Acres, more or less, on Stouts Bottom, in proximity to Carr's Hill Road & Ky Highway 8, in Lewis County, Kentucky
H. Settlement Agent: Harry D. Caillotte, PLLC, Attorney at Law Place of Settlement: Chicago Title (Central & Southern Ohio Office) 150 E. Wilson Bridge Road, Worthington, OH 43085
I. Settlement Date: 12/30/2016

J. Summary of Buyer's Transaction

Table with 2 columns: Description and Amount. Rows include 101 Contract sales price (\$2,219,031.00), 103 Settlement charges to buyer (\$32,008.00), 120 Gross Amount Due from Buyer (\$2,251,039.00), 201 Deposit or earnest money (\$100,000.00), 220 Total Paid by Buyer (\$100,000.00), 303 Cash (\$2,151,039.00).

Buyer Initials: F.H. TH

K. Summary of Seller's Transaction

Table with 2 columns: Description and Amount. Rows include 401 Contract sales price (\$2,219,031.00), 402 Personal property (\$-), 420 Gross Amount Due to Seller (\$2,219,031.00), 501 Excess deposit (see instructions) (\$100,000.00), 506 Transfer Tax (Deed Tax) to Lewis County Clerk (\$2,219.50), 520 Total Reduction Amount Due to Seller (\$102,219.50), 603 Cash (\$2,116,811.50).

Seller Initials: PTE

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_8



RESPONSE

a and b.

Kentucky Power records retirement costs of removal and salvage in work orders that post to subaccount 1080005 Retirement Work In Progress in accordance with FERC instructions under “Balance Sheet Accounts, Account 108 Accumulated provision for depreciation of electric utility plant (Major Only)”, paragraph B which states:

B. At the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance. *When retirement, costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder.* (emphasis added) Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph. . . .

FERC does not provide a separate subaccount to accumulate land removal and salvage amounts. Kentucky Power temporarily accumulates the net gain on the sale of land (proceeds less original cost, land removal costs, salvage value) in work orders that post to account 1080005 and clears account 1080005 to zero when the sale is completed. For the sale of the Carrs Site, Kentucky Power then recorded the gain to Account 411.6.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 1 of 2

DATA REQUEST

AG_D_WP_9



RESPONSE

Yes. Following the Kentucky Public Service Commission's and the Federal Energy Regulatory Commission's approvals of Kentucky Power's acquisition of an undivided 50% interest in Mitchell Plant, Kentucky Power assumed the liabilities for 50% of Mitchell Plant AROs as of the date of the transfer, December 31, 2013.

Four ponds are located at the combined Mitchell and Kammer Plants. These ponds are identified on the map included as KPCO_R_AG_D_WP_09_Attachment 1.pdf. Kentucky Power assumed 50% of Mitchell Plant's ARO liabilities related to pond closures for the following ponds:

1. The Mitchell Bottom Ash Pond – The Mitchell Bottom Ash pond was used exclusively to store bottom ash from the Mitchell Plant. No Kammer Plant bottom ash was stored in the pond. Kentucky Power's liability is limited to its ownership percentage of the Mitchell Plant.
2. The Conner Run Impoundment – The Conner Run Impoundment was a fly ash pond that accepted fly ash from both Mitchell and Kammer Plants. Kentucky Power's share of the ARO is limited to the Mitchell Plant's use of the impoundment. Kentucky Power has no liability for fly ash deposited by the Kammer Plant. The remaining liability lies with AEP Generation Resources Inc. and third party Murray Energy.
3. The Wastewater Pond - The Mitchell Plant Wastewater Pond serves as a wastewater settling basin that historically served both the Kammer and Mitchell Plants. The facility is not an ash disposal pond. The facility is periodically dredged and has no separately identifiable waste from the Kammer Plant, which was retired

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 2 of 2

in 2015. Fifty percent of the ARO liabilities with respect to the facility were assumed by Kentucky Power.

The Kammer Bottom Ash Pond was used exclusively by the Kammer Plant and Kentucky Power assumed no ARO liabilities associated with the Kammer Bottom Ash Pond.

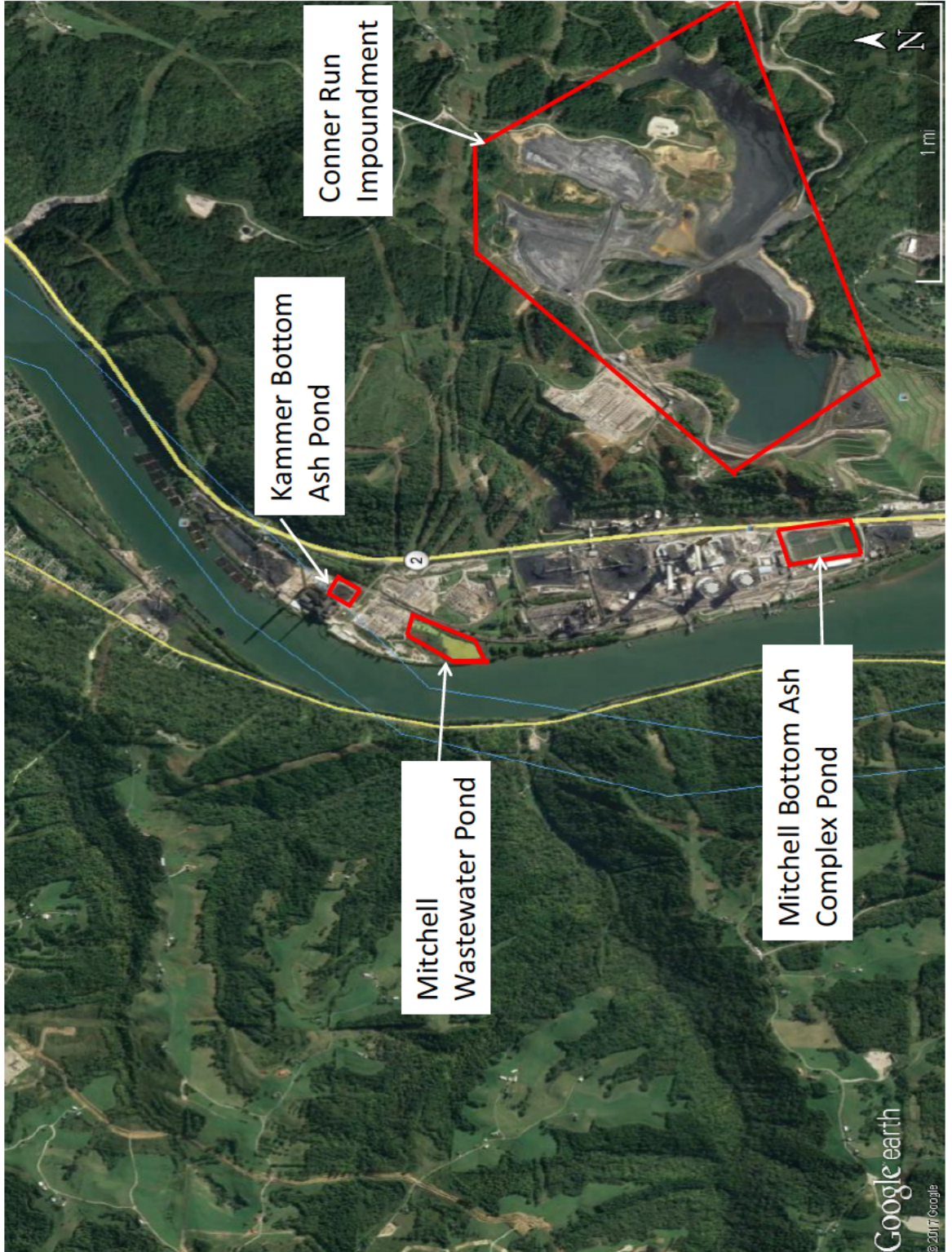
Please refer to the Company's response to AG 1-236 and KPCO_R_AG_1_236_Attachment1.xls for ARO liability balances. The ponds described above correspond to the values in KPCO_R_AG_1_236_Attachment1.xls as follows:

Mitchell Bottom Ash Pond – ASH#1 Mitchell Ash Pond – KPCo

Conner Run Impoundment – ASH#1 Connor Run – KPCo Mitchell

Wastewater Pond – ASH#3 Mitchell Ash Pond – KPCo

Witness: Debra L. Osborne
 Tyler H. Ross

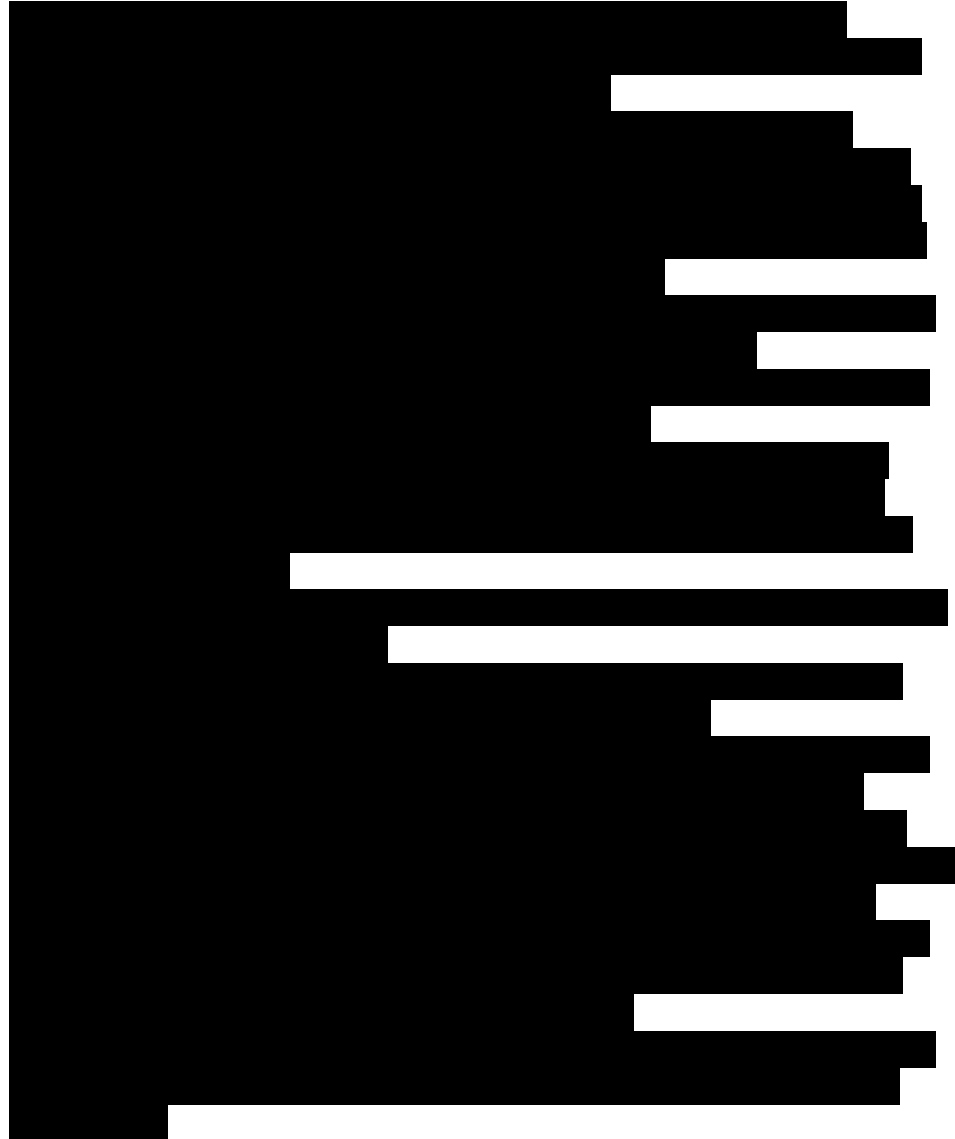


Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 1 of 3

DATA REQUEST

AG_D_WP_10



RESPONSE

- a. Please refer to the Company's response to AG D-WP-9.
- b. Please refer to the Company's responses to AG D-WP-9 and AG 1-236.
- c. Please refer to KPCO_CR_AG_D_WP_10_Attachment1.pdf for the location of the ponds. Please refer to KPCO_CR_AG_D_WP_10_Attachment2.pdf for the July 2015 joint use

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 2 of 3

agreement between Kentucky Power and Consolidated Coal Company for Conner Run Impoundment.

Please refer to KPCO_CR_AG_D_WP_10_Attachment3.pdf for estimated historical ash volumes from Kammer and Mitchell Plants. This is an estimate of the relative contributions to the Conner Run Impoundment from Kammer, Mitchell, and McElroy (also referred to as Consolidation Coal Company), as of the end of 2015, when all contributions from the AEP facilities ceased. At that time, the estimated contribution percentages were approximately: 8% Kammer Plant, 51% Mitchell Plant and 41% McElroy/CCC (currently Murray Energy). The current owner continues to dispose of fine coal refuse in the Conner Run Impoundment, so the relative percentage of material in the impoundment from Kammer and Mitchell will continue to decline over time as more fine coal refuse is placed in the impoundment.

Kentucky Power's obligation for Conner Run Impoundment is dependent on the timing of the closure of the impoundment and decreases each year until June 1, 2027 when the maximum contribution for AEP's obligation would be \$5 million. The \$5 million total AEP obligation would be shared as follows:

Kammer Plant - 13.5% (8% Kammer/59% Total Kammer/Mitchell) = \$675,000

Mitchell Plant - 86.5% - Kentucky Power's 50% share = \$2,162,500

Mitchell Plant - 86.5% - AEP Generation Resource's 50% share = \$2,162,500

d. Prior to December 31, 2013, Ohio Power Company owned 100% of Kammer Plant. On December 31, 2013, OPCo transferred its 100% ownership of Kammer Plant to AEP Generation Resources, Inc. In May 2015, Kammer Plant was retired.

Please refer to the first tab of KPCO_CR_AG_D_WP_10_Attachment4.xlsx for tons of coal burned at the Kammer Plant 2007-2015.

e. Prior to December 31, 2013, Ohio Power Company owned 100% of Mitchell Plant. On December 31, 2013, OPCo transferred its 100% ownership of Mitchell Plant to AEP Generation Resources, Inc. On December 31, 2013, AEP Generation Resources transferred 50% of its ownership interest in Mitchell Plant to Kentucky Power. On January 31, 2015, AEP Generation Resources transferred its remaining 50% ownership interest in Mitchell Plant to Wheeling Power Company.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 3 of 3

Please refer to the second tab of KPCO_CR_AG_D_WP_10_Attachment4.xlsx for tons of coal burned at the Mitchell Plant 2007-2016.

f. No. Please refer to the Company's response to AG D-WP-10 subsection c. for estimated ash volumes.

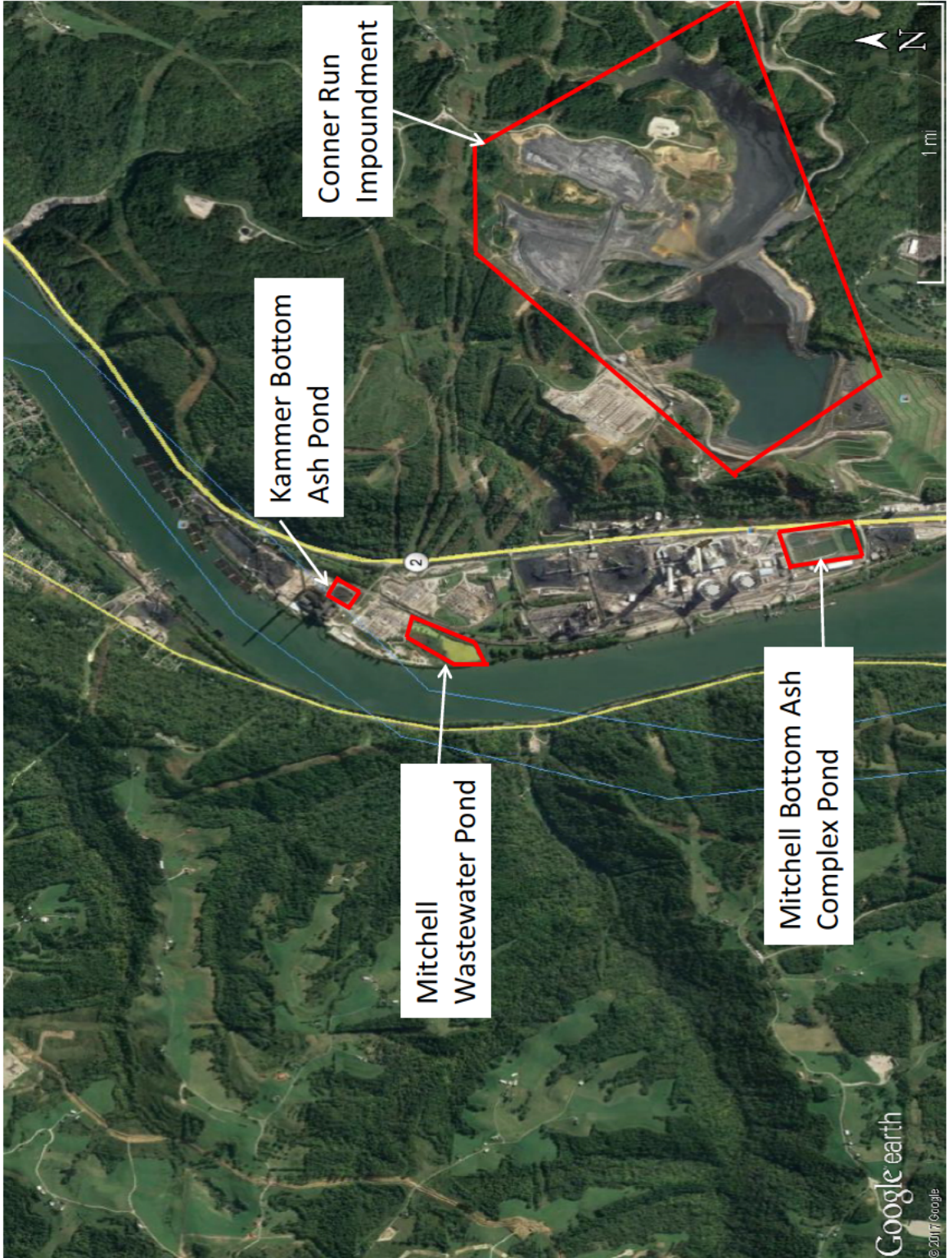
g. No.

h. Mitchell Plant was owned by Ohio Power Company from 1971 through December 31, 2013 (approximately 42 years).

i. The accounting model for AROs was the same during the years when a 50% interest in Mitchell Plant was owned by AEP Generation Resources Inc. (AGR) as when it was owned by Wheeling Power Company.

j. Please refer to KPCO_R_KPSC_1_54_Attachment2.xls for the requested information.

