

Kentucky Power Company
KPSC Case No. 2023-00159
AG-KIUC's First Set of Data Requests
Dated August 14, 2023

DATA REQUEST

AG-KIUC Provide a copy of the Company's receivables financing agreement that will
1_54 be applicable to the resumption of the sales of receivables.

RESPONSE

Please refer to KPCO_R_AG_KIUC_1_54_Attachment1 for the requested information.

Witness: Brian K. West

Witness: Franz D. Messner

November 3, 2023 Supplemental Response

Please refer to KPCO_R_AG_KIUC_1_54_Attachment1, along with the referenced Purchase and Agency Agreements between AEP Credit and Kentucky Power attached as KPCO_SR_AG_KIUC_1_54_Attachment2 and KPCO_SR_AG_KIUC_1_54_Attachment3, respectively, for the requested information.

Witness: Brian K. West

Witness: Franz D. Messner

EXECUTION COPY

AMENDMENT NO. 3
TO
THIRD AMENDED AND RESTATED PURCHASE AGREEMENT

Dated as of June 24, 2015

THIS AMENDMENT NO. 3 (this "Amendment") is entered into as of June 24, 2015 by and among AEP CREDIT, INC., a Delaware corporation ("Credit") and KENTUCKY POWER COMPANY, a Kentucky corporation ("Seller").

PRELIMINARY STATEMENT

A. The parties hereto are parties to that certain Third Amended and Restated Purchase Agreement dated as of August 25, 2004 (as amended prior to the date hereof and as further amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

B. The parties hereto have agreed to amend the Purchase Agreement subject to the terms and conditions hereinafter set forth and the Majority Purchasers have consented to this Amendment.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the Purchase Agreement. Effective as of the date hereof, subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Purchase Agreement is hereby amended as follows:

(a) The third paragraph of Section 2.2 of the Purchase Agreement is hereby amended and restated in its entirety as follows (with text marked in **bold underline** indicating additions thereto and with text marked in **~~bold strikethrough~~** indicating deletions thereto):

“Although the Purchase Price for each Receivable sold hereunder shall be due and payable in full by Credit to Seller on the date such Receivable is purchased, a precise reconciliation of the Purchase Price between Credit and Seller shall be effected no less frequently than **weekly** ~~monthly~~ on each Business Day selected by Credit (each such date, a “Reconciliation Date”) with respect to all Receivables sold since the last Reconciliation Date. On each Reconciliation Date, Seller shall determine the net amount due to or from Credit with respect to all Receivables sold since the last Reconciliation Date and either Credit or Seller, as applicable, shall wire transfer such amount in immediately available funds to the account specified by Seller, in the case of amounts owed to Seller, or to the

Concentration Account, in the case of amounts owed to Credit, in the manner contemplated by Section 2.7 thereof.”

(b) Exhibit I-A (Depository Accounts) to the Purchase Agreement is hereby deleted and replaced in its entirety by Exhibit I-A (Depository Accounts) attached hereto.

SECTION 2. Conditions Precedent. This Amendment shall become effective and be deemed effective as of the date first above written upon the Administrative Agent’s having received counterparts of this Amendment duly executed by the parties hereby.

SECTION 3. Covenants, Representations and Warranties of Credit and the Seller.

(a) Upon the effectiveness of this Amendment, each of Credit and the Seller hereby reaffirms all covenants, representations and warranties made by it, to the extent the same are not amended hereby, in the Purchase Agreement and agrees that all such covenants, representations and warranties shall be deemed to have been re-made as of the effective date of this Amendment.

(b) Each of Credit and the Seller hereby represents and warrants (i) that this Amendment constitutes the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and general principles of equity which may limit the availability of equitable remedies and (ii) upon the effectiveness of this Amendment, no event shall have occurred and be continuing which constitutes a Seller Amortization Event with respect to Seller or an event that with the passage of time or the giving of notice, or both, would constitute an Seller Amortization Event with respect to Seller.

SECTION 4. Reference to and Effect on the Purchase Agreement.

(a) Upon the effectiveness of this Amendment, each reference in the Purchase Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” “hereby” or words of like import shall mean and be a reference to the Purchase Agreement as amended hereby, and each reference to the Purchase Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Purchase Agreement shall mean and be a reference to the Purchase Agreement as amended hereby.

(b) Except as specifically amended hereby, the Purchase Agreement and other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy under the Purchase Agreement or any of the other Transaction Documents, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 5. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.


SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

SECTION 7. Headings. Section headings in this Amendment are included herein for convenience or reference only and shall not constitute a part of this Amendment for any other purpose.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereto duly authorized as of the date first written above.

AEP CREDIT, INC.

By: 
Name: Renee V. Hawkins
Title: Assistant Treasurer

KENTUCKY POWER COMPANY, as Seller

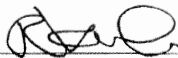
By: 
Name: Renee V. Hawkins
Title: Assistant Treasurer

EXHIBIT I-A

DEPOSITARY ACCOUNTS

Company	Bank	Account Number	ABA
Kentucky Power Company	[REDACTED]	[REDACTED]	[REDACTED]
Kentucky Power Company	[REDACTED]	[REDACTED]	[REDACTED]
AEP Utilities, Inc.	[REDACTED]	[REDACTED]	[REDACTED]

AMENDMENT NO. 2
TO
THIRD AMENDED AND RESTATED PURCHASE AGREEMENT

THIS AMENDMENT No. 2 ("this Amendment") is made as of the 30th day of January 2008, by and between AEP CREDIT, INC., a Delaware corporation ("Credit") and KENTUCKY POWER COMPANY, a Kentucky corporation ("Seller").

WITNESSETH:

WHEREAS, Credit and Seller are parties to the Third Amended and Restated Purchase Agreement dated as of August 25, 2004, as amended by that certain Amendment No. 1 to the Third Amended and Restated Purchase Agreement dated as of March 22, 2006 (as amended, modified or supplemented from time to time, "the Purchase Agreement");

WHEREAS, pursuant to Section 9.1.1 of the Purchase Agreement, Credit and Seller desire to amend the Purchase Agreement upon the terms set forth below;

WHEREAS, the Majority Purchasers (as such term is defined in the Second Amended and Restated Receivables Purchase Agreement dated as of August 25, 2004, as amended, among Credit, American Electric Power Service Corporation, the Administrative Agent, and certain other purchasers, including the Majority Purchasers) have consented to this Amendment No. 2;

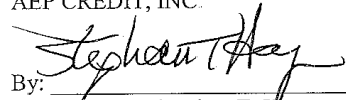
WHEREAS, Credit and Seller desire to amend the Purchase Agreement to eliminate certain provisions upon the terms set forth below; and

NOW therefore, the parties agree as follows:

1. Section 2 of the Purchase Agreement is hereby amended to delete Paragraph 2.6 relating to the Carrying Cost Variance Payment and the related Exhibit F to the Purchase Agreement in their entirety.
2. Paragraph 2.8 which relates to Purchase Price Credit Adjustments of Section 2 of the Purchase Agreement is hereby amended to eliminate subparagraph 2.8 (c) and any reference to said subparagraph 2.8(c) in Paragraph 2.8.
3. This Amendment No. 2 shall be effective as of January ~~30~~ 2008
4. The Purchase Agreement (except as specifically amended herein) shall remain in full force and effect and said Purchase Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
5. **CONTROLLING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

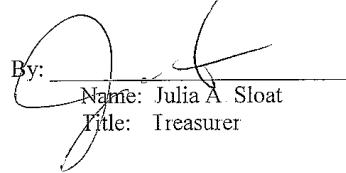
IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed as of the date first written above.

AEP CREDIT, INC.

By: 

Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: 

Name: Julia A. Sloat
Title: Treasurer

AMENDMENT NO. 1
TO
THIRD AMENDED AND RESTATED PURCHASE AGREEMENT

THIS AMENDMENT No. 1 ("this Amendment") is made as of the 22nd day of March 2006, by and between AEP CREDIT, INC., a Delaware corporation ("Credit") and KENTUCKY POWER COMPANY, a Kentucky corporation ("Seller").

WITNESSETH:

WHEREAS, Credit and Seller are parties to the Third Amended and Restated Purchase Agreement dated as of August 25, 2004 (as amended, modified or supplemented from time to time, "the Purchase Agreement");

WHEREAS, pursuant to Section 9.1.1 of the Purchase Agreement, Credit and Seller desire to amend the Purchase Agreement upon the terms set forth below;

WHEREAS, Credit and Seller confirm that they will continue to sell and purchase Receivables on a daily basis; and

WHEREAS, Credit and Seller desire to amend the Purchase Agreement to provide for the reconciliation of the purchase price paid by Credit with respect to the purchase and sale of Receivables daily or at some other period no less frequently than weekly as mutually agreed upon by Credit and Seller in accordance with authority granted in an order of the Securities and Exchange Commission dated September 27, 2005; and

WHEREAS, Seller desires to amend and restate Section 3.1.19 of the Purchase Agreement to state that true sale opinion is being rendered by Torys, LLP;

NOW therefore, the parties agree as follows:

1. Section 2.2 of the Purchase Agreement is hereby amended and restated in its entirety as follows:
 - 2.2 Purchase Procedure. Any sale and purchase of Receivables pursuant to this Agreement will require the delivery to and acceptance by Credit by 9:00 a.m., CST, on the particular Purchase Date, at Credit's principal office set forth in Section 9.2 hereof, of a Sale and Assignment executed by one of the individuals duly authorized by Seller pursuant to the authorization set forth in Exhibit E hereto, as such authorization may be amended from time to time by written notice to Credit. Such Sale and Assignment may be delivered by Seller to Credit by facsimile transmission or by means of computer or other electronic communications, which transmission or electronic communication the parties acknowledge will constitute the duly executed Sale and Assignment of Seller for all purposes. Credit shall deliver to Seller at Seller's principal office set forth in Section 9.2 hereof a copy of each Sale and Assignment accepted by Credit, executed by one of the individuals duly authorized by Credit, promptly following the acceptance thereof by Credit. Such Sale and

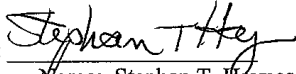
Assignment may be delivered by Credit to Seller by facsimile transmission or by means of computer or other electronic communications, which transmission or electronic communication the parties acknowledge will constitute due notification of Credit's acceptance for all purposes. Upon acceptance by Credit of the Sale and Assignment, on such Purchase Date, Credit shall allow Seller to retain from Collections received in the Depository Accounts, or shall otherwise transfer to Seller in immediately available funds, the amount of the Purchase Price with respect to the Receivables sold pursuant to such Sale and Assignment. Any Collections retained by Seller in excess of such Purchase Price, until remitted to Credit or used by Credit to purchase new Receivables from Seller, shall be held in trust for Credit by Seller. The amount of any Purchase Price not paid in full on the Purchase Date for any Receivables shall be paid by Credit no later than the next succeeding Reconciliation Date (as defined below).

Although the Purchase Price for each Receivable sold hereunder shall be due and payable in full by Credit to Seller on the date such Receivable is purchased, a precise reconciliation of the Purchase Price between Credit and Seller shall be effected no less frequently than weekly on each Business Day selected by Credit (each such date, a "Reconciliation Date") with respect to all receivables sold since the last Reconciliation Date. On each Reconciliation Date, Seller shall determine the net amount due to or from Credit with respect to all Receivables sold since the last Reconciliation Date and either Credit or Seller, as applicable, shall wire transfer such amount in immediately available funds to the account specified by Seller, in the case of amounts owed to Seller, or to the Concentration Account, in the case of amounts owed to Credit, in the manner contemplated by Section 2.7 thereof.

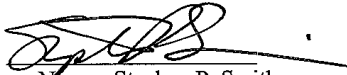
2. Section 3.1.19 of the Purchase Agreement is hereby amended and restated in its entirety, as follows:
 - 3.1.19 True Sale. Seller shall take such actions as are necessary on its part to ensure that the facts and assumptions set forth in each opinion issued by Torys, LLP, as counsel for Seller, relating to true sale issues, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.
3. This Amendment No. 1 shall be effective as of March 22, 2006.
4. Conditions to effectiveness: Pursuant to the Purchase Agreement, the consent of the Majority Purchasers shall have been obtained.
5. The Purchase Agreement (except as specifically amended herein) shall remain in full force and effect and said Purchase Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
6. **CONTROLLING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed as of the date first written above.

AEP CREDIT, INC.

By: 
Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: 
Name: Stephen P. Smith
Title: Treasurer

THIRD AMENDED AND RESTATED PURCHASE AGREEMENT

THIRD AMENDED AND RESTATED PURCHASE AGREEMENT ("*Purchase Agreement*") made and entered into on this 25th day of August, 2004, between AEP Credit, Inc., a Delaware corporation ("*Credit*"), and Kentucky Power Company, a Kentucky corporation ("*Seller*").

WITNESSETH:

WHEREAS, American Electric Power Company, Inc. is Seller's parent corporation and the parent corporation, either directly or indirectly, of AEP Utilities, Inc. (formerly known as Central and South West Corporation) and of Credit;

WHEREAS, subject to the terms and conditions hereof, Seller desires to sell and Credit desires to purchase, without recourse, certain accounts receivable arising from the sale and delivery of electricity, gas and other related services in the Commonwealth of Kentucky in the Seller's ordinary course of business;

WHEREAS, Credit and Seller intend the arrangements created herein to constitute a true sale of Seller's accounts receivable to Credit and not a loan or other arrangement;

WHEREAS, Credit and Seller are parties to the Second Amended and Restated Purchase Agreement dated July 25, 2003 (the "*Existing Purchase Agreement*"); and

WHEREAS, Credit and Seller desire to amend and restate the Existing Purchase Agreement pursuant to this Agreement such that the Existing Purchase Agreement continues in full force and effect as amended hereby and all obligations of each of the parties under the Existing Purchase Agreement will remain outstanding and continue in full force and effect, unpaid, unimpaired and undischarged;

NOW, THEREFORE, the parties hereto agree as follows:

I. DEFINITIONS

1.1 Certain Defined Terms For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

1.1.1 Administrative Agent "Administrative Agent" means Bank One, NA (Main Office Chicago) in its capacity as administrative agent under the Receivables Purchase Agreement and any successor administrative agent thereunder.

1.1.2 Adverse Claim "Adverse Claim" means a lien, security interest, charge, encumbrance or other adverse right or claim of any kind of any Person, but does not include any

loss that is due solely to the financial inability or bad faith failure of any Customer to pay at maturity any amount due and payable in respect of a Receivable.

1.1.3 AEP Services Account "AEP Services Account" means the account listed on Exhibit I-C to this Agreement in the name of American Electric Power Service Corporation or any other account established in accordance with Section 6.5 hereof.

1.1.4 AEP Services Account Agreement "AEP Services Account Agreement" means the agreement substantially in the form of Exhibit J to this Agreement with such changes to such form as are reasonably acceptable to the Administrative Agent.

1.1.5 AEP Services Account Bank "AEP Services Account Bank" means any institution at which the AEP Services Account is maintained.

1.1.6 AEP Utilities Account "AEP Utilities Account" means account number 01891740044 in the name of AEP Utilities, Inc. at Huntington National Bank.

1.1.7 Agency Agreement "Agency Agreement" means the Third Amended and Restated Agency Agreement of even date herewith, among Credit, Agent and the Administrative Agent, as the same may be amended from time to time

1.1.8 Agent "Agent" means (a) Seller or (b) any Person engaged by Credit to service, administer and collect the Receivables on behalf of Credit pursuant to the Agency Agreement.

1.1.9 Billed Receivable "Billed Receivable" means an Outstanding Receivable for which, as of the time of determination, a Customer Bill has been rendered.

1.1.10 Budget Account Receivable "Budget Account Receivable" means a contract right of Seller to receive payment for the sale and delivery of electricity, gas and other related services, regardless of the level of such services delivered, including rights of Seller pursuant to average monthly payment plans or other special payment arrangements which Seller may from time to time enter into with any Customer

1.1.11 Business Day "Business Day" means any day other than a Saturday, Sunday, Seller holiday, Credit holiday or public holiday or the equivalent for banks of the Federal Reserve System. Each party shall provide the other party, by December 1 of each year during the term of this Agreement, with a schedule of its holidays for the following calendar year.

1.1.12 Card Agreement "Card Agreement" means the agreement between Seller and a Merchant Processor or Card Company whereby such Merchant Processor or Card Company agrees to purchase, pay or otherwise reimburse Seller for each Receivable for the payment of which Seller has accepted such Merchant Processor or Card Company's Credit/Charge Card.

1.1.13 Card Company "Card Company" means any Person that is in the business of issuing nationally-recognized credit or charge cards to consumers, including, but not limited to,

any issuer of a credit or charge card bearing the American Express, Discover Card, MasterCard, NOVUS or Visa logo, servicemark or trademark.

1.1.14 Collection Account. "Collection Account" is defined in the Receivables Purchase Agreement.

1.1.15 Collections. "Collections" means, with respect to any Receivable, all cash collections, negotiable instruments, other cash or non-cash proceeds or any other form of payment in respect of any such Receivable and shall include all proceeds of any Receivable within the meaning of Section 9-102(64) of the UCC. "Collections" shall also mean that portion of any security deposit applied in satisfaction of a Receivable. Each Credit Card Receivable, and all Collections in respect thereof, shall constitute Collections in respect of the Receivable for the payment of which the Seller accepted a Credit/Charge Card in the related Credit Card Transaction.

1.1.16 Concentration Account. "Concentration Account" is defined in the Receivables Purchase Agreement.

1.1.17 Conduit Purchaser. "Conduit Purchaser" is defined in the Receivables Purchase Agreement.

1.1.18 Committed Purchaser. "Committed Purchaser" is defined in the Receivables Purchase Agreement.

1.1.19 Credit/Charge Card. "Credit/Charge Card" means any valid and unexpired credit or charge card, plate or like device bearing a logo, servicemark or trademark for American Express, Discover Card, MasterCard, NOVUS or Visa and issued by a Card Company to an obligor on any Receivable of a Seller which card Seller has agreed to accept for the payment of such Receivable in accordance with a Card Agreement between Seller and such Card Company or a Merchant Processor Agreement between the Seller and a Merchant Processor.

1.1.20 Credit Card Receivable. "Credit Card Receivable" means a Receivable owing to Seller from a Card Company or a Merchant Processor, arising out of, or in connection with, a Credit Card Transaction.

1.1.21 Credit Card Transaction. "Credit Card Transaction" means, with respect to any Receivable, the acceptance by Agent of a Credit/Charge Card for the payment of such Receivable in accordance with the provisions of the applicable Card Agreement and/or Merchant Processor Agreement.

1.1.22 Credit and Collection Procedure. "Credit and Collection Procedure" means the credit and collection policies and practices to be followed by Agent in respect of Receivables, as set forth in Exhibit D to the Agency Agreement, with such changes to such credit and collection policies and practices as are permitted under Section 4.12 hereof, or as may be required by applicable statutes, rules and regulations.

1.1.23 Customer. "Customer" means any Person obligated to make payment to Seller for purchases from Seller of electricity, gas and other related services.

1.1.24 Customer Bill. "Customer Bill" means an invoice or any other evidence of a Customer's obligation to Seller rendered to a Customer for payment to Seller for purchases from Seller of electricity, gas and other related services.

1.1.25 Depository Account. "Depository Account" means one of the concentration accounts, depository accounts or similar accounts listed on Exhibit I-A to this Agreement and any other such account established in accordance with Section 6.5 hereof.

1.1.26 Depository Account Agreement. "Depository Account Agreement" means each agreement substantially in the form of Exhibit G to this Agreement with such changes to such form as are reasonably acceptable to the Funding Agents and any other agreement pursuant to which Seller has established a Depository Account.

1.1.27 Depository Account Bank. "Depository Account Bank" means any institution at which a Depository Account is maintained.

1.1.28 Estimation Correction Amount. "Estimation Correction Amount" means, as of any date of determination, (a) the Face Amount of Receivables for which Customer Bills were posted on such date, minus (b) that portion of the Face Amount that Credit has previously paid to Seller for the Receivables represented by such Customer Bills.

1.1.29 Event of Bankruptcy. "Event of Bankruptcy" means :

(a) that Seller shall admit in writing its inability, or fail generally, to pay its debts as they become due;

(b) (i) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of Seller in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of Seller or for any substantial part of its property, or for the winding-up or liquidation of its affairs and (ii) either such proceedings shall remain undismitted or unstayed for a period of sixty (60) days or any of the actions sought in such proceedings shall occur;

(c) the commencement by Seller of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or Seller's consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of Seller or for any substantial part of its property, or any general assignment for the benefit of creditors; or

(d) Seller shall take any corporate action in furtherance of any of the actions set forth in the preceding clause (a), (b) or (c).

1.1.30 Face Amount. "Face Amount" means (a) for a Billed Receivable, the unpaid balance thereof duly owed to Seller by a Customer (excluding any portion of the unpaid balance relating to charges which are not Outstanding Receivables), (b) for an Unbilled Receivable, the estimated dollar amount due from a Customer arising from the sale and delivery by Seller to Customer of electricity, gas and other related services in the ordinary course of business (excluding any amount due relating to charges which are not Outstanding Receivables), and (c) for a Budget Account Receivable, the contractual amount due and owing for the sale and delivery by Seller to Customer of electricity, gas and other related services in the ordinary course of business; in any such case determined on the Purchase Date on which such Outstanding Receivable is purchased by Credit hereunder (excluding any amount due relating to charges which are not Outstanding Receivables). In the calculation of "Face Amount", there shall be no double-counting of Credit Card Receivables and Receivables for the payment of which the Seller accepted Credit/Charge Cards in the related Credit Card Transaction.