Witness: Debra L. Osborne
 Tyler H. Ross



CONNER RUN IMPOUNDMENT
TRANSITION AND JOINT USE OPERATING AGREEMENT

DATED July 2, 2015

This Conner Run Impoundment Transition and Joint Use Operating Agreement (“Agreement”) is made and entered into as of July 2, 2015 (the “Effective Date”), by and between Kentucky Power Company/dba AEP (“AEP”), a Kentucky corporation qualified as a foreign corporation in West Virginia with its principal place of business at 1 Riverside Plaza, Columbus, Ohio 43215, as the current operator of the Kammer and Mitchell Plants formerly owned and operated by Ohio Power Company (“OPCo”), and Consolidation Coal Company, a Delaware corporation qualified as a foreign corporation in West Virginia with its principal place of business at 46226 National Road, St. Clairsville, Ohio 43950 (“CCC”), (“AEP” and “CCC” being collectively referred to herein as the “Parties”).

On and after the Effective Date of this Agreement, the Parties agree that the operations, transition of responsibilities, and cost sharing for mutually beneficial activities at the Conner Run Dam and Impoundment (the “Conner Run Dam” refers to the dam structure, and the “Conner Run Impoundment” refers to the basin upstream of the Dam, and the “Conner Run Dam and Impoundment” refers to both the Conner Run Dam and the Conner Run Impoundment, located upon those certain tracts of land in Franklin District, Marshall County, West Virginia, more particularly described in the maps, boundary surveys and deeds included in Attachment A hereto) shall be governed exclusively by the terms of this Agreement.

WITNESSETH:

WHEREAS, OPCo and CCC were parties to that certain agreement dated December 1, 2003, entitled “Conner Run Fly Ash Impoundment 2003 Joint Use Operating Agreement” (the “2003 Agreement”) which provided for the construction, operation, expansion and related activities at the Conner Run Dam and Impoundment; and

WHEREAS, AEP has assumed the rights and obligations of OPCo under the 2003 Agreement through acquisition of certain assets from OPCo and its operation of the Kammer and Mitchell electric generating plants; and

WHEREAS, AEP has completed a conversion project at the Mitchell Plant to provide for dry fly ash and other coal combustion residual management in a new facility that it has constructed for that purpose on separate lands to the southeast of the Conner Run Impoundment, and commenced disposal of dry fly ash in that facility in 2014; and

WHEREAS, AEP intends to complete the construction of a treatment system to handle the cooling tower blowdown previously used to convey wet fly ash from the Mitchell Plant to the Conner Run Impoundment and retire the electric generating units at the Kammer Plant during calendar year 2015; and

WHEREAS, CCC reserved the right to deposit fine coal refuse in the Conner Run Impoundment in the deeds that conveyed the property underlying the Conner Run Dam and Impoundment to OPCo, and CCC's operations at the Marshall County Mine and the Conner Run Dam and Impoundment are anticipated to continue beyond 2015; and

WHEREAS, since 2009, AEP and its affiliates have invested over fourteen million dollars in the construction of the Conner Run Dam and other appurtenances, and continues to provide operation and technical oversight for the Conner Run Dam and Impoundment that will benefit CCC in the ongoing operation of the Marshall County Mine and other assets; and

WHEREAS, the Parties now desire to provide for transition of the ownership and management of the Conner Run Dam and Impoundment from AEP to CCC, to allocate responsibility for certain construction activities, to provide for a method to accommodate future operations of the Conner Run Dam and Impoundment until such time as applicable regulatory permits are either transferred from AEP to CCC or until new permits are obtained by CCC, and to provide for a method to accommodate future operations within the properties in and around the Conner Run Dam and Impoundment for the mutual benefit of AEP and CCC.

NOW THEREFORE, for and in consideration of the mutual promises contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, AEP and CCC agree as follows:

I. Construction Activities

A. Detail Plan Development. GeoEnvironmental Associates shall be retained to prepare a set of detailed plans for completion of Stages 9F through 9H of the Conner Run Dam and Impoundment, including arrangements to manage the elevation of the operating pool at the Conner Run Impoundment during the sealing of the current outlet, and installation of additional rock drains and other features necessary for completion of the Conner Run Dam to elevation 1050' and future operation of the Conner Run Impoundment. The detailed plans shall be sufficient to respond to the items identified in the correspondence from the Mine Safety and Health Administration (MSHA) on May 30, 2014, and any additional communication from MSHA or the West Virginia Department of Environmental Protection Dam Safety Section (WVDSS). CCC and AEP shall review and provide comments on the detailed plans within ten (10) business days of receipt from GeoEnvironmental Associates. The Parties shall share the costs of the plan preparation equally.

B. Purchase and Installation of Pumping System and Construction of Open Channel Spillway. CCC shall be solely responsible for the costs of designing, procuring, installing, operating, maintaining, and monitoring the pumping system, including procuring the pumps and all related appurtenances, and all costs of installation, testing, calibrating, operating and monitoring. Placement of the pumping system and related appurtenances shall be in locations mutually acceptable to AEP and CCC. CCC shall also be solely responsible for the costs of construction of the open channel spillway which is necessary to reduce the "as submitted" proposed pumping system capacity requirements while still satisfying the applicable regulatory requirements. Sealing of the current outlet shall not commence until the pumping system has been installed, tested, and accepted by AEP. During the testing, calibrating, operating, and monitoring of the pump system discharge control system, CCC shall provide access to AEP so that AEP may be present to witness such testing, calibrating, operating, and monitoring, as AEP desires to assure that the system has no adverse impact on the quality of the discharge from the Conner Run Impoundment and that AEP can continue to comply with the terms of the current NPDES permit, and to assure that the normal pool operating level does not increase by more than four (4) feet in any three (3) month period and otherwise complies with any other conditions of

the approvals issued by MSHA or other regulatory authorities with jurisdiction over the Conner Run Dam and Impoundment. During the transition period prior to transfer of the environmental permits for the Conner Run Impoundment to CCC, CCC shall indemnify, reimburse, and hold AEP harmless for all costs and expenses incurred by AEP as a result of any safety or environmental claims related to the design, construction, operation, or failure of the pumping system, any related appurtenances and the open channel spillway, except and to the extent such claims are caused by AEP's actions.

C. Completion of the Main Dam and Saddle Dam and CCC's Costs. The costs of completion of construction of the main Conner Run Dam and the saddle dam to the final approved elevation of 1050' shall be at CCC's sole expense. CCC shall continue to supply coarse coal refuse as a construction material for various purposes, including completing the work on the main Conner Run Dam and east hillside, providing underlayment for the construction of the floating road through the Conner Run Impoundment, and for other construction purposes consistent with the approved plans. CCC shall be solely responsible for the costs of placing the coarse coal refuse on the dams or in the Conner Run Impoundment. CCC shall also be solely responsible for the costs associated with placing, relocating, and maintaining its coal slurry lines and treated AMD lines to and through the Conner Run Impoundment, procurement and construction costs for the rock drain outlet piping and other appurtenances through the main Conner Run Dam, and the costs of maintaining its access roads to the Conner Run Impoundment and its coarse refuse disposal areas.

D. Shared Construction Costs. The Parties agree that given the short time period remaining before the Kammer and Mitchell Plants cease sluicing fly ash to the Conner Run Impoundment, no further construction to provide additional capacity in the Conner Run Impoundment is required to accommodate AEP's operations. However, CCC desires to continue using the Conner Run Impoundment to serve the Marshall County Mine and coal preparation plant, and certain activities necessary to support long-term operations will be less costly and more easily implemented in the near term. Accordingly, the Parties agree that, contingent upon receipt of required approvals from MSHA and WVDSS, responsibility for the costs of completing the construction of the following activities included in the plans for Stages 9F

through 9H, as submitted by AEP on February 4, 2014, and any supplemental plans and responses to requests for information submitted by mutual agreement of the Parties pursuant to paragraph A of this section, shall be shared based on the ratio of the amount of material each Party (and their predecessors) placed in the Conner Run Impoundment during the annual period from June 1, 2012 through May 31, 2013, which AEP has estimated, and CCC has agreed, to be 30% AEP and 70% CCC. Those activities include:

1. Abandonment of the existing spillway and sealing of the existing drainage shaft and outlet piping.
2. Pushout placement of the minimal connector fill (estimated to be less than 100,000 cubic yards of coarse coal refuse) required for soil facing, and placement of select soil facing around the existing drainage shaft.
3. Construction of an access road to the existing monitoring wells and continued placement of the previously approved east hillside embankment materials to the extent that other activities in the area allow, including turning the select soil core just short of horizontal and extending it to the natural hillside, after which point it will be extended up the natural hillside. East hillside embankment placement construction cost sharing will cease when the soil core placement is completed to the natural hillside, and shall thereafter be solely at CCC's expense.

Costs to be shared for this work will include all material (including, without limitation, the cost of excavating, hauling and placing suitable materials, except any coarse coal refuse, which shall be delivered and unloaded at CCC's sole expense), all equipment, all direct outside contract labor, and all outside supervision associated with these activities. If shared construction costs addressed in this paragraph are incurred after the end of calendar year 2014, the basis for cost sharing during 2015 will be adjusted based on the amount of fly ash and coal refuse solids placed in the Conner Run Impoundment during the annual period from June 1, 2013 through May 31, 2014, as estimated by AEP with direct input from CCC and as mutually agreed by the Parties. AEP will not be responsible for any costs associated with work performed under this paragraph that are incurred on and after the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease.

E. Construction Management and AEP's Costs. AEP shall manage the construction activities approved by MSHA and WVDSS for stages 9F through 9H, to the extent such activities are completed before the date the existing AEP permits for the Conner Run Dam and Impoundment are transferred to CCC, which shall be no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease. AEP shall make arrangements for all outside services associated with such work, and shall review all contracts and change orders in excess of \$100,000 with CCC prior to approving such orders or awarding such contracts. CCC shall promptly review and approve such contracts, which approval shall not be unreasonably withheld. If CCC does not disapprove a contract or change order within 10 business days of receipt, CCC shall be deemed to have approved the contract or change order, and AEP shall be deemed to have the authority to proceed. AEP shall be solely responsible for all costs of installing and maintaining the paved portions of its ash haul road around the Conner Run Dam and Impoundment (except for the maintenance cost of any crossing or the cost of additional improvements at any crossing necessary to accommodate larger vehicles used by CCC, where CCC shall be solely responsible for such maintenance and/or improvement costs), all costs of installing and maintaining its 4" diameter leachate line, and for any costs incurred in the removal, relocation, or maintenance of its fly ash lines. Any contracts or change orders initiated by CCC after transfer of the existing AEP permits for the Conner Run Dam and Impoundment shall be at CCC's sole expense, except where otherwise agreed by the Parties in writing.

II. Transition of Impoundment Operations and Permits

A. Permitting and Regulatory Approvals. To the extent not already initiated, AEP and CCC shall immediately initiate and diligently pursue the process of obtaining any necessary utility commission regulatory approvals, if required, and transferring responsibility for the NPDES, MSHA, and WVDSS permits and Orders from AEP to CCC, and CCC shall immediately initiate and diligently pursue any necessary modification of CCC's existing permits and/or the application for new permits necessary for the Marshall County Mine, so that CCC will be authorized to operate, and have full operational responsibility for, the Conner Run Dam and

Impoundment as soon as possible. AEP shall cooperate in good faith and provide operational or other information in its possession reasonably necessary to facilitate the transfer of AEP's existing permits, including executing documents reasonably necessary to complete the transfer of responsibility to CCC. The Parties anticipate that the transfers will be completed no later than July 1, 2015. In the event that permit transfers cannot be completed by July 1, 2015, CCC agrees to pursue reasonable and prudent measures to secure operational authority and responsibility for the Conner Run Dam and Impoundment, including, but not limited to, the issuance of administrative orders or other temporary operating authority, in order to act as operator and continue to use the Conner Run Dam and Impoundment for its fine coal refuse disposal operations on and after that date. CCC assumes responsibility for all costs and expenses arising from or associated with CCC's ongoing and continued operations at the Conner Run Dam and Impoundment on and after the date AEP's existing permits are transferred to or assumed by CCC, or July 1, 2015, whichever is earlier. If any utility commission regulatory approval is required but not yet obtained, or transfer of AEP's existing permits or authorizations for CCC to act as operator cannot be obtained by July 1, 2015, then AEP shall maintain its existing permits for the Conner Run Dam and Impoundment until such transfers or authorizations are obtained and CCC shall continue its use of the Conner Run Dam and Impoundment, subject to the provisions of Section VII.B.

B. Real Estate and Personal Property. The Parties have consulted and determined that exchanges of real property interests, including real estate, fixtures, and other appurtenances, should be made in order to better align ownership of the underlying parcels with ongoing operations at, in, and around the Conner Run Impoundment. Attachment B hereto contains a general depiction of the current interests in real property, and Attachment C contains a general depiction of the interests that will be held by CCC and AEP (and any applicable affiliates) after the exchange, including reserved rights for AEP's haul roads and transmission facilities with such adjustments as agreed by the Parties in writing, which reserved rights shall be confirmed by survey following execution of this Agreement. The Parties have determined that all personal property and appurtenances (i.e. any improvements and other materials and equipment) necessary for the day-to-day operation of the Conner Run Dam and Impoundment as a fine coal refuse disposal facility shall be transferred from AEP to CCC. The Parties shall make such other

transfers of personal property as may be necessary for the day-to-day operation of the Conner Run Dam and Impoundment. This property does not include the pump station, piping, and improvements related solely to AEP's fly ash sluicing operations, which shall be retained by AEP. CCC and AEP will cooperate in good faith and work diligently to accomplish these property transfers on or about the date on which any required utility commission approvals are obtained and/or responsibility is transferred to CCC for the existing AEP permits, or as necessary to facilitate such permit transfers, including execution and recordation of the appropriate legal instruments. As operations at the Conner Run Dam and Impoundment and the separate operations of AEP and CCC in the area continue to evolve, the Parties agree to continue to evaluate their changing needs and, to the extent that it is mutually advantageous, to negotiate further exchanges of interests and grants of access as they mutually determine are appropriate and necessary.

C. Quarterly Invoicing. Prior to the transfer of the permits and real estate necessary to transition the operational responsibility for the Conner Run Dam and Impoundment to CCC, AEP will continue to prepare and issue invoices in arrears on a quarterly basis reflecting the relative share of construction costs and operating and maintenance expenses incurred for all work performed during the prior quarter. Invoices shall be submitted no later than the last business day of the calendar month following the end of each calendar quarter for all invoices received by the end of the prior quarter. All invoices shall be due and payable no later than the last business day of the next month following issuance of the invoice. AEP shall issue a final invoice no later than the end of the next calendar month following the transfer of the permits and real estate necessary to transition operational responsibility for the Conner Run Dam and Impoundment to CCC, which shall be no later than the date on which the Kammer and Mitchell Plants cease sluicing fly ash to the Conner Run Impoundment. Thereafter, CCC shall be solely responsible for ongoing construction costs and operating and maintenance expenses at the Conner Run Dam and Impoundment, except as otherwise provided herein. If any additional construction or operational costs are to be incurred by one Party and shared by the Parties thereafter, the details of any such agreement shall be set forth in a written agreement signed by the Managerial Representatives identified in Paragraph V.D. prior to incurring any shared costs.

III. Authorized Influent

A. The Parties agree that the currently authorized influents to the Conner Run Impoundment from AEP's operations are limited to the following:

1. Fly Ash Lines – three (3) fourteen-inch (14") diameter lines, from AEP's pumping station to the Conner Run Impoundment to convey fly ash and cooling tower blowdown from the Kammer and Mitchell Plants; and
2. Pump Station Sump Drains – two (2) fourteen-inch (14") diameter lines that drain by gravity from AEP's pump station sumps to the Conner Run Impoundment.

B. The Parties agree that, until such time as the existing AEP permits are transferred or assumed by CCC,, the currently authorized influents to the Conner Run Impoundment from CCC's operations are limited to the following:

1. Fine Coal Slurry Line – no limit as to the number of lines, but the Parties shall mutually agree as to the type, location, and/or chemical constituency of influent to the Conner Run Impoundment; and
2. Treated AMD Lines – no limit as to the number of lines, but the Parties shall mutually agree as to the type, location and/or chemical constituency of influent from the AMD treatment plant treating wastewater from the former Ireland Mine and the underdrains from the coarse coal refuse disposal areas near the Conner Run Impoundment that have been placed beneath the 765 kV switchyard access road and lead to the water tank near the construction office.
3. Freshwater Lines – AEP agrees that, when AEP no longer discharges blowdown water into the Conner Run Impoundment, CCC shall, at CCC's sole discretion, be permitted to introduce freshwater into the Conner Run Impoundment to maintain an adequate amount of water in the Conner Run Impoundment necessary for CCC's ongoing operations at CCC's preparation plant(s) and CCC's operations at the Conner Run Impoundment, to the extent such introduction is consistent with the permits and approvals issued for the Conner Run Dam and Impoundment.

C. Surface Water Runoff. The Conner Run Impoundment also receives sheet flow from the Conner Run watershed and the upstream face of the Conner Run Dam and collected surface waters from the drainage area that are approved to be managed in the Conner Run Impoundment.

D. While the NPDES, MSHA and WVDSS permits for the Conner Run Impoundment are held by AEP, no other influents are permitted to be introduced to the Conner Run Impoundment without the written consent of the Parties. On and after the date that transfer of the permits and real estate necessary to transition the operational responsibility for the Conner Run Impoundment to CCC occurs, CCC shall no longer require AEP's consent to alter the authorized influents to the Conner Run Impoundment, but shall provide notice to AEP of the introduction of new authorized influents, along with a representative sample of the new authorized influent, an analysis of the composition and constituents of each new authorized influent, and an estimate of the annual volume of such new authorized influent introduced to the Conner Run Impoundment.

IV. Operational Expenses

A. Shared Costs Prior to Transfer. During the period prior to the date that the permits for the Conner Run Impoundment are transferred to CCC, and no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease, the following costs shall continue to be shared between AEP and CCC based on the amount of material placed in the Conner Run Impoundment during the prior year:

1. The cost to build and maintain jointly used floating roads or bridges to access the Parties' respective operations; and
2. Incidental materials and activities necessary for the normal and efficient operation of the Conner Run Impoundment.

AEP shall itemize such costs in each invoice and apply the applicable percentage for each Party, which the Parties agree shall be 30% AEP and 70% CCC in 2014.

B. Shared Costs After Transfer. On or after the date that the permits for the Conner Run Impoundment are transferred to CCC, but no later than the date on which fly ash discharges to the Conner Run Impoundment from the Kammer and Mitchell Plants cease, the costs referenced in paragraph IV.A. 2. shall cease to be shared costs. The costs referenced in paragraph IV.A. 1. shall be shared equitably, based on the cubic yards of material transported over any jointly used road or bridge, or on another mutually agreeable basis, which shall be determined by the Managerial Representatives and reduced to writing prior to undertaking any construction or maintenance activities, in accordance with Section V. of this Agreement.

C. Excluded Costs. The following expenses have historically been billed and paid separately by the Parties, and/or are not considered to be related to the normal joint operation of the Conner Run Impoundment, and shall be excluded from shared costs allocated in accordance with the provisions of this paragraph IV.

1. AEP shall be solely responsible for paying all costs and expenses associated with the following activities:

a. AEP's removal of cenospheres from the Conner Run Impoundment;

b. AEP's costs of transporting fly ash, gypsum, or other coal combustion products to the Conner Run Impoundment, installation, maintenance, relocation and removal of ash lines or conveyors, and trucking of any fly ash or other coal combustion materials to or for use at the Conner Run Impoundment; and

c. AEP's fifty percent (50%) share of the cost for engineering services (i) provided by Civil & Environmental Consultants, GeoSyntec, and Geo/Environmental Associates under the existing contracts for professional services and (ii) provided by other consultants, as mutually agreed upon by the Parties, for professional services.

2. CCC shall be solely responsible for paying all costs and expenses associated with the following activities:

a. CCC's costs related to its fine and coarse coal refuse disposal operations;

b. CCC's costs for placement of coarse coal refuse at the Conner Run Dam and Impoundment, on the main dam and saddle dam, to support the floating road through the Conner Run Impoundment, on the east hillside, and for other construction purposes;

c. CCC's costs for installation, maintenance, relocation and removal of its fine coal refuse and water lines or conveyors, and trucking of any coal refuse or other mining materials to or for use at the Conner Run Impoundment; and

d. CCC's fifty percent (50%) share of the cost for engineering services (i) provided by Civil & Environmental Consultants, GeoSyntec, and Geo/Environmental Associates under the existing contracts for professional services and (ii) provided by other consultants, as mutually agreed upon by the Parties, for professional services.

V. Operations and Management

A. Coordination of Operations; Rights of Exclusive Use; Avoidance of Interference or Interruption. The Parties will harmonize their operations in the Conner Run Impoundment to the maximum extent practicable through the exchange of interests in real property and the allocation of permits and operational responsibilities. AEP will retain an easement with exclusive rights to use the existing paved haul road constructed to provide access to its newly permitted dry ash disposal facility ("AEP's Haul Road"), and CCC will establish and maintain exclusive rights to use separate means of access to its existing and future mining and disposal operations ("CCC's Haul Roads"), with the exceptions of the floating road that both Parties use to cross the Conner Run Impoundment and other select crossings. Where any haul road or portion of a haul road is used jointly by the Parties, the Parties shall mutually agree as to the safety policies and procedures with respect to such haul road or portion of a haul road. The Parties will use their best efforts to avoid any interference with or interruption in the use of each other's Haul Roads, and will coordinate construction and other activities so as to assure unimpeded access and use of the easements and retained rights of the other Party for such Haul Roads. Each Party will be responsible for security for its own operations.

B. Maintenance, Relocation, and Repair of Crossings and Jointly Used Roads and Bridges. CCC shall, at CCC's sole expense, deliver material to be used as the base for the floating road through the Conner Run Impoundment and compact the material consistent with CCC's existing practices for coarse coal refuse. The Parties will share equally the cost of the design, construction and maintenance of the floating road, overlay, drainage provisions, or surfacing necessary to maintain compliance with any operational limitations that affect their hauling operations, and the costs of relocating the floating road to accommodate their mutual operations. The terms for sharing costs for any other jointly used roads, bridges, or crossings shall be agreed to and reduced to writing and signed by the Managerial Representative of each Party prior to incurring any shared costs, which agreement shall not be unreasonably withheld. During any repair, relocation, or maintenance of the floating road, access for routine haulage shall be maintained and there shall be no interruption of normal operations.

The Parties agree that relocation of AEP's Haul Road in such a manner as to allow AEP to build and maintain a road ("AEP's New Haul Road") that generally follows the leachate lines for the newly constructed dry ash disposal area, and that would eliminate the need for a floating road through the Conner Run Impoundment is desirable, and should be pursued with the applicable permitting authorities. The Parties agree to convey any easements or other rights as necessary to establish AEP's New Haul Road without cost. The Parties agree to share equally the cost of preparing and submitting any plans necessary to accomplish this relocation at their earliest convenience, and to cooperate in the preparation and submission of required plans to accomplish this goal. Upon approval of such plans, AEP shall be responsible for the costs of constructing a new road that generally follows the leachate lines for the dry fly ash disposal area, with CCC contributing coarse coal refuse as a construction material and delivering such material to the required location at CCC's expense. AEP shall be responsible for placing the coarse coal refuse to AEP's required specifications.

C. Operational Representatives. AEP and CCC shall each designate an Operational Representative and an Alternate who shall serve as initial points of contact for ongoing

operations at the Conner Run Impoundment. Initially, the Operational Representatives and their Alternates shall be:

AEP Operational Representative:	Timothy W. Howdysshell	
Address	1 Riverside Plaza 22 nd Floor, Columbus, OH 43215	
Telephone:	(614) 716-2297	
E-mail:	thowdysshell@aep.com	
AEP Alternate:	Thomas P. Cooper	Dennis C. Henderson
Address	1 Riverside Plaza 17 th Floor Columbus, OH 43215	Mitchell Plant 8999 Energy Rd. Moundsville, WV 26041
Telephone:	(614) 716-2039	(304) 843-6031
E-mail:	tpcooper@aep.com	dchenderson@aep.com
CCC Operational Representative:	Fred Blumling	
Address	46226 National Road St. Clairsville, Ohio 43950	
Telephone:	(740) 310-7040	
E-mail:	fblumling@coalsource.com	
CCC Alternate:	Charles Kapp	
Address	46226 National Road St. Clairsville, Ohio 43950	
Telephone:	(740) 391-3932	
E-mail:	ckapp@coalsource.com	

The Operational Representatives and their Alternates shall be the initial points of contact for any issues arising during construction and/or operation of the Conner Run Impoundment, transitioning of permits and real estate, and continued use of easements, rights of way, and other authorizations during future operations. Additional contacts within each organization shall be made as necessary to address any issues that arise. The Parties may change the Operational Representative and Alternate(s) by providing written notice to the other Party.

D. Managerial Representatives. AEP and CCC shall each designate a Managerial Representative to administer this Agreement, discuss the need for any adjustments or modifications in the obligations or responsibilities set forth in this Agreement, and address any issues that cannot be resolved by mutual agreement of the Operational Representatives. The Managerial Representatives shall meet at least quarterly with the Operational Representatives to review: (1) the operation of the Conner Run Impoundment; (2) the use of rights of way and access to the impoundment, CCC's disposal areas, AEP's transmission assets, and the Mitchell landfill and any issues arising in connection therewith; and (3) any regulatory actions affecting those operations, until the Conner Run Impoundment is closed and all related regulatory responsibilities have been fulfilled. The Operational Representatives of each Party shall supply information as may be reasonably requested by the Managerial Representatives to participate in and make reasonable decisions regarding operation of the Conner Run Impoundment and the impact of the Conner Run Impoundment on related or near-by activities. Decisions of the Managerial Representatives shall be by mutual consent, which shall not be unreasonably withheld.

AEP Managerial Representative:	Daniel L. Moyer
Address	Mitchell Plant 8999 Energy Rd. Moundsville, WV 26041
Telephone:	(304) 843-6001
E-mail:	dlmoyer@aep.com
CCC Managerial Representative:	Jim Turner
Address	46226 National Road St. Clairsville, Ohio 43950
Telephone:	(740) 338-3287
E-mail:	jturner@coalsource.com

The Parties may change their Managerial Representative(s) by providing written notice to the other Party.

VI. Closure, Remediation, or Assessment Costs

A. Closure of the Impoundment. CCC's operation of the Conner Run Dam and Impoundment is expected to continue for a substantial period of time following the transfer of ownership and operational responsibility from AEP. Continued placement of coal refuse and other mining materials on and within the Conner Run Dam and Impoundment will result in gradual dewatering of the Impoundment, provide cover for the fly ash, and form a suitable base and grades that promote proper storm water drainage for the eventual placement of a soil cover and reclamation of the Impoundment. In consideration of AEP's transfer of the Conner Run Dam and Impoundment, its current value, and the value of its future use to CCC's ongoing mining operations, CCC agrees to assume full responsibility for closure, remediation, assessment, and reclamation of the Conner Run Dam and Impoundment, except as set forth below. If a Final Closure/Reclamation obligation arises as a result of the discontinuation of CCC's mining operations at the Marshall County Mine within the time periods set forth below, the Parties agree that AEP's obligation to fund a portion of those costs will be satisfied as set forth in the following schedule:

If Final Closure of the Conner Run Impoundment commences on or after the Effective Date and by the date set forth below:	AEP will contribute the following percentage of the actual costs of closure:	Up to a maximum amount of:
June 1, 2017	50 %	\$ 31,500,000
June 1, 2018	48 %	\$ 27,882,500
June 1, 2019	45 %	\$ 24,480,000
June 1, 2020	43 %	\$ 21,292,000
June 1, 2021	40 %	\$ 18,320,000
June 1, 2022	38 %	\$ 15,562,000
June 1, 2023	35 %	\$ 13,020,000
June 1, 2024	33 %	\$ 10,692,500
June 1, 2025	30 %	\$ 8,580,000
June 1, 2026	28 %	\$ 6,682,500
At any time after June 1, 2027	25 %	\$ 5,000,000

On June 1, 2016, and on June 1 of each year thereafter, CCC shall provide AEP with its most current estimate of the costs of Final Closure/Reclamation for the Conner Run Dam and Impoundment. CCC shall also provide to AEP notice of the date on which commencement of

Final Closure/Reclamation activities at the Conner Run Dam and Impoundment will occur, and a copy of any plans submitted to a state or federal regulatory agency for the Final Closure/Reclamation within five (5) business days of the submission of such plans. For purposes of this paragraph "Final Closure/Reclamation" means the ultimate cessation of use of the Conner Run Dam and Impoundment and the reclamation, contouring, placement of final cover, and other activities associated with the final closure of the Conner Run Dam and Impoundment, and does not include any reconfiguration or interim reclamation activities prior to the cessation of use of the Conner Run Dam and Impoundment.

VII. Environmental Permits, Employee Safety and Health, and Liability

A. Transfer of AEP's Existing Conner Run Impoundment Environmental Permits.

AEP currently maintains the following permits for the Conner Run Dam and Impoundment:

1. SW/NPDES Permit No. WV0116939
2. WVDEP Dam Safety ID No. 05102
3. MSHA Impoundment ID No. 1211-WV03-09072-01

As soon as possible, AEP and CCC will initiate the process to transfer responsibility for these existing permits, to modify CCC's existing mining permits to include responsibility for the construction and operation of the Conner Run Dam, the Conner Run Impoundment, and the discharges from the Conner Run Impoundment reflected in SW/NPDES Permit No. WV0116939, and/or to apply for new permits necessary for CCC's continued use of the Conner Run Dam and Impoundment within the scope of the current WVDEP Dam Safety approvals and MSHA application. Applications for transfers, modifications of the necessary permits, and/or for new permits shall be submitted as soon as practicable. Prior to the transfer of AEP's existing permits or obtaining the necessary authorization for CCC to continue current operations at the Conner Run Dam and Impoundment pursuant to such existing permits, AEP shall be responsible for compliance with the permits listed above, and the costs or expenses related to any testing, sampling, remediation, payment of fines or penalties, or costs or expenses of litigation related to these permits.

B. Compliance Responsibilities. On and after the date that AEP's existing permits are transferred to CCC, or the date CCC obtains any authorization required for CCC's continued use of the Conner Run Dam and Impoundment, and no later than the date that AEP ceases to dispose of fly ash from the Kammer and Mitchell Plants in the Conner Run Impoundment, CCC shall assume responsibility for complying with the terms and conditions of these permits or any permit or other authorizations issued to replace or in lieu of these permits, including responsibility for all operations, management, and costs related thereto. In the event that permit transfers cannot be completed by July 1, 2015, CCC agrees to pursue all reasonable and prudent measures to secure operational authority and responsibility for the Conner Run Dam and Impoundment, including, but not limited to, the issuance of administrative orders or other temporary operating authority, in order to act as operator and continue to use the Conner Run Dam and Impoundment for its fine coal refuse disposal operations on and after that date. CCC assumes responsibility for all costs and expenses arising from or associated with CCC's operations at the Conner Run Dam and Impoundment on and after the date AEP's existing permits are transferred to or assumed by CCC, or July 1, 2015, which is earlier, including all costs of compliance with AEP's existing permits, if still in effect. If transfer of AEP's existing permits or authorizations for CCC to act as operator cannot be obtained by July 1, 2015, CCC agrees that AEP should be compensated for the period of time after July 1, 2015, that it maintains its existing permits for the Conner Run Dam and Impoundment and the Parties will negotiate and reduce to writing an agreement providing for such compensation at a reasonable rate.

C. Indemnification for Breach of Laws, Regulations or Permits. Each Party will comply with all applicable laws, regulations and permits issued by a governmental authority, including, but not limited to, environmental laws, rules, regulations and permits in their operations at the Conner Run Dam and Impoundment. Except as provided in Paragraph VII.B., above, if any federal, state or local governmental authority or agency brings any claim or action alleging, or otherwise asserts, that a Party has breached any applicable law, rule, regulation or permit, such Party shall indemnify and save the other Party harmless from any costs, expenses, fines or penalties arising out of such claim, action or other assertion, unless both Parties are in breach of or have failed to comply with, or are alleged to have failed to comply with, any

applicable law, rule, regulation or permit, in which case each Party shall conduct its own defense of such claim or action and shall pay its own costs of defense and any costs, expenses, fines and penalties awarded based on such claim or action.

Notwithstanding the foregoing or any other provisions in this Agreement, AEP shall be solely responsible for all costs, fines, penalties, assessments, damages, and other fees and expenses arising out of or related to Case No. 5:15-cv-103 before the United States District Court for the Northern District of West Virginia and all associated Consent Decrees, judgments, and settlements, and AEP agrees to now and hereafter release, indemnify, and hold harmless CCC from all such costs, fines, penalties, assessments, damages, and other fees and expenses. AEP represents and covenants that, as of the date of the Agreement, AEP has not received notice of, nor does AEP have knowledge of any allegations that could give rise to, any action, complaint, penalty, assessment, or any other claim related to a breach of any laws, regulations, or permits at the Conner Run Dam and Impoundment.

D. Indemnification for Damages and Joint Defense. (1) In the event that a claim is asserted or an action is filed against both Parties alleging that personal injuries, including disease or death, and/or third party property damages have occurred as a result of the negligent acts or omissions of the Parties, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment, the Parties will promptly determine if it is appropriate for them to be represented by the same counsel and equally share the costs of such defense. If the Parties decide to use joint counsel, then they shall both cooperate fully with such counsel, and shall share equally in the costs of defense, including attorneys' and expert fees and all other reasonable costs of defense, except that each Party shall bear the costs and expenses of its own employees, agents and contractors, including in-house counsel, while participating in the defense. Each Party shall cooperate in creating a funded escrow account or paying a retainer to counsel that allows prompt processing of costs and expenses. If the Parties decide that their interests preclude the use of joint counsel, each Party will engage counsel of its own choosing at its own expense. If the Parties decide to retain separate counsel, they may still elect to enter into a Joint Defense Agreement that may allow them to cooperate in their defense and share certain costs of defense.

Whether the Parties elect a joint defense or separate counsel, the costs of defense shall be as stated in this section and shall not be reallocated or subject to recovery by one Party from the other Party, regardless of the outcome of the claim or action, except as provided in Subsection VII.D(2) below.

Each Party shall pay any final judgment or award entered against it, or settlement that it reaches, without contribution from the other Party unless, due to joint and several liability, one Party must pay the final judgment entered against the other Party, in which case, such paying Party may bring an action for indemnification against the other Party for the amount of such judgment paid, plus applicable interest and court costs.

(2) In the event that a claim is asserted or an action is filed against one Party (the "Claiming Party") alleging that personal injuries, including disease or death, and/or third party property damages have occurred as a result of negligent acts or omissions in the operation or use of the Conner Run Dam or Impoundment, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment, and the Claiming Party reasonably believes that responsibility for defending such action and satisfying any resulting judgment should be borne solely or partially by the other Party (the "Responding Party"), then the Claiming Party shall send a written Indemnification Notice to the Responding Party and the Parties will promptly meet (i) to determine in good faith whether it is appropriate for them to coordinate a response to the claim or action, including taking any action consistent with Subsection VII.D(1), above, (ii) to determine if the Responding Party shall indemnify, defend, and hold harmless the Claiming Party from any claims arising out of or related to the Responding Party's use, at any time, of the Impoundment, and (iii) to determine by agreement what proportional responsibility each Party will have for any final settlement, judgment or award resolving such claim or action. If the parties cannot reach an agreement on all three (3) of the items in the preceding sentence, then the Claiming Party shall retain the right to assert any and all claims against the Responding Party for damages caused, in whole or in part, by the Responding Party to any person or persons, including but not limited to disease or death, and/or third party property damages that have occurred as a result of the Responding Party's past or future negligent acts or omissions in the operation or use of the Conner Run Dam or Impoundment, or arising from an alleged release from or failure of the Conner Run Dam or Impoundment.

All meetings, communications, conversations, and settlement documents exchanged between the Parties pursuant to, or resulting from the communications set forth in, this Subsection VII.D(2), shall be inadmissible to prove the liability of a Party pursuant to Rule 408 of the West Virginia and Federal Rules of Evidence, as applicable.

(3) In the event that one Party is determined through a final judgment, following all available appeals, to be 100% liable for any damages owing to the plaintiff(s) in an action, and the other Party is determined to have no liability for any damages owing to the plaintiff(s) in an action, then the Party that is 100% liable shall pay to the other Party all of the other Party's reasonable costs and expenses, including attorney's and expert fees, spent defending such action.