1.1.31 Funding Agent. "Funding Agent" is defined in the Receivables Purchase Agreement.

1.1.32 Governmental Approvals. "Governmental Approvals" means all consents, approvals, authorizations, orders, registrations or qualifications of any Person or public authority as may be required by any appropriate regulatory authority in respect of the transactions contemplated hereby.

1.1.33 Lock-Box. "Lock-Box" means each postal box or code listed on Exhibit I-B to this Agreement and any other such postal box or code established in accordance with Section 6.5 hereof.

1.1.34 Material Adverse Effect. "Material Adverse Effect" means a material adverse effect on (a) the ability of Seller to perform its material obligations under this Agreement or the Agency Agreement (other than as a result of any deterioration in the financial condition of the Seller), (b) the validity or enforceability of, or collectibility of, amounts payable by Seller under this Agreement or the Agency Agreement, (c) the status, existence, perfection or priority of the interest of Credit in the Receivables, or (d) the validity, enforceability or collectibility of all or any material portion of the Receivables.

1.1.35 Merchant Processor. "Merchant Processor" means any Person which is engaged customarily in the business of acting as a merchant processor for Credit/Charge Cards.

1.1.36 Merchant Processor Agreement. "Merchant Processor Agreement" means the agreement between Seller and a Merchant Processor whereby such Merchant Processor agrees to purchase, pay or otherwise reimburse Seller for receivables arising out of a Credit Card Transaction.

1.1.37 Mortgage. "Mortgage" means the Mortgage and Deed of Trust dated May 1, 1949 between Seller and Bankers Trust Company, as trustee, as the same may be amended and supplemented from time to time.

1.1.38 Outstanding Receivable. "Outstanding Receivable" means any of Seller's rights to payment, whether or not evidenced by a Customer Bill, (i) arising from the sale and delivery (on or before 12:01 a.m., of the Seller's Business Day preceding the applicable Purchase Date) of electricity, gas and other related services in the ordinary course of business, including without limitation, Billed Receivables, Unbilled Receivables and Budget Account Receivables or (ii) constituting a Credit Card Receivable. Outstanding Receivable shall not include any securitized transition charges or transition property created pursuant to a financing order issued by Seller's state public utility regulatory commission.

1.1.39 Person. "Person" means any natural person, corporation, company, voluntary association, partnership, joint venture, trust (including a business trust), unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

1.1.40 P.O. Box Transfer Notice. "P.O. Box Transfer Notice" means an agreement substantially in the form of Exhibit O to the Receivables Purchase Agreement, or such other agreement in form and substance reasonably acceptable to the Funding Agents.

1.1.41 Purchase Date. "Purchase Date" means each day on or after the date hereof on which Outstanding Receivables are purchased by Credit from Seller pursuant to this Agreement.

1.1.42 Purchase Price. "Purchase Price" means the price paid by Credit to Seller for the purchase by Credit from Seller of Receivables on any Purchase Date pursuant to this Agreement.

1.1.43 Receivable. "Receivable" means any Outstanding Receivable that has been purchased by Credit from Seller pursuant to this Agreement.

1.1.44 Receivables Purchase Agreement. "Receivables Purchase Agreement" means the Second Amended and Restated Receivables Purchase Agreement dated as of the date hereof among Credit, American Electric Power Service Corporation, as servicer, the persons party thereto as conduit purchasers, committed purchasers and funding agents, and Bank One, NA (Main Office Chicago), as administrative agent, as the same may be amended and supplemented from time to time.

1.1.45 Sale and Assignment. "Sale and Assignment" means the sale and assignment agreement in substantially the form attached hereto as Exhibit A.

1.1.46 Servicer. "Servicer" means American Electric Power Service Corporation in its capacity as servicer under the Receivables Purchase Agreement and any successor servicer thereunder.

1.1.47 Sub-Agent. "Sub-Agent" is defined in the Agency Agreement.

1.1.48 Termination Date. "Termination Date" means the date specified for termination of Credit's obligation to purchase Outstanding Receivables hereunder in the notice contemplated by Section 7.1 hereof.

1.1.49 Unbilled Receivable. "Unbilled Receivable" means any Outstanding Receivable for which, as of the time of determination, a Customer Bill has not been rendered.

1.1.50 UCC. "UCC" means the Uniform Commercial Code as from time to time in effect in the State or States in which the Seller sells electricity, gas or related services.

II PURCHASE OF OUTSTANDING RECEIVABLES

2.1 Purchases. Purchases of Outstanding Receivables made on any Purchase Date will be made at a Purchase Price determined in accordance with page 2 of Exhibit A hereto. In accordance with the purchase procedure set out in Section 2.2 hereof and subject to and upon the terms and conditions set forth herein, on each Purchase Date, Credit shall purchase from Seller, without recourse, and Seller shall sell and assign to Credit, all right, title and interest in and to all of the Outstanding Receivables of Seller described in the applicable Sale and Assignment, including all right, title and interest in all Collections whenever received by Seller. Credit and Seller hereby agree that each such purchase of Outstanding Receivables shall constitute a true sale of all rights, title and interest in and to such Outstanding Receivables and to all amounts paid in respect of such Outstanding Receivables.

It is, further, not the intention of Seller and Credit that the purchases of Outstanding Receivables hereunder be deemed a grant of a security interest in all right, title and interest of Seller in and to such Outstanding Receivables to secure a debt or other obligation of Seller. However, if notwithstanding the intention of the parties hereto, the purchase of the Outstanding Receivables hereunder is characterized as a secured loan rather than a sale, this Agreement shall constitute a security agreement under applicable law. For this purpose, Seller hereby grants to Credit a security interest in all of Seller's right, title and interest in, to and under all of the Outstanding Receivables, whether now existing or hereafter acquired or arising and all Collections with respect thereto. Credit shall have, with respect to the property described in this paragraph of Section 2.1, and in addition to all the other rights and remedies available to Credit under this Agreement and applicable law, any additional rights and remedies of a secured party under any applicable UCC.

2.2 Purchase Procedure. Any sale and purchase of Receivables pursuant to this Agreement will require the delivery to and acceptance by Credit by 9:00 a.m., CST, on the particular Purchase Date, at Credit's principal office set forth in Section 9.2 hereof, of a Sale and Assignment executed by one of the individuals duly authorized by Seller pursuant to the authorization set forth in Exhibit E hereto, as such authorization may be amended from time to time by written notice to Credit. Such Sale and Assignment may be delivered by Seller to Credit by facsimile transmission or by means of computer or other electronic communications, which transmission or electronic communication the parties acknowledge will constitute the duly executed Sale and Assignment of Seller for all purposes. Upon acceptance by Credit of the Sale

and Assignment, on such Purchase Date, Credit shall wire transfer the respective Purchase Price in immediately available funds to the account specified by Seller, in the manner contemplated by Section 2.7 hereof. Credit shall deliver to Seller at Seller's principal office set forth in Section 9.2 hereof a copy of each Sale and Assignment accepted by Credit, executed by an authorized officer of Credit, promptly following the acceptance thereof by Credit. Such Sale and Assignment may be delivered by Credit to Seller by facsimile transmission or by means of computer or other electronic communications, which transmission or electronic communication the parties acknowledge will constitute due notification of Credit's acceptance for all purposes.

2.3 Determination of Unbilled Receivable Any determination by Seller of the Face Amount of an Unbilled Receivable shall be a reasonable, good faith estimate of the appropriate dollar amount of such Outstanding Receivable, based on Seller's most recent projections for billing cycles not yet invoiced.

2.4 Information Concerning Unbilled Revenue Schedule Within fifteen Business Days following the end of each calendar month, Seller shall deliver to Credit information concerning Seller's unbilled revenue schedule, in the form of Exhibit C hereto, for the next six calendar months. Seller shall at all times maintain a rolling six month unbilled revenue schedule based upon Seller's most recent revenue projections.

2.5 Estimation Correction Amount The Estimation Correction Amount shall be calculated by Credit on each Business Day on which a cycle is billed, and shall be included in the calculation of the Purchase Price for Receivables on each Purchase Date, as set forth in Exhibit A hereto.

2.6 Carrying Cost Variance Payment At the end of each calendar month, a carrying cost variance payment shall be calculated in accordance with Exhibit F. Seller or Credit, as the case may be, shall wire transfer such carrying cost variance payment to the other party not later than the fifth Business Day of the succeeding month, in the manner contemplated by Section 2.7 hereof.

2.7 Coordination of Payments Credit and Seller shall use their best efforts to coordinate the wire transfer of funds under this Agreement and under the Agency Agreement so as to avoid multiple daily wire transfers (by means of netting payments to be made by each of them on such date); provided, however, that nothing in this Section 2.7 is intended to modify in any respect any obligation of Seller or Credit to make a payment when due hereunder.

2.8 Purchase Price Credit Adjustments If on any day:

- (a) the Face Amount of a Receivable is:
 - (i) reduced as a result of any discount or any adjustment or otherwise by Seller (other than cash Collections on account of the Receivables or reductions recoverable from the Agent pursuant to Section 4.1.2 of the Agency Agreement),

- (ii) reduced or canceled as a result of the exercise of a right of setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction), or
- (b) any of the representations and warranties set forth in Section 3.1.4, Section 3.1.5 or Section 3.1.6 are no longer true with respect to any Receivable, or
- (c) the amount of any Collections with respect to any Receivable which are received by any Sub-Agent and which Seller is aware have not been remitted to a Depository Account within five (5) Business Days after the date such Sub-Agent is contractually required to remit such amount,

then, in such event, Credit shall be entitled to a credit (each, a "Purchase Price Credit") against the Purchase Price otherwise payable hereunder equal to the amount of such reduction or cancellation, in the case of any reduction described in clause (a) above, the Face Amount of such Receivable (less Collections received in respect thereof), in the case of any breach of representation and warranty described in clause (b) above, or the amount of such Collections, in the case of any failure to remit Collections described in clause (c) above. If such Purchase Price Credit exceeds the Purchase Price of the Receivables sold hereunder on any day, then Seller shall pay the remaining amount of such Purchase Price Credit in cash within five (5) Business Days thereafter.

III. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Credit as follows:

3.1.1 Organization and Power. Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky, with all requisite corporate power and authority to own its properties and to transact the business in which it is now engaged or in which it presently proposes to engage. Seller's organizational identification number issued by Seller's state of incorporation is 0028317. Seller has only one state of incorporation. Seller is qualified to do business and is in good standing in all other jurisdictions in the United States necessary to transact the business in which it is now engaged, except where the failure to qualify would not have a material adverse effect on the transactions herein contemplated.

3.1.2 No Restrictions. The sale of Receivables pursuant to this Agreement, the performance of Seller's obligations under this Agreement and the consummation of the transactions herein contemplated do not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Adverse Claim upon any of Seller's property or assets pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument (other than this Agreement) to which Seller is a party or by which any of Seller's property or assets is subject, nor will such action result in any violation of the provisions of Seller's Articles of Incorporation or By-laws or

any statute or any order, rule or regulation of any court or governmental agency or body of the United States, any State or any political subdivision of either having jurisdiction over Seller or any of Seller's properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or any such regulatory authority or other such governmental agency or body (other than the Governmental Approvals and such other consents, approvals, authorizations, orders, registrations or qualifications as have been obtained) is required for the sale of Receivables hereunder or the consummation by Seller or the other transactions contemplated by this Agreement.

3.1.3 Authorization and Effect of Agreement. This Agreement has been duly authorized, executed and delivered by Seller and constitutes Seller's valid and legally binding obligation, enforceable against Seller in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors, rights and to general principles of equity.

3.1.4 Title of Receivables. Seller is the owner (immediately prior to sale) of all Receivables and rights to Collections in respect thereof sold by Seller to Credit hereunder, free from any Adverse Claim, and Seller, at its sole cost and expense, shall defend the Receivables and rights to Collections in respect thereof against any and all Adverse Claims (except for any Adverse Claim arising from any act or omission of Credit or an Agent other than Seller) asserted by any Person at any time. The Face Amount of each Receivable shall represent and constitute the valid and binding obligation of the respective Customer to pay such Face Amount, subject, however, in the case of Unbilled Receivables to the determination and estimation correction procedures set forth in Sections 2.3 and 2.5 hereof.

3.1.5 No Financing Statements. There is no financing statement under the UCC of any jurisdiction (or similar statement or instrument of registration or otherwise under the laws of any jurisdiction) now on file or registered in any public office covering any interest of any kind in the Outstanding Receivables or any Collections in respect thereof, or intended so to be, and Seller will neither execute nor file in any public office any financing statement (or similar statement or instrument of registration or otherwise under the laws of any jurisdiction) relating to such Outstanding Receivables or any Collections in respect thereof, except for the UCC financing statements filed or to be filed in respect of and covering the purchase of the Receivables hereunder.

3.1.6 Perfection. All filings and recordings (including UCC financing statement filings) required to perfect the title of Credit in all Receivables (and all Collections in respect thereof) when sold and when value is received therefor have been accomplished and are in full force and effect, and Seller shall at Seller's expense perform all acts and execute all documents reasonably requested by Credit at any time to evidence, perfect, maintain and enforce the title and interest of Credit in the Receivables (and all Collections in respect thereof) and the priority thereof. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to transfer to Credit (and Credit shall acquire from Seller) legal and equitable title to, with the right to sell and encumber each Receivable, together with the Collections with respect thereto, free and clear of any Adverse Claim.

3.1.7 Names; Principal Place of Business (i) The following names, legal name: Kentucky Power Company(changed from Kentucky and West Virginia Power Company on June 1, 1954), trade name(s): American Electric Power (in the state of Kentucky) constitute all present and former corporate names under which Seller has transacted business, (ii) the chief executive office is, and for at least 6 months has been, located at 1 Riverside Plaza, in Franklin County, Ohio and Seller at all times has had more than one place of business in Ohio or a single place of business in Ohio located in Franklin County

3.1.8 Financial Statements Seller has delivered to Credit the balance sheets and statements of capitalization and the related statements of income and retained earnings of Seller (a) for the period ended December 31, 2003, accompanied by the related opinion of Seller's auditors, as filed on Form 10-K and (b) for the periods ended March 31, 2004 and June 30, 2004, as filed on Forms 10-Q with the Securities and Exchange Commission. All such financial statements present fairly the financial position of Seller as of the respective dates indicated and the results of operations for the respective periods.

3.1.9 Investment Company Seller is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended

3.1.10 No Default or Unmatured Default As of the date hereof the Mortgage has been satisfied and discharged

3.1.11 Bulk Sales Act No transaction contemplated hereby requires compliance with any bulk sales act or similar law.

3.1.12 Actions, Suits There are no actions, suits or proceedings pending, or to the best of Seller's knowledge, threatened, against or affecting Seller, or any of its properties, in or before any court, arbitrator or other body, that could reasonably be expected to have a Material Adverse Effect. Seller is not in default with respect to any order of any court, arbitrator or governmental body which default could reasonably be expected to have a Material Adverse Effect.

3.1.13 Accuracy of Information All information heretofore furnished by Seller to Credit (or its assigns) for purposes of or in connection with this Agreement or the Agency Agreement or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by Seller to Credit (or its assigns) will be, true and accurate in every material respect on the date such information is stated or certified and shall not be otherwise misleading in light of the circumstances under which such information was provided.

3.1.14 Use of Proceeds No proceeds of the sale of Receivables hereunder will be used (a) for a purpose that violates, or would be inconsistent with, Regulation I, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (b) to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended

3.1.15 Material Adverse Effect Since December 31, 2003, no event has occurred that would have a Material Adverse Effect.

3.1.16 Compliance with Law Seller has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect as described in clauses (b), (c), (d) and (e) of the definition thereof.

3.1.17 Compliance with Credit and Collection Procedure Seller has complied in all material respects with the Credit and Collection Procedure with regard to each Receivable and the related contract, and has not made any change to such Credit and Collection Procedure except as permitted hereunder.

3.1.18 Payments to Seller With respect to each Receivable, the Purchase Price received by Seller constitutes reasonably equivalent value in consideration therefor and such transfer was not made for or on account of an antecedent debt or with actual intent to hinder, delay or defraud any entity to which Seller is indebted or was indebted at the time of such transfer.

3.1.19 True Sale Seller shall take such actions as are necessary on its part to ensure that the facts and assumptions set forth in the opinion issued by Milbank, Tweed, Hadley & McCloy, LLP, as counsel for Seller, in connection with the closing of the Receivables Purchase Agreement, and relating to true sale issues, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.

3.1.20 Instructions to Customers and Sub-Agents Seller has instructed (x) all Customers to remit all Collections directly to a Sub-Agent, to a Lock-Box, to the AEP Utilities Account or to a Depository Account to which only amounts owed to Seller are deposited, and (y) all Sub-Agents to remit all Collections directly to a Depository Account to which only amounts owed to Seller are deposited.

3.2 Representations and Warranties of Credit Credit represents and warrants to Seller as follows:

3.2.1 Organization and Power Credit is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite corporate power and authority to own its properties and to transact the business in which it is now engaged or in which it proposes to engage.

3.2.2 No Restrictions The purchase by Credit of Receivables pursuant to this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under the terms of, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Credit is a party or by which Credit is bound or to which any of the property or assets of Credit is subject, nor will such action result in any violation of the provisions of the certificate of incorporation or the by-laws of Credit or any statute or any order, rule or regulation of any court

or governmental agency or body having jurisdiction over Credit or any of Credit's properties; and no consent, approval, authorization, order, registration or qualification of or with any court or any such regulatory authority or other governmental agency or body (other than the Governmental Approvals and such other consents, approvals, authorizations, orders, registrations or qualifications as have been obtained) is required for the purchase by Credit of Receivables hereunder or the consummation by Credit of the other transactions contemplated by this Agreement.

3.2.3 Authorization and Effect of Agreement. This Agreement has been duly authorized, executed and delivered by Credit and constitutes the valid and legally binding obligation of Credit enforceable against Credit in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

3.2.4 Purchase for Credit's Account. Any purchase by Credit of Receivables pursuant to this Agreement will be for the account of Credit and not as agent for or with a view toward resale to any other party; provided, however, that the provisions of this Section 3.2.4 shall not prevent Credit from engaging in any financing transaction relating to the Receivables.

3.2.5 Adequate Financing. Credit shall at all times maintain available lines of credit and financing arrangements that are sufficient to support its obligation to purchase Outstanding Receivables hereunder.

IV COVENANTS OF SELLER

4.1 Preservation of Corporate Existence. Seller shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation (as such rights, franchises and privileges may be modified from time to time by applicable law), and qualify and remain qualified in good standing as a foreign corporation in any other jurisdiction where any Outstanding Receivable arose and where such qualification is necessary to permit the enforcement of the obligations under Receivables against the respective Customers.

4.2 Maintenance of Offices. Seller shall maintain originals or duplicates of the principal documents (including, without limitation, computer tapes and disks) evidencing all Outstanding Receivables and Customer Bills at the address set forth in Section 9.2 hereof, and Seller shall not move its principal executive office or such documents unless (a) Seller shall have given to Credit not less than 45 days prior written notice of its intention to do so, clearly describing the new location, and (b) Seller shall have taken such action, satisfactory to Credit, to maintain the title and interest and priority of Credit in the Receivables and Collections in respect thereof at all times fully perfected and in full force and effect.

4.3 Continuing Obligations. Seller will duly fulfill all obligations on its part to be fulfilled under or in connection with the Receivables, and will do nothing to impair the rights of Credit in the Receivables; provided, however, that an adjustment or compromise of a Receivable

in accordance with the Agency Agreement shall not be deemed to be a violation of this Section
4.3

4.4 Further Action. Seller will make, execute or endorse, acknowledge, and file or deliver to Credit from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Receivables and Collections in respect thereof as Credit may reasonably request for the protection of the rights of Credit hereunder.

4.5 Approvals. Seller shall use its best efforts to obtain, and to assist Credit in obtaining, any and all consents, approvals, authorizations, orders, registrations and qualifications which may be required from time to time in the future to consummate the transactions contemplated by this Agreement, including without limitation the Governmental Approvals.

4.6 Sales, Adverse Claims, Etc. Except as otherwise herein provided, Seller shall not sell, assign (by operation of law or otherwise), dispose of, or create or suffer to exist any Adverse Claim upon or with respect to, Seller's undivided interest in any Receivable or Collections in respect thereof or assign any right to receive income in respect thereof. Without limiting the generality of the foregoing, Seller will not claim any ownership or other interest in the Receivables and will respond to third party inquiries with respect to the ownership of the Receivables by stating that such ownership has been entirely transferred to Credit.

4.7 Extension or Amendment of Receivables. Without the prior written consent of Credit, Seller shall not extend, amend or otherwise modify the terms of any Receivable; provided, however, that Seller may do so to the extent permitted by the Agency Agreement or as provided in the Credit and Collection Procedure.

4.8 Compliance with Laws, Etc. Seller shall comply in all material respects with applicable laws, rules, regulations and orders applicable to it, its business and properties, and all of its Outstanding Receivables.

4.9 Keeping of Records and Books of Account. Seller shall at its sole cost and expense maintain and implement, or cause to be maintained and implemented, administrative and operating procedures, and keep and maintain, or cause to be kept and maintained, all documents, books, records and other information including, without limitation, all tapes, disks or other electronically stored or computerized programs, data, records or documents, reasonably necessary or advisable for the calculation and collection of all Receivables, in accordance with the Agency Agreement. Such books and records shall appropriately reflect the sale of such Receivables to Credit.

4.10 Inspection. At any time and from time to time during regular business hours, Seller shall permit Credit, or Credit's agents or representatives (including the Agent), any Funding Agent or agents or representatives of any lender providing financing to Credit upon reasonable notification to Seller, for the purpose of protecting Credit's (and its assigns') interests

hereunder, to examine and make copies of and abstracts from all books, records and documents (including, without limitation, computer tapes and disks) in the possession or under the control of Seller relating to Receivables, Collections in respect thereof, the Depository Accounts and Lock-Boxes.

4.11 Credit and Collection Procedures. Agent shall comply in all material respects with the Credit and Collection Procedure.

4.12 Change in Business or Credit and Collection Procedure. Without the written consent of Credit, Seller shall not make any change in the character of its business and the Agent shall not make any change in the Credit and Collection Procedure which change would, in either case, impair the collection of Receivables.

4.13 Annual Financial Audit. In connection with Seller's annual independent financial audit, Seller shall instruct its independent public accounting firm to audit the accounts receivable records maintained by Seller in accordance with the audit outline set forth in Exhibit D hereto and to furnish the results of such audit to Credit's independent public accountant.

4.14 Financial Statements. Within 45 days of the end of each fiscal quarter (except for the fourth fiscal quarter) and 90 days of the end of each fiscal year, Seller shall deliver to Credit balance sheets and statements of capitalization and related statements of income and retained earnings of Seller, and such fiscal year financial statements shall be accompanied by an opinion of Seller's independent public accounting firm.

4.15 Card and Merchant Processor Agreements. Seller shall not enter into any Card Agreement or Merchant Processor Agreement with any Card Company or Merchant Processor which does not have an unsecured long-term credit rating of at least "A3" by Moody's Investors Service or "A-" by Standard & Poor's Ratings Service, a division of The McGraw Hill Companies, Inc. at the time such Card Agreement or Merchant Processor Agreement is entered into.

4.16 Orders of State Commission. Seller shall deliver to Credit any new or modified or amended order, including, without limitation, any order establishing Seller's allowed return on common equity, the "ROCE", received by Seller from any state public utility regulatory commission.

4.17 No Petition. Seller shall not at any time institute against Credit, or join in any institution against Credit, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law. Seller shall not at any time institute against any Conduit Purchaser, or join in any institution against any Conduit Purchaser, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law, until the expiration of one year and one day after payment in full of all outstanding indebtedness of such Conduit Purchaser.

4 18 Confidentiality. Seller shall maintain and shall cause each of its employees and officers to maintain the confidentiality of any confidential proprietary information with respect to the Conduit Purchasers, the Committed Purchasers, the Funding Agents, the Administrative Agent and their respective businesses, obtained by it in connection with the structuring, negotiating and execution of the transactions contemplated by the Receivables Purchase Agreement, except that Seller and its officers and employees may disclose such information to Seller's external accountants and attorneys and as required by any applicable law or order of any judicial or administrative proceeding.

4 19 Notice of Defaults and Unmatured Defaults. Seller shall provide written notice, as soon as it has knowledge, to (i) Credit, (ii) the Servicer and (iii) the Administrative Agent of (x) any default or event which, with the giving of notice or the passage of time or both, would constitute a default has occurred under the Mortgage or (y) the creation of any Adverse Claim, or the occurrence of any event which, with the giving of notice or the passage of time or both, would result in the creation of any Adverse Claim, on the Receivables or the Collections pursuant to the Mortgage or any other mortgage, agreement, instrument or filing.

4 20 Compliance Certificate. Seller shall furnish to Credit, together with the financial statements required hereunder, a compliance certificate substantially in the form of Exhibit H hereto signed by the chief financial officer of Seller and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

4 21 Shareholders Statements. Except if otherwise publicly available, upon the request of Credit (or its assigns), Seller shall furnish to Credit (or its assigns), promptly upon the furnishing thereof to the shareholders of Seller, copies of all financial statements so furnished.

4 22 S.E.C. Filings. Except if confidential or otherwise publicly available, upon the request of Credit (or its assigns), Seller shall furnish to Credit (or its assigns), promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Seller or any of its subsidiaries files with the Securities and Exchange Commission.

4 23 Change in Credit and Collection Procedure. Seller shall furnish to Credit, at least thirty (30) days prior to the effectiveness of any material change in or amendment to the Credit and Collection Procedure, a copy of the Credit and Collection Procedure then in effect and a notice indicating such change or amendment.

4 24 Other Information. Seller shall furnish to Credit, promptly from time to time, such other information, documents, records or reports relating to the Receivables as Credit (or its assigns) may from time to time reasonably request in order to protect the interests of Credit (and its assigns) under or as contemplated by this Agreement.

4 25 Notices. Until the Receivables Purchase Agreement has been terminated and all obligations of the Seller thereunder have been satisfied in full, Seller will notify Credit (and its assigns) in writing of any of the following promptly upon any of the president, controller or

treasurer of Seller having actual knowledge thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(a) Judgment and Proceedings the entry of any judgment or decree against Seller if the amount of any such judgment or decree exceeds \$25,000,000;

(b) Material Adverse Effect the occurrence of any event or condition that has, or could reasonably be expected to have, a Material Adverse Effect (including, without limitation, the failure of Seller to perform or observe any of the terms of this Agreement where such failure could reasonably be expected to have a Material Adverse Effect);

(c) Defaults Under Other Agreements the occurrence of a default or an event of default under any other financing arrangement pursuant to which Seller is a debtor or an obligor if the amount of such financing arrangement exceeds \$25,000,000;

(d) Downgrade of Seller any downgrade in the rating of any indebtedness of Seller by Standard and Poor's Ratings Services or by Moody's Investors Service, Inc., setting forth the indebtedness affected and the nature of such change; and

(e) Enforceability of this Agreement the occurrence of any event which causes this Agreement to cease to be the valid and binding obligation of Seller, enforceable against it in accordance with its terms.

4 26 Marking of Records and Books Seller shall on or prior to the date hereof, mark its master data processing records and other books and records relating to the Receivables with a legend, acceptable to Credit (or its assigns), describing Credit's ownership interests in the Receivables and further describing the interests of the Administrative Agent under the Receivables Purchase Agreement, for the benefit of the Committed Purchasers and Conduit Purchasers.

4 27 Compliance with Contracts Seller shall timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the contract related to each Receivable except where failure to so perform or comply could not reasonably be expected to materially adversely effect the collectibility of such Receivable. Seller shall pay when due any taxes payable in connection with the Receivables, exclusive of taxes on or measured by income or gross receipts of Credit and its assigns, other than such taxes that are being contested in good faith by appropriate proceedings, for which adequate reserves in accordance with generally accepted accounting principles have been set aside on its books and that have not given rise to any Adverse Claims (other than Adverse Claims permitted under the Receivables Purchase Agreement).

4 28 Name Change, Offices and Records Seller shall not change its name, type of organization, organizational identification number or jurisdiction of incorporation (within the meaning of Section 9-102 of the UCC) or relocate any office where records with respect to the Receivables are kept unless it shall have: (i) given Credit (or its assigns) at least forty-five (45)

days' prior written notice thereof and (ii) delivered to Credit (or its assigns) all financing statements, instruments and other documents requested by Credit (or its assigns) in connection with such change or relocation.

V. CONDITIONS PRECEDENT

5.1 Conditions Precedent to All Purchases. Each purchase of Outstanding Receivables hereunder shall be subject to, unless otherwise waived by Credit in the manner set forth in Section 9.1 hereof, the following further conditions precedent:

(a) On the appropriate Purchase Date (and Seller, by accepting the Purchase Price, shall be deemed to have certified that) the representations and warranties made by Seller contained in Section 3.1 hereof and in the Agency Agreement are correct on and as of such date, as though made on and as of such date;

(b) All Governmental Approvals with respect to this Agreement and the Agency Agreement required in connection with Seller's execution, delivery and performance hereof and thereof, each Sale and Assignment and the other documents to be delivered hereunder, and the transactions documents to be delivered hereunder, and the transactions contemplated hereby required in connection with Seller's execution, delivery and performance hereof or thereof, shall have been received and shall be in effect on the appropriate Purchase Date;

(c) Credit shall have received such other approvals, opinions or documents as Credit may reasonably request;

(d) Seller shall not be in breach of any covenant of this Agreement or the Agency Agreement;

(e) Seller shall not have (i) instituted or consented to the institution of any proceeding, or filed a petition, answer, consent or other pleading, in either case, seeking reorganization of Seller or any other relief or procedure with respect to Seller, under any applicable federal or state law relating to bankruptcy, insolvency, liquidation, dissolution or similar law, (ii) consented to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Seller or a substantial part of its property, (iii) made any assignment for the benefit of creditors, (iv) admitted in writing its inability to pay its debts generally as they become due, or (v) taken any corporate action in furtherance of any of the foregoing actions, and no involuntary proceeding shall have been instituted against Seller or its properties for any such reorganization, relief, appointment, assignment or admission;

(f) Credit shall have available lines of credit and financing arrangements that are sufficient to support its obligation to purchase Outstanding Receivables hereunder;

(g) Credit shall have received a schedule of Seller's holidays for the current calendar year, and Seller shall have received a schedule of Credit's holidays for the current calendar year; and

(h) Credit shall have received a copy of the order of Seller's state public utility regulatory commission, as in effect on the appropriate Purchase Date, which set Seller's allowed ROCE.

(i) Credit shall have received Seller's initial Unbilled Receivable schedule in the form attached as Exhibit C.

VI. ADMINISTRATION AND COLLECTION

6.1 Appointment of Seller for Administration and Collection. Until such time as Credit shall notify Seller of the revocation of such power and authority pursuant to the Agency Agreement, Credit appoints Seller as its agent, upon the terms and conditions set forth in the Agency Agreement, to collect all Receivables.

6.2 Appointment of Another Agent. To the extent Credit, pursuant to the Agency Agreement, may engage an Agent other than Seller to service, administer and collect the Receivables, such Agent shall have all of the rights granted to Credit or to Agent thereunder.

6.3 Responsibilities of Seller. Anything herein or in the Agency Agreement to the contrary notwithstanding:

(a) Seller shall remain responsible and liable to perform all of its duties and obligations under the obligations giving rise to the Receivables, to the extent set forth therein, to the same extent as if such Receivables had not been sold hereunder; provided, however, that upon written notice from Credit to Seller that Credit has appointed an Agent other than Seller, Seller shall not be responsible or liable for those duties and obligations specified by Credit in such notice as being assumed by the new Agent.

(b) Except as set forth in subsection (a) above, neither Credit nor any Agent has any obligation or liability with respect to any Receivables.

6.4 Further Action Evidencing Purchases.

(a) Seller agrees that from time to time, at its expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable or that Credit may reasonably request, in order to perfect, protect or more fully evidence the sales hereunder of Receivables and rights to Collections in respect thereof, or to enable Credit to exercise or enforce any of its rights hereunder. Without limiting the generality of the foregoing, Seller shall upon request of Credit (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or appropriate for the

protection of Credit's rights hereunder; and (ii) to the extent not already done, mark its data processing records evidencing all of its Outstanding Receivables with a legend, acceptable to Credit, identifying those Receivables that have been sold in accordance with this Agreement.

(b) Seller hereby authorizes Credit to file one or more financing or continuation statements, and amendments thereto and further assignments thereof relative to all or any of the Receivables and rights in Collections in respect thereof now existing or hereafter arising without the signature of Seller where permitted by law. If Seller shall fail to execute or file any financing or continuation statement, amendment, instrument or notice in accordance with subsection (a) above, Credit may, and is hereby irrevocably appointed attorney-in-fact to execute or file the same on behalf of and in the name of Seller.

(c) If Seller fails to perform any of its agreements or obligations under this Agreement or the Agency Agreement, Credit or any Agent may (but shall not be required to) itself perform, or cause performance of such agreement or obligation, and the reasonable and necessary expenses of Credit incurred in connection therewith shall be payable by Seller upon demand by Credit.

6.5 Depository Account Agreements; AEP Services Account Agreement; Lock-Boxes

(a) The names and addresses of all Depository Account Banks, together with the account numbers of the Depository Accounts at such Depository Account Banks, are accurately set forth on Exhibit I-A. The name and address of the AEP Services Account Bank, together with the account number of the AEP Services Account are accurately set forth in Exhibit I-C. The addresses and post office box numbers of all Lock-Boxes are accurately set forth on Exhibit I-B. Seller will cause each Depository Account to at all times be subject to a Depository Account Agreement among Credit, itself, the applicable Depository Account Bank and the Administrative Agent. Seller will cause the AEP Services Account to at all times be subject to the AEP Services Account Agreement among Credit, itself, the other "Sellers" (as such term is defined in the Receivables Purchase Agreement), the AEP Services Account Bank and the Administrative Agent. Seller will cause each Lock-Box to at all times be subject to a P. O. Box Transfer Notice. Seller agrees that if any Collections are received by Seller in a bank account other than a Depository Account, the AEP Services Account or the AEP Utilities Account, such monies, instruments, cash and other proceeds will be immediately remitted to a Depository Account with any necessary endorsement and in any event within one (1) Business Day after identification thereof.

(b) Seller shall deposit all collections in respect of receivables that are not included in the Receivables in an account that is not the Collection Account or the Concentration Account. In the case of any remittances received in any Depository Account that shall have been identified, to the satisfaction of Seller, to not constitute Collections, other proceeds of the Receivables or other amounts owed to the Seller, Seller shall promptly remit such items to the Person identified to it as being the owner of such

remittances. Seller shall not permit any funds to be deposited into any Depository Account that do not constitute amounts owed to Seller.

(c) Seller shall (x) instruct all Customers to submit all Collections directly to a Sub-Agent, a Lock-Box, the AEP Utilities Account or a Depository Account to which only amounts owed to Seller are deposited, and (y) instruct all Sub-Agents to submit all Collections directly to a Depository Account to which only amounts owed to Seller are deposited. Seller shall not make any changes to any Depository Account Agreement or the AEP Services Account Agreement or establish any new Lock-Box, a new AEP Services Account or any new Depository Account, or change its instructions to Customers, Sub-Agents or other Persons regarding payments to be made to any Lock-Box or any Depository Account (except for a change in instructions solely for the purpose of directing such Customers, Sub-Agents or other Persons to make such payments to another existing Lock-Box or Depository Account to which only amounts owed to Seller are deposited), unless Credit (or its assigns) has received copies of (x) a duly executed P.O. Box Transfer Notice with respect to such new Lock-Box, (y) a Depository Account Agreement duly executed by Credit, Seller, the Administrative Agent and such new Depository Bank with respect to such new Depository Account, as applicable or (z) a new AEP Services Account Agreement duly executed by Credit, Seller, the other "Sellers" as such term is defined in the Receivables Purchase Agreement, the new AEP Services Account Bank and the Administrative Agent.

(d) Within ten (10) Business Days following the request of Credit after (i) the occurrence and continuation of an Amortization Event or Seller Amortization Event with respect to Seller (as each such term is defined in the Receivables Purchase Agreement) or (ii) the commencement of any Level Two Enhancement Period (as defined in the Receivables Purchase Agreement) with respect to Seller, Seller shall cause each Depository Account to be retitled in the name of "AEP Credit, Inc."

VII TERMINATION

7.1 Termination Either party to this Agreement may terminate this Agreement, together with the Agency Agreement, at any time upon not less than 30-days' written notice to the other party; provided, however that Credit shall have the right to immediately terminate this Agreement by written notice to Seller upon the occurrence of an Event of Bankruptcy. From and after the Termination Date, Credit shall have no further obligation to purchase receivables hereunder, provided that, commencing on the date 30 days prior to the Termination Date, Credit shall no longer be obligated to purchase Unbilled Receivables hereunder. Except as contemplated in the immediately preceding sentence and in Section 7.2 hereof, termination of this Agreement or the Agency Agreement by either party shall not affect Receivables and rights in the Collections in respect thereof, or the rights and obligations of Credit or Seller with respect thereto, sold to Credit pursuant to this Agreement prior to the date of such termination, and no such termination shall affect either party's obligations to the other under Section 7.2, Article VIII, Section 9.5 and Section 9.6 hereof.

7.2 Termination Procedures. Not less than 30 days prior to the Termination Date (or, in the case of termination by Credit, on the Termination Date), Seller agrees to have accounting procedures that distinguish Receivables and Collections in respect thereof owned by Credit from other receivables and collections, and to maintain such procedures so long as any such Receivables are outstanding. Unless Credit has exercised its rights to appoint an Agent other than Seller under the Agency Agreement, following the Termination Date Seller agrees to collect all Receivables, receive all Collections in respect thereof and otherwise comply with Section 5.1 of the Agency Agreement.

VIII. INDEMNIFICATION

8.1 Indemnities by Seller.

(a) Without prejudice to any other rights which Credit may have hereunder or under applicable law, Seller hereby agrees to indemnify and save harmless Credit from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable attorneys fees and disbursements) arising out of or resulting from the breach of any representation or covenant of Seller under this Agreement or the Agency Agreement.

(b) Notwithstanding any other provision of this Agreement or the Agency Agreement, and in furtherance and not in limitation of the foregoing, Seller agrees to pay Credit upon demand any and all amounts necessary to indemnify it and save it harmless from and against any and all damages, losses, claims, liabilities or expenses (including reasonable attorneys' fees and disbursements) awarded against or incurred by it arising out or as a result of:

- (i) Credit's reliance on any representation or warranty made by or on behalf of Seller under or in connection with this Agreement or the Agency Agreement, in any report from Seller or in any other information delivered by Seller pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;
- (ii) the failure by Seller to comply with any applicable law, rule or regulation with respect to any of the Receivables, or the nonconformity of any of the Receivables with any such applicable law, rule or regulation;
- (iii) the failure of Seller to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or the Agency Agreement;
- (iv) any dispute, claim, offset or defense (other than a discharge in bankruptcy of the Customer) of the Customer to the payment of any Receivable (including, without limitation, a defense based on

such Receivable not being a legal, valid and binding obligation of such Customer enforceable against it in accordance with its terms);

- (v) the failure to vest in Credit ownership of the Receivables free and clear of any Adverse Claim;
- (vi) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivables, whether at the time of any purchase of any Receivable or at any subsequent time;
- (vii) any Adverse Claim relating to any Receivable (including, without limitation, the Adverse Claims described in Section 3.1.4 hereof);
- (viii) the commingling of Collections at any time with any other funds;
- (ix) any failure by Seller timely to deliver to Credit or the successor Agent the Collections, books, records, documents or other information which may be required to be delivered pursuant to Section 3.5 of the Agency Agreement;
- (x) any failure by Seller to comply with Section 2.3 hereof when determining the Face Amount of an Outstanding Receivable;
- (xi) any failure by Seller to be duly qualified to do business, and to be in good standing, in every jurisdiction where such qualification was required hereunder or under the Agency Agreement for the enforcement of any Receivable against the applicable Customer;
- (xii) any investigation, litigation or proceeding related to or arising from this Agreement or the Agency Agreement, the transactions contemplated hereby or thereby, the use of the proceeds of any purchase hereunder, the ownership of the Receivables or the Collections or any other investigation, litigation or proceeding relating to the Seller in which Credit becomes involved due to the transactions contemplated hereby or thereby;
- (xiii) any products liability or similar claim arising out of or in connection with merchandise, insurance or services that are the subject of the contract related to any Receivable;
- (xiv) any inability to litigate any claim against any Customer in respect of any Receivable as a result of such Customer being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

- (xv) any action or omission by Seller which reduces or impairs the rights of Credit with respect to any Receivable or the value of any such Receivable; or
- (xvi) any attempt by any Person to void any purchase hereunder under statutory provisions or common law or equitable action.

(c) If Credit or any other Person shall act as Agent pursuant to Section 6.2 hereof and the Agency Agreement, Credit agrees to pay Seller upon demand any and all amounts necessary to indemnify it and save it harmless from and against any and all damages, losses, claims, liabilities or expenses (including reasonable attorneys fees and disbursements) awarded against or incurred by it arising out of or as a result of Credit or such other Person acting as Agent, including but not limited to the following:

- (i) Seller's reliance on any representation made by or on behalf of Credit or such other Person, as Agent, in any report from Credit or such other Person, as Agent, or in any other information delivered by Credit or such other Person, as Agent, pursuant hereto, which shall have been false or incorrect in any material respect when made or deemed made;
- (ii) the failure by Credit or such other Person, as Agent, to comply with any applicable law, rule or regulation with respect to any of the receivables, or the nonconformity of any of the Receivables with any such applicable law, rule or regulation as a result of any action or inaction of Credit or such other Person, as Agent;
- (iii) any failure by Credit, as Agent, to timely deliver to any successor Agent the books, records, documents or other information which may be required to be delivered pursuant to Section 3.5 of the Agency Agreement; or
- (iv) any failure by Credit or such other Person, as Agent, to be duly qualified to do business, and to be in good standing, in every jurisdiction where such qualification was required for the enforcement of any Receivable against the applicable Customer.