E. Coarse Coal Refuse Disposal Sites. CCC shall retain all responsibility for the treatment of any run-off from the coarse coal refuse disposal areas in the Conner Run watershed.

VIII. Water Quality and Groundwater Data

A. Baseline Influent Data. In accordance with the Protocol attached to the 2003 Agreement, AEP has collected and maintained information on influent characteristics for the fly ash and fine coal refuse influents to the Conner Run Impoundment. These influent analyses show that the materials contributed by both Parties contain concentrations of many of the same constituents, including many trace metals, boron, calcium, chloride, sodium and sulfates, in varying amounts. AEP has made copies of these historic data available to CCC.

B. Future Influent Data. AEP will continue to sample the influents to the Conner Run Impoundment as required by the terms of its current SW/NPDES permit, and will make any additional data collected available to CCC at the time operational responsibility for the Conner Run Impoundment and the permits referenced in Section VII are transferred to CCC or replaced by similar permits. Thereafter, CCC shall collect similar data for the influents to the Conner Run Impoundment, if and as required by the governing permits for the impoundment, and if no such data is required to be collected by those permits, CCC shall on an annual basis collect a representative sample of the influents from its operations, and provide the results of its analysis of those influents, and the results of any analysis required by Section III.D for any new influents, to AEP's Operational and Managerial Representatives as provided in Section V.

C. Groundwater Quality and Protection Issues. AEP has performed groundwater monitoring and sampling in accordance with Paragraph 16 (a) of the 2003 Agreement and the costs of that program have been shared in accordance with Paragraph 16 (b) of the 2003 Agreement. To date, no assessment or remediation has been required. Prior to the transfer of operational responsibility for the Conner Run Dam and Impoundment to CCC, AEP shall provide to CCC copies of all annual reports and other ground water monitoring information that AEP has submitted to the WV DEP as required by the SW/NPDES permit. At thirty (30) days prior to a meeting of the Managerial Representatives, or upon AEP's reasonable request, CCC shall provide AEP with copies of all annual reports and other ground water monitoring information collected by CCC and submitted in accordance with the SW/NPDES permit, its mining permits, or any orders or other requirements imposed by any applicable regulatory authority.

IX. Force Majeure

A. Force Majeure Not a Breach. Neither Party shall be in breach of this Agreement to the extent that any delay or default in performance is due to a Force Majeure Event. No delay in performance resulting from a Force Majeure Event shall result in any liability on the part of either Party.

B. Notice. The delaying or affected Party shall immediately notify the other Party of the beginning of the delaying or other Force Majeure Event. The notice shall contain a detailed account of the delay, including the cause of the delay, an estimate of the duration of the delay, an estimate of the delay's impact to the schedule, and the plan to mitigate the effects of the delay.

C. Extension to Perform. As agreed by the Parties, to the extent necessary to address any delay associated with a Force Majeure Event, the delaying Party shall be granted an extension of time to perform its obligations under this Agreement.

D. Definition. A "Force Majeure Event" means any cause that is beyond the reasonable control and without the fault or negligence of the delaying Party, including, but not limited to, Acts of God, insurrections, riots, wars and warlike operations, terrorism, civil disturbances, explosions, governmental or military acts, epidemics, labor strikes, fires, floods, earthquakes, severe weather, import quotas, accidents, tampering, acts of the public enemy, embargoes, blockades, the inability to obtain required materials, qualified labor, or transportation, and the like.

X. Dispute Resolution

A. Informal Disputes. The Parties will make every reasonable effort to resolve disputes arising under this Agreement through negotiation. If a dispute arises between the Parties, the Operational Representatives will first strive to resolve the dispute. If the Operational Representatives cannot resolve the dispute within fifteen (15) business days from the time that one Party gives notice of the dispute to the other Party, then the Managerial Representatives shall meet to attempt to resolve the dispute. If the Managerial Representatives are unable to resolve a dispute within fifteen (15) business days following elevation of the dispute to their level, then each Party shall appoint a senior executive who shall attempt to resolve the dispute.

B. Notice of Dispute. Either Party asserting a dispute that is not resolved through the informal dispute resolution process at the Operational or Managerial Representative levels shall deliver a written notice to the other Party describing the dispute and proposing a resolution. For a period of ten (10) business days following receipt of the notice of dispute, the senior executives of the Parties shall attempt in good faith to resolve the dispute through negotiations. If such negotiations result in an agreement in principle to settle the dispute, they shall cause a written settlement agreement to be prepared, signed and dated, whereupon the dispute shall be deemed settled and not subject to further dispute resolution.

C. Unresolved Dispute; Waiver of Jury Trial. If the senior executives of the Parties are unable to settle the dispute within the time allotted, the dispute may be submitted, by mutual agreement of the Parties, to mediation to occur at a mutually agreeable location with a mutually

selected mediator. The Parties reserve all rights to adjudicate any dispute not submitted to mediation or resolved through mediation, in any court of competent jurisdiction located in the States of Ohio or West Virginia; *provided, however*, that each Party waives the right to a trial by jury in any such action.

D. Exception for Injunctive Relief. Notwithstanding the dispute resolution process set forth above, either Party may request injunctions, seizure orders, writs of attachment, restraining orders, and other extraordinary remedies, from any court of competent jurisdiction located in the county of the defendant's principal place of business in the case of any imminent threat of irreparable injury, without the posting of a bond or proof of monetary damages. Each Party shall allow, to the maximum extent practicable, uninterrupted access to and the right to ongoing operation of each Party's respective facilities with minimum disruption.

XI. General Provisions

A. This Agreement shall commence on the Effective Date and, unless earlier terminated due to a Party's default, shall terminate on the date that both Parties' operations in the Conner Run Impoundment cease, or the date that AEP's closure obligations under Section VI are satisfied, whichever is earlier.

B. Each Party shall be solely responsible for the supervision, direction and control of its employees and subcontractors, and for the payment of all compensation, benefits and employment taxes with respect to its employees. Neither Party shall act as the agent for the other Party, or create any binding obligations for the other Party.

C. Neither Party may assign any of its rights or obligations under this Agreement, by operation of law or otherwise, without the prior express written consent of the other Party; *provided however*, that either Party may assign this Agreement without such consent, with 60 days prior written notice, if such assignment is to an affiliate, or in connection with a merger, acquisition, corporate reorganization, sale of all or substantially all of the relevant assets, or other change of control. Any attempted assignment in violation of this Section shall be null and void.

Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Parties, their respective successors and permitted assigns.

D. The unenforceability of any provision of this Agreement shall not impair the enforceability of any other part of this Agreement. If any provision is deemed to be invalid or unenforceable, in whole or in part, this Agreement, as necessary, shall be deemed amended to delete or modify the invalid or unenforceable provision to render it valid, enforceable and, insofar as possible, consistent with the original intent of the Parties.

E. Any notice with respect to this Agreement shall be in writing and shall be effective on the date received (unless such notice specifies a later date), and shall be sent by courier or overnight service that confirms delivery in writing, or by certified mail, return receipt requested, or by e-mail, addressed to a Party at the address of its Operational Representative.

F. Neither Party may issue a press release or otherwise make a public announcement about this Agreement, or the subject matter thereof, without the other Party's prior written consent. This provision shall not affect or prohibit a Party's recording of a memorandum of this Agreement or related documents in a County Recorder's Office or the filing of notices or required information pertaining to this Agreement with any governmental agency or office.

G. Each Party agrees that it will not, without the prior written consent of the other Party, disclose to any third party or use for its own benefit any Confidential Information of the other Party. "Confidential Information" shall mean all information concerning or related to the terms and conditions of this Agreement, business, operations, financial condition or prospects of each Party, regardless of the form in which such information appears and whether or not such information has been reduced to a tangible form; provided, that the Confidential Information shall not include (i) information which is or becomes generally known to the public through no act or omission by a Party, (ii) information which is known by or in the possession of the non-disclosing Party at the time of its disclosure, (iii) information which has been or hereafter is lawfully obtained by a Party from a source other than the other Party, so long as, in the case of information obtained from a third party, such third party was or is not, directly or indirectly,

subject to an obligation of confidentiality owed to the other Party at the time such Confidential Information was or is disclosed to the other Party, and (iv) information which is released from confidential treatment by mutual written consent of the Parties or which is specifically identified as not confidential by the non-disclosing Party. This provision shall not affect or prohibit a Party's recording of a memorandum of this Agreement or related documents in a County Recorder's Office or the filing of notices, applications, or other required information pertaining to this Agreement with any governmental agency or office.

H. This Agreement shall be governed by the laws of the State of Ohio, irrespective of its choice of laws principles.

I. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which shall constitute one and the same instrument.

J. Each Party represents and warrants that the individual executing this Agreement on behalf of such Party is duly authorized to execute the Agreement and to bind such Party hereto. Each Party further represents and warrants that this Agreement is a valid and binding obligation of such Party and enforceable against such Party in accordance with its terms.

K. This Agreement constitutes the final, complete and exclusive contract between the Parties with respect to the subject matter hereof, and supersede any prior or contemporaneous proposal or representations with regard thereto.

L. Except for costs and expense as allocated herein, each Party shall bear its own costs and pay its own expenses incident to this Agreement.

M. Each Party will comply with all applicable laws with respect to its performance under this Agreement.

N. The headings in this Agreement will not be employed in the interpretation hereof. Both Parties have participated equally in the negotiation and drafting of this Agreement. This Agreement will not be interpreted more favorably for one Party than the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Effective Date above.

KENTUCKY POWER COMPANY

CONSOLIDATION COAL COMPANY

By: 

By: 

Title: Vice President

Title: Vice President

ATTACHMENT A

BOOK 0821 PAGE 0393

**OHIO POWER COMPANY
MITCHELL PLANT LANDS
LOCATED EAST OF STATE ROUTE 2
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA
476.56 - ACRE PARTITION BOUNDARY SURVEY**

EXHIBIT A-1

ALL THAT CERTAIN tract of land, hereinafter referred to as Area "A", situated in Franklin District, Marshall County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a Mag Nail, set, in the centerline of West Virginia State Route 2 at Centerline Station 136 + 30.0 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957;

Thence, leaving said centerline and continuing along a reference line South 57° 34' 23" East, a distance of 4,856.30 feet to a point. Said point is a common corner between the lands of Ohio Power Company, as recorded at the Office of the Clerk of Marshall County in Deed Book 440 at page 300, and the lands of Consolidation Coal Company, as recorded at said clerk's office in Deed Book 315 at page 417. Said point is also the **True Point of Beginning** of the herein described tract of land;

Thence, continuing with the common bounds of the lands of Ohio Power Company, as recorded in said Deed Book 440 at page 300, and the lands of Consolidation Coal Company, as recorded in said Deed Book 315 at page 417, along the following ninety-five (95) courses and distances:

- 1) North 64° 27' 46" East, a distance of 125.00 feet to a point;
- 2) South 82° 18' 14" East, a distance of 190.00 feet to a point;
- 3) North 07° 34' 46" East, a distance of 70.00 feet to a point;
- 4) North 31° 47' 46" East, a distance of 122.00 feet to a point;
- 5) North 51° 07' 47" East, a distance of 130.00 feet to a point;
- 6) North 06° 07' 46" East, a distance of 70.00 feet to a point;

~~BOOK~~0821 PAGE 0394

- 7) North 33° 14' 13" West, a distance of 165.00 feet to a point;
- 8) North 04° 32' 13" West, a distance of 190.00 feet to a point;
- 9) North 52° 47' 46" East, a distance of 40.00 feet to a point;
- 10) North 09° 25' 46" East, a distance of 135.00 feet to a point;
- 11) North 32° 03' 46" East, a distance of 85.00 feet to a point;
- 12) North 84° 32' 47" East, a distance of 120.00 feet to a point;
- 13) South 71° 57' 13" East, a distance of 240.00 feet to a point;
- 14) North 26° 34' 48" East, a distance of 145.00 feet to a point;
- 15) North 52° 59' 00" East, a distance of 185.86 feet to a point;
- 16) South 73° 34' 13" East, a distance of 1740.66 feet to a point;
- 17) South 45° 32' 16" West, a distance of 68.81 feet to a point;
- 18) South 06° 33' 54" East, a distance of 81.32 feet to a point;
- 19) South 27° 21' 35" West, a distance of 72.90 feet to a point;
- 20) South 22° 25' 43" West, a distance of 128.72 feet to a point;
- 21) South 22° 08' 43" West, a distance of 78.98 feet to a point;
- 22) South 31° 37' 57" West, a distance of 142.37 feet to a point;
- 23) South 32° 03' 27" West, a distance of 227.57 feet to a point;

BOOK 0821 PAGE 0395

- 24) South 04° 37' 45" West, a distance of 146.04 feet to a point;
- 25) South 10° 37' 31" West, a distance of 98.49 feet to a point;
- 26) South 08° 43' 30" West, a distance of 124.80 feet to a point;
- 27) South 07° 03' 25" West, a distance of 179.31 feet to a point;
- 28) South 02° 44' 44" East, a distance of 261.71 feet to a point;
- 29) South 06° 36' 50" East, a distance of 178.28 feet to a point;
- 30) South 08° 47' 11" West, a distance of 141.68 feet to a point;
- 31) South 05° 26' 33" East, a distance of 268.38 feet to a point;
- 32) South 08° 36' 37" East, a distance of 310.79 feet to a point;
- 33) South 04° 59' 33" East, a distance of 181.12 feet to a point;
- 34) North 48° 16' 30" East, a distance of 101.94 feet to a point;
- 35) North 40° 10' 31" East, a distance of 206.60 feet to a point;
- 36) North 34° 08' 34" East, a distance of 175.03 feet to a point;
- 37) North 33° 06' 37" East, a distance of 138.41 feet to a point;
- 38) South 07° 47' 26" West, a distance of 247.70 feet to a point;
- 39) South 02° 33' 35" West, a distance of 98.67 feet to a point;
- 40) South 09° 13' 22" East, a distance of 133.43 feet to a point;
- 41) South 00° 50' 13" East, a distance of 137.70 feet to a point;

BOOK 0821 PAGE 0396

- 42) South 07° 41' 55" West, a distance of 209.40 feet to a point;
- 43) South 02° 18' 05" West, a distance of 188.70 feet to a point;
- 44) South 10° 51' 56" East, a distance of 64.55 feet to a point;
- 45) South 45° 07' 23" East, a distance of 161.99 feet to a point;
- 46) South 78° 54' 02" East, a distance of 81.43 feet to a point;
- 47) North 64° 26' 11" East, a distance of 249.29 feet to a point;
- 48) North 50° 35' 11" East, a distance of 59.99 feet to a point;
- 49) South 09° 18' 53" East, a distance of 66.33 feet to a point;
- 50) South 29° 21' 33" East, a distance of 114.16 feet to a point;
- 51) South 56° 54' 09" East, a distance of 80.18 feet to a point;
- 52) South 73° 53' 42" East, a distance of 162.77 feet to a point;
- 53) North 84° 04' 47" East, a distance of 221.99 feet to a point;
- 54) North 85° 49' 32" East, a distance of 215.27 feet to a point;
- 55) North 68° 12' 27" East, a distance of 117.41 feet to a point;
- 56) North 57° 58' 27" East, a distance of 218.09 feet to a point;
- 57) North 27° 08' 24" East, a distance of 85.20 feet to a point;
- 58) North 75° 23' 44" East, a distance of 160.87 feet to a point;
- 59) North 72° 45' 27" East, a distance of 222.13 feet to a point;

BOOK 0821 PAGE 0397

- 60) North 68° 54' 41" East, a distance of 86.44 feet to a point;
- 61) North 56° 59' 42" East, a distance of 217.67 feet to a point;
- 62) North 23° 52' 43" East, a distance of 85.99 feet to a point;
- 63) North 07° 31' 12" East, a distance of 97.17 feet to a point;
- 64) North 35° 10' 50" East, a distance of 153.69 feet to a point;
- 65) North 47° 38' 59" East, a distance of 118.77 feet to a point;
- 66) North 06° 42' 45" East, a distance of 161.19 feet to a point;
- 67) North 12° 02' 08" West, a distance of 175.21 feet to a point;
- 68) North 19° 17' 12" West, a distance of 139.83 feet to a point;
- 69) North 47° 47' 40" West, a distance of 49.51 feet to a point;
- 70) North 17° 45' 15" West, a distance of 244.59 feet to a point;
- 71) North 45° 23' 39" West, a distance of 95.01 feet to a point;
- 72) South 84° 36' 05" East, a distance of 90.80 feet to a point;
- 73) North 63° 22' 44" East, a distance of 77.54 feet to a point;
- 74) North 40° 55' 18" East, a distance of 47.31 feet to a point;
- 75) North 36° 24' 17" East, a distance of 68.80 feet to a point;
- 76) North 23° 49' 28" East, a distance of 44.62 feet to a point;
- 77) North 08° 46' 56" East, a distance of 115.18 feet to a point;

BOOK 0821 PAGE 0398

- 78) North 27° 14' 25" East, a distance of 138.91 feet to a point;
- 79) South 04° 59' 12" West, a distance of 160.33 feet to a point;
- 80) South 11° 47' 44" West, a distance of 207.79 feet to a point;
- 81) South 12° 45' 00" West, a distance of 102.75 feet to a point;
- 82) South 21° 46' 51" East, a distance of 34.60 feet to a point;
- 83) South 32° 52' 49" East, a distance of 293.04 feet to a point;
- 84) South 33° 05' 46" East, a distance of 222.05 feet to a point;
- 85) South 61° 36' 08" East, a distance of 153.25 feet to a point;
- 86) North 81° 23' 09" East, a distance of 206.69 feet to a point;
- 87) North 76° 26' 57" East, a distance of 104.57 feet to a point;
- 88) North 65° 42' 39" East, a distance of 58.73 feet to a point;
- 89) North 56° 20' 04" East, a distance of 41.61 feet to a point;
- 90) North 58° 20' 05" East, a distance of 146.03 feet to a point;
- 91) North 66° 03' 02" East, a distance of 161.84 feet to a point;
- 92) North 86° 22' 06" East, a distance of 56.90 feet to a point;
- 93) North 78° 28' 02" East, a distance of 42.78 feet to a point;
- 94) North 51° 02' 08" East, a distance of 180.20 feet to a point;
- 95) South 87° 59' 55" East, a distance of 194.17 feet to a point at the common
corner between aforesaid Ohio Power Company, aforesaid Consolidation