(d) Seller shall not be liable for any loss suffered by Credit that is due solely to the financial inability or bad faith failure of any Customer to pay at maturity any amounts due and payable in respect of a Receivable.

8.2 Potential Liabilities. Each party hereto will use its best efforts to identify situations involving possible liability or obligations under this Article VIII (other than Section 8.1(b) hereof) and to determine the amount of any such liability or obligations, and, upon having notice of such situations, it will promptly advise the other party thereof.

8.3 Cooperation in Litigation. Each party hereto agrees to reasonably assist, at the request of the other party, in any action, suit or proceeding brought by or against either party by a third party relating to any of the transactions contemplated by this Agreement and the Agency Agreement, or to the collection of any Outstanding Receivables; provided that, Seller shall reimburse Credit for reasonable expenses (including attorney's fees) if any, incurred by Credit in connection with rendering such assistance. If (a) Seller shall have acknowledged that it is liable for any judgment or expenses in any action, suit or proceeding pursuant to Section 8.1 hereof, and (b) in the sole discretion of Credit, Seller has the financial ability to satisfy such judgment or expenses, then Seller shall have the right, on behalf of Credit, but at Seller's expense, to defend such action, suit or proceeding with counsel selected by it and reasonably acceptable to Credit; provided, however, that no such action shall be settled or compromised without the prior consent of Credit, which consent will not be unreasonably withheld.

IX MISCELLANEOUS

9.1 Amendments, Waivers, Consents, Acknowledgements Etc.

9.1.1 Amendments, Waivers. No amendment or waiver of any provision of this Agreement or the Agency Agreement, nor consent to any departure by either party herefrom or therefrom, shall in any event be effective unless the same be in writing and signed by the other party hereto, then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. Notwithstanding the foregoing, so long as any Receivables are the subject of the Receivables Purchase Agreement, no amendment or waiver of any of the provisions of this Agreement nor any consent to any departure by Seller herefrom shall be effective without the prior written consent of the Majority Purchasers (as such term is defined in the Receivables Purchase Agreement).

9.1.2 Acknowledgement of Security Interest. Seller (a) acknowledges that the Receivables Purchase Agreement is effective to create in favor of the Administrative Agent for the benefit of the Conduit Purchasers and the Committed Purchasers a security interest in the Receivables and the Collections with respect thereto transferred pursuant to this Agreement, and (b) acknowledges and consents to Credit's assignment to the Administrative Agent for the benefit of the Conduit Purchasers and the Committed Purchasers of all of its right, title and interest in and to this Agreement and the Agency Agreement to the Administrative Agent for the benefit of the Conduit Purchasers and the Committed Purchasers, and agrees that such Persons shall thereupon acquire and succeed to the rights of Credit under this Agreement and the Agency Agreement and shall be permitted to exercise all rights and remedies of Credit hereunder and thereunder (including, without limitation, (i) the right of Credit, at any time, to enforce this Agreement and the Agency Agreement against Seller and Agent, and (ii) the right, at any time, to give or withhold consents, requests, notices, directions, approvals, demands, extensions, waivers under or with respect to this Agreement or the Agency Agreement or the obligations of Seller and Agent hereunder and thereunder to the same extent as Credit may do); provided, however, that Credit shall nonetheless be permitted to give all consents, requests, notices, directions, approvals, extensions or waivers, if any, which are required or permitted to be given in the

normal course of business by the specific terms of this Agreement and the Agency Agreement, to the extent permitted under the Receivables Purchase Agreement.

9.1.3 Consent to Disclosure. Seller consents to the disclosure of any nonpublic information with respect to it by Credit, the Servicer, the Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent (i) to each other, (ii) to any prospective or actual assignee or participant of any of them, (iii) to any rating agency, commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any of the Conduit Purchasers, (iv) to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, and (v) to any Person pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law). Anything herein to the contrary notwithstanding, each of Credit and Seller and any successor or assign of any of the foregoing (and each employee, representative or other agent of any of the foregoing) may disclose to any and all Persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are or have been provided to any of the foregoing relating to such tax treatment or tax structure, and it is hereby confirmed that each of the foregoing have been so authorized since the commencement of discussions regarding the transactions.

9.1.4 AEP Credit. Seller acknowledges that the parties to the Receivables Purchase Agreement are entering into the transactions contemplated by the Receivables Purchase Agreement in reliance upon Credit's identity as a legal entity that is separate from Seller and any affiliates thereof, and covenants and agrees that it will take all reasonable steps including, without limitation, all steps that Credit, the Administrative Agent or any Funding Agent may from time to time reasonably request to maintain Credit's identity as a separate legal entity and to make it manifest to third parties that Credit is an entity with assets and liabilities distinct from those of Seller and any affiliates thereof and not just a division of Seller. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Seller covenants and agrees that it (i) will not hold itself out to third parties as liable for the debts of Credit nor purport to own the Receivables and other assets acquired by Credit pursuant to this Agreement, (ii) will take all other actions necessary on its part to ensure that Credit is at all times in compliance with the covenants set forth in Section 6.6 of the Receivables Purchase Agreement, and (iii) will cause all tax liabilities arising in connection with the transactions contemplated in this Agreement and the Agency Agreement or otherwise to be allocated between Seller and Credit on an arm's-length basis and in a manner consistent with the procedures set forth in U.S. Treasury Regulations §§1.1502-33(d) and 1.1552-1.

9.2 Notices, Etc. All notices and other communications required or permitted hereunder shall, unless otherwise stated herein, be in writing and mailed or delivered, as to each party hereto, at such party's address specified below:

(a) If to Credit:

By courier or telecopy:
AEP Credit, Inc.
Treasury Department
1616 Woodall Rodgers Freeway
Dallas, Texas 75202
Fax: (214) 777-1223

By Mail:
AEP Credit, Inc.
Treasury Department
P. O. Box 660164
Dallas, Texas 75266-0164

(b) If to Seller:

Notice Address
Kentucky Power Company
Finance Department
1 Riverside Plaza
Columbus, OH 43215

Location of Books & Records
Kentucky Power Company
301 Cleveland Avenue, S.W
Canton, OH 44702

Fax: (614) 716-2807

or at such other address as shall be designated by such party in a written notice to the other party hereto. All such notices and communications shall be deemed to have been duly given when delivered to the addressees at the appropriate addresses specified above.

9.3 No Waiver; Remedies. No failure on the part of either party hereto to exercise, and no delay in exercising, any right hereunder or under the Agency Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or under the Agency Agreement preclude any other or further exercise thereof or the exercise of any other right. The remedies provided herein or in the Agency Agreement are cumulative and not exclusive of any remedies provided by law.

9.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Credit and Seller, and their respective successors and assigns, except that the Seller may not assign its rights or obligations hereunder without the prior written consent of Credit. Credit may assign its rights or obligations hereunder in connection with any financing transaction relating to the Receivables without the consent of Seller.

9.5 Costs, Expenses and Taxes. In addition to the rights of indemnification granted to Credit under Article VIII hereof, Seller agrees to pay on demand all reasonable costs and expenses, if any (including reasonable attorneys fees and expenses), in connection with the negotiation, review, preparation, amendment, enforcement and release of this Agreement, the Agency Agreement, and the other documents and instruments to be delivered by it hereunder and thereunder. In addition, Seller agrees to pay any and all stamp and other taxes (other than income taxes) and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Agency Agreement, or such other documents and instruments to be delivered by it hereunder or under the Agency Agreement, and

the assignment of Receivables hereunder, and agrees to save Credit harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees.

9.6 Operating Expense Payment. In addition to the costs, expenses and taxes specified in Section 9.5 hereof, Seller shall pay Credit for incidental operating expenses associated with the general operations of Credit and permitted to be included in the discount factor of Receivables purchased hereunder pursuant to the SEC Order (as defined below), including, without limitation, consolidated tax savings, line of credit fees, franchise taxes and other expenses of like character, but excluding, in any event, charges or expenses representing charge offs or carrying costs with respect to Receivables purchased hereunder. The amount of such operating expenses for any month shall be calculated by Credit, and communicated to Seller, no later than the twentieth working day of the following month along with appropriate supporting documentation, with the amount thereof paid either in cash or netted against the Purchase Price on the following fifth business day of the calendar month. The "**SEC Order**" shall mean the order of the Securities and Exchange Commission dated March 11, 1997 (Release No. 35-26684), as the same may be supplemented, amended or modified.

9.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.8 Separability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

9.9 No Petition; Set-Off. Seller hereby irrevocably and unconditionally waives all right of set-off that it may have under contract (including this Agreement), applicable law or otherwise with respect to any property, funds or monies of Credit at any time held by or in the possession of Seller.

9.10 **CONTROLLING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF SELLER AND CREDIT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers hereto duly authorized, as of the date first above written.

AEP CREDIT, INC.

By: Wendy G. Hargus
Name: Wendy G. Hargus
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: Susan Tomasky
Name: Susan Tomasky
Title: Vice President

EXHIBIT A
Page 1 of 2

SALE AND ASSIGNMENT

Date: _____

Subject to and upon the terms and conditions set forth in that certain Third Amended and Restated Purchase Agreement, dated as of [____], 2004 (the "Agreement"), between [Name of Seller] ("Seller") and AEP Credit, Inc. ("Credit"), Seller hereby sells and assigns to Credit, without recourse, for a Purchase Price of \$ _____ all right, title and interest in and to Outstanding Receivables (and all Collections relating thereto) with an aggregate Face Amount of \$ _____, as more fully described on the attached computer printout, which Outstanding Receivables arose from the sales and delivery of electricity, gas and other related services in the ordinary course of business on or before 12:01 a.m., on the Business Day preceding the date hereof. Capitalized terms used herein shall have the meanings specified in the Agreement. All of the representations and warranties of Seller contained in the Agreement are deemed incorporated herein by reference.

THIS SALE AND ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, Seller has caused this Sale and Assignment to be duly executed and delivered by its duly authorized officer as of the date first above written.

[NAME OF SELLER]

By: _____
Name:
Title:

AEP CREDIT, INC.

By: _____
Name:

Title:

- * Attach computer printout detailing assigned Outstanding Receivables.

EXHIBIT A

Page 2 of 2

DAILY CALCULATION OF AMOUNT FACTORED AND PURCHASE PRICE

DATE: _____

	<u>RETAIL</u>	<u>WHOLESALE</u>	<u>TOTAL</u>
<u>AMOUNT FACTORED</u>			
UNBILLED REVENUE			
+ BILLINGS [A]			
- ESTIMATED BILLINGS SOLD [B]			
AMOUNT FACTORED (C)			
<u>DISCOUNT</u>			
CARRYING COST CHARGE *			
+ COLLECTION EXP. CHARGE **			
+ AGENCY FEE COLLECTED ***			
+ / (-) OPERATING EXPENSE PAYMENT ****			
TOTAL DISCOUNT (D)			

PURCHASE PRICE (C-D)

- * Amount factored multiplied by the carrying cost component which is reset daily according to Exhibit B, Schedule II and adjusted on the fifth business day of each month for Carrying Cost Variance Payment, according to Exhibit F, Schedule I
- ** Amount factored multiplied by the Collection Experience Component reset monthly according to Exhibit B, Schedule III
- *** Amount factored multiplied by the percentage set forth in Section 3.3 of the Agency Agreement and subject to renegotiation each calendar year with the new fee to be effective on the first day of January.
- **** Operating Expense Payment (in accordance with Section 9.6) paid on the fifth business day of each month.

Note: The Estimation Correction Amount is (A - B)

EXHIBIT B
Schedule I

CALCULATION OF TOTAL DISCOUNT FACTOR

CARRYING COST COMPONENT*

+ COLLECTION EXPERIENCE COMPONENT**

+ AGENCY FEE COMPONENT***

TOTAL DISCOUNT FACTOR

* To be reset daily according to Exhibit B, Schedule II.

** To be reset monthly according to Exhibit B, Schedule III. Initially only applies to purchase of retail receivables. Credit retains the right to apply a Collection Experience Component to the purchase of wholesale receivables upon 30 days written notice to Seller.

*** Fee is established pursuant to Section 3.3 of the Agency Agreement and may be reset annually, to be effective on the first day of January.

EXHIBIT B
 Schedule II

CALCULATION OF CARRYING COST COMPONENT
 RETAIL WHOLESALE

INTEREST COST *
 x
DEBT PERCENT
 = DEBT COMPONENT (A)
 ALLOWED ROCE **
 divided by
TAX EFFECT ***
 = PRETAX ROCE
 x
EQUITY PERCENT
 = EQUITY COMPONENT (B)
 ANNUAL CAPITAL COSTS (A+B)
 divided by
 360
 = DAILY CAPITAL COST FACTOR
 x
AVERAGE DAYS OUTSTANDING ****
 = CARRYING COST COMPONENT

- * The weighted average daily cost incurred by Credit for borrowings from external sources. This rate is reset daily.
- ** For retail receivables, the allowed return on common equity established by the applicable jurisdiction (Seller shall deliver to Credit in accordance with Section 5 1(h) or Section 4 16). For wholesale receivables, the ROCE is a weighted average calculated in accordance with SEC order.
- *** Pursuant to SEC order, the ROCE is grossed up to produce a return on common stock investment equal to the respective ROCEs. The tax effect shall include the federal statutory rate, franchise and any other taxes incurred by Credit
- **** Average Days Outstanding ("DSO") is calculated as follows at each month-end and becomes effective on the fifth Business Day of the following month:
 - A) Receivables Purchased during month / Days in the Month = Average Receivables purchased per Day
 - B) Sum of daily receivable balances in month / Days in month = Average Receivables Balance
 - C) Average Receivables Balance (B) / Average Receivables purchased per day (A) = Average Days Outstanding

Notes: Average Days Outstanding (C) - Unbilled Allowance (15) = Billed Average Days Outstanding The DSO for the initial purchase of receivables and for the first month's activity will be a reasonable estimate, mutually agreed upon among Seller and Credit.

EXHIBIT B
 Schedule III

CALCULATION OF COLLECTION EXPERIENCE COMPONENT

Rolling 12 Months:	Gross Charge Offs (A)	Recoveries (B)	Net Charge Offs (C)	Retail Receivables Purchased
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				
12 Months Total			\$	\$
Plus 90 Day Surcharge (D)			\$	
Adjusted Net Charge Offs				
Divided by: Receivables Purchased in Past 12 Months				
= Collection Experience Factor (E)				

- (A) Total accounts receivable charged off, as recommended on form indicated in Exhibit B to the Agency Agreement.
- (B) Recoveries of accounts previously charged off.
- (C) $A - B = C$
- (D) 90 Day Surcharge is equal to the amount of accounts receivable aged 90 days and over which are in excess of the Allowable Amount for the Seller as set forth on Attachment No. 1 hereto (or such other percentage subject to renegotiation each calendar year with the new percentage to be effective on the first day of January) of the previous month's ending accounts receivable balance
- (E) Amount (expressed as a percentage) equal to Adjusted Net Charge Offs divided by Total Retail Receivables Purchased in past 12 months.

Note: Collection Experience Component becomes effective on the fifth Business Day of the second succeeding month.

EXHIBIT B
SCHEDULE III
ATTACHMENT NO. 1

Appalachian Power Company	2.00%
Columbus Southern Power Company	5.00%
Indiana Michigan Power Company	1.00%
Kentucky Power Company	2.00%
Kingsport Power Company	1.00%
Ohio Power Company	5.00%
Public Service Company of Oklahoma	1.00%
Southwestern Electric Power Company	1.00%

EXHIBIT C

UNBILLED REVENUE SCHEDULE

<u>Date</u>	<u>Unbilled Revenue</u> (A)	<u>Estimated Billings Sold</u> (B)
-------------	------------------------------------	-------------------------------------------

- (A) The daily estimated dollar amount due from all Customers arising from the sale and delivery by Seller to Customer of electricity, gas and other related services for which the Customer has not yet been invoiced.
- (B) The portion of the Face Amount that Credit has previously paid to Seller for estimated Unbilled Receivables in respect of which the Customer has since been rendered an invoice.

EXHIBIT D

ANNUAL FINANCIAL AUDIT

No later than March 31st of each year, Seller will supply to Credit and Credit's independent public accounting firm: (1) a report detailing the outstanding balance of the face value of accounts receivable sold to Credit as of December 31st of the prior year, and (2) copies of the following forms furnished to Credit during the calendar year: Monthly Charge Offs Recommendation and Aging Report (Exhibit B to Agency Agreement) and the Seller Charge Off History prior to initial transaction. The report shall be accompanied by a letter from Seller's independent public accountants to Credit, which (1) describes the auditing procedures performed with respect to the above information, and (2) sets forth their opinion as to fair presentation of the above information supplied to Credit by Seller. Additionally, the report shall include any accounting adjustments that such accountants found, including those that are immaterial.

Alternatively, no later than November 30th of each year, Seller may notify Credit of Seller's election to have Credit's independent public accounting firm prepare the aforesaid report and letter for the succeeding March 31st. Following such election, and as a condition thereof, Seller shall permit representatives of such firm to examine its books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss the same with Seller's officers, employees and auditors, all as such firm shall deem appropriate in connection with preparation of such report and letter. Seller shall reimburse Credit and such firm for all reasonable costs and expenses incurred, but not to exceed \$25,000.00 in the aggregate.

AMENDED
10-1-05

EXHIBIT E

AUTHORIZATION FORM

1. Person(s) authorized to execute Sale and Assignment on behalf of Seller or Credit:

Stephen P. Smith
Stephan T. Haynes
Designees appointed by either Stephen P. Smith or Stephan T. Haynes

2. Person(s) authorized to wire transfer funds to Credit or receive funds from Credit:

Stephan T. Haynes
Jan Soward
Designees appointed by either Stephen P. Smith or Stephan T. Haynes

3. Person(s) authorized to serve as central contact for general business matters in regards to transactions between Seller and Credit:

Accounting Matters: Monica Parker

Credit and Collection Matters: William Crawford

The above authorization can be changed by written notice to Credit by Seller duly executed by the Secretary or any Assistant Secretary of Seller.

EXHIBIT E

AUTHORIZATION FORM

1. Person(s) authorized to execute Sale and Assignment:

Stephen P. Smith
Wendy Hargus

2. Person(s) authorized to wire transfer funds to Credit or receive funds from Credit:

Wendy Hargus, Jan Soward, David Ferguson and delegates

3. Person(s) authorized to serve as central contact for general business matters in regards to transactions between Seller and Credit:

Accounting Matters: Monica Parker

Credit and Collection Matters: William Crawford

The above authorization can be changed by written notice to Credit by Seller duly executed by the Secretary or any Assistant Secretary of Seller.

EXHIBIT F
 Schedule I

CARRYING COST VARIANCE PAYMENT COMPUTATION
 MONTH OF _____

	<u>Retail</u>	<u>Wholesale</u>	<u>Total</u>
Carrying Cost Revenue (See total of Column A on Exhibit F, Schedule III)			
Carrying Cost Adjustment (See Column B on Exhibit F, Schedule III for detail)			
+ Previous Prepaid Revenues (See Column D on Exhibit F, Schedule III for immediately preceding month plus Column E D on Exhibit F, Schedule III for two months prior)			
- Next Month Revenue (See Column D on Exhibit F, Schedule III for the current month)			
- Second Month Revenue (See Column E on Exhibit F, Schedule III for the current month)			
Carrying Cost Revenue-Recognized			_____
- Actual Monthly Service Fee (See Exhibit F, Schedule II)			_____
Carrying Cost Variance Payment *			\$ _____

* This amount will be paid by or (to) Credit on the fifth Business Day of the following month.

EXHIBIT F
Schedule II

SERVICE FEES
[CAPITAL COST ADJUSTMENT]
MONTH OF _____

<u>Date</u>	Accounts Receivable <u>Balance</u> (A)	<input checked="" type="checkbox"/> Daily Capital Cost <u>Factor</u> (B)	<input type="checkbox"/> Actual Daily <u>Service Fee</u> (C)
-------------	-------------------------------------------------	-----------------------------------------------------------------------------------	--------------------------------------------------------------------

Total _____

- (A) Balance of Outstanding Accounts Receivable net of balance of Collection Experience charges
- (B) Exhibit B, Schedule II, Daily Capital Cost Factor
- (C) Column A times Column B

EXHIBIT F
 Schedule III

PREPAID REVENUE CALCULATION
MONTH OF _____

<u>Date</u>	<u>Carrying Cost Charge</u> (A)	<u>Carrying Cost Adjustment</u> (B)	<u>Recognized Revenue</u> (C)	<u>Next Month Revenue</u> (D)	<u>Second Month Revenue</u> (E)
	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____

- (A) Exhibit B, Schedule I, Carrying Cost Component multiplied by Exhibit A page 2 of 2, Amount Factored
- (B) Fifth Business Day Carrying Cost Variance Payment of the previous month according to Exhibit F, Schedule I
- (C) Total Carrying Cost charge multiplied by a prepayment percentage. Prepayment percentage is days remaining in the calendar month divided by Unbilled Average Days Outstanding from Exhibit B, Schedule II.
- (D) Column A minus Column C minus Column E.
- (E) If the Unbilled Average Days Outstanding from Exhibit B, Schedule II is greater than the current month's days remaining in the month plus 30 representing the following month, then the Total Carrying Cost Charge will be multiplied by the number of days difference divided by the Unbilled Average Days Outstanding from Exhibit B, Schedule II.

EXHIBIT G

FORM OF DEPOSITARY ACCOUNT AGREEMENT

[on letterhead of Seller]

August 25, 2004

[DEPOSITARY BANK Address]

RE: Account Number _____

Ladies and Gentlemen:

Reference is hereby made to account numbers listed on Annex A attached hereto (each a "Depository Account") maintained with you in the name of the companies listed on Annex A and listed on the signature page of the Amended and Restated Depository Account Agreement ("Agreement") (each company separately and not jointly referred to as the "Company").

The Company and AEP Credit, Inc. ("Transferor") are party to that certain Third Amended and Restated Purchase Agreement dated as of August 25, 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). In connection with the Purchase Agreement, the Company hereby transfers all of its right, title and interest in and to, and exclusive ownership and control of, each Depository Account to Transferor. The Company and Transferor hereby request that each Depository Account be retitled in the name of "AEP Credit, Inc. by the Company, as Agent" for the purposes of that certain Second Amended and Restated Receivables Purchase Agreement dated as of August 25, 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement"), among Transferor, American Electric Power Service Corporation, as Servicer, the persons party thereto as conduit purchasers, committed purchasers and funding agents, and Bank One, NA (Main Office Chicago) as administrative agent (the "Administrative Agent"); provided, however, that upon notice from the Transferor and receipt by you of such instruments, certificates, agreements, signature cards and documentation as you reasonably require to effect such a change (collectively, the "Account Records"), you agree to retitle each Depository Account identified in such notice in the name of "AEP Credit, Inc." Transferor hereby grants a security interest in all of its right, title and interest in and to each Depository Account to the Administrative Agent for the benefit of the Purchasers (as defined in the Receivables Purchase Agreement).

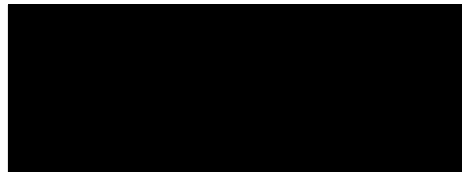
The Company and Transferor hereby irrevocably instruct you, and you hereby agree, that from the date hereof, you shall comply with all instructions originated by the Administrative Agent directing disposition of the available funds in each Depository Account as set forth herein without further consent of either the Company or Transferor. The Administrative Agent hereby authorizes you to take instructions from the Company, on behalf of the Administrative Agent, with respect to the funds on deposit in each Depository Account until such time as you receive notice from the Administrative Agent in the form attached hereto as Annex B. Any such notice to be given under this Agreement by the Administrative Agent to you shall be given in writing, delivered in person, sent by recognized national overnight courier or sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to you at:

[Insert Name and Address of Depository Account holder]

with a copy to:

[Insert Name and Address]

You may change your address for notices by written notice to the Administrative Agent, copy to the Company. Following receipt of such notice with respect to any Depository Account and any Account Records you reasonably require: (i) the name of such Depository Account will be changed to Bank One, NA (Main Office Chicago), as administrative agent (or any designee of the Administrative Agent) and the Administrative Agent will have exclusive ownership of and access to such Depository Account, and neither the Company, Transferor nor any of their respective affiliates will have any control of such Depository Account or any access thereto, (ii) you will transfer the available balance on deposit in such Depository Account on each business day to either the Collection Account (as defined in the Receivables Purchase Agreement) which is account number 645-474-388, ABA number 071-000-013 at Bank One, NA (Main Office Chicago) or one of the Concentration Accounts (as defined in the Receivables Purchase Agreement), as directed by the Administrative Agent, (iii) you will not take any direction or instruction with respect to such Depository Account or any monies or funds on deposit therein under any circumstances from the Company, Transferor or any affiliate thereof without the prior written consent of the Administrative Agent, and (iv) copies of all Depository Account statements with respect to such Depository Account which you send to the Company or Transferor will also be sent to the Administrative Agent at the following address:



Moreover, upon such notice, the Administrative Agent will have all rights and remedies given to the Company or Transferor with respect to such Depository Account. The Company agrees, however, to continue to pay all fees and other assessments due thereunder at any time.

You hereby acknowledge that monies deposited in the Depository Accounts are subject to the liens of the Administrative Agent, and will not be subject to deduction, set-off, banker's lien, except that you may debit each Depository Account for any items deposited therein that are returned or otherwise not collected, for reversals or cancellations of wire transfers, payments orders and other electronic funds transfers and for all charges, fees, commissions and expenses incurred by you in providing services hereunder, all in accordance with your customary practices for the charge back of returned items and expenses.

You hereby agree that you are a "bank" within the meaning of Section 9-102 of the Uniform Commercial Code as in effect in the State of Ohio (the "UCC"), that the Depository Account constitutes a "deposit account" within the meaning of Section 9-102 of the UCC and that this Agreement shall constitute an "authenticated record" for purposes of, and the Company and Transferor hereby intend to grant to and confer upon the Administrative Agent "control" of each Depository Account as contemplated in, Section 9-104 (and similar related provisions) of the UCC.

Except with respect to obligations and duties expressly provided in this Agreement, this Agreement shall not impose or create any obligations or duties on you. The Company, the Transferor and the Administrative Agent agree that you are released from any and all liabilities to the Company, the Transferor or the Administrative Agent arising from the terms of this Agreement and your compliance with the terms hereof, except (i) to the extent that such liabilities arise from your gross negligence or willful misconduct, or (ii) to the extent you fail to comply with the Administrative Agent's instructions regarding funds in any Depository Account after receipt of a notice in the form attached hereto as Annex B and otherwise in compliance with this Agreement. In no event shall you be liable to the Company, the Transferor or the Administrative Agent for losses or delays resulting from causes beyond your reasonable control. You shall not be liable for any special, indirect or consequential damages, even if you have been advised of the possibility of these damages. The terms of this paragraph shall survive termination of this Agreement for any reason.

The Company agrees to indemnify you for, and hold you harmless from, all claims, damages, losses, liabilities and expenses, including legal fees and expenses, resulting from or with respect to this Agreement and the administration and maintenance of the Depository Accounts and the services provided hereunder, including, without limitation: (a) any action taken, or not taken, by you in regard thereto in accordance with the terms of this Agreement, (b) the breach of any representation or warranty made by the Company pursuant to this Agreement, (c) any item, including, without limitation, any automated clearinghouse transaction, which is returned for any reason, and any reversals or cancellations of wire transfers, payments orders and other electronic funds transfers, and (d) any failure of the Company to pay any invoice or charge to you for services in respect to this Agreement and the Depository Accounts or any amount owing to you from the Company with respect thereto or to the service provided hereunder.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER WILL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK. The State of Ohio shall be deemed to be your location for purposes of this Agreement and the perfection and priority of the Administrative Agent's security interest in the Depository Accounts.

This Agreement may be executed in any number of counterparts and all of such counterparts taken together will be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telefacsimile shall constitute delivery of a manually executed counterpart of this Agreement.

This Agreement contains the entire agreement between the parties, and may not be altered, modified, terminated or amended in any respect, nor may any right, power or privilege of any party hereunder be waived or released or discharged, except upon execution by all parties hereto of a written instrument so providing. In the event that any provision in this Agreement is in conflict with, or inconsistent with, any provision of any other agreement between you and the Company with respect to the Depository Accounts, this Agreement will exclusively govern and control. Each party agrees to take all actions reasonably requested by any other party to carry out the purposes of this Agreement or to preserve and protect the rights of each party hereunder.

You may terminate this Agreement upon thirty (30) days' prior written notice to the Administrative Agent, the Company and the Transferor.

This Agreement amends, restates and supersedes in its entirety the Depository Account Agreement dated as of August __, 2003 ("Original Agreement") and shall not constitute a novation thereof.

Please indicate your agreement to the terms of this Agreement by signing in the space provided below. This Agreement will become effective immediately upon execution of a counterpart of this Agreement by all parties hereto.

Very truly yours,

Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Kingsport Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company

By: _____

Name:

Title:

AEP CREDIT, INC., Transferor

By: _____

Name: Wendy G. Hargus

Title: Assistant Treasurer

Acknowledged and agreed to this ___ day of August, 2004

[Bank Name]

By: _____

Name:

Title:

BANK ONE, NA (MAIN OFFICE CHICAGO), as Administrative Agent

By: _____

Name:

Title:

ANNEX A
DEPOSITARY ACCOUNT LIST

ANNEX B

FORM OF NOTICE

[On letterhead of BANK ONE, NA (MAIN OFFICE CHICAGO)]

[Date]

[Bank Name]

Re: [Company] / AEP Credit, Inc.
Account No[s] _____

Ladies and Gentlemen:

We hereby notify you that we are exercising our rights pursuant to that certain Amended and Restated Agreement dated as of August 25, 2004, among the companies listed on Annex A attached hereto (each company jointly and not separately referred to as the "Company"), AEP Credit, Inc. ("Transferor"), you and us (the "Agreement"), to have the name of, and to have exclusive control of, the account number(s) identified above pertaining to the Company or Companies identified above (the "Identified Depository Accounts") maintained with you, transferred to us. The Identified Depository Accounts will henceforth be zero-balance accounts, and that portion of the funds deposited in the Identified Depository Accounts that are available for withdrawal should be sent at the end of each day to account number 645-474-388, ABA number 71-000-013 at Bank One, NA (Main Office Chicago). You have further agreed to perform all other services you are performing with respect to the Identified Depository Accounts on our behalf. In accordance with the terms of the Agreement, you will not hereafter take any direction or instruction with respect to the Identified Depository Accounts or any monies or funds on deposit therein under any circumstances from the Company or Transferor or any affiliate thereof without our prior written consent.

Please acknowledge your receipt of this notice by executing a copy of this letter and returning it to our attention at the address noted above. We appreciate your cooperation in this matter.

Very truly yours,

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Administrative Agent

By: _____

Name:

Title:

Receipt acknowledged:

[Bank Name]

By: _____

Name:

Title:

EXHIBIT H

FORM OF ANNUAL SELLER'S CERTIFICATE

(To be delivered to Credit pursuant to Section 4.20 of the Amended and Restated Purchase Agreement referred to below)

The undersigned, the Chief Financial Officer of _____ (the "Seller"), pursuant to the Third Amended and Restated Purchase Agreement dated as of [____], 2004 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), between AEP Credit, Inc. ("Credit") and Seller, does hereby certify that:

1. A review of the activities of Seller during the [fiscal quarter ended _____, 200_] [fiscal year ended December 31, [____]], and of its performance under the Agreement has been made under my supervision.
2. To the best of my knowledge, based on such review, Seller has complied with all conditions and covenants under the Agreement throughout such period except as set forth in paragraph 3 below.
3. The following is a description of each default in the compliance of Seller with any covenant or condition under the Agreement known to me during the [fiscal quarter ended _____, 200_] [fiscal year ended December 31, [____]] which sets forth (i) the nature of each such default, and (ii) the current status of each such default: [If applicable, insert "None."]

Capitalized terms used in this Certificate have their respective meanings as set forth in the Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate this _____ day of _____, 20__.

[NAME OF SELLER], as Seller

By: _____
Name:
Title:

Exhibit I-A
Depositary Accounts

Company	Bank	Account Number	ABA
Kentucky power Company			
Kentucky power Company			
AEP Utilities, Inc			
Kentucky power Company			

LOCK-BOXES

EXHIBIT I-B

Name	Address	Box No.
		

EXHIBIT I-C

AEP SERVICES ACCOUNT



EXHIBIT J

FORM OF AEP SERVICES ACCOUNT AGREEMENT

(Attached)

BLOCKED ACCOUNT CONTROL AGREEMENT
("Shifting Control")

AGREEMENT dated as of August 25, 2004, by and among American Electric Power Service Corporation ("Service Co."), Bank One, NA (Main Office Chicago), as Agent (as defined below) and KeyBank, NA ("Depository" or "you").

The parties hereto refer to Account No. [REDACTED] maintained with you in the name of Service Co. (the "Account"), into which checks and other methods of payment are deposited for the benefit of Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company (collectively, the "Companies", and each individually, a "Company"), and certain other subsidiaries of American Electric Power Company, Inc. and hereby agree as follows:

1. (a) Service Co., as the Account holder, hereby informs you that pursuant to each of those certain Second Amended and Restated Purchase Agreements, each dated as of July 25, 2003 (as amended, restated or otherwise modified from time to time, collectively, the Purchase Agreements and each individually, a "Purchase Agreement") between each Company, respectively, and AEP Credit, Inc. (the "Seller"), each Company has transferred to the Seller all of such Company's right, title and interest in and to all funds from time to time on deposit in the Account which constitute Collections (as such term is defined in each Purchase Agreement, respectively) of such Company.

(b) Further, pursuant to (i) that certain Second Amended and Restated Receivables Purchase Agreement, dated as of August 25, 2004 (as amended, restated or otherwise modified from time to time, the "RPA"), among Seller, Service Co., as servicer (in such capacity, the "Servicer"), the financial institutions from time to time party thereto, the commercial paper conduits from time to time party thereto, and Bank One, NA (Main Office Chicago) ("Bank One"), as administrative agent for the "Purchasers" thereunder (together with its successors and assigns thereunder, the "Agent"), the Seller has granted to the Agent, for the benefit of the "Purchasers" under the RPA, a security interest in all of Seller's right, title and interest in and to the Collections transferred to Seller under the respective Purchase Agreements, and Service Co. has agreed to execute this letter agreement (this "Agreement") to provide to the Agent, for the benefit of the "Purchasers" under the RPA, control over the Collections of each Company, respectively, from time to time on deposit in the Account, and Service Co., on behalf of the Seller and the Companies, has agreed to execute this Agreement subject to the terms provided herein.

2. (a) In furtherance of its obligations as Servicer under the RPA, Service Co. hereby confers upon the Agent, "control" of the Account with respect to the Collections of the Companies from time to time on deposit therein. You hereby agree to comply with the instructions of the Agent with respect to such Collections as set forth herein and in any Transfer Notice (as hereinafter defined) without further consent from Service Co. or any affiliate thereof.

(b) Prior to the Effective Time (as defined below) Depository shall honor all withdrawal, payment, transfer or other fund disposition or other instructions which Service Co. is entitled to give under the Account Documentation (as hereinafter defined) (collectively, "instructions") received from Service Co. (but not those from the Agent) concerning the Account. On and after the Effective Time (and without the consent of Service Co. or any of its affiliates), Depository shall honor all instructions received from the Agent which delivered the related Shifting Control Notice (as defined below) (but not those from Service Co.) concerning funds on deposit in the Account which constitute Collections of the Company or Companies which are the subject of the related Shifting Control Notice (as such amounts are determined by the Servicer) in each case, at the times, in the amounts and to the account(s), as directed in writing by Bank One. After the Effective Time, Service Co. shall have no right or ability to access or withdraw or transfer funds

from the Account constituting Collections of the Company or Companies which are the subject of the related Shifting Control Notice.

For the purposes hereof, the "Effective Time" shall be the opening of business on the *second* business day next succeeding the business day on which a notice purporting to be signed by the Agent in substantially the same form as Exhibit A, attached hereto, with a copy of this Agreement attached thereto (a "Shifting Control Notice"), is actually received by the individual employee of Depository to whom the notice is required hereunder to be addressed; provided, however, that if any such notice is so received after 12:00 noon, New York City time, on any business day, the "Effective Time" shall be the opening of business on the *third* business day next succeeding the business day on which such receipt occurs; and, provided further, that a "business day" is any day other than a Saturday, Sunday or other day on which Depository is or is authorized or required by law to be closed.

3. Notwithstanding the foregoing: (i) all transactions involving or resulting in a transaction involving the Collections of the Companies from time to time on deposit in the Account duly commenced by Depository or any affiliate prior to the Effective Time and so consummated or processed thereafter shall be deemed not to constitute a violation of this Agreement; and (ii) Depository and/or any affiliate may (at its discretion and without any obligation to do so) (x) cease honoring Service Co.'s instructions and/or commence honoring solely the Agent's instructions concerning the Collections of the Companies from time to time on deposit in the Account at any time or from time to time after it becomes aware that the Agent has sent to it a Shifting Control Notice but prior to the Effective Time therefor (including without limitation halting, reversing or redirecting any transaction referred to in clause (i) above), or (y) deem a Shifting Control Notice to be received by it for purposes of the foregoing paragraph prior to the specified individual's actual receipt if otherwise actually received by Depository (or if such Shifting Control Notice contains minor mistakes or other irregularities but otherwise substantially complies with the form attached hereto as Exhibit A or does not attach an appropriate copy of this Agreement), with no liability whatsoever to Service Co. or any other party for doing so.

4. This Agreement supplements, rather than replaces, Depository's deposit account agreement, terms and conditions and other standard documentation in effect from time to time with respect to the Account or services provided in connection with the Account (the "Account Documentation"), which Account Documentation will continue to apply to the Account and such services, and the respective rights, powers, duties, obligations, liabilities and responsibilities of the parties thereto and hereto, to the extent not expressly conflicting with the provisions of this Agreement (however, in the event of any such conflict, the provisions of this Agreement shall control). Prior to issuing any instructions on or after the Effective Time, the Agent shall provide Depository with such Account Documentation as Depository may reasonably request to establish the identity and authority of the individuals issuing instructions on behalf of the Agent. The Agent may request the Depository to provide other services (such as automatic daily transfers) with respect to the Collections of the Company or Companies from time to time on deposit in the Account on or after the Effective Time; however, if such services are not authorized or otherwise covered under the Account Documentation, Depository's decision to provide any such services shall be made in its sole discretion (including without limitation being subject to Service Co. and/or the Agent executing such Account Documentation or other documentation as Depository may require in connection therewith).

5. Depository agrees not to exercise or claim any right of offset, banker's lien or other like right against the Account for so long as this Agreement is in effect except with respect to (i) returned or charged-back items, (ii) reversals or cancellations of payment orders and other electronic fund transfers, (iii) Depository's charges, fees and expenses with respect to the Account or the services provided hereunder or (iv) overdrafts in the Account related to the foregoing.

6. Notwithstanding anything to the contrary in this Agreement: (i) Depository shall have only the duties and responsibilities with respect to the matters set forth herein as is expressly set forth in writing

herein and shall not be deemed to be an agent, bailee or fiduciary for any party hereto; (ii) Depository shall be fully protected in acting or refraining from acting in good faith without investigation on any notice (including without limitation a Shifting Control Notice), instruction or request purportedly furnished to it by Service Co. or the Agent in accordance with the terms hereof, in which case the parties hereto agree that Depository has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Depository has no knowledge of (and is not required to know) the terms and provisions of the separate agreement referred to in paragraph 2 above or any other related documentation or whether any actions by the Agent (including without limitation the sending of a Shifting Control Notice), Service Co. or any other person or entity are permitted or a breach thereunder or consistent or inconsistent therewith, (iv) Depository shall not be liable to any party hereto or any other person for any action or failure to act under or in connection with this Agreement except to the extent such conduct constitutes its own willful misconduct or gross negligence (and to the maximum extent permitted by law, shall under no circumstances be liable for any incidental, indirect, special, consequential or punitive damages); and (v) Depository shall not be liable for losses or delays caused by force majeure, interruption or malfunction of computer, transmission or communications facilities, labor difficulties, court order or decree, the commencement of bankruptcy or other similar proceedings or other matters beyond Depository's reasonable control

7. Service Co. hereby agrees to indemnify, defend and save harmless Depository against any loss, liability or expense (including reasonable fees and disbursements of counsel who may be an employee of Depository) (collectively, "Covered Items") incurred in connection with this Agreement or the Account (except to the extent due to Depository's willful misconduct or negligence) or any interpleader proceeding relating thereto or incurred at Service Co.'s direction or instruction.

8. Depository may terminate this Agreement (a) in its discretion upon the sending of at least thirty (30) days' advance written notice to the other parties hereto or (b) because of a material breach by Service Co. or the Agent of any of the terms of this Agreement or the Account Documentation, upon the sending of at least five (5) days advance written notice to the other parties hereto. Upon termination by you pursuant to the foregoing sentence, all collected balances in the Account which constitute Collections of the Companies (as set forth in a written request therefor from the Agents) on the date of such termination will be transferred to the Agent. The Agent may terminate this Agreement (i) immediately if you breach this Agreement, or (ii) upon one (1) days prior written notice to you and Service Co. The provisions of paragraphs 6 and 7 above shall survive any such termination.

8. Service Co. shall compensate Depository for the administration of the Account and services provided hereunder in accordance with Depository's fee schedules from time to time in effect.

9. This Agreement: (i) may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument; (ii) shall become effective when counterparts hereof have been signed and delivered by the parties hereto; and (iii) **shall be governed by and construed in accordance with the laws of the State of New York. All parties hereby waive all rights to a trial by jury in any action or proceeding relating to the Account or this Agreement.**

10. All notices under this Agreement shall be in writing and sent (including via facsimile transmission) to the parties hereto at their respective addresses or fax numbers set forth below (or to such other address or fax number as any such party shall designate in writing to the other parties from time to time).