~~BOOK~~0821 PAGE 0399

Coal Company and a tract of land conveyed to McElroy Coal Company by deed as recorded at aforesaid clerk's office in Deed Book 628 at page 369;

Thence, leaving the lands of Consolidation Coal Company and continuing with the common bounds between the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book Volume 440, Page 300, and the lands of McElroy Coal Company, along the following two (2) courses and distances:

- 1) South 70° 23' 02" West, a distance of 536.00 feet to a point;
- 2) South 51° 57' 47" West, a distance of 1365.79 feet to a point situated at the common corner between McElroy Coal Company and a parcel of land conveyed to Ohio Power Company by deed recorded at aforesaid clerk's office in Deed Book 403 at page 103, said parcel is designated as First Tract in Deed Book 398 at page 167 as recorded at said clerk's office;

Thence, leaving the lands of McElroy Coal Company and continuing with the common bounds between said First Tract and the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 440 at page 300, South 54° 13' 02" West, a distance of 460.00 feet to a point. Said point is situated at the common corner between said Ohio Power Company, said First Tract and another parcel of land conveyed to Ohio Power Company by deed recorded at said clerk's office in Deed Book 403 at page 103, said parcel is designated as Second Tract in Deed Book 398 at page 167 as recorded at said clerk's office;

Thence, leaving said First Tract and continuing with the common bounds between said Ohio Power Company and said Second Tract along the next ten (10) courses and distances:

- 1) South 47° 46' 19" West, a distance of 360.00 feet to a point;
- 2) South 68° 39' 35" West, a distance of 1058.01 feet to a point;
- 3) North 65° 13' 41" West, a distance of 614.00 feet to a point;
- 4) North 80° 03' 42" West, a distance of 285.00 feet to a point;
- 5) North 44° 13' 42" West, a distance of 522.00 feet to a point;

BOOK 0821 PAGE 0400

- 6) North 73° 13' 41" West, a distance of 380.00 feet to a point;
- 7) South 66° 46' 18" West, a distance of 185.00 feet to a point;
- 8) South 05° 43' 41" East, a distance of 395.00 feet to a point;
- 9) South 63° 53' 41" East, a distance of 272.00 feet to a point;
- 10) South 15° 06' 19" West, a distance of 112.00 feet to a point situated at the common corner of said Ohio Power Company and the lands of Consolidation Coal Company, as recorded at aforesaid clerk's office in Deed Book 315 at page 417;

Thence, leaving said Second Tract and continuing with the common bounds between the said lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 440 at page 300, the lands of said Consolidation Coal Company, as recorded at said clerk's office in Deed Book 315 at page 417, and another parcel of land conveyed to Consolidation Coal Company by deed recorded at said clerk's office in Deed Book 649 at page 233, along the following twenty five (25) courses and distances:

- 1) North 67° 10' 27" West, a distance of 164.84 feet to a point;
- 2) North 77° 47' 45" West, a distance of 28.99 feet to a point;
- 3) South 51° 20' 28" West, a distance of 161.06 feet to a point;
- 4) South 59° 18' 39" West, a distance of 184.09 feet to a point;
- 5) South 43° 30' 14" West, a distance of 220.69 feet to a point;
- 6) South 58° 02' 38" West, a distance of 155.15 feet to a point;
- 7) South 54° 06' 02" West, a distance of 157.89 feet to a point;
- 8) South 32° 14' 27" West, a distance of 163.06 feet to a point;

BOOK 0821 PAGE 0401

- 9) South 68° 19' 24" West, a distance of 190.61 feet to a point;
- 10) South 68° 26' 54" West, a distance of 60.64 feet to a point;
- 11) South 84° 36' 16" West, a distance of 120.74 feet to a point;
- 12) North 71° 03' 50" West, a distance of 133.34 feet to a point;
- 13) North 68° 35' 21" West, a distance of 102.10 feet to a point;
- 14) North 80° 47' 59" West, a distance of 158.35 feet to a point;
- 15) North 88° 48' 05" West, a distance of 73.48 feet to a point;
- 16) North 74° 38' 24" West, a distance of 249.61 feet to a point;
- 17) South 45° 13' 47" West, a distance of 281.70 feet to a point;
- 18) South 04° 05' 43" West, a distance of 36.37 feet to a point;
- 19) South 06° 35' 53" East, a distance of 211.94 feet to a point;
- 20) South 32° 42' 57" West, a distance of 165.89 feet to a point;
- 21) South 29° 01' 51" West, a distance of 44.43 feet to a point;
- 22) South 68° 05' 23" West, a distance of 120.22 feet to a point;
- 23) South 15° 08' 00" West, a distance of 65.02 feet to a point;
- 24) South 30° 38' 41" East, a distance of 74.15 feet to a point;
- 25) South 75° 13' 04" West, a distance of 3064.83 feet to a Pk Nail, set, in the centerline of West Virginia State Route 2. Said point being situated at Centerline Station 57+15.08 as computed from the Highway Right-of Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised

BOOK 0821 PAGE 0402

2/13/1957. Said point is also the common corner between the tract of land herein described, a parcel of land conveyed to Consolidation Coal Company by deed recorded at aforesaid clerk's office in Deed Book 649 at page 233 and the lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 403 at page 103 and in Deed Book 799 at page 509, respectively;

Thence, leaving said Consolidation Coal Company and continuing along the said centerline of West Virginia State Route 2 and with the common bounds between said lands of Ohio Power Company, as recorded at said clerk's office in Deed Book 403 at page 103 and in Deed Book 440 at page 300, North 03° 25' 28" West, a distance of 2058.58 feet to a Pk Nail, set, in the centerline of West Virginia State Route 2. Said point being situated at Centerline Station 77+73.66 as computed from the Highway Right of Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957. Said point is situated at a common corner between Area "A" (the tract of land herein described) and Area "B", as shown on the survey plat labeled Exhibit A-2 and entitled "**PARTITION BOUNDARY SURVEY - MITCHELL PLANT LANDS LOCATED EAST OF STATE ROUTE 2 FOR OHIO POWER COMPANY**" prepared by Michael Baker, Jr., Inc. and dated December 23, 2013, and by this reference hereby made a part hereof, said survey plat to be recorded in the Map Cabinet of Marshall County at the same time as the recordation of this Exhibit A 1. Aforesaid point is also situated at the beginning of a new Partition Line through the 760.36 acre tract of land conveyed to said Ohio Power Company by deed recorded at said clerk's office in Deed Book 440 at page 300;

Thence, leaving said centerline and continuing with said Partition Line through said 760.36 acre tract along the following twenty-nine (29) courses and distances:

- 1) North 86° 34' 32" East, a distance of 300.00 feet to a ¾ inch rebar and cap, set;
- 2) South 03° 25' 28" East, a distance of 1508.87 feet to a ¾ inch rebar and cap, set;
- 3) North 74° 04' 32" East, a distance of 191.62 feet to a ¾-inch rebar and cap, set;

BOOK 0821 PAGE 0403

- 4) North 49° 21' 26" West, a distance of 30.15 feet to a point;
- 5) 116.43 feet along the arc of a curve to the right to a point, said curve having a radius of 120.00 feet and a chord that bears North 21° 33' 44" West, a distance of 111.91 feet;
- 6) North 06° 13' 58" East, a distance of 863.99 feet to a point;
- 7) North 29° 26' 00" East, a distance of 143.96 feet to a point;
- 8) North 08° 06' 58" West, a distance of 156.15 feet to a point;
- 9) North 18° 02' 04" East, a distance of 443.42 feet to a point;
- 10) North 09° 31' 55" East, a distance of 379.41 feet to a point;
- 11) North 05° 44' 28" East, a distance of 296.80 feet to a point;
- 12) 163.47 feet along the arc of a curve to the right to a point, said curve having a radius of 130.00 feet and a chord that bears North 41° 45' 52" East, a distance of 152.91 feet;
- 13) North 77° 47' 16" East, a distance of 16.08 feet to a point;
- 14) 213.74 feet along the arc of a curve to the right to a point, said curve having a radius of 500.00 feet and a chord that bears South 89° 57' 58" East, a distance of 212.11 feet;
- 15) South 77° 43' 12" East, a distance of 149.57 feet to a point;
- 16) 179.09 feet along the arc of a curve to the left to a point, said curve having a radius of 200.00 feet and a chord that bears North 76° 37' 39" East, a distance of 173.17 feet;
- 17) North 50° 58' 30" East, a distance of 222.79 feet to a point;

BOOK 0821 PAGE 0404

- 18) North 47° 00' 55" East, a distance of 204.32 feet to a point;
- 19) 146.28 feet along the arc of a curve to the right to a point, said curve having a radius of 250 feet and a chord that bears North 63° 46' 40" East, a distance of 144.20 feet;
- 20) North 80° 32' 26" East, a distance of 142.20 feet to a point;
- 21) 172.44 feet along the arc of a curve to the left to a point, said curve having a radius of 225.00 feet and a chord that bears North 58° 35' 05" East, a distance of 168.25 feet;
- 22) North 36° 37' 44" East, a distance of 105.95 feet to a point;
- 23) South 60° 54' 33" East, a distance of 109.43 feet to a point;
- 24) North 48° 06' 30" East, a distance of 357.91 feet to a point;
- 25) North 55° 08' 21" East, a distance of 72.01 feet to a point;
- 26) North 41° 36' 54" East, a distance of 336.48 feet to a point;
- 27) North 40° 32' 54" East, a distance of 409.02 feet to a point;
- 28) 24.36 feet along the arc of a curve to the right to a point, said curve having a radius of 560.00 feet and a chord that bears North 41° 47' 40" East, a distance of 24.36 feet;
- 29) North 06° 09' 14" East, a distance of 564.06 feet to a point. Said point is situated at the common corner of said Area "A", said Area "B" and a parcel of land conveyed to Consolidation Coal Company by deed recorded at aforesaid clerk's office in Deed Book 315 at page 417. Said point is also situated at the terminus of said Partition Line;

BOOK 0821 PAGE 0405

Thence, leaving said Area "B" and continuing with the common bounds between said Ohio Power Company and said Consolidation Coal Company North 30° 07' 46" East, a distance of 105.00 feet to a point;

Thence, continuing with said common bounds North 41° 12' 47" East, a distance of 225.00 feet to the True Point of Beginning.

The herein described tract of land contains 479.31 acres, more or less, as designated as Area "A" (before Exception) on said survey plat labeled Exhibit A-2.

The herein described tract of land is a part of a 760.36-acre tract of land conveyed to Ohio Power Company from Consolidation Coal Company by deed dated August 31, 1973 and recorded at the Office of the Clerk of Marshall County in Deed Book 440 at page 300.

The bearings in the above description are based upon the West Virginia State Plane Coordinate System (North Zone) NAD83 Datum.

Auditor's Tax Parcel No. 05 6-0003 0000 0000 (Part)

EXCEPTING THEREFROM, the following described tract of land:

ALL THAT CERTAIN parcel of real estate conveyed to Consolidation Coal Company by deed recorded at the Office of the Clerk of Marshall County in Deed Book 315 at page 417 situated in Franklin District, Marshall County, West Virginia being more particularly bounded and described as follows:

BEGINNING at a Mag Nail, set, in the centerline of West Virginia State Route 2 at Centerline Station 136 + 30.0 as computed from the Highway Right-of-Way Plans for Federal Project Number F 184 (13) Dated 1956 Revised 2/13/1957;

Thence, leaving said centerline and continuing along a reference line South 13° 13' 33" East, 6667.16 feet to a point situated at the northeastern corner of a parcel of real estate conveyed to Consolidation Coal Company by deed recorded at the Office of the Clerk of Marshall County in Deed Book 315 at page 417. Said point is the **True Point of Beginning** of the parcel of real estate herein described. In addition, said point is a common corner to a tract of land designated as Area "A" (479.31 acres before Exception; 476.56 acres after Exception) on the survey plat labeled Exhibit A 2 and entitled "**PARTITION BOUNDARY SURVEY** -

BOOK 0821 PAGE 0406

MITCHELL PLANT LANDS LOCATED EAST OF STATE ROUTE 2 FOR OHIO POWER COMPANY" prepared by Michael Baker, Jr., Inc. and dated December 23, 2013, and by this reference hereby made a part hereof, said survey plat to be recorded in the Map Cabinet of Marshall County at the same time as the recordation of this Exhibit A-1.

Thence, continuing with the common bounds of Area "A" South 28° 44' 44" East, 300.00 feet to a point;

Thence, continuing with the common bounds of Area "A" South 61° 15' 16" West, 400.00 feet to a point;

Thence, continuing with the common bounds of Area "A" North 28° 44' 44" West, 300.00 feet to a point;

Thence, continuing with the common bounds of Area "A" North 61° 15' 16" East, 300.00 feet to the True Point of Beginning.

The herein described tract of land contains 2.75 acres, more or less, as designated as Area "C" on said survey plat labeled Exhibit A-2.

The bearings in the above description are based upon the West Virginia State Plane Coordinate System (North Zone) NAD83 Datum.

The above-described Exception is a part of the same real estate conveyed to Consolidation Coal Company by The M. A. Hanna Company, by deed dated May 22, 1956, recorded at the Office of the Clerk of Marshall County, WV in Deed Book 315 at page 417 and the same 2.754 acre exception as described in a conveyance to Ohio Power Company from Consolidation Coal Company by deed dated August 31, 1973 and also recorded at said clerk's office in Deed Book 440 at page 300.

Auditor's Tax Parcel No. for Exception: 05-7-0002-0000-0000

Leaving, after said Exception, 476.56 acres, more or less.

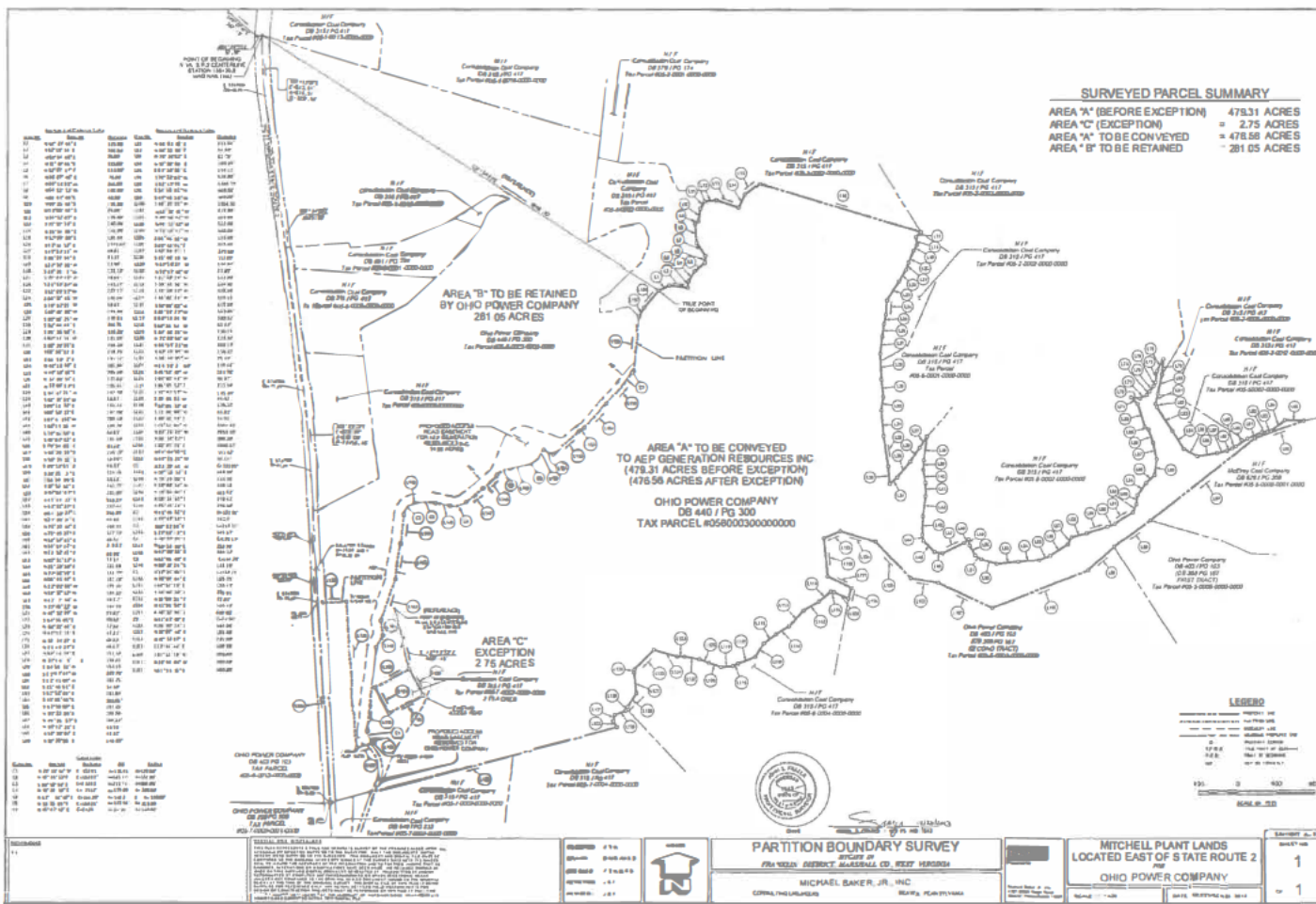
A small-scale plat of the Partition Boundary Survey is attached hereto for reference purposes



Frazer

JOHN S. FRAZER WV PS NO. 1843

12/23/2013
DATE



BOOK 0821 PAGE 0408

OHIO POWER COMPANY
MITCHELL PLANT LANDS
LOCATED EAST OF STATE ROUTE 2
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA

EXHIBIT B

Those certain parcels or tracts of land, situated in Franklin District, Marshall County, West Virginia, being more particularly bounded and described as follows, to-wit:

~~First Tract.~~ Beginning at a sycamore stump at the forks of a run, corner of the S. H. Gatts and J. Hudson Gatts lands; thence up the left branch of said run with the J. Hudson Gatts land N. 67° 49' W. 222 feet, N. 46° 03' W. 240 feet, N. 44° 49' W. 210 feet, N. 68° 49' W. 270 feet, N. 47° 54' W. 225 feet, N. 8° 30' W. 76 feet to a lynn, N. 12° 23' W. 708 feet to a post; thence leaving said branch and still with the J. Hudson Gatts Line N. 80° 53' W. 788 feet to a stake in line of the J. Hudson Gatts land and land of Jerry Gatts' Heirs at the center of the road; thence up the road and with the line of Jerry Gatts' heirs N. 8° 20' E. 74 feet, N. 36° 32' E. 445 feet, N. 22° 02' E. 396 feet to a white oak stump, at the side of the road; thence leaving the road and still with the line of Jerry Gatts' heirs, N. 31° 13' W. 383 feet to the place where a red oak stood; thence with the same N. 33° 43' W. 775 feet to the place where an ironwood stood, corner to the land of Jerry Gatts' heirs and Lemuel Taylor land; thence with the Lemuel Taylor line N. 54° 50' E. 460 feet to the place where a beech stood, corner to the Lemuel Taylor land and the land of Peter Gatts' heirs; thence S. 74° 45' E. 792 feet to a poplar on the bank of a run; thence with same S. 64° 20' E. 315 feet to a white walnut; thence with said _____ S. 86° 04' E. 521 feet to a stake in the center of the county road; thence with the county road S. 30° 40' W. 512 feet to a stake in the center of the county road; thence leaving the county road S. 76° E. 890 feet to a stake in the original line; thence with the original line S. 2° E. 39 feet to a stone at the forks of the run, an original corner; thence leaving the original line and running down the run S. 37° 35' W. 114 feet to a stake in the run, near the north end of a large cliff of rocks; thence S. 2° 30' W. 159 feet to a black walnut standing on the west bank of the run, thence S. 15° E. 120 feet to a stake on the bank of the run, an original corner; thence down the run with the Gatts line S. 8° 45' E. 122 feet, S. 9° 37' E. 253 feet, S. 4° 07' E. 143 feet, S. 1° 43' E. 296 feet, S. 5° 54' E. 202 feet, S. 1° 24' E. 379 feet, S. 43° 32' W. 168 feet, S. 24° 20' E. 57 feet, S. 26° 40' W. 244 feet, S. 15° 22' W. 179 feet, S. 40° 46' W. 246 feet, S. 36° 16' W. 103 feet to a sycamore stump, the place of beginning, containing one hundred and forty-five (145) acres, more or less, as per survey of H. T. Hirst, Civil Engineer, made in 1902.