11. You hereby agree that you are a "bank" within the meaning of Section 9-102 of the UCC and that the Account constitutes a "deposit account" within the meaning of Section 9-102 of the UCC. This letter agreement shall constitute an "authenticated record" for purposes of Section 9-104 (and similar related provisions) of the UCC

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written

AMERICAN ELECTRIC POWER SERVICE CORPORATION

By: _____
Name: Wendy G. Hargus
Title: Assistant Treasurer

Address for
Notices: 1 Riverside Plaza
Columbus, Ohio, USA 43215
Attn: Wendy G. Hargus
Fax No.: 614/716-2807

BANK ONE, NA (MAIN OFFICE CHICAGO), as Agent

By: _____
Name:
Title:

Address for
Notices: Suite IL 1-1729, 1-19
1 Bank One Plaza
Chicago, Illinois 60670-1729
Attn: Asset Backed Finance
Fax No.: 312/732-1844

KEYBANK, NA

By: _____
Name: David Puckett, Jr.
Title: Vice President

Address for
Notices: Mail Code: OH-01-27-0725
127 Public Square – 7th Floor
Cleveland, OH 44114-1306
Attn: David Puckett, Jr.
Fax No : 216/689-4421

*Signature Page to
KeyBank Blocked Account Control Agreement*

ACKNOWLEDGED AND AGREED TO AS OF August 25, 2004:

APPALACHIAN POWER COMPANY
COLUMBUS SOUTHERN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
KINGSPORT POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY

By: _____
Name: Susan Tomasky
Title: Vice President of each of the
Companies above

AEP CREDIT, INC.

By: _____
Name: Wendy G. Hargus
Title: Assistant Treasurer

*Signature Page to
KeyBank Blocked Account Control Agreement*

EXHIBIT A

[to be placed on Agent letterhead]

BLOCKED ACCOUNT AGREEMENT

SHIFTING CONTROL NOTICE

KeyBank, NA
[Address]
Attention: _____

Re: Blocked Account Control Agreement dated as of [____], 2004 (the "Agreement") by
and among American Electric Power Service Corporation, Bank One, NA (Main Office
Chicago) and KeyBank

Ladies and Gentlemen:

This constitutes a Shifting Control Notice with respect to [____], as referred to in paragraph
2 of the Agreement, a copy of which is attached hereto. Capitalized terms used herein have the meanings set
forth in the Agreement.

We hereby direct you to transfer all funds on deposit in Account No. [____] which constitute
Collections of [____], as determined by the Servicer and which are designated in writing to you by
the undersigned, at the end of each day to the following account: _____

BANK ONE, NA (MAIN OFFICE CHICAGO), as Agent

By: _____
Signature

Name

Title:

AMENDMENT NO. 2
TO
THIRD AMENDED AND RESTATED AGENCY AGREEMENT

THIS AMENDMENT No. 2 ("this Amendment") is made as of the 30th day of January 2008, by and between AEP CREDIT, INC., a Delaware corporation ("Credit"), KENTUCKY POWER COMPANY, a Kentucky corporation ("Agent"), and JPMorgan Chase Bank, N.A., successor by merger to Bank One, NA (Main Office Chicago) (the "Administrative Agent").

WITNESSETH:

WHEREAS, Credit, Agent and the Administrative Agent are parties to the Third Amended and Restated Agency Agreement dated as of August 25, 2004, as amended by that certain Amendment No. 1 to Third Amended and Restated Agency Agreement dated as of March 22, 2006 (as amended, modified or supplemented from time to time, "the Agency Agreement");

WHEREAS, the Majority Purchasers (as such term is defined in the Second Amended and Restated Receivables Purchase Agreement dated as of August 25, 2004, as amended, among Credit, American Electric Power Service Corporation, the Administrative Agent, and certain other purchasers, including the Majority Purchasers) have consented to this Amendment No. 2;

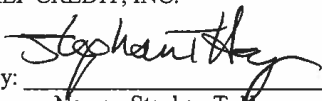
WHEREAS, pursuant to Section 7.1 of the Agency Agreement, Credit, Agent and the Administrative Agent desire to amend the Agency Agreement upon the terms set forth below;

NOW therefore, the parties agree as follows:

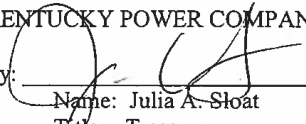
1. Section 3.4 of the Agency Agreement relating to the Monthly Charge Off Limit Fee and the related Exhibit C to the Agency Agreement are hereby deleted in their entirety.
2. This Amendment No. 2 shall be effective as of January 30, 2008.
3. The Agency Agreement (except as specifically amended herein) shall remain in full force and effect and said Agency Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
4. **CONTROLLING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed as of the date first written above.

AEP CREDIT, INC.

By: 
Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: 
Name: Julia A. Sloat
Title: Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed as of the date first written above.

AEP CREDIT, INC.

By: _____
Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: _____
Name: Julie Sloat
Title: Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: Stephanie Lis
Name: Stephanie Lis
Title: Vice President

AMENDMENT NO. 1
TO
THIRD AMENDED AND RESTATED AGENCY AGREEMENT

THIS AMENDMENT No. 1 ("this Amendment") is made as of the 22nd day of March 2006, by and between AEP CREDIT, INC., a Delaware corporation ("Credit"), KENTUCKY POWER COMPANY, a Kentucky corporation ("Agent" or "Seller"), and JPMorgan Chase Bank, N.A., successor by merger to Bank One, NA (Main Office Chicago) (the "Administrative Agent").

WITNESSETH:

WHEREAS, Credit, Agent and the Administrative Agent are parties to the Third Amended and Restated Agreement dated as of August 25, 2004 (as amended, modified or supplemented from time to time, "the Agency Agreement");

WHEREAS, pursuant to Section 7.1 of the Agency Agreement, Credit, Agent and the Administrative Agent desire to amend the Agency Agreement upon the terms set forth below;

WHEREAS, Credit, Agent and the Administrative Agent desire to amend the Agency Agreement to provide that inasmuch as the Third Amended and Restated Purchase Agreement dated as of August 24, 2004 (as amended, modified or supplemented from time to time, "the Purchase Agreement") between Credit and Seller has been amended to provide for the reconciliation of the purchase price paid by Credit with respect to the purchase and sale of Receivables may be made daily or at some other period no less frequently than weekly as mutually agreed upon by Credit and Seller, Section 3.2.4 of the Agency Agreement should be amended to permit retention by the Seller of Collections pursuant to the amended Section 2.2 of the Purchase Agreement;

NOW therefore, the parties agree as follows:

1. The first sentence of Section 3.2.4 of the Agency Agreement is hereby amended and restated in its entirety as follows:

3.2.4 Unless Collections are being (i) segregated and delivered to Credit or a Successor Agent pursuant to Section 3.5(b) hereof, or (ii) deposited directly into the Collection Account in accordance with a Depositary Account Agreement or the AEP Services Account Agreement, or (iii) retained by Seller in accordance with Section 2.2 of the Purchase Agreement, Agent shall wire transfer in immediately available funds, in the manner contemplated by Section 3.6 hereof, to the Concentration Account an amount equal to all of the Collections received and posted to Customer accounts by Agent in respect of Receivables on the day following such posting thereof by Agent.

2. The first sentence of Section 3.3 of the Agency Agreement is hereby amended and restated in its entirety as follows:

3.3 Agency Collection Fee Payment. Credit shall pay to Agent an agent collection fee equal to 2.0% of the dollar amount of Collections.

3. This Amendment No. 1 shall be effective as of March 22, 2006.
4. Conditions to effectiveness: Pursuant to the Agency Agreement, the consent of the Majority Purchasers shall have been obtained.
5. The Agency Agreement (except as specifically amended herein) shall remain in full force and effect and said Agency Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
6. **CONTROLLING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed as of the date first written above.

AEP CREDIT, INC.

By: Stephan T. Haynes
Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: Stephen P. Smith
Name: Stephen P. Smith
Title: Treasurer

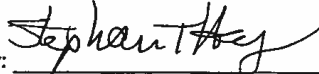
JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Leo Loughead
Managing Director, Capital Markets

3. This Amendment No. 1 shall be effective as of March 22, 2006.
4. Conditions to effectiveness: Pursuant to the Agency Agreement, the consent of the Majority Purchasers shall have been obtained.
5. The Agency Agreement (except as specifically amended herein) shall remain in full force and effect and said Agency Agreement is hereby ratified and confirmed in all respects by each of the parties hereto.
6. **CONTROLLING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed as of the date first written above.

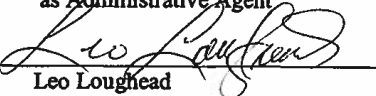
AEP CREDIT, INC.

By: 
Name: Stephan T. Haynes
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: 
Name: Stephen P. Smith
Title: Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: 
Leo Loughhead
Managing Director, Capital Markets

THIRD AMENDED AND RESTATED AGENCY AGREEMENT

THIRD AMENDED AND RESTATED AGENCY AGREEMENT ("*Agreement*"), made and entered into on this 25th day of August, 2004, among AEP Credit, Inc., a Delaware corporation ("*Credit*"), Kentucky Power Company, a Kentucky corporation ("*Agent*") and Bank One, NA (Main Office Chicago) (the "*Administrative Agent*").

WITNESSETH:

WHEREAS, American Electric Power Company, Inc. is Agent's parent corporation and the parent corporation, either directly or indirectly of AEP Utilities, Inc. (formerly known as Central and South West Corporation) and Credit;

WHEREAS, pursuant to a Third Amended and Restated Purchase Agreement dated as of August 25, 2004, between Credit and Agent, Agent has agreed to sell to Credit accounts receivable arising from the sale and delivery of electricity, gas and other related services in Agent's ordinary course of business;

WHEREAS, pursuant to a Second Amended and Restated Receivables Purchase Agreement dated as of August 25, 2004, among Credit, American Electric Power Service Corporation, as servicer, the persons party thereto as conduit purchasers, committed purchasers and funding agents, and the Administrative Agent, Credit has sold an undivided interest in such accounts receivable to the Administrative Agent for the benefit of such conduit purchasers, committed purchasers and funding agents;

WHEREAS, Credit and Agent are parties to the Second Amended and Restated Agency Agreement dated as of July 25, 2003 (the "*Existing Agency Agreement*"); and

WHEREAS, Credit and Agent desire to amend and restate the Existing Agency Agreement pursuant to this Agreement such that the Existing Agency Agreement continues in full force and effect as amended hereby and all obligations of each of the parties to the Existing Agency Agreement will remain outstanding and continue in full force and effect, unpaid, unimpaired and undischarged;

NOW, THEREFORE, the parties hereto agree as follows:

I. DEFINITIONS

1.1 Defined Terms. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Purchase Agreement or the Receivables Purchase Agreement, as applicable.

1.2 AEP Services Account. "AEP Services Account" means the account listed on Exhibit I-C to the Purchase Agreement in the name of American Electric Power Service Corporation or any other account established in accordance with Section 6.5 thereof.

1.3 AEP Services Account Agreement. "AEP Services Account Agreement" means the agreement substantially in the form of Exhibit J to the Purchase Agreement with such changes to such form as are reasonably acceptable to the Administrative Agent.

1.4 AEP Services Account Bank. "AEP Services Account Bank" means any institution at which the AEP Services Account is maintained.

1.5 Agent Default. "Agent Default" means the occurrence of any of the following events with respect to Agent:

- (a) a Change of Control shall have occurred with respect to Agent;
- (b) an Event of Bankruptcy shall occur with respect to Agent;
- (c) (i) failure of Agent to pay any Indebtedness when due in excess of \$25,000,000, or the existence of any event or condition under any agreement under which any such Indebtedness was created or is governed, if the effect of such event or condition is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any such Indebtedness of Agent shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof;
- (d) this Agreement ceases, for any reason, to be in full force and effect, other than in accordance with its terms, or to be the legally valid, binding and enforceable obligation of Agent;
- (e) failure on the part of Agent to make any payment, transfer or deposit on or before the date such payment, transfer or deposit is required under the terms of this Agreement which failure remains unremedied for two (2) Business Days;
- (f) failure on the part of Agent to deliver any report required to be delivered under Section 3.7 within three (3) Business Days after such report is due;
- (g) failure on the part of Agent to perform or observe any covenants or agreements of Agent not described in clauses (e) or (f) above and set forth in this Agreement, which failure continues unremedied for thirty (30) days after the earlier to occur of (i) the date

upon which Agent obtains knowledge of such failure or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Agent by the Administrative Agent or Credit;

- (h) any representation or warranty made by Agent in this Agreement proves to have been incorrect in any material respect when made which failure, if capable of being remedied, continues unremedied for thirty (30) days after the earlier to occur of (i) the date upon which Agent obtains knowledge thereof or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to Agent by the Administrative Agent or Credit;
- (i) Agent shall have a Consolidated Debt to Consolidated Capital Ratio as of the last day of the March, June, September or December then most recently ended, of greater than .675 to 1.00; or
- (j) any final judgment or order for the payment of money in excess of \$25,000,000 and not covered by insurance shall be rendered against Agent and either (x) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (y) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

1.6 Agent Transfer. "Agent Transfer" means the appointment of a Successor Agent pursuant to Section 3.5.

1.7 Business Day. "Business Day" means any day other than a Saturday, Sunday, Agent holiday, Credit holiday or public holiday or the equivalent for banks of the Federal Reserve System. Each party shall provide the other party, by December 1 of each year during the term of this Agreement, with a schedule of its holidays for the following calendar year.

1.8 Card Agreement. "Card Agreement" means the agreement between Seller and a Merchant Processor or Card Company whereby such Merchant Processor or Card Company agrees to purchase, pay or otherwise reimburse Seller for each Receivable for the payment of which Seller has accepted such Merchant Processor or Card Company's Credit/Charge Card.

1.9 Card Company. "Card Company" means any Person that is in the business of issuing nationally-recognized credit or charge cards to consumers, including, but not limited to, any issuer of a credit or charge card bearing the American Express, Discover Card, MasterCard, NOVUS or Visa logo, servicemark or trademark.

1.10 Change of Control. "Change of Control" means that Agent ceases to be a wholly-owned subsidiary of American Electric Power Company, Inc., a New York corporation.

1.11 Collections. "Collections" means, with respect to any Receivable, all cash collections, negotiable instruments, other cash or non-cash proceeds or any other form of payment in respect of any such Receivable and shall include all proceeds of any Receivable

within the meaning of Section 9-102(64) of the UCC. "Collections" shall also mean that portion of any security deposit applied in satisfaction of a Receivable. Each Credit Card Receivable, and all Collections in respect thereof, shall constitute Collections in respect of the Receivable for the payment of which the Seller accepted a Credit/Charge Card in the related Credit Card Transaction.

1.12 Credit/Charge Card. "Credit/Charge Card" means any valid and unexpired credit or charge card, plate or like device bearing a logo, servicemark or trademark for American Express, Discover Card, MasterCard, NOVUS or Visa and issued by a Card Company to an obligor on any Receivable of a Seller which card Seller has agreed to accept for the payment of such Receivable in accordance with a Card Agreement between Seller and such Card Company or a Merchant Processor Agreement between the Seller and a Merchant Processor.

1.13 Credit and Collection Procedure. "Credit and Collection Procedure" means the credit and collection policies and practices to be followed by Agent in respect of Receivables, as set forth in Exhibit D to this Agreement, with such changes to such credit and collection policies and practices as are permitted under Section 4.12 of the Purchase Agreement, or as may be required by applicable statutes, rules and regulations.

1.14 Customer. "Customer" means any Person obligated to make payment to Seller for purchases from Seller of electricity, gas and other related services.

1.15 Customer Bill. "Customer Bill" means an invoice or any other evidence of a Customer's obligation to Agent rendered to a Customer for payment to Agent for purchases from Agent of electricity, gas and other related services.

1.16 Depository Account. "Depository Account" means one of the concentration accounts, depository accounts or similar accounts listed on Exhibit I-A to the Purchase Agreement and any other such account established in accordance with Section 6.5 thereof.

1.17 Depository Account Agreement. "Depository Account Agreement" means each agreement substantially in the form of Exhibit G to the Purchase Agreement with such changes to such form as are reasonably acceptable to the Funding Agents and any other agreement pursuant to which Seller has established a Depository Account.

1.18 Depository Account Bank. "Depository Account Bank" means any institution at which a Depository Account is maintained.

1.19 Lock-Box. "Lock-Box" means each postal box or code listed on Exhibit I-B to the Purchase Agreement and any other such postal box or code established in accordance with Section 6.5 thereof.

1.20 Material Adverse Effect. "Material Adverse Effect" means a material adverse effect on (a) the ability of Agent to perform its material obligations under this Agreement (other than as a result of any deterioration in the financial condition of Agent), (b) the validity or enforceability of, or collectibility of, amounts payable by Agent under this Agreement, (c) the

status, existence, perfection or priority of the interest of Credit in the Receivables, or (d) the validity, enforceability or collectibility of all or any material portion of the Receivables.

1.21 Merchant Processor. "Merchant Processor" means any Person which is engaged customarily in the business of acting as a merchant processor for Credit/Charge Cards.

1.22 Merchant Processor Agreement. "Merchant Processor Agreement" means the agreement between Seller and a Merchant Processor whereby such Merchant Processor agrees to purchase, pay or otherwise reimburse Seller for receivables arising out of a Credit Card Transaction.

1.23 Person. "Person" means any natural person, corporation, company, voluntary association, partnership, joint venture, trust (including a business trust), unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

1.24 Purchase Agreement. "Purchase Agreement" means the Third Amended and Restated Purchase Agreement dated as of August 25, 2004 between Credit and Seller, as the same may be amended, restated, modified or supplemented from time to time.

1.25 Purchase Price. "Purchase Price" means the price paid by Credit to Agent for the purchase by Credit from Agent of Receivables on any Purchase Date pursuant to the Purchase Agreement.

1.26 Receivable. "Receivable" means any Outstanding Receivable (other than Excluded Receivables) that has been purchased by Credit from Seller pursuant to the Purchase Agreement.

1.27 Receivables Purchase Agreement. "Receivables Purchase Agreement" means the Second Amended and Restated Receivables Purchase Agreement dated as of the date hereof among Credit, American Electric Power Service Corporation, as servicer, the persons party thereto as conduit purchasers, committed purchasers and funding agents, and Bank One, NA (Main Office Chicago), as administrative agent, as the same may be amended and supplemented from time to time.

1.28 Seller. "Seller" means Kentucky Power Company, in its capacity as Seller under the Purchase Agreement.

1.29 Sub-Agent. "Sub-Agent" means any Person acting as the agent of Agent for the purpose of accepting Collections from Customers (excluding however, agents engaged solely for the purpose of collecting past-due accounts).

1.30 Successor Agent. "Successor Agent" has the meaning assigned to such term in Section 3.5 of this Agreement.

1.31 UCC. "UCC" means the Uniform Commercial Code as from time to time in effect in the State or States in which the Agent sells electricity, gas or related services.

II. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Agent. Agent represents and warrants to Credit and to the Administrative Agent as follows:

2.1.1 Organization and Power. Agent is a corporation duly organized, validly existing and in good standing under the laws of its State of organization, with all requisite corporate power and authority to own its properties and to transact the business in which it is now engaged or in which it presently proposes to engage. Agent is qualified to do business and is in good standing in all other jurisdictions in the United States necessary to transact the business in which it is now engaged, except where the failure to qualify would have a material adverse effect on the transactions herein contemplated.

2.1.2 No Restrictions. The performance of Agent's obligations under this Agreement do not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Agent is a party or by which any of Agent's property or assets is subject, nor will such action result in any violation of the provisions of Agent's articles of incorporation or bylaws or any statute or any order, rule or regulation of any court or governmental agency or body of the United States, any State or any political subdivision of either having jurisdiction over Agent or any of Agent's properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or any such regulatory authority or other such governmental agency or body (other than consents, approvals, authorizations, orders, registrations or qualifications as have been obtained) is required for the performance by Agent of its obligations hereunder.

2.1.3 Authorization and Effect of Agreement. This Agreement has been duly authorized, executed and delivered by Agent and constitutes Agent's valid and legally binding obligation, enforceable against Agent in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors, rights and to general principles of equity.

2.1.4 Card and Merchant Processor Agreements. Each Card Company or Merchant Processor with whom Agent has entered into any Card Agreement or Merchant Processor Agreement had an unsecured long-term credit rating of at least "A3" by Moody's Investors Service or "A-" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. at the time such Card Agreement or Merchant Processor Agreement was executed and delivered.

2.1.5 Instructions to Customers and Sub-Agents. Agent has instructed (x) all Customers to remit all Collections directly to a Sub-Agent, to a Lock-Box, to the AEP Utilities Account or to a Depository Account to which only amounts owed to Seller are deposited, and (y) all Sub-Agents to remit all Collections directly to a Depository Account to which only amounts owed to Seller are deposited.

2.1.6 Accuracy of Information. All information heretofore furnished by Agent to Credit or to the Administrative Agent for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by Agent to Credit or to the Administrative Agent hereunder will be, true and accurate in every material respect on the date such information is stated or certified and shall not be otherwise misleading in light of the circumstances under which such information was provided.

2.1.7 Material Adverse Effect. Since December 31, 2002, no event has occurred that would have a Material Adverse Effect.

2.1.8 Compliance with Law. Agent has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject in connection with its activities hereunder, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect as described in clauses (b), (c), (d) and (e) of the definition thereof.

2.1.9 Compliance with Credit and Collection Procedure. Agent has complied in all material respects with the Credit and Collection Procedure with regard to each Receivable and the related contract, and has not made any change to such Credit and Collection Procedure except as permitted hereunder.

2.1.10 Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending or, to the best knowledge of Agent, threatened, against Agent or any of its property before any Governmental Authority and (ii) Agent is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority which, in either case, could reasonably be expected to have a Material Adverse Effect with respect to Agent.

2.1.11 Depository Accounts; Lock-Boxes; Concentration Account. The names and addresses of all Depository Account Banks, together with the account numbers of the Depository Accounts at such Depository Account Banks, are accurately set forth in Exhibit I-A to the Purchase Agreement. The name and address of the AEP Services Account Bank, together with the account number of the AEP Services Account are accurately set forth in Exhibit I-C to the Purchase Agreement. The addresses and post office box numbers of all Lock-Boxes are accurately set forth in Exhibit I-B to the Purchase Agreement. Agent shall remit all Collections to the Concentration Account within one Business Day after receipt thereof in a Depository Account or the AEP Services Account. Each Depository Account is subject to a Depository Account Agreement. The AEP Services Account is subject to the AEP Services Account Agreement.

2.1.12 Credit and Collection Procedure. The Credit and Collection Procedure attached as Exhibit E is a true and complete copy as of the date hereof.

2.1.13 Eligible Receivables. Each Receivable originated by Seller included in the Seller Receivables Balance of Seller on any date and each Receivable originated by Seller identified as an Eligible Receivable in any report on the date of such report is an Eligible Receivable.

2.2 Representations and Warranties of Credit. Credit represents and warrants to Agent and to the Administrative Agent as follows:

2.2.1 Organization and Power. Credit is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with all requisite corporate power and authority to own its properties and to transact the business in which it is now engaged or in which it proposes to engage.

2.2.2 Authorization and Effect of Agreement. This Agreement has been duly authorized, executed and delivered by Credit and constitutes the valid and legally binding obligation of Credit enforceable against Credit in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors, rights and to general principles of equity.

III. ADMINISTRATION AND COLLECTION; REPORTING

3.1 Appointment of Agent for Administration and Collection; Sub-Agents.

3.1.1 Until such time as the Administrative Agent shall notify Agent of the revocation of such power and authority pursuant to Section 3.5 hereof, each of the Administrative Agent and Credit hereby appoints Agent as their agent to collect all Receivables, to receive all Collections in respect thereof, and to perform all tasks and duties that may be necessary or advisable and permitted for carrying out the transactions contemplated by this Agreement. Each of the Administrative Agent and Credit hereby authorizes Agent, as such Agent, subject to the provisions of the Credit and Collection Procedure, to take any and all steps in Credit's name or on Credit's behalf necessary or desirable to collect all amounts due under any and all of the Receivables. Agent shall keep records on behalf of Credit covering the transactions contemplated by this Agreement including the identity and collection status of each Receivable and Collections in respect thereof. Agent acknowledges and agrees that all Receivables and all Collections in respect thereof shall at all times (whether or not Agent is acting as Agent for Credit under this Agreement) be the sole property of Credit and the Administrative Agent, and that any such Receivables or Collections in respect thereof held at any time by Agent are held in trust solely for the benefit of Credit and the Administrative Agent.

3.1.2 Agent may appoint Sub-Agents for the purpose of receiving Collections; provided, however, that Agent shall give prior written notice to Credit and the Administrative Agent of each Sub-Agent appointed after the "Effective Date" (as defined in the Receivables Purchase Agreement). Notwithstanding any such delegation by Agent, Agent shall remain liable for the performance of all duties and obligations of Agent pursuant to the terms of this Agreement, and such delegation shall not relieve Agent of its liability and responsibility with respect to such duties. The fees and expenses of any such Sub-Agents shall be as agreed between Agent and such Sub-Agents, from time to time, and neither Credit nor the Administrative Agent shall have any responsibility therefor. Upon any termination of the Agent pursuant to Section 3.5, all Sub-Agents appointed by Agent may, at the direction of Credit or the Administrative Agent, be terminated in accordance with, and to the extent permitted under, the

terms of the applicable contract with such Sub-Agent and all applicable laws, rules and regulations.

3.2 Collections; Records; Reports; Late Payments.

3.2.1 Unless otherwise directed by Credit or the Administrative Agent, Agent shall at all times hereunder endeavor at its sole cost and expense to collect any and all amounts due and owing in respect of all Receivables as and when due in accordance with the Credit and Collection Procedure, and shall diligently pursue, by any appropriate proceedings, any claim, dispute, offset or defense by or with a customer to the payment of a Receivable (including, without limitation, a defense based on the Face Amount of such Receivable not being a legal, valid and binding obligation of such Customer).

3.2.2 Agent shall (x) instruct all Customers to submit all Collections directly to a Sub-Agent, a Lock-Box, the AEP Utilities Account or a Depository Account to which only amounts owed to Seller are deposited, and (y) instruct all Sub-Agents to submit all Collections directly to a Depository Account to which only amounts owed to Seller are deposited. Agent shall not change its instructions to Customers, Sub-Agents or other Persons regarding payments to be made to any Lock-Box or any Depository Account (except for a change in instructions solely for the purpose of directing such Customers, Sub-Agents or other Persons to make such payments to another existing Lock-Box or Depository Account to which only amounts owed to Seller are deposited), unless Credit and the Administrative Agent have received copies of (x) a duly executed P.O. Box Transfer Notice with respect to such new Lock-Box or (y) a Depository Account Agreement duly executed by Credit, Seller, the Administrative Agent and such new Depository Bank with respect to such new Depository Account, as applicable.

3.2.3 Unless otherwise directed by Credit or the Administrative Agent, Agent shall keep and maintain at its sole cost and expense satisfactory and complete records of such Receivables, including, but not limited to, a record of all Collections received in respect thereof and all other dealings therewith, and Agent will make the same available to Credit and the Administrative Agent at any reasonable time upon demand. Agent shall, at its own cost and expense, deliver true and correct copies of documents evidencing such Receivables and true and correct copies of such books, records and documents, including all tapes, disks or other electronically stored or computerized programs, data, records or documents to Credit, the Administrative Agent, or to their respective representatives at any time upon such Person's written request. Agent shall identify in form and manner satisfactory to Credit and the Administrative Agent such Receivables and other books, records and documents, including all tapes, disks or other electronically stored or computerized programs, data, records or documents of Agent pertaining to such Receivables with an appropriate reference to the fact that such Receivables have been sold and assigned to Credit and assigned to the Administrative Agent.

3.2.4 Unless Collections are being segregated and delivered to Credit or a Successor Agent pursuant to Section 3.5(b) hereof or deposited directly into the Collection Account in accordance with a Depository Account Agreement or the AEP Services Account Agreement, Agent shall wire transfer in immediately available funds, in the manner contemplated by Section 3.6 hereof, to the Concentration Account an amount equal to all of the Collections received and

posted to Customer accounts by Agent in respect of Receivables on the day following such posting thereof by Agent. Agent shall be entitled to process and negotiate in its own name all instruments constituting such Collections and to retain all cash Collections and cash proceeds of such instruments in an amount equal to the amount of such wire transfer. Credit shall refund to Agent any disparity between the amounts so wire transferred to Credit and the actual cash receipts received by Agent due to the dishonor of instruments received by Agent with respect to such collections. The amount of such disparity may be offset by Agent against any amounts otherwise due to Credit hereunder at or after the date of such dishonor in the manner contemplated by Section 3.6 hereof. Any amounts subsequently received by Agent in respect of such previously dishonored instruments shall be remitted to Credit in immediately available funds in the manner contemplated by Section 3.6 hereof. Agent shall deliver to Credit by no later than 9:00 a.m. on each Agent's Business Day a record, substantially in the form of Exhibit A hereto, of all Collections received and posted by Agent on the next preceding Business Day and all amounts posted to the accounts of Customers to reflect receipt of such Collections, as well as a record of all adjustments made to the accounts of Customers to reflect dishonored instruments given in payment of Receivables by Customers.

3.2.5 Within ten (10) Business Days following the end of each calendar month, Agent shall deliver to Credit a recommendation as to the Face Amount of Receivables which, if owned by Agent, would be written off by Agent as uncollectible, and an aging report of all Receivables, which recommendation and report shall be substantially in the form of Exhibit B hereto.

3.2.6 In the event Agent fails to make any payment to Credit or the Administrative Agent required hereunder, Agent agrees that any such unpaid amount shall bear interest from and including the date payment was due but excluding the date paid at a rate equal to the rate announced by The Bank of New York at its principal office in New York city as its prime commercial lending rate on the day payment was due (not, however, to exceed the maximum lawful interest rate), with adjustments as such prime rate may change from time to time.

3.3 Agent Collection Fee Payment. Credit shall pay to Agent an agent collection fee equal to 2.0% of the net dollar amount of Collections that Agent remits to Credit or the Administrative Agent. Payment of the agent collection fee shall be made contemporaneously with collections, by deducting the fee from funds owed to Credit for receivables collected. If the agent collection fee shall, at any time, be a negative amount, as a consequence of billing adjustments or otherwise, the Agent shall remit such amount to Credit in the manner contemplated by Section 3.6 hereof. The amount and calculation of the agent collection fee shall be subject to good faith renegotiation each calendar year, with the new amount and calculation to be effective as of the first day of January 2005, and the first day of January each year thereafter.

3.4 Monthly Charge Off Limit Fee. In accordance with Exhibit C hereto, a fee will be assessed to the Agent for monthly net "Charge Offs" (Exhibit B) in excess of a monthly "Charge Off Limit" in accordance with Exhibit C hereto. Such fee shall be held by Credit for one year and then will be remitted back to Agent. Such payments will be settled on the fifth Business day of the succeeding month in the manner contemplated by Section 3.6 hereof.

3.5 Termination of Agent; Appointment of Successor Agent.

(a) At any time upon the occurrence of an Agent Default, the Administrative Agent or, if the Receivables Purchase Agreement shall have been terminated, Credit may, by written notice to Agent, terminate Agent's authorization to service, administer and collect all or any part of the Receivables under Section 3.1 hereof. To the extent the Administrative Agent or Credit, pursuant to this Section, terminates the authorization of Agent to service, administer and collect all or part of the Receivables, after delivery to Agent of written notice of such termination, the Administrative Agent or, if the Receivables Purchase Agreement shall have been terminated, Credit may engage a successor agent, the "*Successor Agent*", to service, administer and collect the Receivables pursuant to this Agreement. Any Successor Agent engaged by the Administrative Agent or Credit pursuant to this Section shall have all of the rights granted to the Agent or to Credit hereunder.

(b) At any time following any termination of Agent's authorization pursuant to subsection (a) of this Section, Agent shall, at the request of the Successor Agent, Credit or the Administrative Agent, in order to enable Credit, the Administrative Agent or the Successor Agent to collect the Receivables, (i) assemble all of the documents, instruments and other records including, without limitation, all tapes, disks or other electronically stored or computerized programs, data, records or documents which evidence such Receivables, or which are otherwise necessary or desirable to enable Credit, the Administrative Agent or the Successor Agent to collect such Receivables, and shall make the same available to Credit, the Administrative Agent or the Successor Agent or such Person's designee at a place selected by Credit, the Administrative Agent or the Successor Agent, as applicable, and (ii) segregate and deliver to Credit, the Administrative Agent or the Successor Agent, as directed by the Administrative Agent, all cash, checks and other property and instruments of any kind received by Agent from time to time constituting Collections in respect of such Receivables within one Business Day after receipt thereof, subject to acknowledgement of receipt thereof by Credit or the Administrative Agent. From and after such termination, Credit, the Administrative Agent or the Successor Agent may notify Customers in respect of such Receivables to make payments thereon directly to Credit, the Administrative Agent or the Successor Agent, as directed by the Administrative Agent. In the case of any Receivable which is subject to the Federal Assignment of Claims Act, Credit, the Administrative Agent or the Successor Agent may notify the federal government or a political subdivision thereof obligated on the Receivable to make payments to Credit, the Administrative Agent or the Successor Agent, as directed by the Administrative Agent. Such notice shall constitute Agent's instructions to Persons obligated on any Receivable to make all payments to Credit, the Administrative Agent or the Successor Agent and such Persons shall be fully protected and entitled to rely on such notice.

3.6 Coordination of Payments. Credit and Agent shall use their best efforts to coordinate the wire transfer of funds under this Agreement so as to avoid multiple daily wire transfers (by means of netting payments to be made by each of them on such date); provided, however, that nothing in this Section 3.6 is intended to modify in any respect any obligation of Agent or Credit to make a payment when due hereunder.

3.7 Delivery of Reports.

(a) On each Weekly Report Date during any Level One Enhancement Period with respect to Seller, Agent shall deliver to the Servicer a report substantially in the form of Exhibit F (a "Weekly Report"), covering the weekly period since the immediately preceding Weekly Report Date and which, except for the signature page thereto, may be transmitted electronically.

(b) On each Monthly Report Date, Agent shall deliver to the Servicer a report substantially in the form of Exhibit G (a "Monthly Report") covering the Monthly Period most recently ended and which, except for the signature page thereto, may be transmitted electronically.

(c) On each Business Day during any Level Two Enhancement Period with respect to Seller and from and after a Seller Amortization Date with respect to Seller or the Amortization Date, Agent shall deliver to the Servicer, the Administrative Agent and each Funding Agent a report substantially in the form of Exhibit H (a "Daily Report") covering the immediately preceding Business Day and which, except for the signature page thereto which may be delivered to the Administrative Agent only, may be transmitted electronically.

(d) In the event that the Servicer fails to deliver to the Administrative Agent and each Funding Agent any Weekly Report or Monthly Report within three (3) Business Days of the date such report is due, Agent agrees to deliver such reports directly to the Administrative Agent within one (1) Business Day after the Administrative Agent so requests.

IV. GENERAL COVENANTS

4.1 Covenants of Agent. Agent covenants to Credit and the Administrative Agent as follows:

4.1.1 Preservation of Corporate Existence. Agent shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in any other jurisdiction where (a) any Receivable arose, where (b) such qualification is necessary to permit the enforcement of the obligations under Receivables against the respective Customers, or (c) such qualification is necessary to permit the assignment or collection of Receivables pursuant to this Agreement or to the Purchase Agreement.

4.1.2 Extension or Amendment of Receivables. Without the prior written consent of Credit and the Administrative Agent, Agent shall not extend, amend or otherwise modify the terms of any Receivables; provided, however, that Agent may, so long as Agent is acting as Agent hereunder, (a) amend, modify or waive the terms of any Receivable, or (b) extend the terms of any Receivable, in either case if, and only if, in each such case such amendment, modification, waiver or extension complies with the Credit and Collection Procedure and would not materially adversely impair the collection of such Receivable. Notwithstanding the

foregoing provisions, Agent may reduce the amount of any Customer Bill to reflect any error made by Agent in the calculation of the amount of electricity, gas or other related services purchased by such Customer. Prior to termination of the Purchase Agreement, any such reduction shall be applied to reduce the Purchase Price of Receivables purchased under the Purchase Agreement immediately following the posting of such adjustment to the Customer's account. If such reduction is made on or after termination of the Purchase Agreement, or otherwise is not fully recovered by Credit pursuant to the preceding sentence, Agent shall promptly remit to Credit the amount of such reduction (or unrecovered portion thereof) in immediately available funds.

4.1.3 Prevention of Loss. Agent shall use all reasonable measures to prevent or minimize any loss being realized on a Receivable and take all reasonable steps to recover the full amount of such loss, including all actions contemplated in the Credit and Collection Procedure.

4.1.4 Compliance with Laws, Etc. Agent shall comply in all material respects with applicable laws, rules, regulations and orders applicable to it, its outstanding Receivables and performance of its obligations hereunder.

4.1.5 Keeping of Records and Books of Account. Agent shall at its sole cost and expense maintain and implement, or cause to be maintained or implemented, administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Seller's Receivables and Collections in respect thereof in the event of the destruction of the originals thereof), and keep and maintain, or cause to be kept and maintained, in trust for Credit and the Administrative Agent, all documents, books, records and other information including, without limitation, all tapes, disks or other electronically stored or computerized programs, data, records of documents reasonably necessary or advisable for the calculation and collection of all Receivables (including, without limitation, records of its daily generation and delivery of electricity, gas and related services, records adequate to permit the daily identification of each Receivable and all Collections in respect of each Receivable, and detailed individual Customer records that show the date of each Customer Bill). Agent shall, at its expense, permit Credit or the Administrative Agent (or their agents or representatives) to visit and inspect any of its properties, to examine and make abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, directors, employees and independent public accountants, all at such reasonable times upon reasonable notice and as often as may reasonably be requested.

4.1.6 Card and Merchant Processor Agreements. Agent shall not enter into any Card Agreement or Merchant Processor Agreement with any Card Company or Merchant Processor which does not have an unsecured long-term credit rating of at least "A3" by Moody's Investors Service or "A-" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. at the time such Card Agreement or Merchant Processor Agreement is entered into.

4.1.7 Further Agreement. Agent shall promptly furnish, from time to time, such other information, documents, records or reports with respect to the Receivables and Collections as

Credit may from time to time reasonably request in connection with its financing of the purchase of the Receivables.

4.1.8 Credit and Collection Procedures. Agent shall comply in all material respects with the Credit and Collection Procedure.

4.1.9 Change in Business or Credit and Collection Procedure. Without the written consent of Credit and the Administrative Agent, Agent shall not make any change in the Credit and Collection Procedure which change would impair the collection of Receivables.

4.1.10 Annual Financial Audit. In connection with Agent's annual independent financial audit, Agent shall instruct its independent public accounting firm to audit the accounts receivable records maintained by Agent in accordance with the audit outline set forth in Exhibit D to the Purchase Agreement and to furnish the results of such audit to Credit's independent public accountant.

4.1.11 No Petition. Agent shall not at any time institute against Credit, or join in any institution against Credit, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law. Agent shall not at any time institute against any Conduit Purchaser, or join in any institution against any Conduit Purchaser, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings under any United States federal or state bankruptcy or similar law, until the expiration of one year and one day after payment in full of all outstanding indebtedness of such Conduit Purchaser.

4.1.12 Confidentiality. Agent shall maintain and shall cause each of its employees and officers to maintain the confidentiality of any confidential proprietary information with respect to the Conduit Purchasers, the Committed Purchasers, the Funding Agents, the Administrative Agent and their respective businesses, obtained by it in connection with the structuring, negotiating and execution of the transactions contemplated by the Receivables Purchase Agreement, except that Agent and its officers and employees may disclose such information to Agent's external accountants and attorneys and as required by any applicable law or order of any judicial or administrative proceeding.

4.1.13 Change in Credit and Collection Procedure. Agent shall furnish to Credit and the Administrative Agent, at least thirty (30) days prior to the effectiveness of any material change in or amendment to the Credit and Collection Procedure, a copy of the Credit and Collection Procedure then in effect and a notice indicating such change or amendment.

4.1.14 Other Information. Agent shall furnish to Credit and the Administrative Agent, promptly from time to time, such other information, documents, records or reports relating to the Receivables as Credit or the Administrative Agent may from time to time reasonably request in order to protect the interests of Credit or the Administrative Agent under or as contemplated by this Agreement.

4.1.15 Notices. Until the Receivables Purchase Agreement has been terminated and all obligations of Credit thereunder have been satisfied in full, Agent will notify Credit and the

Administrative Agent in writing of any of the following promptly upon any of the president, controller or treasurer of Agent having actual knowledge thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(a) Agent Default. the occurrence of any event which constitutes an Agent Default; and

(b) Seller Eligibility. Promptly, and in any event within two (2) Business Days after an Authorized Officer of Agent has knowledge thereof, written notice of the failure of Seller to be an Eligible Seller.

4.1.16 Depository Accounts; Collections.

(a) Agent will cause each Depository Account to at all times be subject to a Depository Account Agreement among Credit, the Agent, the applicable Depository Account Bank and the Administrative Agent. Agent will cause the AEP Services Account to at all times be subject to an AEP Services Account Agreement among Credit, the Seller, each other "Seller" as such term is defined in the Receivables Purchase Agreement, the AEP Services Account Bank and the Administrative Agent. Agent will cause each Lock-Box to at all times be subject to a P.O. Box Transfer Notice. Agent agrees that if any Collections are received by Agent in an account other than a Depository Account, the AEP Services Account or the AEP Utilities Account, such monies, instruments, cash and other proceeds will be immediately remitted to a Depository Account with any necessary endorsement and in any event within one (1) Business Day after identification thereof.

(b) Agent will deposit all collections in respect of receivables and related assets that are not included in the Receivables and the Related Security with respect thereto in an account that is not the Collection Account or the Concentration Account. Agent will (x) instruct Customers to submit all Collections directly to a Sub-Agent, a Lock-Box, the AEP Utilities Account or a Depository Account to which only amounts owed to Seller are deposited and (y) instruct all of its Sub-Agents to submit all Collections directly to a Depository Account to which only amounts owed to Seller are deposited.

(c) Within ten (10) Business Days following the request of the Administrative Agent after (A) the occurrence and continuation of an Amortization Event or a Seller Amortization Event with respect to Seller or (B) the commencement of any Level Two Enhancement Period with respect to Seller, Agent shall cause each Depository Account to be retitled in the name of "AEP Credit, Inc."