~~There is excepted and reserved, however, the following described parcel of land and right-of-way heretofore conveyed by Charles E. Henthorn and Marguerite L. Henthorn, his wife, to Mabel Baker, by deed dated the 27th day of March, 1958, and recorded in the office of The Clerk of the County Court of said Marshall County in Deed Book No. 329, page 281, to-wit:~~

BOOK 0821 PAGE 0409

~~Beginning at a stake located N. 62° 00' E. 142.70 feet from an electric pole on the within described premises, said pole being designated "W. E. 27-1798", said pole being the most southerly of a series and being located S. 16° 41' E. 1460.50 feet from an electric pole on the north side of the Taylor's Ridge County Road, the last named pole being designated "W. E. 82-27"; thence with the land of Henthorn S. 10° 28' E. 107.80 feet to a post; thence with an existing fence S. 55° 17' W. 176.00 feet to a corner fence post; thence with Henthorn with an existing fence N. 52° 47' W. 59.50 feet to a post; thence with same N. 26° 31' W. 151.50 feet to a corner fence post; thence with Henthorn N. 48° 27' E. 161.80 feet to the largest of a group of four elms about ten feet below fence; thence with Henthorn S. 58° 30' E. 139.60 feet to the place of beginning, containing 1.009 acres, more or less, according to a survey made March 22, 1958, by Gordon W. Sammons, Civil Engineer, also a right-of-way over, along and upon a certain existing road way or lane extending from the east side of the property hereinbefore described and running to the south side of Taylor's Ridge County Road.~~

~~There is excepted and reserved a part of land consisting of approximately one-fourth (1/4) acre which has heretofore been set aside, used and dedicated as a cemetery or graveyard.~~

~~There is excepted and reserved all the coal within and underlying said land together with the mining rights and privileges which were conveyed by Andrew J. Gatts and wife to Emily Derrick by deed dated April 28, 1903, and recorded in the office of the Clerk of the County Court of Marshall County, West Virginia in Deed Book No. 98, at page 365.~~

~~There is also excepted and reserved such oil and gas and royalty payments as have been heretofore excepted and reserved in prior deeds.~~

~~Auditor's Tax Parcel No. 05-5-0006-0000-0000~~

Second Tract: Beginning at a white oak, corner to lands of Pollock and Yost in the line of lands of J. C. Thomas Heirs; thence with line of Pollock and Yost N. 49° 25' W. 247 feet to a white oak; thence N. 47° 32' W. 868 feet to a dead white oak; thence N. 15° E. 615 feet to a stake and small sugar; thence N. 64° W. 272 feet to a stake on a steep bank or hill side, thence N. 6° 50' W. 395 feet to a stake near the run; thence up said run N. 66° 40' W. 185 feet to a stake, thence S. 73° 20' E. 380 feet to a stake; thence S. 44° 20' E. 522 feet to a stake, thence S. 80° 10' E. 285 feet to a stake; thence S. 65° 20' E. 614 feet to a stake; thence N. 68° 36' E. 1060 feet to a lynn; thence N. 47° 40' E. 363 feet to a stake – an ironwood called for in the original deed corner to lands of A. J. Gatts; thence with the said line of said A. J. Gatts, S. 33° 16' E. 752 feet to a stake; thence S. 30° 46' E. 383 feet to a stake by the county road; thence with the said county road; thence S. 22° 30' W. 400 feet to a point in the center of said county road; thence S. 37° 30' W. 445 feet to a stake near the house; thence S. 11° 45' W. 74 feet to a stone, corner to lands of A. J. Gatts and Jacob Bassett; thence with said Bassett's line S. 10° E. 352 feet to a stone; thence leaving the county road S. 72° W. 433 feet to a wild cherry, thence S. 63° 28' W. 509 feet to a small hickory on a small run; thence down said run S. 14° 14' W. 206 feet to a dead sugar tree; thence S. 4° 47' E. 444 feet to an ash, thence S. 8° 25' W. 269 feet to a stake near an ironwood pointer; thence N.

~~BOOK~~ 0821 PAGE 0410

83° W. 551 feet to a stone; thence N. 25° 30' W. 1650 feet to a white oak, and the place of beginning, containing one hundred and forty-eight and thirteen one-hundredths (148 13/100) acres, more or less.

There is excepted and reserved, however, the following described parcel of land:

Beginning at a point in the center of the Taylors Ridge County road and a corner to Charles Henthorn, said point being located N. 66 deg. 26' E. 58.00 feet from the southeast corner of the Kenneth Richmond residence, and being also located S. 76 deg. 57' E. 44.00 feet from the northeast corner of said residence; thence running with Henthorn and the center of said road S. 27 deg. 40' W. 186.00 feet to a point in the center of said road; thence leaving said road and running with land remaining to Richmond N. 29 deg. 27' W. 329.50 feet to a stake, said line passing a stake and post at the west side of said county road at 20.50 feet; thence with same N. 60 deg. 33' E. 156.25 feet to a stake in fence row in Charles Henthorn Kenneth Richmond line, said stake being located S. 29 deg. 27' E. 42.50 feet from a corner fence post in said line; thence with said line S. 29 deg. 27' E. 228.50 feet to the place of beginning, containing 1.000 acre, more or less, according to a survey made August 16, 1958 by Gordon W. Sammons, Civil Engineer.

There is excepted and reserved all the coal within and underlying said land together with the mining rights and privileges which were conveyed to William W. Brownfield by the following deeds: W. S. Gatts, Guardian, et al., by deed dated July 24, 1902, recorded in Deed Book No. 89 at page 327; deed of James Hudson Gatts and wife by deed dated July 25, 1902, recorded in Deed Book No. 89 at page 274; deed of Mary Blanche Gatts, single, by deed dated December 22, 1903, recorded in Deed Book No. 105 at page 371, all in Marshall County, West Virginia records.

There is also excepted and reserved such oil and gas and royalty payments as have heretofore been excepted and reserved in prior deeds.

Auditor's Tax Parcel No. 05 5 0003-0000-0000

First Tract and Second Tract being the same property conveyed to Appalachian Power Company by Consolidation Coal Company, by deed dated March 6, 1968, and recorded in Book 398, Page 167, Marshall County Deed Records.

First Tract and Second Tract also being part of the same property conveyed to Ohio Power Company by Appalachian Power Company, by deed dated October 17, 1968, and recorded in Book 403, Page 103, Marshall County Deed Records.

Mitchell Plant Lands (OPC) - Exhibit B 20131223

**AEP GENERATION RESOURCES INC.
KAMMER-MITCHELL POWER PLANT
GATTS RIDGE TRACTS
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA**

EXHIBIT C

**Legal Description
for
LOT B
Part of Exhibit B, First Tract**

A certain tract of land situated in the State of West Virginia, Marshall County, Franklin District, and being more particularly bounded and described as follows:

BEGINNING at a corner common to the lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 505; Parcel 2, First Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 549; Parcel 2, First Tract), and other lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 386; Exhibit B, First Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 470; Exhibit B, First Tract), and being in the center of West Virginia Secondary State Route No. 72, commonly known as Gatts Ridge Road, having a coordinate value of N. 486,029.755 and E. 1,609,370.017, and marking a corner common to Lots B, D and E of this survey, thence, leaving the said Lot D of this survey, and the said Parcel 2, First Tract, of the lands of the said AEP, and severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the center of the said Road, as follows:

South 16° 12' 25" West 335.37 feet; thence, with a curve to the right, having a radius 185.00 feet, and an arc length of 56.02 feet, the long chord of which bears:

South 24° 52' 57" West 55.81 feet; thence,

South 33° 33' 28" West 30.30 feet; thence, with a curve to the right, having a radius 105.00 feet, and an arc length of 189.40 feet, the long chord of which bears:

South 85° 13' 56" West 164.74 feet; thence,

North 43° 05' 36" West 128.20 feet; thence, with a curve to the left, having a radius 295.00 feet, and an arc length of 45.99 feet, the long chord of which bears:

North 47° 33' 39" West 45.95 feet to a corner common to a 1/4 acre Cemetery which has been heretofore set aside and dedicated; thence, leaving the center of the said Road, and the said Lot E, of this survey, and with the said Cemetery, as follows:

North 27° 47' 16" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 15.23 feet, in all 107.46 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

North 62° 12' 44" West 104.36 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 27° 47' 16" West, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 92.23 feet, in all 107.46 feet to a point in the center of the said Road, and being in the line of the said Lot E, of this survey; thence, leaving the said Cemetery, severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the center of the said Road, and Lot E, of this survey, as follows, with a curve to the left, having a radius 295.00 feet, and an arc length of 3.03 feet, the long chord of which bears:

North 72° 41' 45" West 3.03 feet; thence,

North 72° 59' 24" West 41.72 feet; thence, with a curve to the left, having a radius 495.00 feet, and an arc length of 275.97 feet, the long chord of which bears:

North 88° 57' 42" West 272.41 feet; thence,

South 75° 04' 00" West 73.34 feet; thence, with a curve to the left, having a radius 265.00 feet, and an arc length of 149.91 feet, the long chord of which bears:

South 58° 51' 39" West 147.92 feet to a corner common to Parcel 8 of the lands of the said AEP; thence, leaving the center of the said Road, and Lot E, of this survey, and with the said Parcel 8 of the lands of the said AEP,

North 30° 02' 17" West, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 15.67 feet, passing a corner common to Exhibit B, Second Tract of the other lands of the said AEP, at approximately 228.50 feet, in all 383.00 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), on the northwest side of Connors Run Haul Road; thence, continuing with the said Exhibit B, Second Tract, of the other lands of the said AEP,

North 32° 32' 17" West 683.69 feet to a point in line of Area "A" of the lands of the said AEP; thence, leaving the said Exhibit B, Second Tract of the other lands of the said AEP, and with the said Area "A" of the lands of the said AEP,

North 52° 09' 16" East 316.85 feet to a corner common to the lands now or formerly owned by McElroy Coal Company (D. B. 628, Pg. 369); thence, leaving the said Area "A" of the lands of the said AEP, and with the lands of the McElroy Coal Company, as follows:

South 76° 06' 52" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 585.73 feet, in all 795.30 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 66° 06' 52" East 316.47 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 87° 50' 52" East 68.29 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set) to a corner common to the said Lot D, of this survey, from which a 5/8" reinforcing rod (found), marking the southwest corner of Lot C, of this survey, bears: South 87° 50' 52" East 85.00 feet; thence, leaving the lands of the McElroy Coal Company, and severing the said Exhibit B, First Tract, of the other lands of the said AEP, with the said Lot D, of this survey, as follows:

South 00° 37' 11" East 422.14 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set); thence,

South 77° 50' 37" East, passing a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), at 189.00 feet, in all 204.04 feet to the BEGINNING, containing 24.970 acres, more or less, as surveyed under the direct supervision of Ronald L. Eastham, West Virginia Licensed Professional Surveyor No. 150, on November 26, 2014, and being all of Lot B, of this survey, as shown on the attached plat and made a part of this description.

The above survey datum is based on the West Virginia State Plane Coordinate System, North Zone, NAD '83, U.S. Survey (feet).

The above described tract is a part of the same land as that described as Exhibit B, First Tract, in a Limited Warranty Deed from Ohio Power Company, an Ohio corporation, to AEP Generation Resources Inc. (1/2 interest), a Delaware corporation, dated December 31, 2013 and recorded in Deed Book 821, Page 386; a part of the same land as that described as Exhibit B, First Tract, in a Limited Warranty Deed from

Newco Kentucky Inc., a Kentucky corporation, to Kentucky Power Company, (1/2 interest), a Kentucky corporation, dated December 31, 2013, and recorded in Deed Book 821, Page 470; both of which are recorded in the Office of the Clerk of the County Commission of Marshall County, West Virginia.

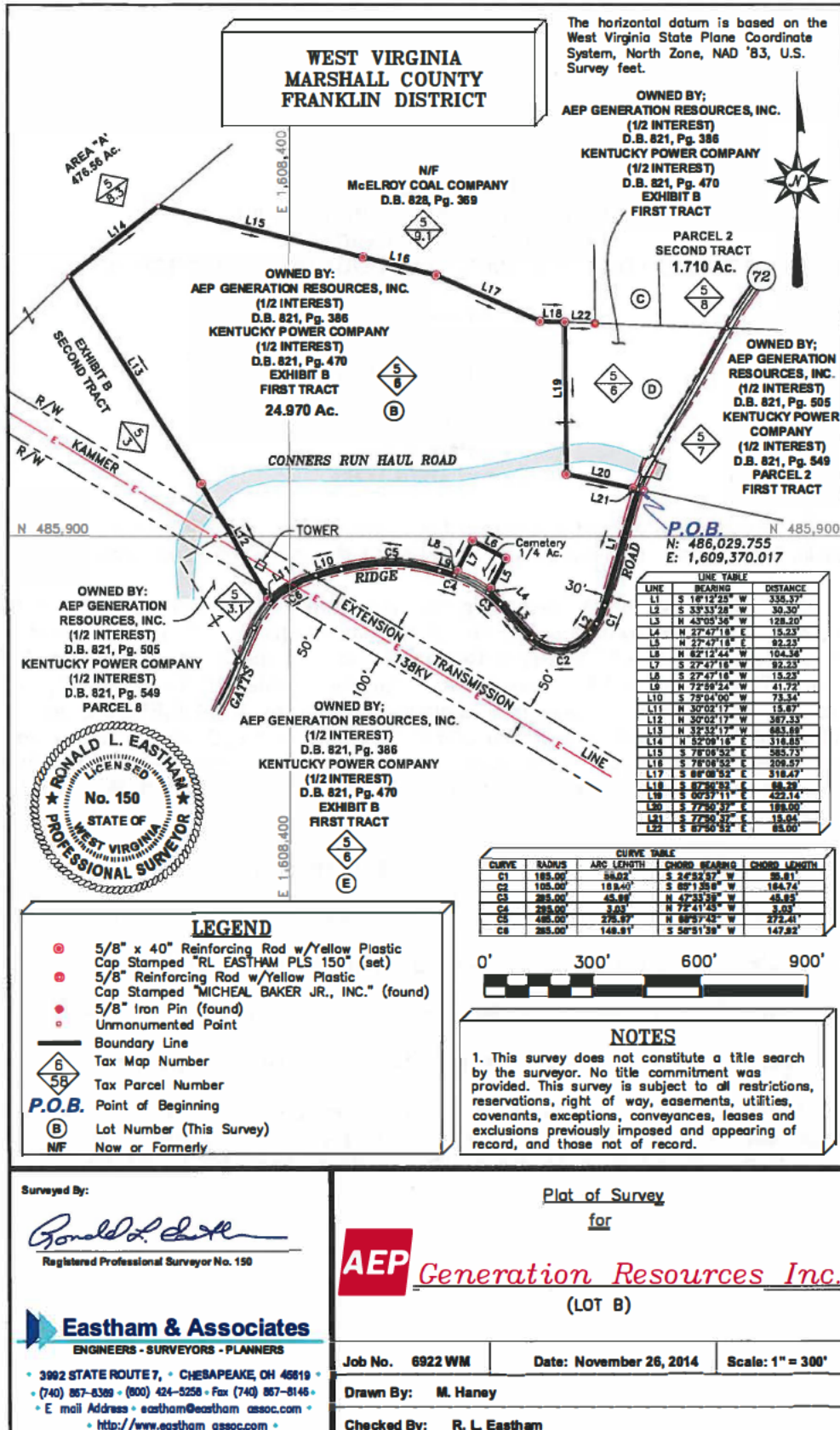
And being a part Tax Map No. 5, Parcel No. 6.

This survey does not constitute a Title Search by the Surveyor. No Title Commitment was provided. This survey is subject to all restrictions, reservations, right-of-ways, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.