(d) Notwithstanding the delivery of the Depository Account Agreements and the AEP Services Account Agreement, the Administrative Agent shall not have the right to deliver a Control Notice with respect to any Depository Account or a Control Notice with respect to Collections deposited into the AEP Services Account until the earlier to occur of (i) the occurrence and continuation of any Level Two Enhancement Period or a Seller Amortization Event with respect to Seller, or (ii) the occurrence and continuation of an

Amortization Event. Once a Control Notice is delivered by the Administrative Agent pursuant to any Depository Account Agreement, the Administrative Agent shall direct all Collections on deposit in the related Depository Account, on each Business Day to be transferred to the Collection Account. Once a Control Notice with respect to Collections deposited into the AEP Services Account is delivered by the Administrative Agent pursuant to the AEP Services Account Agreement, the Administrative Agent shall direct all Collections on deposit in the AEP Services Account on each Business Day to be transferred to the Collection Account. Notwithstanding the execution of the P.O. Box Transfer Notices, the Administrative Agent shall not have the right to instruct the Postmaster General of the applicable Post Office to restrict access to any Lock-Box until the occurrence of the replacement of Agent pursuant to Section 3.5.

V. INDEMNITIES

5.1 Indemnities by Agent. Without prejudice to any other rights which Credit or the Administrative Agent may have hereunder or under applicable law, Agent hereby agrees to indemnify and save harmless Credit and each Indemnified Party for all damages, losses, claims, liabilities, costs and expenses (including reasonable attorneys fees and expenses) arising out of or resulting from the breach of any representation or covenant of Agent under this Agreement.

Notwithstanding any other provision of this Agreement, and in furtherance and not in limitation of the foregoing, Agent agrees to pay Credit and each Indemnified Party upon demand any and all amounts necessary to indemnify it and save it harmless from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable attorneys fees and expenses) awarded against or incurred by it arising out or as a result of:

- (a) Credit's or any Indemnified Party's reliance on any representation or warranty made by or on behalf of Agent under or in connection with this Agreement, in any report from Agent or in any other information delivered by Agent pursuant hereto, which shall have been false or incorrect when made or deemed made;
- (b) the failure by Agent to comply with any applicable law, rule or regulation with respect to any of the Receivables;
- (c) the failure of Agent to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement;
- (d) the commingling of Collections at any time with any other funds;
- (e) any failure by Agent to be duly qualified to do business, and to be in good standing, in every jurisdiction where such qualification was required hereunder for the enforcement of any Receivable against the applicable Customer;
- (f) any investigation, litigation or proceeding related to or arising from this Agreement, the transactions contemplated hereby, or any other investigation, litigation or proceeding relating to Agent in which Credit or any Indemnified Party becomes involved due to the transactions contemplated hereby;

(g) any action or omission by Agent which reduces or impairs the rights of Credit or any Indemnified Party with respect to any Receivable or the value of any such Receivable;

(h) the failure of any Receivable included in the calculation of the Seller Receivables Balance for the Seller to be an Eligible Receivable at the time so included;

(i) a loss on a Receivable of the United States federal government or any agency, department or instrumentality thereof, where on the later of (A) the date such Receivable was charged-off in accordance with the applicable Credit and Collection Procedure and (B) 180 days after the original invoice date of such Receivable, the amount equal to the product of (1) the Government Receivables Percentage for the Seller used on such day to calculate the Adjustment Amount for the Seller and (2) the Seller Sales amount for the Seller used on such day to calculate the Adjustment Amount for the Seller was less than the Government Receivables Amount for the Seller on such day; provided, however, that any amount payable pursuant to this clause (j) shall be limited to the amount of such excess;

(j) a loss on a Receivable owed by a reseller, wholesaler or power broker rather than an end-user, where on the later of (A) the date such Receivable was charged-off in accordance with the applicable Credit and Collection Procedure and (B) 180 days after the original invoice date of such Receivable, the amount equal to the product of (1) the Reseller Receivables Percentage for the Seller used on such day to calculate the Adjustment Amount for the Seller and (2) the Seller Sales amount for the Seller used on such day to calculate the Adjustment Amount for the Seller was less than the Reseller Receivables Amount for the Seller on such day; provided, however, that any amount payable pursuant to this clause (k) shall be limited to the amount of such excess;

(k) the actual amount of cash or credits held by the Seller for the account of any Customer for application to the Receivables of such Customer on any day being greater than the amount of such cash or credits used on such day to calculate the Adjustment Amount for the Seller; provided, however, that any amount payable pursuant to this clause (l) shall be limited to the amount of such excess;

(l) the inclusion in the Seller Receivables Balance of any Receivable the Customer of which is an Affiliate of Credit, the Servicer or the Seller; or

(m) the inclusion in the Seller Receivables Balance of any Receivable with respect to which the related Contract contains a confidentiality provision that purports to restrict the ability of the Administrative Agent or the Purchasers to exercise their rights hereunder, including, without limitation, the right to review such Contract; provided, however, that any amount payable pursuant to this clause (n) shall be limited to losses suffered as a result of the inability of the Administrative Agent or the Purchasers to enforce such Contract.

Agent shall not be liable for any loss suffered by Credit or any Indemnified Party

that is due solely to the financial inability or bad faith failure of any Customer to pay at maturity any amounts due and payable in respect of a Receivable.

VI. TERMINATION

6.1 Termination. Either Agent or Credit may terminate this Agreement at any time in conjunction with termination of the Purchase Agreement, upon delivery of notice to the other parties. Following termination of the Purchase Agreement, unless Credit has exercised its rights to appoint a Successor Agent other than Agent under Section 3.5 hereof, Agent agrees to collect all Receivables owned by Credit, receive all Collections in respect thereof, and otherwise comply herewith until all such Receivables have been collected. Agent shall be paid an agent collection fee, calculated in accordance with Section 3.3 hereof, until all such Receivables have been collected.

VII. MISCELLANEOUS

7.1 Amendments, Waivers, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by any party herefrom shall in any event be effective unless the same shall be in writing and signed by the other parties hereto, then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. Notwithstanding the foregoing, so long as any Receivables are the subject of the Receivables Purchase Agreement, no amendment or waiver of any of the provisions of this Agreement nor any consent to any departure by Agent herefrom shall be effective without the prior written consent of the Majority Purchasers (as such term is defined in the Receivables Purchase Agreement)..

7.2 Notices, Etc. All notices and other communications required or permitted hereunder shall, unless otherwise stated herein, be in writing and mailed or delivered, as to each party hereto, at such party's address specified below:

(a) If to Credit:

By courier or telecopy:
AEP Credit, Inc.
Treasury Department
1616 Woodall Rodgers Freeway
Dallas, Texas 75202
Fax: (214) 777-1223

By Mail:
AEP Credit, Inc.
Treasury Department
P. O. Box 660164
Dallas, Texas 75266-0164

(b) If to Agent:

Notice Address
Kentucky Power Company
Finance Department
1 Riverside Plaza
Columbus, OH 43215
Fax: (614) 716-2807

Location of Books & Records
Kentucky Power Company
301 Cleveland Avenue, S.W.
Canton, OH 44702

(c) If to Administrative Agent:

Notice Address



or at such other address as shall be designated by such party in a written notice to the other party hereto. All such notices and communications shall be deemed to have been duly given when delivered to the addressees at the appropriate addresses specified above.

7.2.1 Separate Corporate Existence of Credit. Agent acknowledges that the parties to the Receivables Purchase Agreement are entering into the transactions contemplated by the Receivables Purchase Agreement in reliance upon Credit's identity as a legal entity that is separate from Agent and any affiliates thereof, and covenants and agrees that it will take all reasonable steps including, without limitation, all steps that Credit, the Administrative Agent or any Funding Agent may from time to time reasonably request to maintain Credit's identity as a separate legal entity and to make it manifest to third parties that Credit is an entity with assets and liabilities distinct from those of Agent and any affiliates thereof and not just a division of Agent. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Agent covenants and agrees that it (i) will not hold itself out to third parties as liable for the debts of Credit nor purport to own the Receivables and other assets acquired by Credit pursuant to this Agreement, (ii) will take all other actions necessary on its part to ensure that Credit is at all times in compliance with the covenants set forth in Section 6.6 of the Receivables Purchase Agreement, and (iii) will cause all tax liabilities arising in connection with the transactions contemplated in this Agreement and the Purchase Agreement or otherwise to be allocated between Agent and Credit on an arm's-length basis and in a manner consistent with the procedures set forth in U.S. Treasury Regulations §§1.1502-33(d) and 1.1552-1.

7.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Credit, the Administrative Agent and Agent, and their respective successors and assigns, except that the Agent may not assign its rights or obligations hereunder without the prior written consent of Credit and the Administrative Agent. Credit may assign its rights or obligations hereunder in connection with any financing transaction relating to the Receivables without the consent of Agent. The Administrative Agent may assign its rights hereunder to any successor Administrative Agent under the Receivables Purchase Agreement without the consent of Credit or Agent.

7.4 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

7.5 Separability Clause. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.6 No Petition; Set-Off. Agent hereby irrevocably and unconditionally waives all right of set-off that it may have under contract (including this Agreement), applicable law or otherwise with respect to any property, funds or monies of Credit at any time held by or in the possession of Agent.

7.7 CONTROLLING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF AGENT, THE ADMINISTRATIVE AGENT AND CREDIT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers hereto duly authorized, as of the date first above written.

AEP CREDIT, INC.

By: Wendy G. Hargus
Name: Wendy G. Hargus
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: Susan Tomasky
Name: Susan Tomasky
Title: Vice President

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Administrative Agent

By: _____
Name: Leo V. Loughhead
Title: Managing Director, Capital Markets

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers hereto duly authorized, as of the date first above written.

AEP CREDIT, INC.

By: _____
Name: Wendy G. Hargus
Title: Assistant Treasurer

KENTUCKY POWER COMPANY

By: _____
Name: Susan Tomasky
Title: Vice President

BANK ONE, NA (MAIN OFFICE CHICAGO),
as Administrative Agent

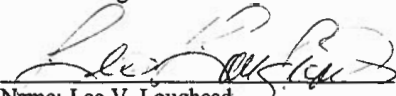
By: 
Name: Leo V. Loughhead
Title: Managing Director, Capital Markets

EXHIBIT A

AGENT COLLECTION REPORT*

Date: _____

Collections in the amount of \$ _____ have been received and posted to the accounts of Customers on the previous Business Day, as more fully described in the computer printouts attached hereto. Such amounts have been adjusted to reflect dishonored instruments given in payment of Receivables by Customers for prior collections, the amount of such dishonored instruments having previously been remitted to Credit pursuant to Section 3.2 of the Second Amended and Restated Agency Agreement.

By: _____
Name:
Title:

* Attach computer printouts or other appropriate evidence of collections.

EXHIBIT B

MONTHLY CHARGE OFF RECOMMENDATION AND AGING REPORT

MONTH OF: _____

RETAIL

Gross Charge Offs	Charge Off Recoveries	Net Charge Offs	Receivables Purchased	Percent

AGING

30 DAYS	60 DAYS	90+ DAYS
TOTAL		

EXHIBIT C

**CHARGE OFF LIMIT FEE
 MONTH OF _____**

Net Charge Offs for month (from Exhibit B) _____

<u>Last 12 months</u>	<u>Collections</u>
Jan.	
Feb.	
March	
April	
June	
July	
Aug.	
Sept.	
Oct.	
Nov.	
Dec.	_____

Total _____

12 month average _____

x
 the amount listed, Schedule 1 hereto
 [=] Charge Off Limit

Charge Off Limit Fee*

[-] Agent Collection Rebate**

[_____]

NET CHARGE OFF LIMIT FEE PAYMENT/ (Rebate)*** _____

* A fee is assessed for monthly net charge offs in excess of the Charge Off Limit. If charge offs are less than the Charge Off Limit, the fee is zero. This fee may be reset annually with the agreement of Credit and Agent, to be effective on the first day of January.

** Charge Off Limit Fee from one year prior.

*** Settlement to occur on fifth Business Day of following month.

SCHEDULE 1 TO
EXHIBIT C

SCHEDULE NO. 1 TO AMENDED EXHIBIT C

Appalachian Power Company	0.50%
Columbus Southern Power Company	2.00%
Indiana Michigan Power Company	0.50%
Kentucky Power Company	0.50%
Kingsport Power Company	0.50%
Ohio Power Company	2.00%
Public Service Company of Oklahoma	2.00%
Southwestern Electric Power Company	0.50%

EXHIBIT D

CREDIT AND COLLECTION PROCEDURE

1. Within ten Business Days following the end of each calendar month, Agent shall deliver to Credit [and the Administrative Agent] a recommendation as to the Face Amount of Receivables which, if owned by Agent, would be written off by Agent as uncollectible and an aging report of all Receivables, which recommendation and report shall be substantially in the form of Exhibit B hereto.
2. Agent shall take all reasonable actions to collect Receivables (whether or not such Receivables would be charged-off in accordance with Agent's usual procedure), in accordance with its collection procedures as in effect immediately prior to the execution of this Agreement. Such procedures shall not be altered as to Receivables in any material respect without the prior consent of Credit and the Administrative Agent, which consents shall not unreasonably be withheld; provided, however, that such procedures may be altered with prior notice to Credit and the Administrative Agent as required to comply with changes in laws, regulations or tariffs relating to the collection of Receivables.
3. Agent shall follow the payment delinquency notification and service termination procedures permitted by applicable regulatory authorities. Agent shall give Credit and the Administrative Agent prompt notice of any change in such procedures.
4. In the event of a dishonored instrument received as collection, such as a nonsufficient funds check, stop payment check or similar instrument, the customer account shall be charged and the correction shall be reflected in subsequent remittances of Collections from the Agent to Credit in the manner contemplated by Section 3.6 hereof.

EXHIBIT E

CREDIT AND COLLECTION POLICY

(Copy delivered to the Administrative Agent)

EXHIBIT F

FORM OF WEEKLY REPORT

AEP Credit, Inc.
Weekly Report

Weekly Report for the week ending
 the Weekly Report completed

I. Seller Eligibility Criteria

	Appalachian Power	Columbus Southern	Indiana Michigan Power	Kentucky Power	Mississippi Power	Ohio Power	Public Service Co of Oklahoma	Southwestern Electric Power
In Compliance with all other Eligible Seller criteria?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Eligible Seller</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

II. Receivables Rollforward

	Appalachian Power	Columbus Southern	Indiana Michigan Power	Kentucky Power	Mississippi Power	Ohio Power	Public Service Co of Oklahoma	Southwestern Electric Power	Total
Beginning Receivables (Billed & Unbilled)									-
Plus: Gross Sales									-
Recoveries									-
Unbilled Revenue									-
Billings Sold									-
Less: Cash Collections									-
Debiton									-
Charge-Offs									-
Total Receivables									-

III. Weekly Derived Net Eligible Receivables Balance

	Appalachian Power	Columbus Southern	Indiana Michigan Power	Kentucky Power	Mississippi Power	Ohio Power	Public Service Co of Oklahoma	Southwestern Electric Power	Total
Aggregate Unpaid Balance									-
Less: Ineligible Seller Receivables									-
Weekly Derived NERB Ratio (as of most recent Monthly Report)									-
Weekly Derived Net Eligible Receivables Balance									-
Less: Debiton Reserve									-
Applied Deposit Reserve									-
Loss Reserve									-
Carrying Cost Reserve									-
Aggregate Reserves									-
Net Eligible Rec. Balance - Aggregate Reserves									\$
Gross Advance Rate	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

IV. Capital Availability

Facility Limit	600,000,000.00
Available for Funding	-
Maximum Available for Funding	-
Current Investment	
PREFCO	
CAFCO	
CIESCO	
Gotham Funding	
Atlantic Asset Securitization Corp.	
Blackstart	
Total	-
Capital Available for Funding?	Paydown Required
Paydown Required?	Capital Available

V. Purchaser's Interest (current)

Request for Purchase (+) or Paydown (-)	<input type="text"/>	#DIV/0!
Purchaser's Interest (pro-forma)		#DIV/0!
Pro-forma Capital Outstanding		\$
PREFCO	\$	-
CAFCO	\$	-
CIESCO	\$	-
Gotham Funding	\$	-
Atlantic Asset Securitization Corp.	\$	-
Blackstart	\$	-

The Servicer hereby represents and warrants that the foregoing is a true and accurate accounting in accordance with the Transaction Documents.

By: _____
 Its: Authorized Officer

EXHIBIT G

FORM OF MONTHLY REPORT

Monthly Report

Monthly Report for the Month ending
 Date Monthly Report completed
 Libor
 Capital Outstanding as of Month End

I. Seller Ratings

Senior Unsecured long-term debt rating w/out third	
S&P	
Moody's	

II. Seller Eligibility Criteria

Consolidated Debt to Consolidated Capital Ratio (as of the most recently reported quarter end)	Trigger	0.675
	Compliance?	Yes
3-month average Past Due Ratio	Trigger	6.50%
	Compliance?	Yes
3-month average Loss Ratio	Trigger	2.25%
	Compliance?	Yes
3-month average Gross Loss-to-Liquidatio Ratio	Trigger	1.00%
	Compliance?	Yes
3-month average Days Sales Outstanding	Trigger	45.00
	Compliance?	Yes
In Compliance with all other Eligible Seller criteria?		Yes
Eligible Seller		Yes

III. Receivables Rollforward

		Total
Beginning Receivables (Billed & Unbilled)		-
Plus: Gross Sales		-
Recoveries		-
Unbilled Revenue		-
Less: Billings Sold		-
Cash Collections		-
Dilution		-
Charge-Offs		-
Total Receivables	-	-

IV. Summary Aging

		Total
Unbilled		-
1 - 30 days past Invoice		-
31 - 60 days past Invoice		-
61 - 90 days past Invoice		-
91+ days past Invoice		-
Total Receivables	-	-

V. Aggregate Receivables Balance

		Total
Total Receivables	-	-
Less: Ineligible Seller Receivables	-	-
Defaulted Receivables (> 90 dpi)	-	-
Charged-Off Rec. (excluding Defaulted)	-	-
Non USD denominated	-	-
Percentage of Income Receivables	-	-
Receivables subject to offset	-	-
Terms > 30 days past Invoice	-	-
Other Ineligible Receivables	-	-
Aggregate Receivables Balance	-	-

Monthly Report

Monthly Report for the Month ending
 Date Monthly Report completed

VI. Net Eligible Receivables Balance

		Total
Aggregate Receivables Balance	-	-
Less: Adjustment Amount	#DIV/0!	#DIV/0!
Net Eligible Receivables Balance	#DIV/0!	#DIV/0!

Adjustment Amount

Government Sales	
Government Receivables Ratio	#DIV/0!
A Government Receivables Percentage	#DIV/0!
Reseller Sales	
Reseller Receivables Ratio	#DIV/0!
B Reseller Receivables Percentage	#DIV/0!
(A + B) x Seller Sales	#DIV/0!
Unbilled Receivables	-
Applicable Unbilled Receivables Limit	#REF!
Excess Unbilled Receivables Amount	#REF!
Excess Concentration Amount	-

VII. Reserve Calculations

		Total
Net Eligible Receivables Balance	#DIV/0!	#DIV/0!
Dilution Reserve		
Applied Deposit Reserve	#DIV/0!	#DIV/0!
Loss Reserve	#DIV/0!	#DIV/0!
Carrying Cost Reserve		-
Aggregate Reserves	#DIV/0!	#DIV/0!
Net Eligible Rec. Balance - Aggregate Reserves	#DIV/0!	#DIV/0!
Gross Advance Rate	#DIV/0!	#DIV/0!

VIII. Weekly Derived Net Eligible Receivables Balance Ratio ("NERB Ratio")

Net Eligible Receivables Balance	#DIV/0!
Aggregate Unpaid Balance	-
Weekly Derived NERB Ratio	#DIV/0!

IX. Other Information

Applied Deposits	
Balance of Deposits	
Excluded Obligor	
Balance > 60 dpi	
Balance > 90 dpi	
Amount Charged-Off	

By: _____
 Its: Authorized Officer

EXHIBIT H

FORM OF DAILY REPORT

Daily Report

Weekly Report for the week ending
 Date Weekly Report completed

I. Seller Eligibility Criteria

In Compliance with all other Eligible Seller criteria?	
Eligible Seller	Yes

II. Receivables Rollforward

Beginning Receivables (Billed & Unbilled)	
Plus: Gross Sales	
Recoveries	
Unbilled Revenue	
Less: Billings Sold	
Cash Collections	
Dilution	
Charge-Offs	
Total Receivables	-

III. Weekly Derived Net Eligible Receivables Balance

Aggregate Unpaid Balance	-
Less: Ineligible Seller Receivables	-
Weekly Derived NERB Ratio (as of most recent Monthly Report)	
Weekly Derived Net Eligible Receivables Balance	-
Less: Dilution Reserve	-
Applied Deposit Reserve	-
Loss Reserve	-
Carrying Cost Reserve	-
Aggregate Reserves	-
Net Eligible Rec. Balance - Aggregate Reserves	-
Gross Advance Rate	#DIV/0!

IV. Capital Availability

Facility Limit	
Available for Funding	
Maximum Available for Funding	
Current Investment	
PREFCO	
CAFCO	
CIESCO	
Gotham Funding	
Atlantic Asset Securitization Corp.	
Blackstart	
Total	
Capital Available for Funding?	#REF!
Paydown Required?	#REF!

Sy: _____
 .ts: Authorized Officer

VERIFICATION

The undersigned, Franz D. Messner, being duly sworn, deposes and says he is the Managing Director of Corporate Finance for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.




Franz D. Messner

State of Ohio _____)
County of Franklin _____)

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Franz D. Messner, on 11/1/2023.



Notary Public

My Commission Expires _____

Notary ID Number _____