Ronald L. Eastham, P.S.
Registration No. 150





**AEP GENERATION RESOURCES INC.
KAMMER-MITCHELL POWER PLANT
GATTS RIDGE TRACTS
FRANKLIN DISTRICT, MARSHALL COUNTY, WEST VIRGINIA**

EXHIBIT D

**Legal Description
for
LOT A
Parcel 2
Part of Third Tract**

A certain tract of land situated in the State of West Virginia, Marshall County, Franklin District, and being more particularly bounded and described as follows:

BEGINNING at a 5/8" reinforcing rod (found), marking a corner common to the lands now or formerly owned by McElroy Coal Company (D. B. 628, Pg. 369), and the lands now owned by AEP Generation Resources Inc. (1/2 interest) (D. B. 821, Pg. 505; Parcel 2, Third Tract), and Kentucky Power Company (1/2 interest) (D. B. 821, Pg. 549; Parcel 2, Third Tract), having a coordinate value of N. 486,815.942 and E. 1,609,247.423, and marking a corner common to Lots A and C of this survey, from which a 5/8" reinforcing rod (found), bears: South 00° 37' 11" East 324.32 feet; thence, leaving the said Lot C, of this survey, and with the lands of the said McElroy Coal Company, as follows:

North 39° 52' 37" West 118.90 feet to a 5/8" reinforcing rod (found); thence,

South 87° 40' 31" West 224.54 feet to a 5/8" reinforcing rod (found); thence,

North 57° 27' 33" West 217.24 feet to a 5/8" reinforcing rod (found); thence,

North 60° 12' 31" East 205.18 feet to a 5/8" reinforcing rod (found); thence,

North 78° 39' 41" East 219.20 feet to a 5/8" reinforcing rod (found); thence,

North 50° 57' 04" East 111.07 feet to a 5/8" reinforcing rod with a yellow plastic cap stamped "RL Eastham PLS 150" (set), marking a corner common to Lot C of this survey, from which a 5/8" reinforcing rod (found), bears: North 50° 57' 04" East 312.01 feet; thence, leaving the lands of the said McElroy Coal Company, and severing the said Third Tract of the lands of the said AEP, with the line between the said Lots A and C, of this survey,

South 00° 37' 11" East 414.03 feet to the BEGINNING, containing 2.267 acres, more or less, as surveyed under the direct supervision of Ronald L. Eastham, West Virginia Licensed Professional Surveyor No. 150, on November 26, 2014, and being all of Lot A, of this survey, as shown on the attached plat and made a part of this description.

The above survey datum is based on the West Virginia State Plane Coordinate System, North Zone, NAD '83, U.S. Survey (feet).

The above described tract is a part of the same land as that described as Parcel 2, Third Tract, in a Limited Warranty Deed from Franklin Real Estate Company, a Pennsylvania corporation, to AEP Generation Resources Inc. (1/2 interest), a Delaware corporation, dated December 31, 2013 and recorded in Deed Book 821, Page 505; and a part of the same land as that described as Parcel 2, Third Tract, in a Limited Warranty Deed from Newco Kentucky Inc., a Kentucky corporation, to Kentucky Power Company, (1/2 interest), dated December 31, 2013, and recorded in Deed Book 821, Page 549; both of which are recorded in the Office of the Clerk of the County Commission of Marshall County, West Virginia.

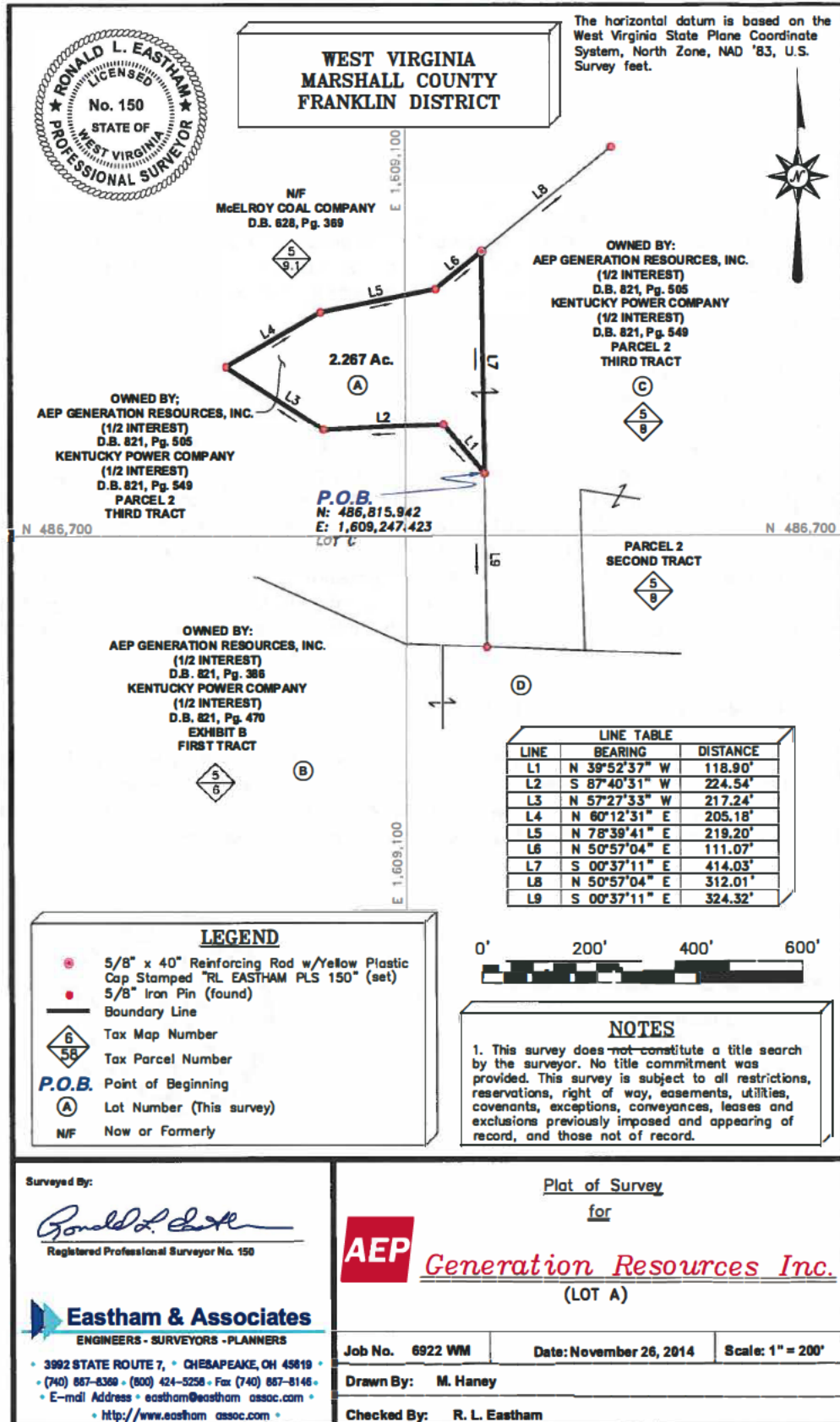
And being a part Tax Map No. 5, Parcel No. 9.

This survey does not constitute a Title Search by the Surveyor. No Title Commitment was provided. This survey is subject to all restrictions, reservations, right-of-ways, easements, utilities, covenants, exceptions, conveyances, leases and exclusions previously imposed and appearing of record, and those not of record.



Ronald L. Eastham, P.S.
Registration No. 150





BOOK 0821 PAGE 0523

EXHIBIT E

Parcel 8 (OPC Reference: Tract # WV051-0112, Land Works # 15911)

The surface only of following real estate whose Tax Map Number is 5, Parcel 3.1, and whose address is R.D. 3, Box 143, Proctor, Franklin District, Marshall County, West Virginia, and being more particularly bonded and described as follows:

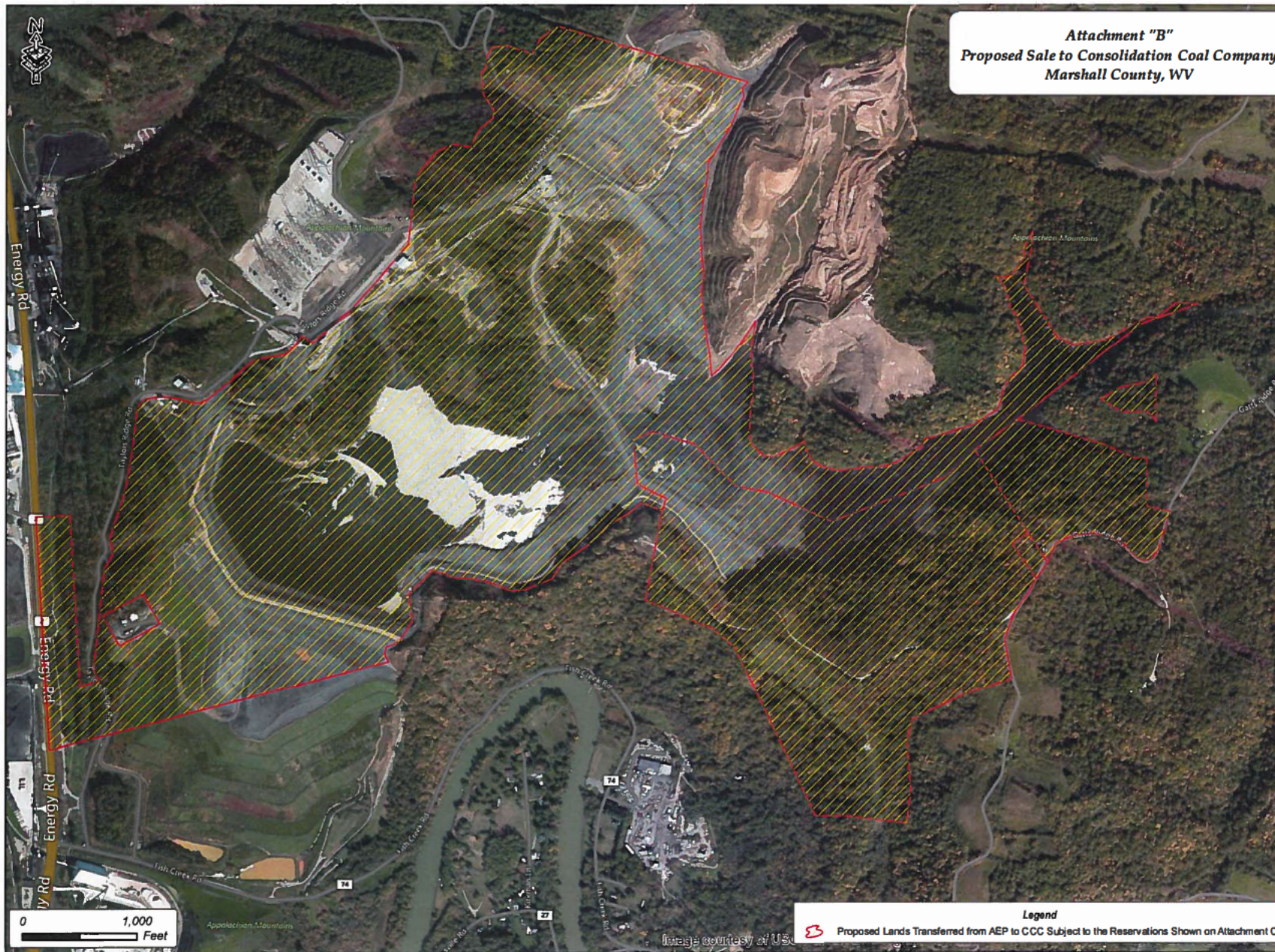
Beginning at a point in the center of the Taylor's Ridge County Road and a corner to Charles Henthorn, said point being located N 66°26' E 58.00 feet from the southeast corner of the Kenneth Richmond residence, and being also located S 76°57' E 44.00 feet from the northeast corner of said residence; thence running with Henthorn and the center of said road S 27°40' W 186.00 feet to a point in the center of said road; thence leaving said road and running with land remaining to Richmond N 29°27' W 329.50 feet to a stake, said line passing a stake and post at the west side of said county road at 20.50 feet; thence with same N 60°33' E 156.25 feet to a stake in fence row in Charles Henthorn-Kenneth Richmond line, said stake being located S 29°27' E 42.50 feet from a corner fence post in said line; thence with said line S 29°27' E 228.50 feet to the place of beginning, containing one (1) acre, more or less, according to a survey made August 16, 1958, by Gordon W. Sammons, Civil Engineer.

The prior Grantors, Timothy L. McGinnis, Sr. and Linda S. McGinnis agreed that neither they nor their successors or assigns shall be entitled to ever use any portion of the surface of the property for purposes of investigating, exploring, prospecting, drilling, or mining for or producing oil, gas or other minerals or any related activities. Any such operations on contiguous land shall in no manner interfere with the surface of the property or subsurface support of any improvement constructed or to be constructed on the property.

Being the same property conveyed to Franklin Real Estate by Timothy L. McGinnis, Sr. and Linda S. McGinnis, and recorded in Book 728, Page 36, Marshall County Deed Records.

Auditor's Tax Parcel No.: 25-05- 5-0003-0001

ATTACHMENT B

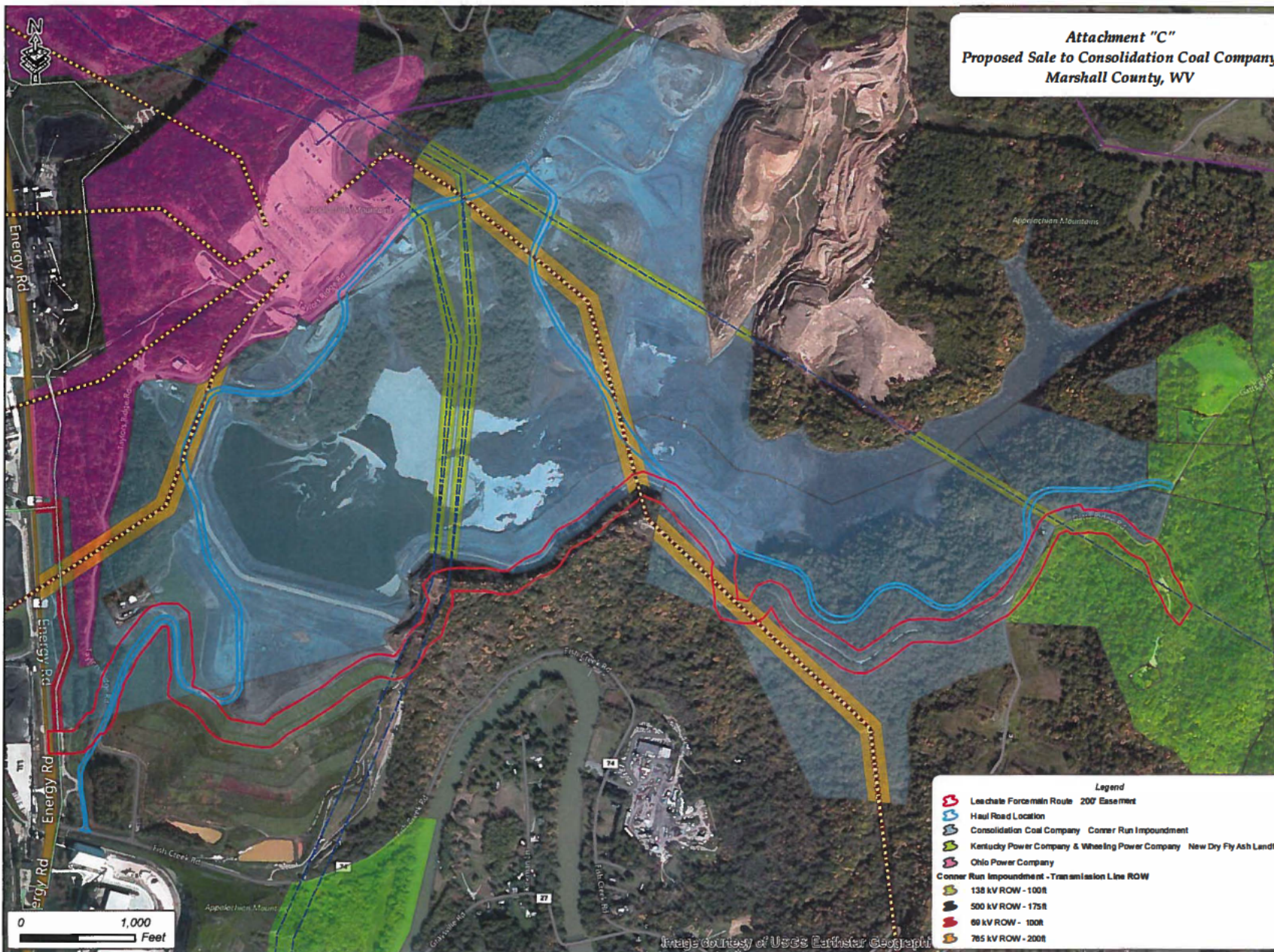


Date Created: 6/26/2015

Disclaimer: This drawing is not an actual survey.

Cartography: Shaen Somerlot, AEP Land Management Dep

ATTACHMENT C



Date Created: 6/26/2015

Disclaimer: This drawing is not an actual survey

Cartography: Shaen Somerlot, AEP Land Management Dep

Year	Average Kammer (CY)	Average Mitchell (CY)	Average Kammer and Mitchell (CY)	Average McElroy (CY)
1970	67,569	390,497	458,066	114,516
1971	67,569	390,497	458,066	114,516
1972	67,569	390,497	458,066	114,516
1973	67,569	390,497	458,066	114,516
1974	67,569	390,497	458,066	114,516
1975	67,569	390,497	458,066	114,516
1976	67,569	390,497	458,066	114,516
1977	67,569	390,497	458,066	114,516
1978	67,569	390,497	458,066	114,516
1979	67,569	390,497	458,066	114,516
1980	67,569	390,497	458,066	114,516
1981	67,569	390,497	458,066	114,516
1982	67,569	390,497	458,066	114,516
1983	67,569	390,497	458,066	114,516
1984	67,569	390,497	458,066	114,516
1985	67,569	390,497	458,066	114,516
1986	67,569	390,497	458,066	114,516
1987	67,569	390,497	458,066	114,516
1988	67,569	390,497	458,066	114,516
1989	67,569	390,497	458,066	114,516
1990	67,569	390,497	458,066	114,516
1991	67,569	390,497	458,066	114,516
1992	67,569	390,497	458,066	114,516
1993	67,569	390,497	458,066	114,516
1994	67,569	390,497	458,066	114,516
1995	67,569	390,497	458,066	114,516
1996	67,569	390,497	458,066	114,516
1997	67,569	390,497	458,066	114,516
1998	67,569	390,497	458,066	114,516
1999	67,569	390,497	458,066	114,516
2000	67,569	390,497	458,066	114,516
2001	67,569	390,497	458,066	114,516
2002	67,569	390,497	458,066	114,516
2003	67,569	390,497	458,066	114,516
2004	36,719	388,160	424,879	861,109
2005	36,719	388,160	424,879	861,109
2006	36,719	388,160	424,879	861,109
2007	36,719	388,160	424,879	861,109
2008	36,719	388,160	424,879	861,109
2009	36,719	388,160	424,879	861,109
2010	36,719	388,160	424,879	861,109
2011	36,719	388,160	424,879	861,109
2012	36,719	388,160	424,879	861,109
2013	36,719	388,160	424,879	861,109
2014	36,719	388,160	424,879	861,109
2015	36,719	0	36,719	861,109
Total	2,737,974	17,546,658	20,284,632	14,226,852
% of Total	8%	51%		41%

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 1 of 2

DATA REQUEST

AG_D_WP_11



RESPONSE

a. Yes. Accounting for rate-regulated entities involves consideration of whether a regulatory asset can be recorded instead of recording a charge to accumulated other comprehensive income.

b. Yes. During the period January 2014 through January 2015, Kentucky Power billed the following costs, by account, to AEP Generation Resources (AGR) for AGR's 50% share of pension and OPEB costs related to Mitchell Plant:

Account 107 - \$31,832

Account 108 - \$5,908

Account 152 - \$85,171

Account 163 - \$16,237

Account 926 - \$393,522

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 2 of 2

Total - \$532,670

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_12



RESPONSE

- a. No.
- b. Not applicable.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_13



RESPONSE

In accordance with Generally Accepted Accounting Principles (GAAP), the Company does not depreciate assets held for sale.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_14



RESPONSE

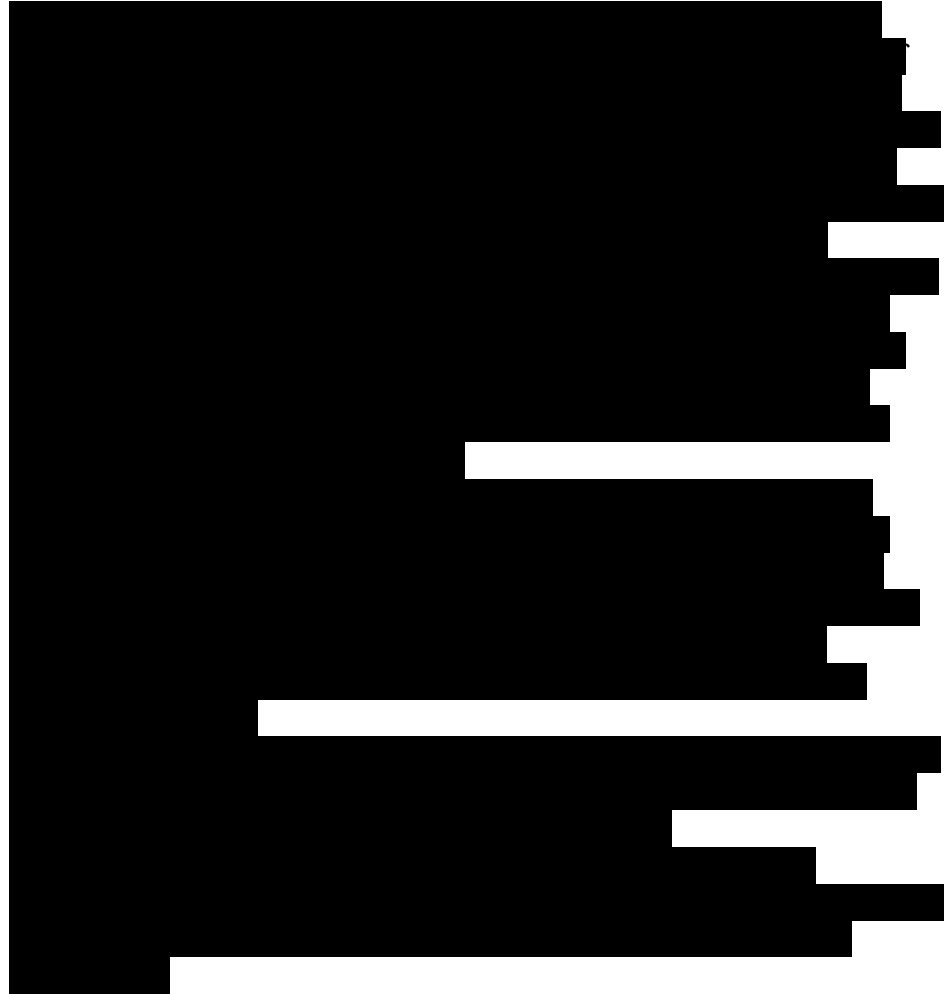
a. No. There were no subsequent events similar to the instance noted in the Deloitte workpaper.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_15



RESPONSE

- a. Please refer to KPCO_CR_AG_D_WP_15_Attachment1.xls for retirement entries by function.
- b. There was no impact on the current proceeding.
- c. Property Accounting ensures that a retirement entry is recorded once the vintage is attained, generally five years. This applies to all capital software projects whether a project is under a general capital software depreciation group or under a depreciation group specific to that project. Beginning in 2016, Property Accounting records vintage retirements in the third month of each

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

quarter to ensure that vintage retirements of capital software are recorded in compliance with the respective amortization period. To support the quarterly retirement journal entries, Property Accounting reviews all capital software assets in the property records by vintage as of the last day of the second month of each quarter to ensure that proper retirements will be made.

d. Please refer to KPCO_CR_AG_D_WP_15_Attachment2.xls and KPCO_CR_AG_D_WP_15_Attachment3.xls for the requested information.

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_16



RESPONSE

- a. Please refer to KPCO_CR_AG_D_WP_16_Attachment1.pdf for the requested information.
- b. The regulatory disallowance was Schedule M'd for income tax purposes, therefore there was no current state income tax expense to record. Since Kentucky Power does not record deferred state income tax expense for ratemaking purposes, consistent with past Commission precedent, the required deferred state tax Journal Entry was to debit SFAS 109 Accumulated Deferred State Income Tax and to credit SFAS 109 State Regulatory Asset.
- c. The correcting Journal Entry has no impact on the Company's filing in the current proceeding.

Witness: O ctmCOR{rg

Proposed Journal Entries Passed

Instructions: Document the Journal Entry that did not get booked by filling out all GREEN cells
 Passed Journal Entry must be input by quarter.

Submitted by Dave Hodgson

Brief Description of Proposed Journal
 To record DSIT for the Deferred Fuel and Provision for Refund late entry

What month/year should entry have been recorded?

When will journal entry be booked to correct the GL?

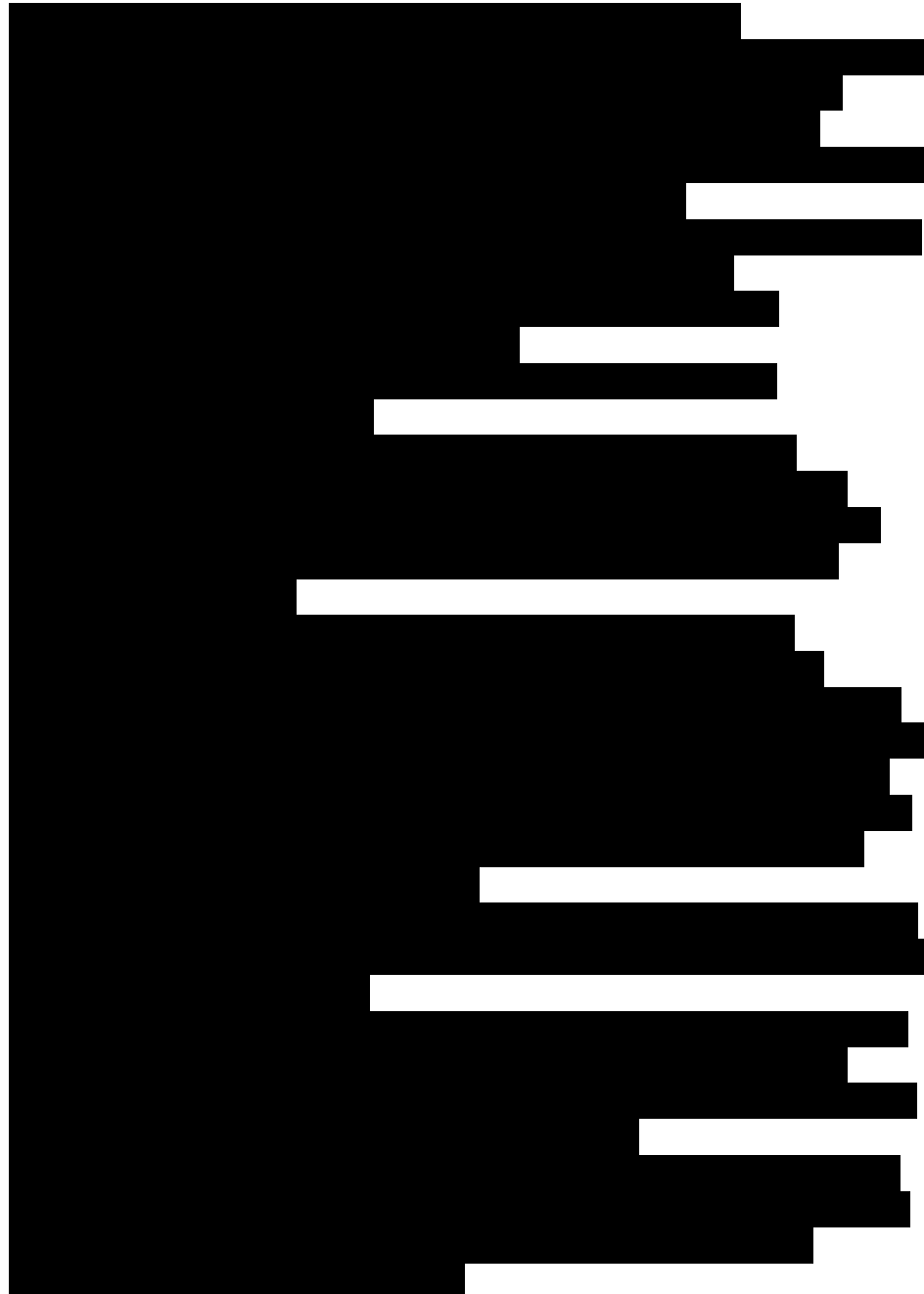
4Q 2014	BU	BU Description	Account	Account Description	Amount	Debit	Credit
	117	Kentucky Power Co - Gene	2833002	Acc Dfnd SIT FAS 109 Flow Thru	2,119,770.74	2,119,770.74	
	117	Kentucky Power Co - Gene	1823302	SFAS 109 Flow Thru Defrd SIT	(2,119,770.74)		2,119,770.74
	117	Kentucky Power Co - Gene	1903001	Acc Dfd FIT - FAS 109 Flow Thru	(741,919.76)		741,919.76
	117	Kentucky Power Co - Gene	2833001	Acc Dfd FIT FAS 109 Flow Thru	(399,495.26)		399,495.26
	117	Kentucky Power Co - Gene	1823301	SFAS 109 Flow Thru Defd FIT	1,141,415.02	1,141,415.02	
	117	Kentucky Power Co - Gene	2833001	Acc Dfd FIT FAS 109 Flow Thru	1,141,415.02		1,141,415.02
	117	Kentucky Power Co - Gene	1823301	SFAS 109 Flow Thru Defd FIT	(1,141,415.02)		1,141,415.02

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 1 of 5

DATA REQUEST

AG_D_WP_17



RESPONSE

a. Yes.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 3 of 5

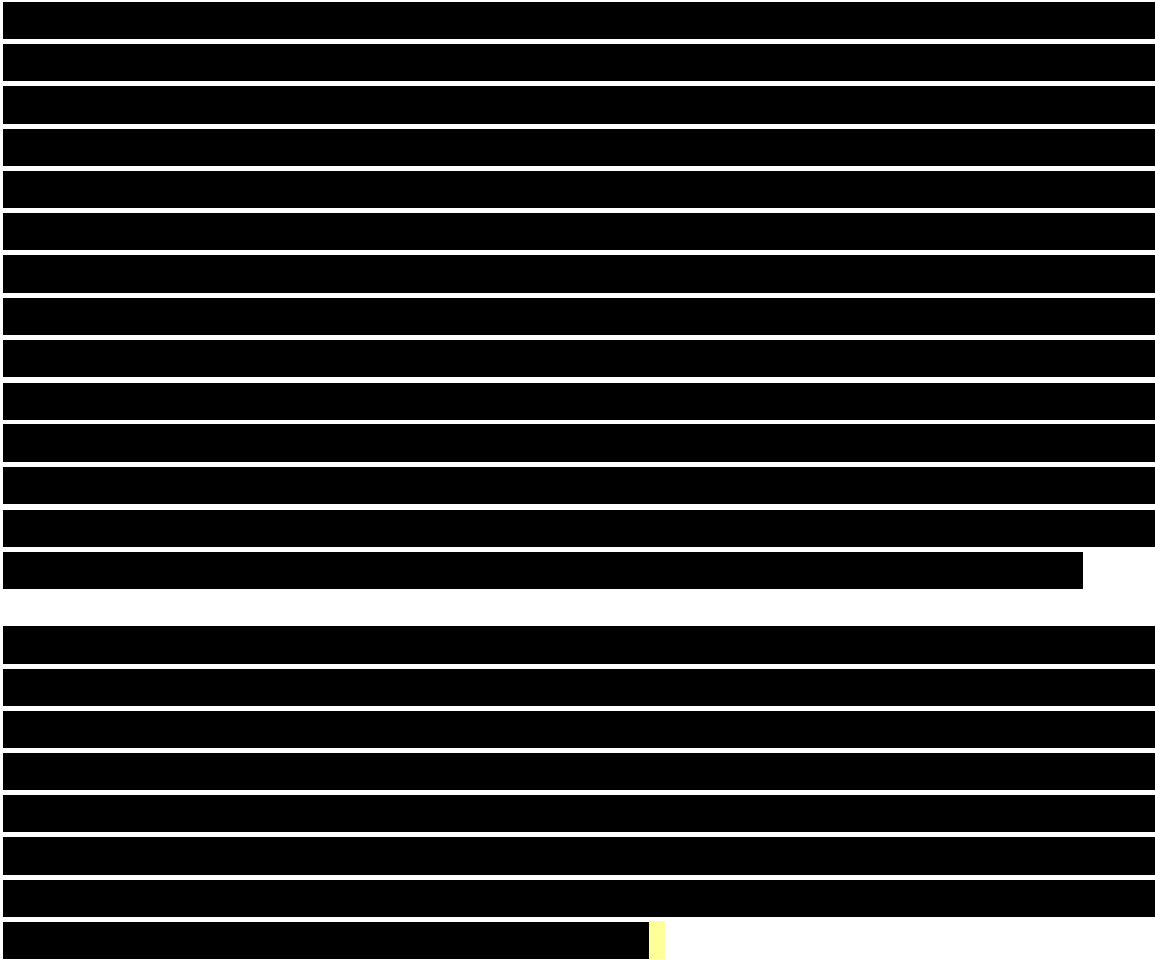
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017



- f. Yes. It is American Electric Power's (and Kentucky Power's) policy to correct all SAB108 type journal entries in the next reporting period. SAB108 journal entries are posted to the ACTUALS ledger either with a manual journal entry or through a system generated journal entry. Unvouchered liability journal entries are self-corrected in the next period through a system generated journal entry process within American Electric Power's accounts payable system.

- g. Yes. It is American Electric Power's (and Kentucky Power's) policy to correct all SAB108 type journal entries in the next reporting period. SAB108 journal entries are posted to the ACTUALS ledger either with a manual journal entry or through a system generated journal entry. Unvouchered liability journal entries are self-corrected in the next period through a system generated journal entry process within American Electric Power's accounts payable system.

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

Page 5 of 5

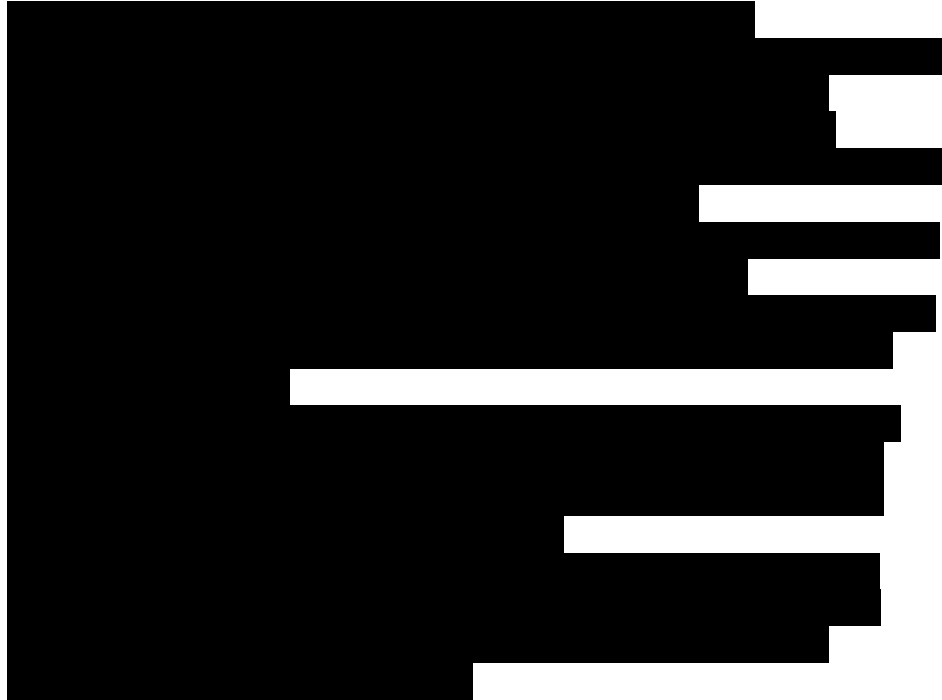
- h. There is no impact on the test year since the correcting entries were recorded prior to the test year.
- i. Not applicable

Witness: Tyler H. Ross

Kentucky Power Company
KPSC Case No. 2017-00179 General Rate Adjustment
Attorney General's Second Set of Supplemental Data Requests
Dated September 18, 2017

DATA REQUEST

AG_D_WP_18



RESPONSE

- a. Yes.
- b. Yes. It is American Electric Power's (and Kentucky Power's) policy to correct all SAB108 type journal entries in the next reporting period. SAB108 journal entries are posted to the actuals ledger either with a manual journal entry or through a system generated journal entry. Unvouchered liability journal entries are self-corrected in the next period through a system generated journal entry process within the accounts payable system.
- c. Journal entries correcting all SAB 108 items related to the calendar year ended December 31, 2016 were recorded in January 2017 and thus were included in Kentucky Power's test year ended February 28, 2017. Please refer to KPCO_CR_AG_D_WP_18_Attachment1_Redacted.xls and KPCO_CR_AG_D_WP_18_Attachment2_Redacted.xls for the requested information.
- d. Not applicable.

Witness: Tyler H. Ross